



European Parliament

EP Intergroup Fighting Against Poverty meeting – 29 January

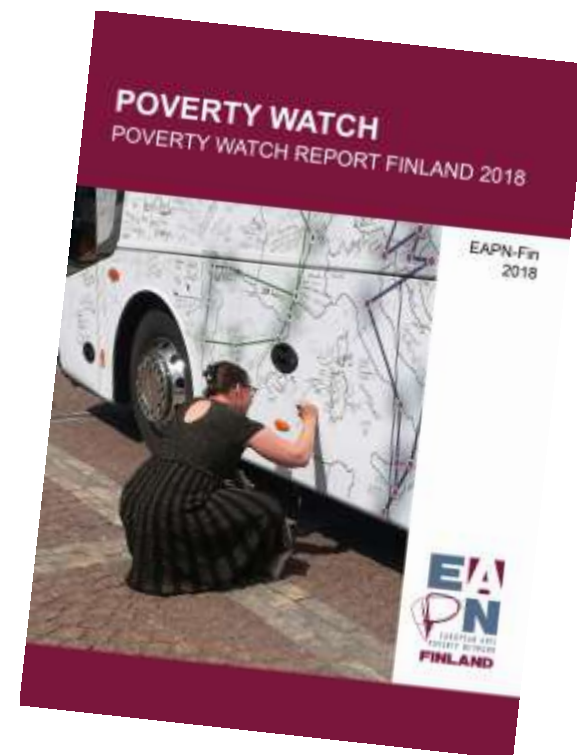


# POVERTY IN FINLAND

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# POVERTY WATCH FINLAND 2018

- Second yearly Poverty Watch from Finland
- Also in English ([www.eapn.fi](http://www.eapn.fi))
- Latest statistics and studies in a nutshell
- Signals and data from NGOs, fe. about food aid and requests for assistance received
- Communicated to NGO´s and decision makers



# MAIN FINDINGS: RELATIVE POVERTY IS STAGNATING

- At risk of poverty rate in 2016: 11,5 % (latest date from 2017: 12,1 %)
- The number of people at risk of poverty or social exclusion is decreasing slowly: 15,7 % in 2016
- Minimum budget poverty (measured with reference budget) in 2015: 8,5 %
- Children living at risk of poverty: 10,2 % in 2016 (latest data from 2017: 11,2 %, some estimations even 13,9 %).



# MAIN FINDINGS: POVERTY SEEMS TO BE DEEPER

- The number of people living exclusively on minimum income benefits is growing and has increased by 55,000 since 2010 (4,7 % in 2016).
- The number of “no-income households” (who only receive last resort minimum income) has doubled in ten years.
- Livelihood problems and perceived poverty are increasing
  - The share of Finns who say they have had to forgo food, medicine or medical care because of lack of funds was 19 % in 2017. 10 % said they feared running out of food before getting money to buy more.
  - The growth in the number of payment defaults, in 2017 a total of 374,000 people had a record of non-payment. Nearly 400,000 customers of social or health care services had their service user fees collected by way of enforcement in 2016.



# FIGURES OF POVERTY IN FINLAND (5.5 MILLION PEOPLE, TREND IN BRACKETS):

- People at risk of poverty or social exclusion: ca. 849,000 (↓)
- People in low-income households: ca. 654,000 (↑)
- People in the minimum budget group: ca. 471,000 (↔)
- People living on social assistance: over 400,000, with one-third of them receiving long-term benefits (↑)
- Number of unemployed: ca. 229 400, of whom long-term unemployed: ca. 66,300 (↓)
- Children living in poverty: 119 000 - 150,000 (↑)
- People suffering from material deprivation: ca. 113,000 (↓)
- Households with no income: ca 38,700 (↑)
- People using food bank services on a weekly basis: ca. 20,000 (↔)
- Homeless: ca. 7,100 (↓)
- Undocumented migrants, estimate: 2,000–4,000 (↑)



# SOME CONCLUSIONS

- Relative poverty is stagnating, but poverty seems to be deeper in many ways
- You need many definitions and statistics to get the whole picture, reference budgets and simulations could help to get picture clearer
- Statistics and signals from the ground can also go in the opposite direction (ie. in-work poverty versus part-time jobs and feelings of precariousness, severe material deprivation indicator versus longer breadlines)



# MAIN CHALLENGES

- Minimum income benefits are not enough to live on (the minimum income benefits for an unemployed person living alone covers only around 73 % of the minimum budget).
- Housing is too expensive for many people in the low-income bracket.
- Poverty in families with children increases the risk of intergenerational poverty.
- Young people without education are most at risk of social exclusion.
- Long-term unemployed are in danger of being totally excluded from the labour market.
- The income of women has decreased more often and in greater amounts than of men.
- Inequality and poverty are exacerbated by differences in access to services.



# IN-WORK POVERTY IN FINLAND

- At risk of poverty rate of people in employment in 2016 was 2.7 % of all (in 2015 it was 3.1 %) – lowest in Europe.
- The increase of atypical employment increases the risk of poverty for the employed.
- The share of fixed-term employment among all employment relationships was 16 % in 2017.
- The share of part-time jobs was 17 % of all jobs. The figure grew from the previous year, especially among women. The labour market had 104,000 part-time employees who would have wanted to work full-time. Of them, 73,000 were women and 31,000 men.
- Poverty that persists in spite of employment is particularly prevalent in families with children. The highest risk of poverty was among those families that only had a single breadwinner.





# WHAT ARE FINLAND DOING TO REDUCE POVERTY?

- The position of low-income households has been eroded during Juha Sipilä's Government 2015-2019 by reductions in the minimum income benefits and child allowance, raising the user fees of public health care services and cuts in the reimbursement of medicine costs.
- An increasing number of unemployed people will be forced to rely on labour market subsidies as the period of eligibility to earnings-related unemployment allowance was cut from 500 days to 400. The "activation model" for unemployment security will reduce the amount of the unemployment allowance by 4.65 % for a considerable number of unemployed people from 2018.
- Inequality is also increased by large cuts in education.
- European Pillar of Social Rights has promised stronger rights to citizens, but as regards minimum income Finland does not comply with it. EU's economic and fiscal policy rules has been used to justify the social and education cuts in Finland.



# HOW SHOULD POVERTY BE REDUCED?

**We need a comprehensive strategy and action plan for the reduction of poverty and inequality.**

- Basic social security must be raised to a level that guarantees a minimum standard of living
- Increased production of affordable rental housing
- Improvement of the employment rate and reduction of long-term unemployment: More resources to active labour market policies and wage-subsidies and customer-oriented employment and business services
- Diverse measures to combat the poverty of families
- Sufficient reimbursement of medicine costs and reasonable user fees



People who have experienced poverty must be heard



# POVERTY HAS NOT DISAPPEARED IN FINLAND

- Poverty and inequality increased during the 1990s and has remained at a high level ever since.
- Finland has made commitments to reduce poverty within the EU's Europe 2020 strategy and the UN Sustainable Development Goals, but poverty has been reduced only very slightly in the 2010s.
- Evaluation report of the adequacy of basic social security 2015-2018 coming 5<sup>th</sup> of March.
- Parliamentary elections coming in 14<sup>th</sup> of April.
- Finland's EU-presidency starting from 1<sup>st</sup> of July: The Economy of Wellbeing as one theme?



**THANK YOU!**

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