

Appl. 19

R.202

INTERNATIONAL LABOUR OFFICE

REPORTS ON

**UNRATIFIED CONVENTIONS
AND RECOMMENDATIONS**

*(Article 19 of the Constitution
of the International Labour Organization)*

REPORT FORM FOR THE FOLLOWING INSTRUMENT:

**SOCIAL PROTECTION FLOORS
RECOMMENDATION, 2012 (No. 202)**

GENEVA
2016

INTERNATIONAL LABOUR OFFICE

Article 19 of the Constitution of the International Labour Organization relates to the adoption of Conventions and Recommendations by the Conference, as well as to the obligations resulting therefrom for the Members of the Organization. The relevant provisions of paragraphs 5, 6 and 7 of this article read as follows:

“5. In the case of a Convention:

[...]

- (e) if the Member does not obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member except that it shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of its law and practice in regard to the matters dealt with in the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement or otherwise and stating the difficulties which prevent or delay the ratification of such Convention.

6. In the case of a Recommendation:

[...]

- (d) apart from bringing the Recommendation before the said competent authority or authorities, no further obligation shall rest upon the Members, except that they shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice in their country in regard to the matters dealt with in the Recommendation, showing the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as it has been found or may be found necessary to make in adopting or applying them.

7. In the case of a federal State, the following provisions shall apply:

- (a) in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system for federal action, the obligations of the federal State shall be the same as those of Members which are not federal States;
- (b) in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system, in whole or in part, for action by the constituent states, provinces or cantons rather than for federal action, the federal Government shall:

[...]

- (iv) in respect of each such Convention which it has not ratified, report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice of the federation and its constituent states, provinces or cantons in regard to the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement, or otherwise;
- (v) in respect of each such Recommendation, report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice of the federation and its constituent states, provinces or cantons in regard to the Recommendation, showing the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as have been found or may be found necessary in adopting or applying them.”

In accordance with the above provisions, the Governing Body of the International Labour Office examined and approved the present report form. This has been drawn up in such a manner as to facilitate the supply of the required information on uniform lines.

REPORT

to be made no later than 31 December 2017, in accordance with article 19 of the Constitution of the International Labour Organization by the Government of Finland

, on the position of national law and practice in regard to matters dealt with in the instruments referred to in the following questionnaire.

MAJOR TERMS AND ABBREVIATIONS USED IN THE QUESTIONNAIRE

In accordance with Recommendation No. 202, national social security extension strategies should pursue “**horizontal and vertical extension of social security**” [Paragraph 20].

The **horizontal extension** aims at the extension of social security coverage to as many people as possible, including through the rapid implementation of national social protection floors.

The **vertical extension** aims at the progressive achievement of higher levels of protection, within comprehensive social security systems guided by the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the more advanced ILO social security instruments.

For the purpose of this questionnaire, the terms “**social security**” and “**social protection**” have been used interchangeably, as in Recommendation No. 202, with the aim of encompassing and gathering information on all contributory and non-contributory schemes, benefits and social services that provide income support in cash or in kind and access to health care to the persons protected against one or more of the contingencies defined by Convention No. 102 and Recommendation No. 202.

Comprehensive social security/protection systems, as stipulated by Recommendation No. 202, should “achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards”, [Paragraph 17].

For the purpose of this questionnaire, **national social security/protection system** is understood as the combination of all existing social security/social protection schemes, benefits and services in the country, irrespective of whether they form part of a social insurance system, social welfare system, social assistance system or other similar systems however they might be called.

Schemes providing social security/protection benefits may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and employment support schemes [Paragraph 9(3)].

“**Benefits** may include child and family benefits, sickness and health-care benefits, maternity benefits, disability benefits, old-age benefits, survivors’ benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind” [Paragraph 9(2)].

Social protection floor (SPF) – a fundamental element of the national social security system comprising “nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion” [Paragraph 2].

Basic social security guarantees (BSSGs) – legally established provisions ensuring “at a minimum that, over the life cycle, all in need have access to essential health care and basic income security which together secure effective access to goods and services defined as necessary at the national level” [Paragraph 4].

Essential health care – nationally defined set of goods and services, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality [Paragraph 5(a)].

Basic income security (BIS) – nationally defined minimum levels of benefits in cash and in kind, at least at a nationally defined minimum level, which secure access to the necessary goods and services allowing life in dignity for children, persons in active age and for older persons [Paragraph 5(b), (c) and (d)].

I. CONCEPTUAL FRAMEWORK OF THE RECOMMENDATION

Recommendation No. 202 contains a number of conceptual and value statements concerning the role and functions of social security in modern society, which underpin the regulatory framework laid down in the Recommendation and the principles of its implementation listed in Paragraph 3 of Recommendation No. 202. Some of them are explicitly included in ILO standards for the first time. The following questions try to elucidate to what extent these concepts and principles as presented in Social Protection Floors Recommendation, 2012 (No. 202), are recognized in law and implemented in practice in your country. Key notions, marking the stepping stones on the way to rights-based sustainable development, are put in italics.¹

HUMAN RIGHTS-BASED APPROACH TO SOCIAL SECURITY: UNIVERSALITY OF PROTECTION, SOCIAL INCLUSION AND LIFE IN DIGNITY

1. Recommendation No. 202 reaffirms that “the right to social security is a *human right*” ensuring “*universality of protection*, based on *social solidarity*” [Preamble and Paragraph 3(a)].
 - (a) Is the human right to social security supported by a policy of your government to extend social security to “as many people as possible ... and as soon as possible” to achieve universal coverage of all residents and children [Paragraphs 6 and 13(1)(b)]?
 - (b) Do policies of your government operationalize the principles of social solidarity and “solidarity in financing” and, if so, how? How do these policies maintain a fair balance “between responsibilities and interests of those who finance and benefit from social security schemes [Paragraph 3(h)]?”

- (a) Yes. Under section 19 of the Constitution of Finland, those who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care. Everyone shall be guaranteed by an Act the right to basic subsistence in the event of unemployment, illness and disability and during old age as well as at the birth of a child or the loss of a provider. The public authorities shall guarantee for everyone, as provided in more detail by an Act, adequate social, health and medical services and promote the health of the population.

The Finnish social security system consists of social insurance, social assistance and social and health services. All those living or working in Finland are insured against financial losses due to old age, disability, illness, unemployment, accidents at work and occupational illness as well as the birth of a child and the death of a provider. The insurance provides a reasonable income in these situations. The level of benefits based on working is tied to the person’s earned income. If there is no work history or the person’s earned income is low, minimum-level basic social security is guaranteed. Unlike in many other countries, those who have paid no insurance premiums are also entitled to minimum-level security in Finland.

Cash benefits are complemented by essential public social and health services organised by the municipality for its residents. This is a statutory duty of the municipalities. If a person is not satisfied with the service, care or treatment they have received, they have access to appropriate legal remedies.

- (b) Yes, the fair balance stems from the tradition of the Nordic Welfare State, and also from the ability-to-pay principle to which earnings taxation is based on. Social protection in Finland is financed as follows (2015): employers pay 34.4%; insured pay 13.3%; the state pays 26.5%; municipalities pay 20.8%. The remaining 6% is covered by return of social protection funds. Some of the expenditure is indexed (e.g. pensions).

¹ Italics have been added by the Office with a view to drawing attention to these key notions and concepts.

2. Recommendation No. 202 affirms the inclusive nature of social protection floors (SPFs) which are directed against “poverty, *vulnerability* and *social exclusion*” [Paragraph 2] and in favour of “non-discrimination, gender equality and responsiveness to *special needs*” [Paragraph 3(d)], “social inclusion, including of persons in the informal economy” [Paragraph 3(e)], “reduction of *informality*” [Paragraph 15], support for “the most vulnerable” [Paragraph 8(a)], “disadvantaged groups and people with special needs” [Paragraphs 3(d) and 16].

(a) Are there social security/protection laws, policies and mechanisms that ensure the non-discriminative and inclusive design of the national SPF? If so, please specify which.

(b) Do they define vulnerability, social exclusion and informality, and determine the vulnerable and disadvantaged groups, and people with special needs? If so, please specify how.

(a) Under section 6 of the Constitution, everyone is equal before the law, and no one shall, without an acceptable reason, be treated differently from other persons on the ground of sex, age, origin, language, religion, conviction, opinion, health, disability or other reason that concerns his or her person.

Under section 8 of the Non-discrimination Act (1325/2014), no one may be discriminated against on the basis of age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, state of health, disability, sexual orientation or other personal characteristics. Gender discrimination is prohibited under the Act on Equality between Women and Men (609/1986).

(b) Yes they do. In taxation some these groups are defined clearly in legislation, especially persons with health problems with certain degree are entitled specific tax allowances and reductions. These tax expenditures favor these groups of people. Also people with sudden income loss who experience lowered ability to pay taxes are given some specific tax reliefs.

See above and also:

Act on Services and Assistance for the Disabled (laki vammaisuuden perustella järjestettävistä palveluista ja tukitoimista, 380/1987)

Act on Supporting the Functional Capacity of the Older Population and on Social and Health Services for Older Persons (980/2012)

3. Recommendation No. 202 calls for “respect for the rights and *dignity* of people covered by the social security guarantees” [Paragraph 3(f)], which should ensure “*adequacy* and predictability of benefits” [Paragraph 3(c)] and “allow *life in dignity*” [Paragraph 8(b)].

(a) Do the national legislation and judicial decisions guarantee respect for human dignity of the persons living on social security guarantees? If so, please specify how.

(b) Are certain benchmarks used to assess adequacy of social security guarantees in terms of ensuring life in dignity? If so, please specify which.

(a) Yes, see above, under section 19 of the Constitution. Additionally under section 7 of the Constitution, no-one shall be treated in a manner violating human dignity. Under section 10, everyone's private life, honour and the sanctity of the home are also guaranteed. More detailed provisions on the protection of personal data are laid down by an Act.

The status and rights of patients in social and health services and social welfare clients are protected under specific acts. These acts specify the legal principles according to which patients and social welfare clients must be treated. Patients and social welfare clients have the right to appropriate social and health care services of a good quality. Options for treatments or procedures must be explained to patients and clients openly and comprehensibly. Patients and social welfare clients may not be treated in a manner that violates their human dignity, beliefs or privacy. Those who need assistance also have the right to receive social and health care services within the period laid down in the law. Social and health care documents and the information contained in them are confidential. Patients and social

welfare clients also have a right to know what their information is used for. If a patient or a social welfare client is not satisfied with the service, care or treatment they receive, they have access to appropriate complaint procedures and legal remedies.

In taxation all the details of an individual's tax declaration are secret documents.

(b) Yes, also in research where these data are used all the individual data is hidden so that they are not traceable.

The adequacy of basic social security is evaluated every four years by a group of independent experts (National Institute for Health and Welfare).

INTEGRATED DESIGN OF SOCIAL PROTECTION: BASIC GUARANTEES, FLEXIBLE STRUCTURES AND COHERENCE OF POLICIES

4. Recommendation No. 202 substantiates the human right to social security by establishing, as a starting point, the core obligations of the State in the form of *basic social security guarantees* (BSSG) included in the SPF. The floor should become a *fundamental element* on which “Members should progressively build and maintain *comprehensive* and adequate social security systems” [Paragraphs 1(a), 3(g), 13(1)(a) and (2)]. Members without developed systems should establish “a minimum level of social security guarantees” [Paragraph 13(1)(a)] in schemes which do not have a guaranteed minimum.]

(a) Have measures been taken or envisaged with a view to complementing the design, organization and financing of social security/protection with a fundamental element setting a floor to benefits, on the one side, while maintaining the objectives of progressively building more comprehensive and adequate social security systems, on the other side? If so, please specify which.

(a) The pension system reform of 2017 increased the financial sustainability of the pension system. In taxation the level of the tax free income is set by the level of the basic income tax allowance that is given to every individual. At the moment the threshold is about 3 000 EUR per year, i.e. incomes below that level are not taxed.

Finnish scheme is continuously updated based on evaluations of the scheme's coverage and the adequacy of basic security.

For example, an extensive reform of the structure and services in social and health care is currently underway (so called SOTE-reform). Its goals are reducing wellbeing and health gaps, improving the equality and accessibility of services and controlling the costs.

For more information visit:

<http://alueuudistus.fi/en/frontpage>

5. In building SPFs, Recommendation No. 202 advises Members to consider a “*diversity of methods* and approaches, including of financing mechanisms and delivery systems” [Paragraphs 3(i) and 11(1)], select those that work better, and recombine them to implement “the *most effective and efficient combination* of benefits and schemes” [Paragraph 9(1)], “contributory and non-contributory schemes” [Paragraph 14(c)] and “preventive, promotional and active measures, benefits and social services” [Paragraph 10(a)].

(a) Have different methods and approaches to financing and delivery of basic guarantees been considered for the purpose of making the social security system more efficient? If so, please specify which.

(b) What combinations of benefits and schemes proved to be most effective in lifting people out of poverty, vulnerability, social exclusion and informality?

(a) Several. At the beginning of 2017, reforms entered into force aimed at accelerating acceptance of work and shortening periods of unemployment. Finland is also in a process of implementing a health and

social services reform, whose objective is to reduce disparities in citizens' wellbeing and health, improve the equality and availability of services, and to curb growth in costs. Furthermore, the unit of income taxation is an individual not a family, therefore it is efficient. Efficiency comes from the fact that all incomes are taxable - with a very few exceptions. So the system is efficient in the sense that all incomes are taxed in individual level. A child benefit scheme is an exception to this rule, which actually increases efficiency since it doesn't decrease with income. This encourages mothers to participate in the labor market.

Additional information:

<http://vm.fi/dms-portlet/document/0/487479>

(b) The most efficient schemes are child care systems and education systems as well as preventive health care.

The best ways of preventing social exclusion and poverty are promoting people's participation and ability to work, reducing unemployment, poverty, lack of horizons and exclusion, and seeing to education, social security and basic services. Through universal benefits and services, Finland has managed to prevent the increase, exacerbation and wider spread of poverty, social exclusion and different social problems. Finland has also been successful in targeting measures especially at those in a vulnerable position. The actions of and cooperation between several different branches of administration are needed to prevent exclusion and poverty.

6. Social security systems should be “*coherent* with national policy objectives” [Paragraph 13(2)] and “with social, economic and employment policies” [Paragraph 3(l)]; coherence should also be enhanced “*across institutions* responsible for delivery of social protection” [Paragraph 3(m)]. Furthermore, in designing SPFs as an integral part of a comprehensive social security system, Members should “*coordinate* social security policies with *other public policies*” [Paragraph 13(2)] “within a decent work framework” [Paragraph 10(c)].

(a) Do standing institutional mechanisms exist for the coherence of different contributory and non-contributory social security/protection schemes and benefits and for the coordination of social security policies with other social, economic, employment and fiscal policies? If no such mechanisms exist, do you consider introducing them a necessity?

(b) What are the challenges and difficulties met in designing and implementing SPFs?

(a) The preparation of social security legislation takes place in a tripartite process.

The Ministry of Social Affairs and Health coordinates actions to improve the population's wellbeing, social inclusion, health and functional capacity. The aim is to take the promotion of wellbeing and health into account in all decisions and actions.

The earned income tax credit in income taxation favors labor income to transfer income, this strengthens the equity-efficiency trade-off of our tax-benefit system. However, lately the protected labor income (300 EUR / month) is implemented to both housing allowance and unemployment benefit systems. This helps people to accept short time and temporary work contracts.

(b) Key challenges in Finland are associated with the ageing of the population as well as the country's difficult financial situation and public debt. As a particular challenge can be cited so-called incentive traps, or the fact that working is not always experienced as worthwhile in financial terms due to the level of social security benefits as compared to the pay available in the labour market. In spring 2017, a working group that investigated incentive traps in Finland produced a list of proposed actions for the government that should be examined further.

Despite the above mentioned taxation measures, the challenge still prevails: high marginal effective tax rates when starting to work at the labor market in certain groups, for example single parents. Another challenge is hard bureaucracy of the system which create disincentives to work irregularly.

THE RIGHT TO SOCIAL SECURITY AS AN ECONOMIC NECESSITY: REDUCTION OF POVERTY,
MORE SUSTAINABLE ECONOMY AND GROWTH WITH EQUITY

7. Recommendation No. 202 recognizes that “social security is an *important tool* to prevent and reduce poverty, inequality, social exclusion and social insecurity” and that SPFs are established to “secure protection aimed at *preventing or alleviating poverty*, vulnerability and social exclusion” [Paragraphs 2 and 3(e)].

- (a) Does your Government have a national plan, programme or strategy to combat poverty and inequality and what is the role of social security/protection in attaining its objectives?
- (b) How is poverty defined and measured in your country? What national poverty lines are established particularly for extreme poverty and how are they calculated and monitored?
- (c) Is the social security/protection system used to prevent or reduce poverty? If so, please explain how.

(a) In 2011–2015, the previous Finnish Government implemented a cross-administrative programme to reduce social exclusion, poverty and health problems (2011–2015). The programme showed that when looking for solutions, it is important to see the big picture. Acting alone, no sector or actor can succeed. Genuine cross-administrative cooperation is needed, and it must have clearly defined goals.

In addition to the health and social services reform, the Ministry of Social Affairs and Health is working on five government key projects aiming to improve the services intended for older persons, informal and family carers, children, families and young people as well as partially disabled persons, promote health and wellbeing, and reduce inequality. The Government will also launch an experiment on participatory social security in 2018.

The EU has set the strategic goal of significantly reducing the number of people in relative poverty and at risk of social exclusion by 2020. Finland has also set its national goals, and our target is that the risk of living in poverty or becoming excluded will have been eliminated for 150,000 people by 2020.

(b) Measuring poverty is challenging. In an industrialised country like Finland, poverty is usually understood as a relatively low income. The limit for a relatively low income in Finland is 60% of the average household income level. Relative poverty means that a person cannot maintain the minimum standard of living expected and generally accepted in the society in which they live. The reason for this is economic deprivation, including a small income. In statistical examinations, relative poverty thus often has the same meaning as a relatively low income. Poverty is also measured as the number of quasi-jobless households and the number of those suffering from material deprivation.

(c) Yes, our comprehensive social security scheme employs a number of different means for fighting and preventing poverty. The last-resort social assistance guarantees basic material security for those living in Finland.

In the future, the emphasis of social and health care is to be increasingly shifted towards prevention.

The progressive income taxation aims to equalize incomes between individuals. Other progressive tax forms are gift and inheritance taxation as well as capital income taxation which has two raising tax rates now.

8. Recommendation No. 202 acknowledges that “the right to social security is, along with promoting employment, an economic and social necessity for development and progress, and ... that social security systems act as automatic social and economic stabilizers, help stimulate aggregate demand in times of crisis and beyond, and help support a transition to a more sustainable economy” [Preamble].

(a) Please indicate whether and, if so, how the current economic, financial and labour market policies in your country support and implement these conclusions, in particular by enhancing “coherence with social, economic and employment policies” [Paragraph 3(l)].

(b) Does the national SPF help to enhance formal employment, income generation, education, literacy, vocational training, skills and employability, reduce precariousness, and promote secure work, entrepreneurship and sustainable enterprises [Paragraph 10(c)]? If so, please indicate how.

(a) There exists certain automatic stabilisers in the Finnish social security system. E.g. unemployment benefits increase/decrease when total unemployment increases/decreases. However, the power of automatic economic stabilizers has weakened during the last decades. Firstly, the level of social transfers have declined over the years relative to wages. Secondly, the income taxation is heavier for social transfer income compared with labor income. This is due to the EITC-schemes that were adopted in the beginning of 90's and have been increased ever since.

(b) The public employment services in Finland are under the responsibility of the Ministry of Economic Affairs and Employment and financed by the state budget; provided according to the legislation on Public employment and business services; and implemented by the 15 regional Employment and Economic Development Offices (TE Offices). All the Offices include several service units according to the regional needs (in total 120). The TE Offices operate under the guidance and supervision of the Regional Centres for Economic Development, Transport and the Environment (ELY Centres).

The service model is based on three service lines: Employment and enterprise services, Competence development services and Supported employment services. Customers are directed to these service lines based on their estimated need for the services. The employment and economic development services focus on supporting the rapid employment of job seekers, improving the availability of competent workforce and securing the operating conditions of businesses.

Public employment services include labour exchange services, information and guidance, skills development as well as business start-up and development services. All the services in the service selection are also available to customers whose disability or illness makes it more difficult for them to find employment, and the services can be offered for the purpose of their vocational rehabilitation.

Activation measures are offered to recipients of social benefits.

The information and advisory services are available to everyone without restrictions. Employment exchange is the most central type of service for job seekers and employers.

Competence development services include vocational guidance and career planning, coaching, work try-outs, education and training and wage subsidy, and they are available to all individual customers. In every case, the purpose of job seeking and coaching is to support customers in finding a job or vocational education. The content of the services can be varied depending on the customers.

Supported Employment Services provide assistance when customer is in need of health care or other services in addition to TE Services. Customers will receive one-on-one support in gaining an understanding of the requirements and rules of working life or for being able to act in a work community.

The service model has provided the opportunity to take better account of customer needs in the planning and acquisition of services. By strengthening enterprise-orientation, comprehensive services for enterprise and employer customers have been ensured and the employment of job seekers in the open labour market supported.

9. The Preamble to Recommendation No. 202 states that “sustainable long-term growth associated with social inclusion helps overcome extreme poverty and reduces social inequalities and differences within and among regions” [Preamble and Paragraphs 3(e) (l) and 15].

- (a) Please provide information you consider relevant on the experiences of combining economic growth with the extension of social security/protection, which may have been acquired by your country.
- (b) Are investments in social security/protection regarded as a factor sustaining long-term growth? Please give the most pertinent examples of the impact on poverty and social and regional inequalities of the policies which prioritize growth with equity.

(a) The whole Finnish welfare system is an example of a combination of economic growth and social welfare of the nation. Universaali sosiaiturvajärjestelmä pitää yllä kulutuskysyntää myös talouden taantumien aikana ja tasaa talouden vaihteluja. That said, one problem in Finland is a low mobility of labor force. Most of jobs are in the biggest cities while the majority of the unemployed people lives in other parts of Finland. Costs of housing amounts on average almost 40 % of the disposable income in the capital area. Housing allowance system reacts to this only partly by taking into account the level of rents.

(b) Yes. Finland considers that economic and social sustainability go hand in hand and support each other. Economic growth strengthens the financial basis of wellbeing and creates the operative preconditions for a welfare society. Social security, on the other hand, supports economic growth and competitiveness as well as reinforces and stabilises society.

Building up houses for rental with public finance is one measure to promote both economic growth and equality.

II. INSTITUTIONAL AND LEGAL FRAMEWORKS OF SOCIAL SECURITY – SOCIAL RESPONSIBILITY OF THE STATE

10. Recommendation No. 202 recognizes “the overall and primary responsibility of the State” [Paragraph 3] in establishing and maintaining a comprehensive social security system, including SPFs, exercised according to a defined set of principles.

- (a) Is the social responsibility of the State defined in the constitutional and legal framework of your country? If so, please specify how. Does the State bear the overall and primary responsibility for the adequacy of benefits [Paragraph 3(c)] and the “financial, fiscal and economic sustainability” of the social security system, including SPF, “with due regard to social justice and equity” [Paragraph 3(k)]?
- (b) How are the social protection responsibilities, competencies and related financial resources distributed between the different levels of government – central government, regional governments, and local (municipal) authorities – and how is coherence ensured across these levels in national law and practice?

(a) The Constitution protects the basic subsistence of all those living in Finland. Under section 19 of the Constitution, those who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care. Everyone shall also be guaranteed by an Act the right to basic subsistence in the event of unemployment, illness and disability and during old age as well as at the birth of a child or the loss of a provider.

Social security in Finland is financed by employers, employees and public sector. See question 1.B. The protection of minimum income is financed from public funds.

(b) The Ministry of Social Affairs and Health coordinates actions to improve the population’s wellbeing, social inclusion, health and functional capacity. The aim is to take the promotion of wellbeing and health into account in all decisions and actions.

The purpose of social security is to safeguard sufficient subsistence and care in all life situations. The social

Kommentti [RRM1]: This text has been moved to new para. 45.

security scheme is an extensive system comprised of social insurance, social benefits as well as social and health services. Benefits based on social insurance can be divided into two groups by their principle: the benefits are based on working and their levels are earnings-related; or the benefits are minimum benefits that guarantee basic social security. The social insurance includes statutory pension insurance, statutory health insurance, statutory accident insurance and statutory unemployment security.

In addition to the statutory social insurance, there are additional voluntary insurance schemes that can be used to complement the security provided by statutory insurance. In addition to income security benefits based on insurance, the Finnish scheme includes the so-called third sector (associations, NGOs and parishes), which complements the statutory activities, mainly by offering services and, to some extent, one-off financial support.

Earnings-related benefits are financed from charges deducted from wages and salaries and partly also premiums determined in proportion to the insured risk. Employees, entrepreneurs, employers and the central government all contribute to financing daily allowance benefits. The minimum social security, on the other hand, is mainly financed from tax revenue and parafiscal taxes. The right to minimum security does not depend on the payment of insurance premiums.

The insured persons and the central government participate in financing residence-based health insurance. The municipalities finance health care services from municipal tax revenue and client fees. Central government transfers are also remitted to the municipalities for funding social and health services.

Earnings-related pensions are financed from insurance premiums paid by employers and employees. Central government funding secures the same earnings-related benefits for entrepreneurs, farmers and seafarers as for wage-earners. National pensions are financed from employers' insurance premiums and central government funding.

Insurance against accidents and occupational illnesses is based on employers' insurance premiums.

Earnings-related unemployment security is financed from employers' and employees' unemployment insurance contributions, unemployment fund membership fees and central governments funds. The daily allowances for the unemployed are financed by the central government and partly by non-members of unemployment funds. Labour market subsidies are financed by the central government and the municipalities.

A number of different organisations participate in implementing the social security scheme. As a special feature of this system, social insurance is partly handled by private institutions which, however, exercise public power.

The Social Insurance Institution (Kela) handles residence-based social benefits across the country. Kela is an independent agency under public law and administratively subordinate to the Parliament's oversight. The earnings-related pension system as well as the accident and occupational illness insurance are work-related rather than residence-based benefits, and they are handled by private insurance institutions.

For medical care, there are two parallel systems in Finland: Kela reimburses essential medical care costs and daily allowance benefits through the health insurance system, and the municipalities are responsible for public health care services.

The municipalities have the task of organising and providing services for their residents, including children's day care, comprehensive schools and health services. The municipalities are responsible for primary health care, specialised medical care and dental care. They also look after children's day care, care for older persons, services for the disabled and many other social welfare duties. Several municipalities may also form a joint municipal authority to manage their duties.

The tasks of regional government authorities include the steering and oversight of social and health care as well as guidance, licensing and supervision of private social and health care service providers.

The health and social services reform will shift the responsibility for organising public services from the municipalities to the counties (18). The Regional State Administrative Agencies are also to be replaced by a new central government licensing and supervisory agency.

For additional information see also:

http://stm.fi/hallinnonala?p_p_id=56_INSTANCE_7SjjYVdYeJHp&p_p_lifecycle=0&p_p_state=normal&p_p_m

For the taxation the responsibility is almost equally distributed between the central government and local government. The progressive income taxation consider both levels of government. Municipal taxation is proportional in theory but the vast tax allowances for the lower income levels make the taxation progressive in practise. The state taxation is initially progressive with increasing marginal tax rates by income.

11. Does the government ensure “transparent, accountable and sound financial management and administration” of the schemes constituting the social security/protection system, including SPFs [Paragraph 3(j)]? If so, please indicate how.

- (a) Are social security/protection institutions required by law to undertake audits, publish budget documents, prepare annual reports, and take other measures enhancing their transparency and accountability?
- (b) Are any of the social security/protection schemes in deficit and what measures are taken to redress the situation?

(a) The largest social security institution is the Social Insurance Institution (Kela). Kela is overseen by the Parliament. Its administration and operation are supervised by 12 trustees selected by the Parliament. The duties of Kela’s trustees and other bodies are regulated under an act. On proposal of Kela’s Board of Directors, the trustees approve the institution’s accounting principles and final accounts and grant the Board of Directors discharge. The trustees also submit an annual report on their activities to the Parliament.

Kela’s trustees select eight auditors to support them in their supervisory and auditing activities.

Kela’s Board of Directors prepares such documents as an annual report and final accounts for the trustees. Kela’s annual report and final accounts are public documents published every year.

The Financial Supervisory Authority is a financial and insurance supervisory authority that supervises such actors as insurance institutions and pension providers. The Financial Supervisory Authority has overall responsibility for overseeing prudential control in the insurance sector, or ensuring that the operators have financial capabilities for making insurance and pension payments. It also oversees the unemployment funds’ finances and solvency, administration, behaviour in customer relationships and application practices.

The insurance institutions supervised by the Financial Supervisory Authority submit reports to the authority, which publishes information on the institutions’ solvency.

The supreme overseers of legality, the Chancellor of Justice and the Parliamentary Ombudsman, supervise the legality of the authorities’ actions and inspect authorities, institutions and operating units within their remit (including municipalities). The overseers of legality have the right to obtain information needed for their oversight activities from the authorities and other institutions and parties discharging public duties. Anyone can file a complaint with the Chancellor of Justice or the Parliamentary Ombudsman.

The transparency of the income tax system is threatened by the fact that the rules are so complicated. There are many tax allowances which interact with each other making the calculation of due taxes very difficult. However, the on-line service of the Tax Administration provides citizens to tools for calculating their tax rates. For real estate taxation there is a work going on to make cadastral values transparent with open access to valuation principals.

(b) The Unemployment Insurance Fund has faced a deficit for several years now. It will have a deficit of approximately 50 million Euros in the end of year 2017. In 2016 level of contributions were raised, and this combined with improving employment level, The Unemployment Insurance Fund is ought to at least break even in the end of year 2018 according to its budget.

12. Recommendation No. 202 provides that “entitlement to benefits”, in any social protection scheme, including those providing BSSGs, should be “established by law” [Paragraphs 3(b) and 7].

- (a) Please give a brief description of the legal framework implementing national SPF, specifying key provisions establishing coverage, qualifying conditions, level and duration of benefits delivering BSSGs.
- (b) Please indicate whether any modifications are envisaged or have been made to national legislation with a view to giving effect to the provisions of Recommendation No. 202.

(a) Sickness:

- Health Care Act (Terveydenhuoltolaki) of 30 December 2010.
- Primary Health Care Act (Kansanterveyslaki) of 28 January 1972.
- Sickness Insurance Act (Sairausvakuutuslaki) of 21 December 2004.
- Act on Specialised Medical Care (Erikoissairaanhoitolaki) of 1 December 1989.
- Patient Fees Act (Asiakasmaksulaki) of 3 August 1992.

Sickness benefits in kind:

Public health service are for all inhabitants (based on residency) operated by municipalities. Private health care supplements the public scheme. Private health care services are partly refunded by general sickness insurance. Supplements are financed by contributions paid by the insured and a subsidy from the State.

Pharmaceutical products are partly reimbursed from Sickness insurance (40% of the costs of the refundable product are reimbursed provided it was prescribed by a qualified person after exceeding the initial de-ductible, also known as excess, of €50 per calendar year.)

Travel and transport costs are compensated from the sickness insurance after deduction of patient's own liability.

Sickness benefits in cash:

Compulsory sickness insurance scheme is for all residents aged 16-67 with earnings-related benefits and in some cases a minimum/flat rate benefit. In addition, non-resident employed or self-employed persons working in Finland for at least 4 months are immediately covered. There's no earnings ceiling for insurance coverage.

The occupational health provider must evaluate the employee's remaining capacity for work at the latest once the employee has been paid sickness allowance for 90 working days. These 90 days may consist of a single continuous period of incapacity for work or several such periods over up to 2 years.

Employer pays full salary for the first 9 days if the employment relationship has lasted at least one month. If under one month, 50% of the salary. By collective agreements most employers pay full salary during the first 1-2 months.

Partial sickness allowance is intended to make it easier for an employee or for a self-employed person who is incapacitated for work to return to work and remain employed.

Daily amounts depend on annual earnings:

- earnings under €1,425: payable only if sick leave lasts more than 55 days with limitations: €23.73 per week day;
- earnings €1,426 - €30,350: 70% of 1/300 earnings;
- above €30,350: €70.82 plus 20% of 1/300 of earnings exceeding €30,350.

The amount of partial sickness allowance is 50% of the amount of sickness allowance.

Sickness allowance can be granted for the same illness, according to the main rule up to 300 days

(excluding Sundays) over a 2-year period.

If a person returned to work for a minimum of 30 days after having received sickness allowance for the maximum of 300 days, he/she is entitled to an extra 50 days of sickness allowance.

Partial sickness allowance is limited to 120 days (excluding Sundays) over a 2-year period.

If an unemployed person received unemployment benefits for at least 4 months, the sickness benefit will amount to at least 86% of the unemployment benefit.

Accidents at work and occupational diseases

- Workers' Compensation Act (Työtäpaturma- ja ammattitautilaki) of 24 April 2015.
- Farmers' Occupational Accidents, Injuries and Diseases Act (Maatalousyrittäjän työtäpaturma- ja ammattitautilaki) of 7 August 2015.

For employees: a compulsory insurance financed by employer premiums with benefits in kind and earnings-related cash benefits. Self-employed persons (others than the compulsorily insured farmers) may join voluntarily.

For farmers: a compulsory insurance financed by premiums and State with benefits in kind and earnings-related cash benefits.

For scholarship recipients: a compulsory insurance financed by premiums and State with benefits in kind and earnings-related cash benefits.

An accident at work is defined as an accident that has happened during the course of work inside the working area. Some special circumstances outside the working area are also covered.

An occupational disease is any disease which is probably primarily due to physical, chemical or biological factors associated with work done during a period of employment. There's also a list of generally recognised occupational diseases.

The time-limit for declaring the accident at work or occupational disease is five years, but specific reasons for delays are taken into account. No specific periods of insurance are required to be entitled to the benefit. After the appearance of the incapacity, the benefit is immediately paid provided that the disability lasts for at least three consecutive days not counting the day on which the accident occurred (in case of a shorter period, no allowances are paid).

Daily allowance (päiväraha) is paid for a maximum of one year after the accident at work or the occupational disease occurred. If the incapacity for work lasts over a year, the allowance is paid as a workers' compensation pension (tapaturmaeläke).

During the vocational rehabilitation the compensation for the loss of earnings is called rehabilitation allowance (kuntoutusraha). The amount is equal to the daily allowance or to what the workers' compensation pension would be for the same period.

The amount of the daily allowance (päiväraha) equals the sick pay for the first four weeks. After four weeks it corresponds to 1/360 of the insured person's annual earnings.

There are various kinds of medical and vocational rehabilitation provided free of charge by the accident insurance institution. The costs of rehabilitation are paid in full. During the rehabilitation the insured person receives also the full cash benefits.

Disability indemnity (aittaraaha) is paid in the case of permanent physical impairment. It is graded into 20 classes according to the degree of impairment (regardless of incapacity for work).

Funeral grant (hautausapu) is €4,810 and is usually paid to the estate of a deceased person.

Maternity and paternity:

- Sickness Insurance Act (Sairausvakuutuslaki) of 21 December 2004.

Benefits in kind: Public health services are for all inhabitants (based on residence) operated by municipalities. Financed by taxes and patient fees. Medical checks at maternity and child health care centres during and after pregnancy are free of charge.

Cash benefits: Compulsory sickness insurance scheme for all inhabitants (based on residence) with earnings-related benefits in case of maternity or paternity for economically active parents. Parents, who are not working, are also eligible for a minimum allowance.

The Gender Neutral Marriage Act, which is in force since 1 March 2017, and the amendments to the Health Insurance Act have made provisions essentially the same for all family types.

Mother (maternity allowance, äitiysraha, and parental allowance, vanhempainraha) and father (paternity allowance, isyysraha, and parental allowance, vanhempainraha) must have fulfilled a period of insurance in Finland for at least 180 days immediately before the expected date of confinement. In case of adoption, same condition applies to the time immediately before the adoptive parent took over the care of the child.

Maternity leave (äitiysvapaa): 105 consecutive calendar days except Sundays, 30-50 of which before expected date of confinement. In case of adoption, parents are not eligible for maternity leave.

Paternity leave (isyysvapaa): 54 days (excluding Sundays). The father can take 1–18 days as paternity leave after the child is born during the maternity and parental leave. The father can either take the rest of the paternity leave or the whole 54 days after the maternity and parental leave. In a case of adoption parents are eligible for paternity leave.

Parental leave (vanhempainvapaa) immediately after the maternity leave to either the mother or father for 158 days (excluding Sundays). In case of multiple births 60 days are added to this period for each additional child. In case of adoption of a child under the age of 7 the parental leave is a maximum of 200 days or for 234 days (excluding Sundays) from the first working day following the day the child was born.

Special maternity allowance (erityisäitiysraha) is paid during pregnancy on individual basis, if the mother is exposed to chemical substances, radiation or an infectious disease at her work. In 2016, on average special maternity allowance was paid for 82 days. Allowance does not have an effect on duration of maternity leave.

Minimum cash benefit is €23.73 per day.

For the first 56 weekdays of the maternal leave the maternity allowance (äitiysraha) and special maternity allowance (erityisäitiysraha) are 90% of earned income up to €56,443 (annual) and 32.5% for an income exceeding this level. For the rest of the maternity leave (49 days) the allowance is 70% up to earned income of €36,686, 40% between €36,687 and €56,443 and 25% of earned income exceeding this latter level.

For the first 30 weekdays the parental allowance (vanhempainraha) and paternity allowance (isyysraha) are 75% of earned income up to €56,443 (annual) and 32.5% for an income exceeding this level. Both parents are eligible for an increased rate for the first 30 weekdays. For the rest of the leave the parental allowance and paternity allowance are 70% up to earned income of €36,686, 40% between €36,687 and €56,443 and 25% of earned income exceeding this latter level.

In a case of adoption the benefit amount and the ceilings are as above.

Collective agreements provide for the continued payment of wages and salaries for employees during part of the maternity and paternity leave, and a few agreements during part of the parental leave as well.

Pensions:

- Employees Pension Act 395/2006 (Työntekijän eläkelaki, TyEL)

- National Pensions Act 568/2007 (Kansaneläkelaki, KEL)
- Guarantee Pensions Act 703/2010 (Laki takuueläkkeestä)
- Seamen's Pensions Act 1290/2006 (Merimieseläkelaki, MEL)
- Public Sector Pensions Act 81/2016 (Julkisten alojen eläkelaki)
- Farmers' Pensions Act 1280/2006 (Maatalousyrittäjän eläkelaki, MYEL)

The system is dual:

- (1) insurance system (statutory earnings-related pension, työeläke) financed by contributions covering employees, self-employed, farmers providing earnings-related pensions. Pensions are based on annual earnings and age.
- (2) tax-financed universal coverage system (national pension (kansaneläke) and guarantee pension (takuueläke)) guaranteeing a minimum flat-rate pension.

The pension schemes are integrated and when statutory earnings-related pension (työeläke) exceeds a given limit, no national pension (kansaneläke) is paid.

All insured employees from age 17 and self-employed persons from 18 are covered in statutory earnings-related pension scheme. Coverage in national pension and guarantee pension scheme is compulsory for all residents aged 16 to 65.

There are separate acts for private and public sector employees, self-employed and for farmers and scholarship recipients.

A resident who receives old-age pension is eligible for guarantee pension if his total gross pension income is less than €753.59 per month. Also immigrants (i.e. residents not entitled to national pension) who do not receive a national pension are eligible from the age of 65.

Old-age pension is paid to one's own choice from birth year-related lowest pensionable age or later. In the public sector, there are lower individual retirement ages. From January 2017, the retirement age will be raised by 3 months annually until it reaches 65 years in 2027. Thereafter, it will be linked to life expectancy.

For earnings-related pension the pensionable earnings for each year count. When calculating a new pension, earnings from employment (including self-employment) over the entire working career are adjusted to the level of the year when the pension started by an index calculated by applying a weight of 20% to changes in prices and 80% to changes in wages.

For national pension duration of residence in Finland, marital status and amount of other pensions based on employment are taken in account. Full amount is between €557.79 and €628.85 per month according to marital status. If years of residence are less than 80% of the time between the age of 16 and 65 the pension is adjusted in proportion to the length of residence.

The amount of the guarantee pension is affected by any other pension income from Finland or abroad. The full amount is €760.26 per month. Other pension income is deducted from the full amount of the guarantee pension.

Care allowance for Pensioners (Eläköntä saavan hoitotuki) can be paid in 3 categories: €61.71, €153.63 and €324.85 per month. It's payable depending on the need of assistance or to compensate for costs arising from home care or other special expenses caused by illness or injury.

Pensioners' housing allowance (Eläkkeensaajan asumistuki) may be awarded to a pensioner residing in Finland. The amount is dependent on the pensioner's and spouse's income, income from assets and housing costs.

Family benefits

- Child Allowances Act (Lapsilisälaki) of 21 August 1992

- Maternity Grant Act (Äitiysavustuslaki) of 28 May 1993.

Child allowance is tax financed flat rate benefit for children resident in Finland. All resident parents or guardians of a child are eligible. It's paid until the child turns 17.

The following amounts are paid monthly:

- First child: €94.88;
- Second child: €104.84;
- Third child: €133.79;
- Fourth child: €153.24;
- Fifth and each subsequent child: €172.69.

The amount for each child of a single parent is supplemented by €48.55. The benefit is not means-tested.

A maternity grant (äitiysavustus) is granted to a pregnant woman resident in Finland, whose pregnancy has lasted at least 154 days and who has undergone a health examination. Mothers can choose between a maternity package containing child care items and cash benefits of €140. The benefit is awarded for each child born or adopted child under the age of 18. In case of multiple births (adoptions) an increased grant is paid.

An adoption grant (adoptiotuki) is paid to cover expenses due to adoption from abroad. The amount varies €1,900 - €4,500 depending on the country.

All children (aged 10 months – 6 years) have a subjective right to day care arranged by municipalities.

Families who care for their children at home or arrange the care privately are entitled to cash benefits.

Child home care allowance (lasten kotihoidon tuki) is paid to families who care for their children under the age of 3 at home or by other arrangement instead of using day care provided by municipalities. The allowance consists of: basic part €338.34, sibling increase €101.29 (if sibling under 3 years) or €65.09 (sibling 3-6 years) and means-tested supplement, maximum €181.07 per month.

Private child care allowance (lasten yksityisen hoidon tuki) is paid to families who arrange the care of the child privately. The allowance is paid to the provider of care directly. The basic amount is €172.25 per month and per child. In addition, a means-tested supplement can be paid of maximum of €144,858 per month per child.

Partial child care allowance (osittainen hoitoraha) is available if one of the parents reduces working hours to maximum 30 hours a week during the child's first two school-years. The amount is €96.89 per month

Flexible care allowance (joustava hoitoraha) is available for one of the parents who participates in the care of a child under 3 years of age and who reduces working hours to maximum 30 hours a week. The amount is €241.19 per month if the parent works no more than 22.5 hours per week or no more than 60% of the normal full-time work schedule; and €160.80 per month if the parent works more than 22.5 hours or between 60 and 80% of the normal full-time work schedule.

Disability allowance for persons under 16 years of age (alle 16-vuotiaan vammaistuki) is payable for children having an illness or handicap that creates a need for care that lasts at least 6 months. The benefit is graded into 3 classes depending on the degree of strain on the family: €92.14, €215.00 or €416.91 per month.

Maintenance allowance for children (elatustuki) is available if parenthood has not been established or the mother or father does not fulfil the obligation to pay maintenance. For the single parent a maintenance allowance of €155.50 per month is paid.

Unemployment

- Unemployment Security Act (Työttömyysturvalaki) 1290/2002 and Unemployment Funds Act (Työttömyyskassalaki) 603/1984.

- Act on Financing Unemployment Benefits (Laki työttömyysetuuksien rahoituksesta) 555/1998.

The scheme consists of two parts:

- Basic unemployment allowance (peruspäiväraha): a flat-rate benefit financed by taxes and contributions of employees not members of the optional scheme. The amount is €32.40 per day and paid for five days a week.
- Optional earnings-related unemployment allowance (ansiopäiväraha): an earnings-related benefit for employees and self-employed, financed by contributions (employees and employers) and taxes. Initial condition is at least 26 weeks of employment during the last 28 months and during each week at least 18 hours and for self-employed persons at least 15 months of entrepreneurship during the last 48 months.

Calculation of the benefit is usually based on average earnings over qualifying period of 26 weeks. The amount of the allowance is the amount of the basic allowance + 45% of the difference between the daily wage and the basic allowance.

The allowance is paid for a maximum of 400 days (or 300 days if the beneficiary's employment history is shorter than three years).

Labour market subsidy (työmarkkinatuki) is an assistance scheme for those jobseekers who have not worked for the required 26 weeks within the reference period of previous 28 months or who have already been paid unemployment allowance for the maximum period. Labour market support is a flat-rate, means tested benefit financed by taxes. Full labour market support amounts to €32.40 per day and is paid for five days per week.

A jobseeker is entitled to adjusted unemployment allowance (Soviteltu työttömyysetuus), if:

- he/she has accepted full-time employment lasting no more than two weeks, or
- he/she is in part-time work (max. 80% of full time work) through no choice of his/her own, or
- he/she has income for a small business activity of his/her own, which does not prevent accepting other work.

Social assistance

In principle every person residing in Finland has an individual right to social assistance; the situation of the family (married or unmarried couples and minor children) is considered as a whole.

Social assistance is secondary to all other subsistence allowances and is provided as a last resort (safety net). The social assistance covers the difference between the costs of daily subsistence and the available resources of the person (family).

There are also schemes i.e. for invalidity, rehabilitation, survivors and housing allowances. See more in detail:

<http://www.missoc.org/INFORMATIONBASE/informationBase.jsp>

(b) No.

The pending legislative projects concerning the health and social services reform, the client charges reform, the basic income trial and the parental leave reform can, however, support the implementation of the recommendation. See answers to the questions 4, 5 and 18, for example.

13. Are measures put in place that “enhance compliance with national legal frameworks” establishing schemes providing BSSGs [Paragraph 7], including “measures to prevent fraud, tax evasion and non-payment of contributions” [Paragraph 11(1) and (2)]?

The Finnish Centre for Pensions exercises supervision to ensure that employers take out pension insurance for their employees and that entrepreneurs have earnings-related pension insurance for themselves.

The tax authorities collect the mandatory health and unemployment insurance premiums from the employers. The employers deduct these premiums from the employees’ pay.

Combating the grey economy is one of the Finnish Tax Administration’s key priorities. The means used by the Tax Administration for this purpose include tax audits, various projects and campaigns, and guidance and supervision in connection with tax assessment. The combat against the grey economy has been intensified especially in sectors where major tax risks have been observed. The national strategy for tackling the shadow economy and economic crime based on a government resolution and the related action plan 2016–2020 strive to prevent and reduce grey economy and economic crime.

More and more efforts are targeted towards these issues by the Tax Administration in Finland. Part of this is a chat-type of help in the web-site of the Tax Administration.

Among other things, the occupational safety and health authorities supervise employers to ensure that they fulfil their obligation to insure employees against accidents at work and occupational illnesses. The occupational safety and health authorities work together with other authorities and contribute to combating the grey economy through their supervisory role and by exchanging information with the other authorities and insurance institutions.

14. Does the national legal framework establishing BSSGs specify the complaint and appeal procedures that should be “impartial, transparent, effective, simple, rapid, accessible and inexpensive”? Is access to these procedures free of charge to the applicant [Paragraphs 3(o) and 7]?

The right to a fair trial is safeguarded under section 21 of the Constitution. Pursuant to this provision, everyone has the right to have his or her case dealt with appropriately and without undue delay by a legally competent court of law or other authority, as well as have a decision pertaining to his or her rights or obligations reviewed by a court of law or other independent organ for the administration of justice. Provisions concerning publicity of proceedings, the right to be heard, the right to receive a reasoned decision and the right of appeal, as well as other guarantees of a fair trial and good governance shall be laid down by an Act.

Appeal provisions are laid down in the Administrative Judicial Procedure Act (586/1996). Any person to whom a(n administrative) decision is addressed may appeal against the decision. A decision concerning benefits must be appealed in writing.

The appeal procedure depends on the benefit in question. The primary legal remedy is submitting a claim for a revised decision to the issuer of the decision. If the issuer of the decision finds that the decision may not be revised to the benefit of the applicant, an appeal document should be submitted to an appeal board, which is a body hearing appeals similar to a special court. The last day for filing an appeal is the 37th day after the decision was posted to the recipient. Depending on the benefit, the decision should be appealed to the Appeal Board for Social Security, the Appeal Board for Unemployment Security (the Appeal Boards for Social Security and Unemployment Security will be amalgamated from 1 January 2018), the Student Financial Aid Appeal Board, the Pension Appeal Board or the Accident Appeal Board. The decision of an appeal board may be appealed to the insurance court, which is the court of final appeal in social security matters. The decisions are given in writing, and they must include the grounds for the decision.

The insurance court charges EUR 250 in legal costs for appeals filed after 1 January 2016. Any proceedings initiated before this date are heard free of charge. To cover the legal costs, the appellant may apply for legal aid, the amount of which is determined on the basis of the monthly income at the applicant’s disposal. The other instances of appeal do not charge a fee for processing appeals.

General information about appealing a decision:

<http://www.kela.fi/paatoksesta-valittaminen>

III. POLICY FRAMEWORK – NATIONAL STRATEGIES FOR THE EXTENSION OF SOCIAL SECURITY

15. Have national objectives and priorities been identified in the area of social protection [Paragraphs 13–15]? Please indicate which and whether they include one or more of the following and enter the necessary explanations in the box below:

- establish and implement, as a priority, a national SPF or some elements of the floor as a starting point;
- implement the SPF as a new fundamental element of the national social security system;
- extend protection by establishing new social security guarantees covering additional risks;
- extend existing contributory schemes to all concerned persons with contributory capacity;
- extend existing social security schemes and benefits to persons in the informal economy;
- increase the existing minimum level of certain social security guarantees;
- consolidate, contain or reduce social security/protection expenses and budgets;
- complement social security/protection with active labour market policies and coordinate it better with other public policies;
- better coordinate existing contributory and non-contributory schemes, and social insurance with social assistance, so as to close gaps in protection;
- improve the design and regulatory framework for building a comprehensive social security system;
- undertake national consultations on social security matters through effective social dialogue and social participation;
- other objectives (please specify).

The standard of social protection in Finland is already high. However, aspects in which we may have development needs are highlighted in the responses.

16. Have any of the abovementioned national objectives and priorities been framed into a national plan, programme or strategy for the extension of social security [Paragraph 13]?

- Yes, we are currently implementing a national plan/programme/strategy (NS).
- Yes, we are in the process of formulating a NS.
- No, but we intend to formulate a NS.
- No, we have not yet thought about developing a NS.
- No, we already possess a comprehensive social security/protection system.
- No, we are currently pursuing a strategy of fiscal consolidation and contraction of social spending.

17. In case the government has adopted a NS or is in the process of formulating one, please:

- (a) attach copies or web references of the official documents formulating the strategy;
- (b) specify the time frame and sequencing of measures, as well as the financial requirements and resources necessary for the progressive achievement of the objectives, including relevant international cooperation and support [Paragraphs 12 and 14(e)];
- (c) specify what objectives concerning the NS and SPF may have been included in the Decent Work Country Programme (DWCP).

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18. In case the government does not have a national strategy for the extension of social security, please indicate the measures taken or envisaged by the government with a view to [Paragraph 14]:

- raising awareness about SPFs and social security extension strategies and undertaking information programmes, including through social dialogue;
- setting objectives for the extension of social security reflecting national priorities and economic and fiscal capacities, and identifying gaps in, and barriers to, protection.

Kommentti [RRM2]: This text has been moved to para. 44.

One of the Government's key projects is a basic income pilot study launched on 1 January 2017. Its aim is to explore whether basic income could be used to reform the social security system so as to reduce incentive traps relating to working. The Government also aims to foster an experimental culture, and the basic income study is one of the Government's six ongoing experiments.

http://stm.fi/perustulokokeilu?p_p_id=56_INSTANCE_wiUPyGdsKYr&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-2&p_p_col_count=3&_56_INSTANCE_wiUPyGdsKYr_languageId=en_US

The Government set up a project to prepare an overall reform of basic social security and activity in autumn 2017. This project was tasked to prepare an overall reform of basic security that will encourage employment and activity and reduce inequality. The purpose of the reform is to improve the employment rate, encourage working and enterprising as well as combat and reduce inequalities. It must respond to the transformation of work and the changing family and household structure. The reform aims for a clearer and more simple system, with a particular focus on digitalisation. In its preparation, the marginal conditions set by public finances, reducing the sustainability gap and the challenges brought about by the ageing of the population should be addressed. The outcomes of the basic income experiment and other studies to be initiated, the results of an extensive round of hearings, and the findings of reports as well as the opportunities created by the Income Register will also be taken into consideration.

19. In case your government is currently pursuing a policy of fiscal consolidation and contraction of social spending, please indicate whether, before undertaking such a policy, an impact assessment of these policies on different categories of the population was carried out with a view to mitigating its effects on the most vulnerable and disadvantaged groups and persons with special needs in line with the principles of social solidarity, social inclusion, solidarity in financing and coherence between social protection and other public policies [Paragraphs 3(a), (e), (h) and (l),13(2) and 16].

The government planned in its Programme in 2015 of a fiscal consolidation amounting to less than 0.5 % of GDP targeted at social benefits. Individual consolidation measures span for the entire Government Programme period (2015-2019). Some reverse measures have been decided since.

For additional information see:

http://valtioneuvosto.fi/documents/10184/1427398/Ratkaisujen+Suomi_EN_YHDISTETTY_netti.pdf/8d2e1a66-e24a-4073-8303-ee3127fbfcac

Accordingly, e.g. the government is pursuing a policy of fiscal consolidation by freezing the indices of social

transfers and decreasing the expenditure on housing benefits. However, the government has pursued income tax policies that favors individuals with lowest incomes.

20. (a) Have mechanisms for regular monitoring progress in establishing and implementing SPFs and achieving other objectives of national social security policies and strategies been established in your country? If so, please specify which [Paragraphs 13 and 19].
- (b) Do they include tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations (please specify which) [Paragraph 19]?

(a) Pursuant to the Act on the National Pension Index (laki kansaneläkeindeksistä, 456/2001), the Ministry of Social Affairs and Health commissions an evaluation of the adequacy of basic social security every four years (during each government term). An independent expert group, which assumes independent responsibility for implementing the evaluation in practical terms, is appointed to carry out this task.

Regular and periodic evaluations of basic social security adequacy is a way of producing considered information to support decision-making on the adequacy of basic security. In addition to individual benefits, the evaluation covers all factors that affect basic income security. The evaluation looks at not only the benefits under scrutiny but also other factors that have an essential effect on the incomes of households receiving benefits. In this overall evaluation, the special features related to different life situations that affect the de facto adequacy of the recipients' incomes and the benefits are taken into account. The evaluation is also used to monitor the implementation of the Government Programme.

https://www.julkari.fi/bitstream/handle/10024/125703/TY%c3%96_2015_001_web_06032015.pdf?sequence=3

(b) Yes. Representative organizations of employers and employees as well as other most relevant interest groups are included in the different steps of policy drafting, implementation and monitoring processes.

21. Does the government regularly convene national consultations to assess progress and discuss policies for the further horizontal and vertical extension of social security [Paragraph 20]? If not, what measures are taken to ensure better participation and consultation in the future?

Yes.

22. Are social security/protection data, statistics and indicators regularly collected and published for this purpose and are they disaggregated, in particular, by gender [Paragraphs 21 and 22]? Please indicate which and provide a full list of relevant national databases and publications with web references.

The Ministry of Economic Affairs and Employment's labour exchange statistics provide statistical data on the clients of public employment services (TE Offices): jobseekers who have registered with a TE Office, vacancies reported by employers to the TE Offices, as well as measures aimed at improving the jobseekers' potential for finding employment. The labour exchange statistics are fully based on data in the TE Office client register. The data can be disaggregated, for example by gender. The data are released every month in an Employment Bulletin and in more detail in the Sector Online statistical service of the Ministry of Economic Affairs and Employment.

The Employment Bulletin is a report on recent trends in unemployment, vacancies and labour policy services produced each month by the Ministry of Economic Affairs and Employment on the basis of the Employment Service statistics.

For monthly Employment Bulletins, visit:

<http://tem.fi/julkaisulista?subject=Ty%C3%B6llisyyskatsaus>

Sector Online is an information service maintained by the Ministry of Economic Affairs and Employment that contains statistics and forecasts on the development of enterprising, the economy and

employment.

For this service, visit:

<http://www2.toimialaonline.fi/>

Kela's statistical database Kelasto contains comprehensive data on social security handled by the institution. Data on benefits by age, gender, or place of residence are available down to the monthly level. The statistics on some benefits go back as far as the 1990s.

For Kelasto database, visit:

<http://www.kela.fi/web/en/statistical-database-kelasto>.

The Finnish Centre for Pensions produces versatile statistics on the Finnish pension system. These statistics contain data on the age of retirement, vocational rehabilitation, the financing of earnings-related pensions (pension assets, final accounts figures and earnings-related pension premiums) as well as on pensioners and insured persons (recipients of employee and national pensions, retired persons, pension expenditure and persons covered by earnings-related pension insurance).

For additional information, see:

<http://tilastot.etk.fi/?lang=1>

The National Institute for Health and Welfare keeps statistics on the recipients of social assistance.

IV. BASIC SOCIAL SECURITY GUARANTEES CONSTITUTING SOCIAL PROTECTION FLOORS

23. According to Paragraph 6 of Recommendation No. 202, Members should provide the BSSGs to at least all residents and children, as defined in national laws and regulations, subject to their existing international obligations.

- (a) How are the terms "residents" and "children" defined in national legislation? Do non-resident children or children of non-residents have access to some or all BSSGs for children? What residency status gives access to BSSGs as of right?
- (b) Which, if any, categories of residents are excluded? Would persons in an irregular or undocumented situation (e.g. homeless, victims of human trafficking, internally displaced persons, refugees, etc.) and their children have access in case of need to essential health care and basic income security (BIS)? (See also question 2(b).)

(a) The provisions on fundamental rights (including the right to social security under section 19 of the Constitution) are in line with the policy adopted in human rights treaties in that fundamental rights have usually been guaranteed to all persons within Finland's jurisdiction regardless of their nationality. However, ordinary legislation may specify living or working in Finland as a condition for receiving benefits.

The Finnish social security scheme is mostly based on residence in Finland. Residence-based social security refers to a system of social security benefits and social and health care services in which, under Finnish legislation, the right to services and benefits is based on living in Finland. Residence-based social security comprises benefits handled by Kela and the municipalities, including income security and child benefits. A person who has a permanent municipality of residence in Finland is also entitled to social and health care services, regardless of their nationality. Indispensable subsistence is guaranteed to all immigrants who need it. Urgent medical care must also be provided for all patients, regardless of where they live.

(b) Under the Health Care Act, urgent medical care shall always be provided for patients regardless of whether the person is a resident in the municipality or whether they are entitled to health services on

some other grounds. The need for urgent care is based on a medical assessment of the patient's state of health and national care practices. By a local decision, municipalities may also grant more extensive services for those illegally resident in the country.

Under the Social Welfare Act, each person living in a municipality has the right to receive social services based on their individual needs in an urgent case, ensuring that their right to immediate care and subsistence is not put at risk. In non-urgent cases, services are organised for a person who has a municipality of residence in Finland.

Persons seeking asylum in Finland have the right to receive reception services that guarantee their immediate subsistence and care. The right to services is valid while their asylum application is being processed. These services include essential social and health care services. A health examination and screening tests for infectious diseases are carried out on asylum seekers at the reception centre. Adult asylum seekers are entitled to urgent health care. They are also entitled to receive other health services that a health care professional assesses as being essential. Minor asylum seekers are entitled to the same health services as municipal residents. Children aged under 7 visit the child health clinic for health examinations, and all children are vaccinated. Vulnerable persons (older persons, pregnant women, persons with disabilities or long-term illnesses, trauma sufferers) receive the health services they need.

All children aged under 16, including those illegally in the country, have the right to basic education and school pupil health care services referred to in section 16 of the Health Care Act.

24. BSSGs should ensure that, “over the life cycle, all in need have access ... to goods and services defined as necessary at the national level” [Paragraph 4].

(a) Is the situation of need defined by national laws and regulations? If so, what goods and services are defined as necessary for children, persons in active age and older persons [Paragraphs 4, 5(b) and 8(b)]?

(b) How is the monetary value of a set of necessary goods and services calculated (e.g. reference budget method, minimum consumption basket, food and non-food costs, etc.) [Paragraph 8(b)]?

(a) Social assistance is the last-resort income security in Finland. Social assistance is granted on a discretionary basis, usually for one month at a time. The amount of this assistance is determined on the basis of the client's essential expenses. The assistance amount is the amount by which the eligible expenses of a client in need of assistance exceed their income and assets.

Basic social assistance granted to a recipient must cover: food, clothing, minor health care expenses, expenses on personal hygiene and keeping their home clean, local public transport fees, newspaper subscription, telephone and internet, hobbies and recreation and other comparable daily expenses of a person or a family. The basic social assistance is a fixed amount intended for the essential expenses of daily life. The basic social assistance amount is calculated and determined pursuant to the Social Assistance Act. The amounts are adjusted annually on the basis of the National Pension Index. In 2017, the basic social assistance amount for a person living alone was EUR 487.89/month.

In addition to the basic social assistance, a sufficient amount of assistance is granted for other basic expenses: housing costs, including rent, maintenance charge, water charges, heating, household electricity and home insurance, medical expenses (including prescription medicines) and necessary moving costs. Other basic expenses are children's day care costs, the costs of morning and afternoon activities for schoolchildren, and the expenses incurred by a non-custodial parent for visiting their child. Assistance may also be granted for obtaining necessary identity or travel documents.

Additionally, supplementary social assistance may be granted to cover special expenses, including additional housing costs, expenses incurred due to special needs or circumstances (for example, being a long-term recipient of social assistance, the expenses incurred because of a long-term or serious illness, or costs of children's hobbies).

Preventive social assistance may additionally be granted by municipalities. The decisions on the grounds for granting this type of assistance are made locally pursuant to the Social Assistance Act. The purpose

of this assistance form is to promote the independent coping of a person or a family and prevent social exclusion. Preventive social assistance may, for instance, be granted to alleviate difficulties as a result of over-indebtedness or a sudden deterioration of the financial situation..

- (b) The right to basic social assistance is determined by assessing the applicant's need for assistance pursuant to the Social Assistance Act and producing a calculation of their income and expenses. Basic social assistance is granted as a fixed amount intended to cover essential daily expenses. The basic social assistance amount is calculated and determined pursuant to the Social Assistance Act. The amounts are adjusted annually on the basis of the National Pension Index.
- (c) What income thresholds for statutory social assistance are established for different types of households and how are they calculated [Paragraph 8(b)]?
- (d) What other income thresholds are established for social protection purposes (e.g. minimum wage, guaranteed minimum income scheme, social pension, etc.) [Paragraph 8(b)]?

- (c) The income and assets as well as expenses of all family members affect the amount of basic social assistance. A family means parents, a parent's minor children or adopted children, married couples, men and women living together and persons in a registered partnership who live in a common household. When determining the social assistance amount, in the monthly income (after tax) are included the following: social benefits, earnings from paid employment and enterprising, start-up grants as well as any capital and other income.
- (d) A guarantee pension is used in Finland that secures a minimum pension for a person living in the country.

Finland does not have any legislation that specifies minimum wages.

Minimum wages are primarily regulated according to sector-specific collective agreements. According to section 4 of the Collective Agreements Act (436/1946), provisions on minimum wages in collective agreements are binding on the contracting parties, and also their members. An organised employer, i.e. belonging to an employers' association, is obliged to apply the provisions on minimum wages in the collective agreement to employees in its service on the basis of the Collective Agreements Act.

Furthermore, provisions on minimum wages in collective agreements confirmed as generally applicable are binding on all employers which carry out their primary operations in the industry referred to in the collective agreement. An unorganised employer is also obliged to follow the provisions of a generally binding collective agreement in the case of its employees performing duties which fall within the scope of application of a collective agreement.

According to the study Coverage of collective agreements 2014 by the Ministry of Employment and the Economy the share of private sector employees covered by the collective agreements was 84,3 %. When also public sector is included, where all employees are covered by collective agreements, 89,3 % of the employees in Finland were covered by collective agreements in 2014.

If no collective agreements have been made within the employer's sector, the employee's wages are determined on the basis of what is agreed in the employment contract. Chapter 2, section 10 of the Employment Contracts Act (55/2001) provides, with a general clause, for minimum wages in cases where no agreement on compensation paid for work has been made with a collective agreement or an employment contract. In such case, the usual and reasonable wage should be paid to the worker.

25. BIS should be established “at least at a nationally defined minimum level” [Paragraph 5].

(a) Has a minimum level of income in cash or in kind guaranteeing BIS been legally defined for the following age groups (please specify age) and how is it calculated for [Paragraph 8(c)]:

- children;
- persons in active age who are unable to earn sufficient income;
- older persons.

(b) Do minimum levels of income defined in your country take into account regional differences and differences in age, gender, family composition, level of disability and other special needs [Paragraphs 3(d), 8(b) and 16]?

(a) Under section 9 of the Social Assistance Act, the benefit is paid to a family, but its amount varies depending on whether the recipient is a person living alone or a family, and in the case of a family, on the ages of the children.

(b) Yes. Basic social assistance is granted as a fixed amount intended to cover essential daily expenses. The basic social assistance amount is calculated and determined pursuant to the Social Assistance Act. The amounts are adjusted annually on the basis of the National Pension Index. In 2017, the basic social assistance amount for a person living alone was EUR 487.89/month. There’s a separate table for the principles of calculating the basic social assistance for persons not living alone.

In addition, the size of the family and the municipality in which their home is located are taken into account when assessing the housing costs for determining the basic social assistance amount.

26. Does a procedure exist for the regular revision of the levels of BSSGs and when were they last reviewed? If so, please specify which [Paragraph 8(c)]. Does it include “tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned” [Paragraph 8(c) and (d)]?

The basic social assistance amount is adjusted annually on the basis of the National Pension Index.

27. What criteria and methods are used for reviewing the levels [Paragraph 8(c)]?

- (a) Do they help to prevent an increased risk of poverty?
- (b) Have the levels of BSSGs been, or could they be, reviewed downwards?

(a) Yes.

(b) The benefits are index-linked and they are adjusted with reference to the index every year. The benefits were not index adjusted this year or last year and their amounts thus remained unchanged, excluding social assistance (see Government proposal 123/2017). There are no known plans for adjustments that would reduce the benefits in the near future.

28. Please specify which methods of resource mobilization are used to ensure financial, fiscal and economic sustainability of BIS and of essential health care [Paragraph 11]. (Please see note at the end of the questionnaire.)

State and municipal authorities are authorised to collect taxes and fees to ensure financing of public services. The Government runs two separate processes (annual Spending Limit Guidelines and annual Budget Process) to ensure the financing of all public services.

For additional information see:

http://valtioneuvosto.fi/artikkeli/-/asset_publisher/10616/hallitus-kuroo-umpeen-10-miljardin-

kestavyysvajetta?_101_INSTANCE_3wyslLo1Z0ni_languageId=en_US .

and:

http://vm.fi/talouspolitiikka/valtiontalouden-kehukset-ja-budjetti?p_p_id=56_INSTANCE_bceeGIVjIz7d&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-2&p_p_col_count=1&_56_INSTANCE_bceeGIVjIz7d_languageId=en_US

A. BASIC INCOME SECURITY (BIS)

29. Please supply data on the level and coverage of existing benefits, schemes, social services and other public programmes providing BIS [Paragraph 5(b), (c) and (d)] for:

- children, including “access to nutrition, education, care and any other necessary goods and services” (table 1);
- “persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability” (table 2); and
- older persons (table 3).

For Table 2, see Appendix 2.

For Tables 1 and 3, Finland refers to statistics available through the following links:

1) Kelan taskutilasto 2017 (eng.) -

<https://helda.helsinki.fi/handle/10138/187398>

2) Tiivistelmä (eng.) Kelan tilastollinen vuosikirja 2016 -

https://helda.helsinki.fi/bitstream/handle/10138/228883/12_EnglishSummary_Kelan_tilastollinen_vuosikirja_2016.pdf

30. Has the effectiveness and efficiency of the combination of benefits and schemes been assessed in terms of extending coverage and reducing poverty, vulnerability and social exclusion [Paragraph 9]? If not, would your government like the ILO to carry out such an assessment?

Yes.

31. Please indicate the gaps in, and barriers to, protection which may have been identified and what measures have been considered to enhance the delivery of BIS [Paragraph 14(b) and (c)].

As from the beginning of 2017, the task of granting basic social assistance was transferred from the municipalities to Kela. The purpose of this reform is to improve people’s equality regarding access to basic social assistance, facilitate and simplify the clients’ service use and improve the efficiency of the authorities’ activities.

32. Is the minimum level of BIS for children sufficient to ensure access to nutrition, education, care and any other necessary goods and services (please specify which) [Paragraph 5(b)]?

Yes.

33. How is provision of BIS for children coordinated with other policies that enhance education, literacy, vocational training, skills and employability [Paragraph 10(c)]?

Social work with a client is very important, especially for new clients and those who have relied on social

assistance over a long term. An assessment of service needs is carried out and a personal client plan is prepared for a social assistance client. Other authorities, including youth work, education services, health care, the employment authorities or the housing authorities, often have tools for solving the client's problems.

B. ESSENTIAL HEALTH CARE

34. How is the notion of “essential health care” (or equivalent notion of minimum national set of health care services) defined in national laws or regulations [Paragraph 5(a)]?

- (a) What types of care are included in the basic package for children, persons in active age and older persons? Does it include maternity care?
- (b) Is it regularly reviewed with “tripartite participation of representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned” [Paragraph 8(c) and (d)]?

(a) Everyone in Finland has a right to sufficient health services. The municipalities are responsible for organising and financing health care. Health services are divided into primary health care and specialised medical care. Primary health care refers to the monitoring of the population's state of health, health promotion and different services organised by the municipalities. Primary health care services are provided at the municipal health centre. Specialised medical care refers to tests, examinations and treatment provided by different medical specialisations. The majority of specialised medical care services are organised at hospitals. Municipal services are complemented by private health services.

Provisions on health care services are laid down in the Health Care Act. The range of health care services includes medically and dentally justified prevention of illnesses, tests and examinations performed to detect an illness, as well as diagnosis, treatment and rehabilitation. Provisions on occupational health care services, mental health services, fertility treatments, prevention and treatment of infectious diseases as well as cross-border health care are contained in special legislation.

Maternity and child health clinic services referred to in the Health Care Act are provided for pregnant women, families expecting a child as well as under school age children and their families.

(b) Yes.

35. Please supply data on coverage and nature of benefits, schemes, social services and other public programmes delivering essential health care for children, persons in active age and older persons (table 4).

Instead of filling table 4 Finland refers to statistics available through the following links:

1) Kelan taskutilasto 2017 (eng.) -

<https://helda.helsinki.fi/handle/10138/187398>

2) Tiivistelmä (eng.) Kelan tilastollinen vuosikirja 2016 -

https://helda.helsinki.fi/bitstream/handle/10138/228883/12_EnglishSummary_Kelan_tilastollinen_vuosikirja_2016.pdf

36. Have the effectiveness and efficiency of this combination been assessed by the “criteria of availability, accessibility, acceptability and quality” [Paragraph 5(a)]? (Please see note at the end of the questionnaire.)

If not, would your government like the ILO to assist you in carrying out such an assessment?

Yes.

37. What gaps in coverage and barriers to protection have been identified, in particular for the population in rural and remote regions, the informal economy, disadvantaged groups and persons with special needs? What measures have been considered to enhance the delivery of essential health care to as many people as possible [Paragraphs 3(a) and (e), 15 and 16]?

In the current system, guaranteeing equal health services to everyone has been increasingly challenging. The on-going health and social services reform focuses on the structure and services of the social and health care system with the aim of reducing health and wellbeing gaps, improving the equality and accessibility of services and curbing costs.

38. Are the national rules concerning financing of the cost of essential health care, and in particular those imposing cost-sharing by the beneficiaries, so designed as to avoid hardship and prevent an increased risk of poverty for persons in need of health care [Paragraph 8(a)]?

Yes.

39. Are prices of goods and services comprising essential health care subject to government supervision, regulation, tax incentives or subsidies so as to make them accessible to persons of small means [Paragraphs 3(e) and (h), and 8(a)]?

Partly yes, e.g. basic health care service or goods prices exclude VAT or include reduced VAT rate (medicines).

The maximum fees charged for both municipal social and health services are stipulated in the Act and Decree on Social and Health Care Client Fees (734/1992 and 912/1992). Municipalities may opt to use lower rates or to provide the relevant service free of charge. Municipalities are not permitted to collect fees for services above the amount that the production cost of the services.

The legislation on Social and Health Care Client Fees is now under an overall reform so that a new Act and Decree are supposed to get passed by the Parliament in 2018–2019 and entry into force approximately in 2020.

40. Is prenatal and postnatal medical care provided free of charge for the most vulnerable and under what conditions [Paragraph 8(a)]? If not, has a feasibility study been carried out for this purpose?

A municipality has the duty to provide maternity and child health clinic services for pregnant women, families expecting a child and under school age children and their families in its area. Visits to the maternity and child health clinic are free of charge for all.

V. STANDARDS-RELATED ACTION AND TECHNICAL COOPERATION

41. Recommendation No. 202 calls on countries to consider ratifying, as early as national circumstances allow, the Social Security (Minimum Standards) Convention, 1952 (No. 102), or other ILO social security Conventions setting out more advanced standards to guide the development of comprehensive social security systems [Paragraphs 17 and 18]. Would your country consider such ratification and in what time frame?

Finland has not ratified Convention No. 102. We have however ratified some more recent ILO Conventions covering the same issues, such as Convention 128 concerning Invalidity, Old-Age and Survivors' Benefits, Convention No. 130 on Medical Care and Sickness Benefits and Convention No. 168 on Employment Promotion and Protection against Unemployment.

42. What suggestions would your country wish to make concerning possible standards-related action to be taken by the ILO, including possible consolidation of up-to-date social security Conventions and Recommendations?

43. Please identify any obstacles impeding or delaying implementation of Recommendation No. 202 and indicate any measures taken or envisaged to overcome these obstacles.

44. Have there been any requests for policy support or technical cooperation provided by the ILO and what has been the effect of ILO assistance? What are your country's needs in terms of future policy advisory support and technical cooperation to give effect to the objectives of Recommendation No. 202? How could the ILO best support country efforts in the horizontal and vertical extension of social security? Would your country wish to undertake, in cooperation with the ILO, a process of Assessment-Based National Dialogue on Policy Options in Social Protection?

45. If your country is a federal State, please indicate:

- (a) whether, under the constitutional system, the provisions of this Recommendation are regarded by the federal government as appropriate for federal action or for action, in whole or in part, by the constituent states, provinces or cantons;
- (b) whether it has been possible to make any arrangements within the federal State with a view to promoting coordinated action to give effect to all or some of the provisions of Recommendation No. 202; please give a general indication of any results achieved through such action.

(a)

(b)

46. Please indicate the representative organizations of employers and workers to which copies of the present report have been communicated in accordance with article 23, paragraph 2, of the Constitution of the ILO. Please state whether you have received from the organizations of employers and workers concerned any observations concerning the effect given, or to be given, to Recommendation No. 202. If so, please communicate a copy of the observations received together with any comments that you may consider useful.

Central Organisation of Finnish Trade Unions - SAK, Confederation of Unions for Professional and Managerial Staff in Finland - Akava and Finnish Confederation of Professionals STTK:

For the joint statement of the representative organisations for workers with responses to the questions contained in the report form, see Appendix 1.

Federation of Finnish Enterprises:

In its statement, the Federation of Finnish Enterprises makes general comments on the Finnish social security system from the perspective of Recommendation 202. These comments mainly concern questions 1 to 5 and 10 on the report form.

The Recommendation that the request for statements concerns is relatively new, but the Finnish social security system must be regarded as meeting the conditions contained in the Recommendation for the

minimum levels of social protection. The right to social security is guaranteed under section 19 of the Constitution. The Finnish social security system built on the cited provision of the Constitution covers the social protection floors specified in paragraph 5 of the Recommendation (essential health care, basic income security for children, basic income security for persons in active age and basic income security for older persons).

The Finnish social security system is based on so-called basic security and earnings-related security. The basic social security, which corresponds with the 'social protection floor' referred to in the Recommendation, is statutory in Finland. However, the Finnish basic social security scheme goes further than the aspects cited in paragraph 5 of the Recommendation. It should also be noted that the basic security and earnings-related security are mutually complementary schemes. The majority of persons covered by the Finnish social security system do not depend solely on the basic security scheme. Earnings-related social security is mainly financed from insurance premiums paid by the insured, and the overall responsibility for financing the system is not exclusively shouldered by the central government.

The principles referred to in paragraph 3 of the Recommendation must be deemed as fulfilled in main parts. It should be noted, however, that the social security scheme is confusing in places and contains various incentive traps. Rather than keeping the recipients passive, social security should provide an incentive for working and being active. Social security expenditure also accounts for a significant proportion of the state budget. As the population ages, in particular, more attention should also be paid to the sustainability of social security financing.

As the Recommendation proposes, social security should be extended and developed. While the standard of social security is good in Finland, the system can be improved by making it more efficient and predictable. National strategies for developing social security should thus be created. However, rather than continuously improving the standard of social security, any development efforts should pay particular attention to the sustainability and financing of the scheme.

TABLES TO QUESTIONS 30 AND 35

COMBINATION OF BENEFITS, SCHEMES AND POLICIES PROVIDING BASIC SOCIAL SECURITY GUARANTEES, WHICH ARE DEEMED TO FORM PART OF THE NATIONAL SOCIAL PROTECTION FLOOR

Table 1. Benefits, schemes and policies providing basic income security for children aged 0–15/...

Table 2. Benefits, schemes and policies providing basic income security for persons in active age (15–65)

Table 3. Benefits, schemes and policies providing basic income security for older persons aged 65+

Table 4. Benefits, schemes and policies providing essential health care

In each table, please enter into the cell corresponding to the type of benefit and scheme/policy providing basic income security or essential health care **ONLY** the exact name of the benefit which forms part of the national social protection floor. All other information about each benefit thus entered into the table shall be provided separately following the template below:

1. Name of the benefit/guarantee
2. Categories of persons protected and qualifying conditions

3. Guaranteed minimum amount(s) of cash benefit or quantity of benefit in kind (for each category of persons protected)
4. Average number of persons actually receiving such minimum amounts or quantity of benefit
5. Total number (or estimate) of persons covered by the corresponding scheme/programme
6. Total expenditure spent annually on the scheme/programme, including cost of administration and delivery of benefits

Table 1. Benefits, schemes and policies providing basic income security for children aged 0–15/...

Benefits, schemes and policies	Child cash benefits	Cash benefits to families with children	Orphans' (survivors') benefits	Benefits in kind (food, clothing, holidays, etc.)	Other benefits and guarantees	Vulnerable, disadvantaged groups – abandoned, homeless children	Children with special needs, disabled children
Universal							
Social insurance							
Social assistance, housing allowance, GMI							
Social safety nets, targeted anti-poverty programmes							
Social policy: services, care, education							
Fiscal policy: negative income tax, tax incentives, etc.							
Employment policy: public works, employment support, vocational training, etc.							
Economic policy: SME, micro-credit, regional development, etc.							
Other public policies providing social benefits (e.g. youth and sports, family planning, etc.)							
Schemes supported by international donors and NGOs							

Table 2. Benefits, schemes and policies providing basic income security for persons in active age (15–65 years old)

Benefits, schemes and policies	Maternity/paternity	Sickness	Disability	Employment injury	Widow/widower (survivors' benefit)	Unemployment	Other benefits and guarantees	Benefits to vulnerable and disadvantaged groups	Benefits to persons with special needs
Universal									
Social insurance									
Social assistance, housing allowance, GMI									
Social safety nets, targeted anti-poverty programmes									
Social policy: services, care, education									
Fiscal policy: negative income tax, tax incentives, etc.									
Employment policy: public works, employment support, vocational training, etc.						Job search training Career coaching Job coaching Labour market training Self-motivated studies supported by unemployment benefit			

						Education try-out Work try-out Employment subsidy Temporary government employment Rehabilitative work experience Start-up grant			
Economic policy: SME, micro-credit, regional development, etc.									
Other public policies providing social benefits									
Schemes supported by international donors and NGOs									

Table 3. Benefits, schemes and policies providing basic income security for older persons aged 65+

Benefits, schemes and policies	Main old-age pension	Supplementary provisions	Benefits for advanced age (80+)	Other benefits and guarantees, benefits in kind	Benefits to vulnerable, disadvantaged groups	Benefits to persons with special needs
Universal						
Social insurance						
Social assistance, housing allowance, GMI						
Social safety nets, targeted anti-poverty programmes						
Social policy: services, care, education						
Fiscal policy: negative income tax, tax incentives, etc.						
Employment policy: public works, employment support, vocational training, etc.						
Economic policy: SME, micro-credit, regional development, etc.						
Other public policies providing social benefits (e.g. healthy ageing, gender equality, etc.)						
Schemes supported by international donors and NGOs						

Table 4. Benefits, schemes and policies providing essential health care

Benefits, schemes and policies	Emergency health care	Preventive care, vaccination	Maternity care	Health care to children (0–15 years)	Health care to adults (15–65 years)	Health care to older persons (65+ years)	Medicines and in-kind benefits	Vulnerable, disadvantaged groups	Persons with special needs
Universal									
Social insurance									
Social assistance, housing allowance, GMI									
Social safety nets, targeted anti-poverty programmes									
Social policy: services, care, education									
Fiscal policy: negative income tax, tax incentives, etc.									
Employment policy: public works, employment support, vocational training, etc.									
Economic policy: SME, micro-credit, regional development, etc.									
Other public policies providing social benefits (e.g. youth, sports, family planning, gender equality, etc.)									
Schemes supported by international donors and NGOs									

NOTE: During the preparatory work, it was agreed to use, with respect to the notion of essential health care, wording consistent with the agreed definition set out in general comment No. 14 (2000) regarding the right to the highest attainable standard of health (Article 12 of the International Covenant on Economic, Social and Cultural Rights).

(a) Availability. Functioning public health and health-care facilities, goods and services, as well as programmes, have to be available in sufficient quantity within the State party. The precise nature of the facilities, goods and services will vary depending on numerous factors, including the State party's level of development. They will include, however, the underlying determinants of health, such as safe and potable drinking water and adequate sanitation facilities, hospitals, clinics and other health-related buildings, trained medical and professional personnel receiving domestically competitive salaries, and essential drugs, as defined by the WHO Action Programme on Essential Drugs.

(b) Accessibility. Health facilities, goods and services have to be accessible to everyone without discrimination, within the jurisdiction of the State party. Accessibility has four overlapping dimensions: (i) non-discrimination: health facilities, goods and services must be accessible to all, especially the most vulnerable or marginalized sections of the population, in law and in fact, without discrimination on any of the prohibited grounds; (ii) physical accessibility: health facilities, goods and services must be within safe physical reach for all sections of the population, especially vulnerable or marginalized groups, such as ethnic minorities and indigenous populations, women, children, adolescents, older persons, persons with disabilities and persons with HIV/AIDS. Accessibility also implies that medical services and underlying determinants of health, such as safe and potable water and adequate sanitation facilities, are within safe physical reach, including in rural areas. Accessibility further includes adequate access to buildings for persons with disabilities; (iii) economic accessibility (affordability): health facilities, goods and services must be affordable for all. Payment for health-care services, as well as services related to the underlying determinants of health, has to be based on the principle of equity, ensuring that these services, whether privately or publicly provided, are affordable for all, including socially disadvantaged groups. Equity demands that poorer households should not be disproportionately burdened with health expenses as compared to richer households; (iv) information accessibility: accessibility includes the right to seek, receive and impart information and ideas concerning health issues. However, accessibility of information should not impair the right to have personal health data treated with confidentiality.

(c) Acceptability. All health facilities, goods and services must be respectful of medical ethics and culturally appropriate, i.e. respectful of the culture of individuals, minorities, peoples and communities, sensitive to gender and life cycle requirements, as well as being designed to respect confidentiality and improve the health status of those concerned.

(d) Quality. As well as being culturally acceptable, health facilities, goods and services must also be scientifically and medically appropriate and of good quality. This requires, inter alia, skilled medical personnel, scientifically approved and unexpired drugs and hospital equipment, safe and potable water, and adequate sanitation.

Recommendation No. 202

RECOMMENDATION CONCERNING NATIONAL FLOORS OF SOCIAL PROTECTION

The General Conference of the International Labour Organization,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 101st Session on 30 May 2012, and

Reaffirming that the right to social security is a human right, and

Acknowledging that the right to social security is, along with promoting employment, an economic and social necessity for development and progress, and

Recognizing that social security is an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity, to promote equal opportunity and gender and racial equality, and to support the transition from informal to formal employment, and

Considering that social security is an investment in people that empowers them to adjust to changes in the economy and in the labour market, and that social security systems act as automatic social and economic stabilizers, help stimulate aggregate demand in times of crisis and beyond, and help support a transition to a more sustainable economy, and

Considering that the prioritization of policies aimed at sustainable long-term growth associated with social inclusion helps overcome extreme poverty and reduces social inequalities and differences within and among regions, and

Recognizing that the transition to formal employment and the establishment of sustainable social security systems are mutually supportive, and

Recalling that the Declaration of Philadelphia recognizes the solemn obligation of the International Labour Organization to contribute to “achiev[ing] ... the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care”, and

Considering the Universal Declaration of Human Rights, in particular Articles 22 and 25, and the International Covenant on Economic, Social and Cultural Rights, in particular Articles 9, 11 and 12, and

Considering also ILO social security standards, in particular the Social Security (Minimum Standards) Convention, 1952 (No. 102), the Income Security Recommendation, 1944 (No. 67), and the Medical Care Recommendation, 1944 (No. 69), and noting that these standards are of continuing relevance and continue to be important references for social security systems, and

Recalling that the ILO Declaration on Social Justice for a Fair Globalization recognizes that “the commitments and efforts of Members and the Organization to implement the ILO’s constitutional mandate, including through international labour standards, and to place full and productive employment and decent work at the centre of economic and social policies, should be based on ... (ii) developing and enhancing measures of social protection ... which are sustainable and adapted to national circumstances, including ... the extension of social security to all”, and

Considering the resolution and Conclusions concerning the recurrent discussion on social protection (social security) adopted by the International Labour Conference at its 100th Session (2011), which recognize the need for a Recommendation complementing existing ILO social security standards and providing guidance to Members in building social protection floors tailored to national circumstances and levels of development, as part of comprehensive social security systems, and

Having decided upon the adoption of certain proposals with regard to social protection floors, which are the subject of the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of a Recommendation;

adopts this fourteenth day of June of the year two thousand and twelve the following Recommendation, which may be cited as the Social Protection Floors Recommendation, 2012.

I. OBJECTIVES, SCOPE AND PRINCIPLES

1. This Recommendation provides guidance to Members to:

- (a) establish and maintain, as applicable, social protection floors as a fundamental element of their national social security systems; and
- (b) implement social protection floors within strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards.

2. For the purpose of this Recommendation, social protection floors are nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion.

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

- (a) universality of protection, based on social solidarity;
- (b) entitlement to benefits prescribed by national law;
- (c) adequacy and predictability of benefits;
- (d) non-discrimination, gender equality and responsiveness to special needs;
- (e) social inclusion, including of persons in the informal economy;
- (f) respect for the rights and dignity of people covered by the social security guarantees;
- (g) progressive realization, including by setting targets and time frames;
- (h) solidarity in financing while seeking to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes;
- (i) consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems;
- (j) transparent, accountable and sound financial management and administration;
- (k) financial, fiscal and economic sustainability with due regard to social justice and equity;
- (l) coherence with social, economic and employment policies;
- (m) coherence across institutions responsible for delivery of social protection;
- (n) high-quality public services that enhance the delivery of social security systems;
- (o) efficiency and accessibility of complaint and appeal procedures;
- (p) regular monitoring of implementation, and periodic evaluation;
- (q) full respect for collective bargaining and freedom of association for all workers; and
- (r) tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

II. NATIONAL SOCIAL PROTECTION FLOORS

4. Members should, in accordance with national circumstances, establish as quickly as possible and maintain their social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons.

6. Subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation to at least all residents and children, as defined in national laws and regulations.

7. Basic social security guarantees should be established by law. National laws and regulations should specify the range, qualifying conditions and levels of the benefits giving effect to these guarantees. Impartial, transparent, effective, simple, rapid, accessible and inexpensive complaint and appeal procedures should also be specified. Access to complaint and appeal procedures should be free of charge to the applicant. Systems should be in place that enhance compliance with national legal frameworks.

8. When defining the basic social security guarantees, Members should give due consideration to the following:

- (a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care. Free prenatal and postnatal medical care for the most vulnerable should also be considered;
- (b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences;
- (c) the levels of basic social security guarantees should be regularly reviewed through a transparent procedure that is established by national laws, regulations or practice, as appropriate; and
- (d) in regard to the establishment and review of the levels of these guarantees, tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured.

9. (1) In providing the basic social security guarantees, Members should consider different approaches with a view to implementing the most effective and efficient combination of benefits and schemes in the national context.

(2) Benefits may include child and family benefits, sickness and health-care benefits, maternity benefits, disability benefits, old-age benefits, survivors' benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind.

(3) Schemes providing such benefits may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and employment support schemes.

10. In designing and implementing national social protection floors, Members should:

- (a) combine preventive, promotional and active measures, benefits and social services;
- (b) promote productive economic activity and formal employment through considering policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability; and
- (c) ensure coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework.

11. (1) Members should consider using a variety of different methods to mobilize the necessary resources to ensure financial, fiscal and economic sustainability of national social protection floors, taking into account the contributory capacities of different population groups. Such methods may include, individually or in combination, effective enforcement of tax and contribution obligations, reprioritizing expenditure, or a broader and sufficiently progressive revenue base.

(2) In applying such methods, Members should consider the need to implement measures to prevent fraud, tax evasion and non-payment of contributions.

12. National social protection floors should be financed by national resources. Members whose economic and fiscal capacities are insufficient to implement the guarantees may seek international cooperation and support that complement their own efforts.

III. NATIONAL STRATEGIES FOR THE EXTENSION OF SOCIAL SECURITY

13. (1) Members should formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation. National strategies should:

- (a) prioritize the implementation of social protection floors as a starting point for countries that do not have a minimum level of social security guarantees, and as a fundamental element of their national social security systems; and
- (b) seek to provide higher levels of protection to as many people as possible, reflecting economic and fiscal capacities of Members, and as soon as possible.

(2) For this purpose, Members should progressively build and maintain comprehensive and adequate social security systems coherent with national policy objectives and seek to coordinate social security policies with other public policies.

14. When formulating and implementing national social security extension strategies, Members should:

- (a) set objectives reflecting national priorities;
- (b) identify gaps in, and barriers to, protection;
- (c) seek to close gaps in protection through appropriate and effectively coordinated schemes, whether contributory or non-contributory, or both, including through the extension of existing contributory schemes to all concerned persons with contributory capacity;
- (d) complement social security with active labour market policies, including vocational training or other measures, as appropriate;
- (e) specify financial requirements and resources as well as the time frame and sequencing for the progressive achievement of the objectives; and
- (f) raise awareness about their social protection floors and their extension strategies, and undertake information programmes, including through social dialogue.

15. Social security extension strategies should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality, and should be consistent with, and conducive to, the implementation of the social, economic and environmental development plans of Members.

16. Social security extension strategies should ensure support for disadvantaged groups and people with special needs.

17. When building comprehensive social security systems reflecting national objectives, priorities and economic and fiscal capacities, Members should aim to achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards.

18. Members should consider ratifying, as early as national circumstances allow, the Social Security (Minimum Standards) Convention, 1952 (No. 102). Furthermore, Members should consider ratifying, or giving effect to, as applicable, other ILO social security Conventions and Recommendations setting out more advanced standards.

IV. MONITORING

19. Members should monitor progress in implementing social protection floors and achieving other objectives of national social security extension strategies through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

20. Members should regularly convene national consultations to assess progress and discuss policies for the further horizontal and vertical extension of social security.

21. For the purpose of Paragraph 19, Members should regularly collect, compile, analyse and publish an appropriate range of social security data, statistics and indicators, disaggregated, in particular, by gender.

22. In developing or revising the concepts, definitions and methodology used in the production of social security data, statistics and indicators, Members should take into consideration relevant guidance provided by the International Labour Organization, in particular, as appropriate, the resolution concerning the development of social security statistics adopted by the Ninth International Conference of Labour Statisticians.

23. Members should establish a legal framework to secure and protect private individual information contained in their social security data systems.

24. (1) Members are encouraged to exchange information, experiences and expertise on social security strategies, policies and practices among themselves and with the International Labour Office.

(2) In implementing this Recommendation, Members may seek technical assistance from the International Labour Organization and other relevant international organizations in accordance with their respective mandate.