



3 April 2017

Mr. Joop Theunissen and Ms. Filipa Correia
Office for ECOSOC Support and Coordination,
United Nations Department of Economic and Social Affairs

Ref: letter signed by ECOSOC Vice President Munir of 5 March 2017

ECOSOC: 2017 Integration Segment; Making eradication of poverty an integral objective of all policies: what will it take? Response to Guiding questions for Member States' input to the Integration Segment

Reference is made to your letter dated 5 March 2017, inviting Member States' written contributions to the questionnaire concerning the topic of the Integration Segment captioned above. The response to the questionnaire by the Government of Finland includes contributions from the Ministry of Finance, the Ministry for Social Affairs and Health, the Ministry for Foreign Affairs and the Office of the Prime Minister.

1. What has been the experience of your country in formulating policies addressing poverty reduction in conjunction with other policy objectives, such as fiscal, labour market, monetary, financial, trade or industrial policies?

Finland's strong basis as a Nordic welfare state dates back to the 1940s, when a conscious decision was taken to build up a system that would provide everyone with equal opportunities to attain wellbeing and a livelihood. These structures were reinforced in the subsequent decades when the Finnish social security system evolved into its current form.

Nowadays the system comprises social insurance, social security benefits and social and health services. Social insurance covers pensions, occupational accident insurance, unemployment security, health insurance and parental benefits. Together with social security benefits, these constitute income security. The core idea behind social insurance is that everyone residing or working in Finland is insured against social risks such as old age, incapacity for work, unemployment, sickness and loss due to the death of a breadwinner. Everyone is entitled to basic security, including those who have not paid insurance contributions based on earned income. Thus leave no one behind is, and has been, at the core of the development.

According to Finnish experiences, it is hard to find a single adopted measure that would have a significant effect on the number of people facing the risk of poverty. The eradication of poverty consists of a complex set of factors that include for instance legal acts that determine the rights of people, decent level of benefits and services, qualification requirements of social workers and counseling personnel as well as well-functioning labour market policies, appropriate labour market regulations, collective bargaining and free access to education.

Universal social protection systems, which cover as mentioned everyone faced with social risks, are according to our experience predictable, relatively cost-effective in a long run and leave no one behind; universal coverage prevents from slipping through the safety net.

However, also targeted measures are needed throughout the life course for those who encounter a complex set of challenges. In our view it is important that those who are better-off are also included in the same system in a way that they are willing to contribute to the funding of the universal systems.

From an economic policy point of view, main poverty reduction policies in Finland have to do with offering employment with decent pay to as many people as possible. This requires a stable, growing economic environment. In addition, fiscal policy attempts, among other objectives, to support the most disadvantaged, such as people who have been unemployed for a long term, people on disability pensions, minimum (national) old-age pensions or so-called guarantee pensions for those with the least income. Social insurance institutions that are in place attempt to contain increases in income inequality and to maintain a desired level of social cohesion. In total, experiences have been fairly positive.

To summarize, we have traditionally put more emphasis on system-wide structural issues than on single actions. From a point of view of sharing best practices this kind of approach may be somewhat complex and challenging. However, the basic income trial may serve as a concrete example of a new social security model that is being tested in Finland.

Since 1st of January 2017 Finland has been implementing an experiment of universal basic income. The planning was done in 2016 by a group of researchers with a multi-disciplinary team. The implementation is the responsibility of the Social Insurance Institution of Finland (Kela). The objective of the experiment is to obtain information on the effects of basic income on the employment of persons participating in the experiment, and to survey other impacts of basic income. The level of basic income is 560 €/month, tax free benefit, with the target group consisting of a randomized sample of 2 000 persons between 25 and 58 years of age living in Finland, who (in November 2016) were receiving unemployment related benefits under the Unemployment Security Act.

The pilot stage will be implemented in 2017–2018. The basic income is money that the recipients will get unconditionally and without means testing. It is being paid to them automatically every month. The participants' employment situation will be monitored during the experiment. The experiment will produce valuable information on whether a basic income could increase employment rates and simplify the social security system. Participants who will find employment during the experiment continue to be paid a basic income.

More information: <http://www.kela.fi/web/en/basic-income-experiment-2017-2018>.

2. What tools or institutional arrangements are in place in your country for formulating policies taking into account the economic, social and environmental dimensions of sustainable development? What trade-offs have been encountered in using integrated policy frameworks for poverty reduction?

In Finland responsibility for the planning, preparation, coordination and national implementation of Sustainable Development Policy (including the 2030 Agenda) rests with a **coordination secretariat** situated in the Prime Minister's Office. The secretariat comprises representatives of the general secretariat of the Finnish National Commission on Sustainable Development, the Ministry for Foreign Affairs and the Prime Minister's Office.

Consisting of representatives of all ministries, the sustainable development **coordination network** supports and guides work done within the coordination secretariat. It prepares, develops and coordinates sustainable development efforts in Finland. Members of the coordination network act as points of contact and persons in charge of sustainable development within their respective branches of government. Each member of the network coordinates and integrates the views of his or her administrative branch with the national sustainable development plan and sustainable development work.

The sustainable development **follow-up network** is tasked with updating the national sustainable development indicators as part of the national implementation plan for the 2030 Agenda and with acting as a national support group in international indicator work of the 2030 Agenda. The network's aim is to ensure that information generated by high-standard, broad-based indicator work is included in political decision-making in Finland.

Two broad-based committees in Finland, the **National Commission on Sustainable Development** and the **Development Policy Committee**, play a key role in the national implementation, assessment and monitoring of Sustainable Development (including the 2030 Agenda). They are also integral to the coordination mechanism encouraging participation in Finland.

Education and labour market policies have a crucial role in ensuring opportunities for gaining a profession and finding employment. The future forms of work and changes in the labour markets, including growing cross border mobility, form a challenge to national welfare policies.

To conclude, addressing health and income inequalities should be at the core of welfare policy that is being realized across several policy sectors and levels. Socially sustainable development is closely and strongly linked to other dimensions of sustainable development including economic and environmental.

3. Do other stakeholders, such as civil society organizations, the private sector, the UN system or academia, engage in actions to eradicate poverty in your country? What approaches have proven effective in enabling their participation and the results achieved?

The 2030 Agenda is a broad-based programme that impacts on all branches of government as well as other actors in society. All actors must pull together to enable Finland to achieve the sustainable development goals. Municipalities, non-governmental organisations, companies, educational institutes, other actors within society, and citizens can all pursue the goals of the 2030 Agenda as part of their activities.

In Finland, the public authorities are responsible for ensuring equal access to social and health services for all and promoting the health of the entire population. Municipalities are responsible for the provision of social and health services, the basic level of which is defined by law. Such services are financed from central government transfers, municipal tax revenues and, in some cases, client payments. Non-governmental organisations and private sector have an important complimentary role.

An active civil society contributor in conjunction to the EU 2020¹ national reporting in spring 2016 was the European Anti-Poverty Network (EAPN-Finland, which spelled out its recommendations to Finland relating to poverty reduction of poor families with children, pensioners, the long-term unemployed (including young people and immigrants).

4. What do you see as the main challenges in aligning the international, national and local policy frameworks for poverty eradication?

A challenge is to bring forth national efforts in poverty eradication to multilateral fora, such as the EU. This requires a common platform for scrutiny of poverty-related phenomena. The obvious benefit of multilateral scrutiny is the sharing of best practices.

5. What can the ECOSOC system do to better support countries to pursue integrated policy making to achieve poverty eradication, in keeping with the 2030 Agenda?

The ECOSOC system would be well positioned to provide platforms for broad based discussions and sharing of good practices on coherent policy making that takes into account all three dimensions of sustainable development. This requires an effective and streamlined structure and cycle that is aligned with and supports the transformative nature of Agenda 2030.

¹ Europe 2020 is a 10-year strategy for advancement of the economy of the European Union. It aims at "smart, sustainable, inclusive growth" with greater coordination of national and European policy.

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Kehityspoliittinen osasto
KEO-40 Heli Mikkola

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Asia

YK; Suomen vastaus ECOSOC:n Integraatiosegmentin kyselyyn koskien köyhyyden vähentämistä

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| | STM/KVY; VM/KO; VNK; YM/KVY |
| Laatija jakanut | marja.innanen@vnk.fi; anni.kaukoranta@stm.fi; jussi.huopaniemi@vm.fi |
