



# ESPN – Flash report

## 2015/6

### Back to the future: Social investments in children pay

Olli Kangas & Laura Kallioma-Puha  
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### **Back to the future: Social investments in children pay**

*Olli Kangas & Laura Kallioma-Puha*

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<b>Theme(s):</b>	<i>Family policy, Children and Youth, Education</i>
<b>Title:</b>	<b>Back to the future: Social investments in children pay</b>
<b>Category:</b>	<i>Changes in policy paradigm currently underway</i>
<b>Abstract:</b>	<p>In Finland, municipalities produce the lion's share of services targeted at children. However, municipal budgets have been in deficit for more than a decade. Municipalities solve their budgetary problems in a very pragmatic way: they concentrate on the measures they absolutely must take care of. Their spending is then geared towards "heavy" services (e.g. child protection measures, including taking children into custody or placing them into foster homes) to the detriment of lighter ones, such as home help and other support for families. The emphasis in political discourse is now changing in favour of social investments and pro-active measures. By investing in home help and family services, a number of municipalities have been able to simultaneously cut down expenditure and enhance social investment. The "innovation" is in fact a move "back to the future" – a move back to 2-3 decades ago when municipalities used to offer home help services to families with children.</p>
<b>Description:</b>	<p>The municipal sector in Finland has been in deficit for 11 consecutive years. Under these constrained budgetary circumstances, individual municipalities have often opted to balance their annual budgets by cutting down preventive services that are less legally binding than reparative services. In the area of child policy, this approach has led to increases in "heavy" services and the role of social investment-like preventive services (e.g. home help and support for families) has decreased. Short-term economic rationalism is down-playing social investments that would yield better returns but not before a somewhat distant future. Thus, in the longer run, this approach leads to heavier costs than investments in prevention would. One child placed outside the home into institutional care costs approximately €100 000 a year. In Finland, the costs of "heavy" services have more than tripled during the 2000s.</p> <p>In order to escape the vicious circle, a number of innovative municipalities have deliberately begun to invest in preventive measures and have been successful both in cost containment and child protection. Examples are drawn here from the towns Imatra (around 30 000 residents) and Raisio (around 25 000 residents). In both cases, the basic recipe is more or less the same:</p> <ul style="list-style-type: none"> <li>• emphasising prevention rather than reparation</li> <li>• reforming separate services into a seamless service packages</li> <li>• going back to home help services for families with problems</li> <li>• tailoring special services according to needs</li> <li>• employing "super nannies", "super social workers", "super home helpers" who spend their time in families according to the specific needs and problems of the family in question</li> </ul>

	<ul style="list-style-type: none"> <li>• lower thresholds for intervention.</li> </ul> <p>The results so far are very promising. In Imatra, the total cost for child protection services decreased from €10.1 mill in 2009 to €8.9 mill in 2013 despite an increase in preventive services. The most impressive reductions in spending have been achieved in foster homes and institutional custody placements: 48% in Imatra and 45% in Raisio.</p>
<b>Outlook &amp; Commentary:</b>	<p>The cost containment that has continued since the 1990s recession has led to the expansion of heavy child protection measures. At worst, costs for heavy child protection (placements outside the home) increased by 20% a year. The examples show that investments in early interventions pay back much sooner than anticipated; a longer term horizon yields far bigger returns. There are indications that many other municipalities are following these innovative municipalities – the Association of Finnish Local and Regional Authorities promotes the model.</p>
<b>Further reading:</b>	<p>Lapsiasiainvaltuutetun vuosikirja 2014 [The yearbook of the Child ombudsman 2014]: <a href="http://www.lapsiasia.fi/en/frontpage">http://www.lapsiasia.fi/en/frontpage</a></p> <p>Sipilä, J. &amp; Österbacka, E. (2013): Enemmän ongelmien ehkäisyä, vähemmän korjailua? [More prevention of problems than reparations?] Ministry of Finance publications 11/2013: <a href="http://www.researchgate.net/publication/236880520_Enemmn_ongelmien_ehkisy_vhemmn_korjailua">http://www.researchgate.net/publication/236880520_Enemmn_ongelmien_ehkisy_vhemmn_korjailua</a></p> <p>Kirmanen, T. (2015): "Lapsipolitiikan ja lapsipalvelujen uudistaminen Imatralla", [Reforming child policy and services in Imatra] in Rimpelä M. &amp; Rimpelä, M. (eds.): Lapsipolitiikkaa ja palveluinnovaatioita kunnissa [Child policy and service innovations in municipalities] (forthcoming).</p>
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