European Commission

EUROPEAN SOCIAL POLICY NETWORK (ESPN)

National strategies to fight homelessness and housing exclusion

Finland

Olli Kangas and
Laura Kalliomaa-Puha

Social Europe

EUROPEAN COMMISSION
Directorate-General for Employment, Social Affairs and Inclusion
Directorate C — Social Affairs
Unit C.2 — Modernisation of social protection systems
Contact: Giulia Pagliani
E-mail: Giulia.PAGLIANI@ec.europa.eu

European Commission
B-1049 Brussels

European Social Policy Network (ESPN)

ESPN Thematic Report on National strategies to fight homelessness and housing exclusion

Finland

2019

OLLI KANGAS AND LAURA KALLIOMAA-PUHA

Directorate-General for Employment, Social Affairs and Inclusion

2019

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see: http:ec.europa.eusocialmain.jsp?catId=1135&langId=en

Quoting this report: Kangas, Olli. and Kalliomaa-Puha, Laura. (2019). ESPN Thematic Report on National strategies to fight homelessness and housing exclusion – Finland, European Social Policy Network (ESPN), Brussels: European Commission.

Contents

Summary

Finland is among the few EU Member States to have managed to significantly reduce homelessness in the last two to three decades. In 1987, the number of homeless people was 18,000. This had dropped to 10,000 in 1995, and by 2018 there were only 5,482 homeless people in Finland. Since there is a significant overlap between the EU-ETHOS and national classifications, this decreasing trend is evident whether we use ETHOS Light definitions or national definitions.

This success is the result of several factors. Fighting homelessness is a national strategy, rather than a local activity or charity project. Indeed, combating homelessness has become *a shared goal, bringing together non-governmental organisations (NGOs), municipalities and the government*. The most important governmental organisations has been the Housing Finance and Development Centre of Finland (ARA).

In the 2000s, the state launched and funded programmes aimed at reducing homelessness, which in particular tackled the situation of the most vulnerable long-term homeless people. With the help of these programmes, organisations and municipalities have provided new housing for homeless people and have improved their services. The whole system is now built on the *Housing First* principle. The Housing First principle states that when addressing the various problems that homeless people face, the first support measure should always be the provision of housing. This can be achieved using various models and by providing different kinds of housing; but housing is always the top priority.

The biggest group of homeless people consists of those who are temporarily residing with friends and relatives: in 2018, 76% of all homeless people belonged to this category. Demographically, single males are the most likely to be homeless. One of the main drivers of homelessness in this group is alcoholism and drug abuse. About one fifth of single homeless people are younger than 25, and a quarter have an immigrant background. Paperless immigrants (undocumented immigrants), in particular, are at high risk of homelessness. While the number of homeless immigrants in 2003 was about 250, the corresponding number in 2017 was as high as 1,700.

With regard to homeless families, single parents are strongly over-represented: as many as 77.4% of homeless families are single-parent households. Immigrant families are also over-represented in this category (39.0% of all homeless families).

Measures to reduce homelessness take many different forms (producing new flats, emergency accommodation, supported housing, other housing services, housing advice, organising networks where public organisations, private companies and NGOs cooperate) and vary depending on the target group in question (young people, immigrants, people leaving prison, people with mental health problems, drug abusers, etc.). So far, the Finnish model of service production (services in kind and in cash) has been a success story.

However, the Finnish system also has its weaknesses. In some subcategories of homelessness, the quality of the services may be good, but there is a shortage in terms of their quantity. In particular, this is the case with services for prisoners and services targeted at immigrants. With regard to homeless people who suffer from mental health problems or who are substance abusers, there need to be more services, and the services need to be better in terms of their quality and efficiency.

One of the main weaknesses in Finnish housing policy is a lack of affordable rental apartments. A viable solution to this problem would be to increase the share of subsidised and ARA-financed flats from the current 20% of new apartments to 30%. The asylum-seeking process should be more effective and, if necessary, asylum-seekers should be granted permission to reside in the country for humanitarian reasons.

1 The nature and extent of homelessness and housing exclusion[1]

A government agency, *Asumisen rahoitus- ja kehittämiskeskus* (ARA) – the Housing Finance and Development Centre of Finland – is responsible for implementing housing policy in Finland. Information on the extent and characteristics of homelessness in Finland is based on ARA's classifications and statistics. ARA receives information from municipalities and compiles annual statistics. In its statistics, it lists six main categories of homeless people: 1) people who are sleeping rough (mainly in emergency overnight shelters); 2) people who live in dormitories or in hostels, etc.); 3) people living in various institutions for homeless people; 4) people who, due to a lack of their own housing, are living temporarily with relatives or friends; 5) ex-offenders who have no proper accommodation when released from a penal institution; and 6) a catch-all category 'all other homeless people' (no exact data on the reason for homelessness). In 2018, the biggest group of homeless people were those living with friends and relatives: 76% of homeless people in Finland belong to this category (ARA, 2019).

There is a significant overlap between the EU-ETHOS and national classifications, but there are also some differences in the categories (as indicated in Table A1 in the Annex). In comparison to the ETHOS categories, the national categories are broader, and they may cover several of the ETHOS subcategories. Some of the ETHOS categories are obsolete in the Finnish context (e.g. people living in medical institutions due to a lack of housing). The first ARA category includes 'people living rough' and 'people in emergency accommodation' (ETHOS categories 1 and 2). The ETHOS category 'people living in accommodation for the homeless' corresponds to ARA's 'institutional housing'. Furthermore, the Finnish definition does not have a separate category for women living in shelter homes, and does not include refugees living in reception centres.

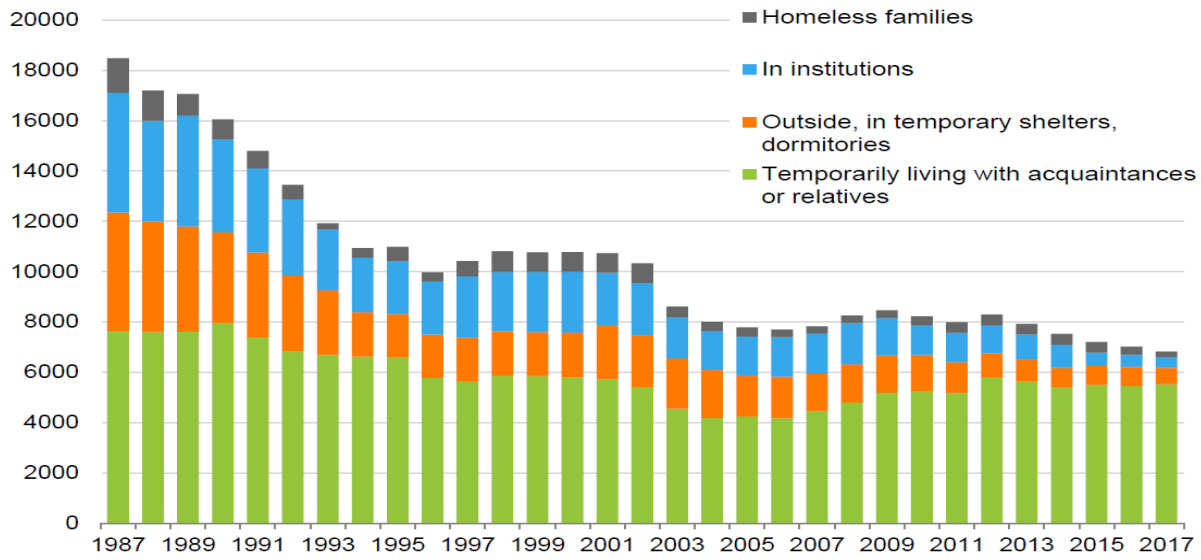
The ETHOS category of 'homeless people living temporarily in conventional housing with family and friends (due to lack of housing)' is the same as in the national classification. Meanwhile, 'people living in non-conventional dwellings due to a lack of housing' falls under 'all other homeless people'.

Finland is among the few EU Member States to have managed to reduce homelessness significantly in the last two to three decades. This decreasing trend is evident whether we use ETHOS Light definitions or national definitions.

As Figure 1 depicts, the last three decades have seen a strong downward trend in homelessness in Finland. In 1987, there were 18,000 homeless people, dropping to 10,000 in 1995. However, due to the severe economic crisis in the early 1990s, the number of homeless people then increased until the turn of the millennium. Thereafter, the numbers declined until 2006. At this point, a new, deep economic crisis hit the country and homelessness again began to increase slowly and then stagnate in the period from 2008 to 2012. Since then, there has been a constant decline that has continued up to 2018. According to the ARA (2019) statistics, in 2018 there were 5,482 homeless people in Finland.

[1] We would like to thank director Juha Kaakinen and researcher Saija Turunen (Y-Säätiö) for their valuable help in compiling the statistics and other background data for this report.

Figure 1: Number of homeless people in Finland, 1987-2017.



Source: ARA (2018), Y-Säätiö (2019a).

With regard to the drivers of homelessness, there are different explanations for different groups of homeless people. As can be seen from Figure 1, the biggest group of homeless people consists of those temporarily residing with friends and relatives. The increase in the number of people in this category explains the total increase in homelessness from 2006 to 2012. Meanwhile, there has been a clear decline in the number of people living in institutions and sleeping rough. The main explanation for this phenomenon is a shift in emphasis in social and healthcare policy. Whereas in the 1980s institutional care played an important role, 'open' (extramural) care has gradually replaced it. Furthermore, as a result of national policy programmes, institutions have been transformed into proper homes. Finally, national and municipal action programmes to combat homelessness have brought down the number of rough sleepers (see Section 2). Table 1 includes a breakdown of the background characteristics of homeless people (see also Table A2 in the Annex for a more detailed breakdown).

Single males form the biggest group of homeless people: 74.2% of single homeless people are male. One of the main drivers of homelessness in this group is alcoholism and drug abuse. Unfortunately, no data are available for the gender distribution of family members. About one fifth of single homeless people are younger than 25, and a quarter have an immigrant background. Paperless immigrants, in particular, are at high risk of homelessness. While there were about 250 homeless immigrants in 2003, the corresponding number in 2017 was as high as 1,700 (ARA, 2018: 6).

With regard to homeless families, single parents are strongly over-represented: as many as 77.4% of homeless families are single-parent households. Immigrant families are also over-represented in this category (39.0% of all homeless families).

Homelessness is clustered in big cities. Since the metropolitan area offers the most job opportunities, migrants are mainly drawn to it. And the supply of cheap/affordable rental apartments is not keeping pace with this flow of migration. Over 60% of Finland's homeless people live in the Helsinki metropolitan area.

Homelessness is also centred on other large cities. The vast majority (around 70%) of the housing stock in Finland consists of owner-occupied apartments, which not everyone can afford. Similarly, the structure of the housing stock does not meet people's needs. This problem is most severe in the metropolitan area.

Table 1: Background characteristics of homeless people in Finland, 2018

Categories of homeless people		Numbers of homeless people	Long-term homelessness
Single people		**4,822** (88.0% of all homeless people)	23.8% of single people
	Females	1,244 (25.7% of singles)	22.4% of females
	Males	3,578 (74.2% of singles)	n.a.
	Young*	1,001 (20.8% of singles)	18.1% of young
	Immigrants	1,158 (24.0% of singles)	20.9% of immigrants
Families		**107**	
	Adults	147	n.a.
	Children	133	n.a.
	Immigrant	**62** (39% of all families)	n.a.
	Adults	85	n.a.
	Children	105	n.a.
	Single parents	**123** (77.4% of all homeless families)	n.a.
Single people, families and couples: 5,482			
*Younger than 25 years of age; n.a. = no data available.			
Source: ARA (2019).			

About a quarter of all homeless people in Finland suffer from long-term homelessness. Most are males. In the national statistics, 'long-term' homelessness refers to people who have been without a home for at least one year or who have experienced several shorter periods of homelessness in the last three years.

2 Relevant strategies and policies tackling homelessness and housing exclusion

2.1 National strategies addressing homelessness

As a result of the state's initiative, the reduction in homelessness has become a shared goal, bringing together NGOs, municipalities and the government. Reducing homelessness has been in Finnish government action programmes consistently since the 1980s. Of particular importance is that in the 2000s, the state launched and funded programmes aimed at reducing homelessness which, in particular, tackled the situation of the most vulnerable long-term homeless people. With the help of these programmes, municipalities and voluntary organisations have provided housing services for homeless people and improved the additional services that they offer. In fact, Finland has a long tradition of NGOs helping homeless people. For example, the Y-Foundation (Y-Säätiö, 2019a) and the No Fixed Abode NGO (*Vailla vakinaista asuntoa*) (VVA, 2019) have been working with homeless people for a long time. And their activities continued throughout the deep economic recession of the 1990s and the post-2008 crisis.

At the level of central government, the Ministry of the Environment takes the lead on these issues; but it operates in close collaboration with ARA and the Ministry of Health and Social

Services. Furthermore, the Social and Health Organisation Assistance Centre (STEA) directs funding to third-sector organisations for projects and to buy apartments on the market and rent them to homeless people. State authorities and the 10 largest Finnish cities have made detailed agreements for concrete projects, encompassing issues such as site development, recruiting and training new staff, the allocation of flats, and the commissioning and organising of services. Thus, a cross-governmental and cross-sectoral operation network has helped to identify and address the multiple and distinctive needs of long-term homeless people (AUNE, 2016).

In addition to this idea of a common goal, the reduction in homelessness also required a shift in the paradigm of how homelessness was seen. The new paradigm is based on the Housing First principle. The Finnish version of this principle was sketched out in the 2016 report *Nimi ovessa* (Name on the Door). This report laid the foundation for what then became the Finnish version of the Housing First model, *Asunto Ensin* (2019a).

Up to the 1980s, homeless people could only get a home if they could prove that they were abstaining from intoxicants. Often, this simply meant that a permanent dwelling was impossible to get. The Housing First paradigm states that when addressing the various problems that homeless people are facing, the first support measure should always be the provision of housing (Y-Säätiö, 2017). A dwelling is a precondition for solving other problems, and hence housing is always the top priority (Y-Säätiö, 2019a).

The Y-Foundation summarises the results as follows: 'This shift in thinking particularly changed the lives of those long-term homeless people who had been in the most difficult position of all. This group includes people recovering from substance abuse and mental health issues, for example. Applying the [Housing First] model has reinforced the idea that they too can manage in a regular rental apartment if they receive the right kind of support' (Y–Säätiö, 2019a).

The current national Action Plan for Preventing Homelessness in Finland (AUNE) 2016-2019 is still built on these three basic principles:

- There is an ethical duty to provide a decent standard of living and environment to homeless people.
- Both national legislation and international agreements require Finnish public authorities to address the problem of homelessness.
- Reducing homelessness is an economically rational endeavour, as it reduces social and healthcare costs.

In practice, these principles have led to the following conclusions (AUNE, 2016):

- A name on the door
    - fulfils a basic human need for privacy, a place of one's own, a home;
    - requires a rental contract of one's own (not a second-hand contract or a temporary social contract).
- Permanent housing is a precondition for solving other problems:
    - not drinking is not a requirement for permanent housing.
- It is necessary to separate housing and services:
    - individually tailored services based on an assessment of the person's needs are the best starting point for providing appropriate assistance.
- Solutions for homelessness cannot be temporary.
- Conventional shelters and dormitory-type hostels are no longer adequate responses to homelessness:
    - hostels are to be converted into supported housing units.

The two previous national action plans aimed at reducing long-term homelessness: PAAVO I (2008-2015) and PAAVO II (2012-2015) managed to standardise the Housing First principle, and shelters were replaced with rental housing units.

Even though the right to housing is formulated rather vaguely in the Finnish Constitution and in other legislation, it is now widely accepted that having a place to live is both a

human right and a basic need. In any case, some groups – such as client families of child welfare programmes, some disabled people and mental health patients – have a subjective right to housing under Finnish legislation (Tuori and Kotkas, 2016: 293; Helenelund, 2013).

For some people, a lease and a safe apartment of their own is enough support; other people may need various additional support measures to cope in their daily lives. In Finland, there is a wide variety of social welfare and healthcare services, which support these people. However, as explained below, it may not always be so easy for people to access these services, even though Finnish legislation guarantees specific support for residents who have difficulty in accessing their rights. For example, Section 3 of the Social Welfare Act provides positive discrimination for people in need of special support (*erityistä tukea tarvitseva asiakas*).

Finland also has a comprehensive social benefits system, which ensures that people do not end up on the streets after becoming unemployed or unable to work (unemployment, health and invalidity benefits). The Social Insurance Institution, Kela, also administers tax-funded housing benefits to help low-income households deal with high housing expenses (Kela, 2019a). These housing allowances are available for both rental and owner-occupied housing. House owners are also entitled to tax deductions for interest paid on housing loans.

Housing naturally cannot be provided unless apartments exist. It has been important for the implementation of the model that more affordable housing is made available on the market. Constructing and purchasing new, affordable housing was one of the most important goals of the Finnish National Action Plan to reduce long-term homelessness (PAAVO I, 2008-2011). Municipalities, cities and other organisations bought and built housing, while the state also supported housing production.

The current national AUNE programme focuses on people who have recently become homeless or who have been homeless for longer periods. The main target groups are:

- young people or families overburdened by debt or at risk of eviction;
- young people leaving their childhood home for an independent life;
- people undergoing mental health and/or substance abuse rehabilitation;
- child welfare after-care service clients;
- asylum seekers who have received a residence permit but have failed to integrate;
- homeless released prisoners or prisoners being released on parole (AUNE, 2016).

2.2 Adequacy of funding mechanisms

The budget of the current action plan is €78 million (AUNE, 2016). However, especially in the big cities, the need for reasonably priced rental housing is not being met. This is because the funding mechanisms do not have sufficient resources to meet the necessary capital expenditures adequately (e.g. funding for social housing). Of the total supply of new apartments, only 20% are ARA-funded flats. This share is too low to meet all the needs, and it should be increased to 30% (Y-Säätiö, 2019c; see also Section 3.6).

In addition to social housing production, the main housing-related transfer system in Finland is the housing allowance (asumistuki). The Social Insurance Institution, Kela, pays a general housing allowance to low-income households to help them meet their housing expenses. This allowance is available for owner-occupied homes, rented homes, right-of-occupancy homes and part-ownership homes. As a rule, the housing allowance covers about 80% of the housing cost of low-income households. The amount of the housing allowance depends on the number of adults and children in the household, the municipality in which their home is located and the household's monthly income (Kela, 2019a). In 2018, the cost of the housing allowance was €0.8 billion, and about 15% of the population received it (Kela, 2019b).

Housing in Finland is heavily biased towards owner-occupied housing, and buying a home has traditionally been supported by tax deductions. This tax support is a politically

controversial issue, and has been reduced considerably as part of government austerity measures. In particular, the deductibility of interest payable on housing loans has been cut from 100% in 2011 to 25% in 2019.

There are various other ways in which the state supports homeowners, such as right-of-occupancy and part-ownership housing programmes, both of which are run by the ARA. A right-of-occupancy apartment is an intermediate form between a rental apartment and an owner-occupied apartment. The person/household obtaining such an apartment must first make a payment (usually 15% of the price of the apartment). During tenancy, a monthly rent is paid for the apartment (Finnish Competition and Consumer Authority, 2019). The residents in part-ownership housing pay a share of the total price of the apartment, and consequently own a corresponding share of the apartment. The builder of the property owns the majority share. The tenant can gradually buy more shares, by agreement with the house builder (Environment.fi, 2019).

Support for non-housing solutions – such as night shelters, emergency accommodation or other temporary responses – is no longer a major issue.

2.3 EU funding

The European Structural and Investment Funds finance projects that are designed to reduce the disparities between different regions and to improve the competitiveness of the weakest regions and their people's employment prospects. In the period 2007-2013, Finland received €1.7 billion from these funds. This support was directed through programmes co-financed by the European Regional Development Fund (ERDF) and the European Social Fund (ESF) (TEM, 2011).

The lion's share of the EU funds is used to improve workforce skills and increase employment. As part of this, social inclusion projects are helping a range of disadvantaged groups to receive the training and skills needed to find employment (European Commission, 2015). The main aim of the utilisation of these funds is to develop businesses, enhance innovation and promote competitiveness and employment in different geographical areas. As a rule, these funds are not directly used to combat homelessness.

However, there may be indirect links to homelessness, as in the Ohjaamo (Cockpit) project, which is targeted at young adults. There are about 70 Ohjaamo centres in operation in different parts of Finland (Ohjaamot, 2019). They focus on employment and career guidance, but also provide advice on other issues – from economic advice to health, human relations, and housing issues. To illustrate the effectiveness of this programme, during the first 18 months of operation, more than 6,000 young people visited the Helsinki Ohjaamo (European Commission, 2017).

The total amount from the Fund for European Aid to the Most Deprived (FEAD) for the years 2014 to 2020 is €26.5 million. The funds are primarily used for food aid, to alleviate the food shortages of the most deprived people. In addition, the FEAD implements measures to promote social inclusion, such as providing information on public and third-sector services and projects, as well as guidance, counselling and support when using these services (TEM, 2019). Thus, FEAD is not directly used to combat homelessness, but there may be indirect loops back to homelessness via counselling, mentoring and the provision of information on the various services available for those in danger of social exclusion.

2.4 Implementing and monitoring of the homelessness strategies

As indicated in Section 1, with the help of national and municipal programmes, and through collaborations with NGOs, Finland has succeeded in significantly reducing homelessness. Since 1987, about 12,000 homeless people have received a home. Long-term homelessness decreased by 35% between 2008 and 2015. In 2016, overall homelessness decreased for the first time, dropping to fewer than 7,000 people (Ministry of the Environment, 2018. The primary means of monitoring the effectiveness of the strategies

are displayed in Figure 1 and in Table 1 (Section 1). These statistics are collected and monitored at the national and municipal levels.

Once in every government period (i.e. every fourth year), a specific extensive study on the adequacy of basic security (*Perusturvan riittävyys*) is carried out to evaluate the results of government policies. Its focus is on minimum benefits, social services and the living conditions of people who are at risk of poverty and social exclusion (see, e.g., Adequacy of Basic Security, 2011-2015).

In addition to the official statistics and the studies that are conducted on a regular basis, there are also ad hoc studies on homelessness and social exclusion. Not surprisingly, those receiving charity food aid (financed by FEAD) commonly suffer from mental and other health problems, are intravenous drug users or are exposed to homelessness (Ohisalo, 2017). Some studies indicate that providing homes for homeless people is not only good for the individuals, but has societal benefits as well (Kainulainen et al., 2013). In the Tampere municipality, for example, the supported housing unit in Härmälä made almost €250,000 in savings in one year, thanks to the Housing First model. The annual savings can be up to €9,600 per person when these services are provided, compared to the potential costs if the person were homeless. In its study on the economic consequences of reducing homelessness, the Ministry of the Environment (2011) revealed that finding a home for one long-term homeless person saves about €15,000 annually in public spending.

With regard to statistics on the housing cost overburden, overcrowding, severe housing deprivation, overdue mortgages, rent payments and other housing-related indicators, Statistics Finland collects such data for national purposes and to contribute to the EU-SILC (Statistics Finland, 2019; see also Eurostat, 2019).

3 Analysis of the current patterns of service provision and challenges in implementing Finland's responses to homelessness and housing exclusion

3.1 Main types of services provided

Since the mid-1980s, combating homelessness has been mentioned in all government programmes. In addition to housing production and combating various problems connected to homelessness on the individual level, several kinds of support services are available and a number of pilot projects have been launched to evaluate efficient practices and processes.

In Finland, prevention services take many forms (producing new flats, emergency accommodation, supported housing, other housing services, housing advice, organising networks where public organisations, private companies and NGOs cooperate) and vary depending on the target group in question (young people, immigrants, people leaving prison, people with mental health problems, drug abusers, etc.).

The most essential service to combat homelessness is to construct new flats that are available at an affordable price/rent. In fact, this was the main goal of the PAAVO I National Action Plan to reduce long-term homelessness. PAAVO I ran from 2008 to 2011. Municipalities, cities and other organisations bought and built housing, while the state also supported housing production (Y-Säätiö, 2019b).

Emergency measures include night café services and shelters where the street-homeless can sleep. Emergency accommodation can also include temporary housing (one to three months). During this period, the municipalities, with the help of various NGOs (depending on the municipality), try to help the client to find either supported accommodation or (in the best outcomes) a permanent rental apartment (see e.g. Helsingin kaupunki, 2019). Supported housing is available for those who have problems coping with their everyday activities and finances.

Various preventive services for young people at risk of homelessness are specifically targeted at youngsters with a child protection background, young immigrants and young people with addiction problems. The array of services varies from training courses on housing to the provision of supported housing and social and healthcare services to help the young people find their way in life (Pleace et al., 2015: 45).

The Criminal Sanctions Agency (Rise) participates in the government's homelessness prevention operational programme (AUNE project, 2016-2019). The role of Rise is to support released prisoners in getting access to apartments, to provide them with counselling and coaching services, and to improve their life-management skills. The overall goal is to reduce homelessness among ex-offenders and community prisoners and to help them cope in society. Evaluation of the needs of a prisoner is done in cooperation with the social, health, substance abuse, housing and employment authorities of the municipality where the prisoner is resident, or the municipality where he/she is staying, so as to facilitate provision of the required services (Rise, 2013; Leppo, 2018). The Criminal Welfare Support Foundation (*Kriminaalihuollon tukisäätiö*) (2019a) provides support, counselling and supported accommodation (80 flats in the Helsinki area) for former prisoners. The support network for released prisoners (*vapautuvien asumisentuen –verkosto*), which is operated by the Criminal Support Foundation, coordinates activities between prisons and private, municipal, religious and various third-sector NGOs trying to prevent homelessness among released prisoners.

All homeless people are entitled to healthcare services provided by the municipality in which they reside. Municipalities are also responsible for housing-related social work services and emergency social assistance. These include, for example, halfway houses, assisted living residences, supported living residences, housing for the disabled, as well as funding for renovating houses to adapt them for the disabilities of the person. (See, for example, Ministry of Social Affairs and Health, 2019a.)

The Social Insurance Institution (Kela) provides basic social assistance and all other basic income transfers (basic unemployment compensations, minimum sickness allowances and rehabilitation allowances). Furthermore, Kela is responsible for paying out housing allowances to cover high housing costs among low-income groups (Kela, 2019a).

The Finnish Housing First concept is rather broad, and it is squarely based on the existing social benefits system, allowing it to be utilised as much as possible. Various service providers coordinate their activities to help clients get access to assistance and services provided by the state, municipalities and NGOs. The idea is that homelessness is not a problem that can be solved within just one sector, but must be addressed via extensive cooperation and coordination between the various relevant sectors (Y-Säätiö, 2019a). For example, good results in combating evictions have been achieved as a result of cooperation between housing advice services, debt counsellors and municipal social workers, in connection with the provision of extensive housing allowances and other income transfer systems (Pleace et al., 2015: 44).

3.2 The main service providers and their respective roles

As indicated above, the Finnish model is built on cooperation between central government, municipalities and a wide range of NGOs and voluntary charity organisations.

The government of Finland bears ultimate responsibility for all social policy activities, including housing policy and combating homelessness in the whole country. Housing policy belongs in the domain of the Ministry of the Environment. Within that ministry, there is a special division – the Housing Finance and Development Centre of Finland (ARA) – which has primary responsibility for the implementation of housing policy. ARA's role is extensive, reaching from information services to the financing of housing construction:

> ARA grants subsidies, grants and guarantees for housing and construction and controls and supervises the use of the ARA housing stock. In addition, ARA participates in projects related to the development of housing and expertise in the

> housing market, and produces information services for the industry. ARA is an expert partner, developer and moderniser of housing and promotes ecologically sustainable, high-quality and reasonably priced housing. ARA's operating principle is: everyone is entitled to comfortable housing. (ARA, 2017)

The Social and Health Organisation Assistance Centre (STEA) is a special institution that operates under the Ministry of Social Affairs and Health (2019b). It is tasked with subsidising non-profit organisations that contribute to health and social well-being. Many of the non-profit actors operating in the field of homelessness are supported by STEA.

The government's Social Insurance Institution of Finland (Kela) is responsible for paying out all minimum (flat-rate) income transfers and housing allowances (Kela, 2019b).

The Finnish municipalities are responsible for the overall well-being of their residents. They must provide any health and social care services necessary to achieve this goal. However, due to municipal autonomy and financial considerations, there is huge variation between municipalities with regard to the quantity and quality of their services. This applies to housing services in general, and to services for the homeless in particular.

There are many private actors, NGOs, charity organisations and their networks operating in the field of homelessness. Perhaps the biggest and most important is the Y-Foundation (*Y-Säätiö*). This foundation is the result of a partnership between the municipality of Helsinki, the Finnish Construction Trade Union, the Confederation of Finnish Construction Industries, the Finnish Red Cross, the Finnish Association for Mental Health, the municipality of Tampere and the municipality of Vantaa. The Y-Foundation offers rental homes to people who are experiencing homelessness or who are at risk of becoming homeless. It has close to 17,000 apartments, and it operates in over 50 cities and municipalities. The foundation is the fourth-largest landlord in Finland (Y-Säätiö, 2019b).

An illuminating example of network activities is the Network Developers (*Verkostokehittäjät*) programme, which is part of the nationwide AUNE homelessness prevention programme. The Network Developers programme is supported by STEA and operates as a collaborative platform for partner organisations: the Y-Foundation, the Helsinki Deaconess Institute, a number of other NGOs and charity organisations, as well as some municipalities (Asunto ensin, 2019a).

Many NGOs and charity organisations offer their own low-threshold services. For example, in Helsinki No Fixed Abode (*Vailla Vakinaista Asuntoa ry* – VVA) runs the night centre *Kalkkers*, a low-threshold crisis centre for homeless people. *Kalkkers* offers space to rest safely, first aid, food and snacks, as well as help in finding suitable services. It is open half the year, during the winter time. *Kalkkers* visitors also have access to a computer they can use (VVA, 2019). VVA also offers immigrant services targeted at homeless immigrants. Here, experts on immigration issues offer individual help to find solutions and direct the immigrants to appropriate housing and other social services.

3.3 Effectiveness of existing services in preventing homelessness, in providing access to permanent housing and necessary support

As has been said above, Finland is one of very few countries to have managed to reduce homelessness considerably in the recent past. The results are based on a national strategy, rather than on local activities or on charity projects. In addition, the cooperation between housing advice services, debt counsellors and municipal social workers has been effective in preventing evictions. The comprehensive housing allowance system, which covers about 80% of housing costs for low-income households (Kela, 2019c), also plays an important role in preventing evictions. The same goes for municipal emergency social assistance, which supports tenants who are having difficulty in paying their rent, and thus helps them to avoid eviction. So far, the Finnish model of service production (services in kind and in cash) has been a success story. The responses to the issue of homelessness that are currently in place are generally satisfactory in providing access to permanent

accommodation solutions. However, there are also some severe issues, as explained in the next section.

3.4 The main systemic factors limiting effective ways out of homelessness

Finland has a comprehensive, residence-based social benefits system that is universally open to all. Homeless people are covered under the very same schemes as everybody else. They are entitled to all the same health, welfare and employment services as the rest of the population. The main challenge with all of the different forms of support is that a person has to know how to apply for the help they need by themselves, and has to have the ability to act – which homeless people often lack (Y-Säätiö, 2019a).

In too many cases, the right to housing is an empty promise. The main problem is the lack of affordable rental flats. This problem is most acute in the Helsinki area and in some other larger towns. Since the municipalities are in charge of most of the services, there are also differences in the provision of housing services. Therefore, people end up with unequal access to help, depending on the municipality where they happen to reside.

With regard to the effectiveness of existing services in providing comprehensive and flexible support according to the individual needs of homeless people, one can conclude that the overall effectiveness of the services is acceptable. However, in some subcategories of homeless people, the quality of the services may be good, while the quantity of available services is lacking. In particular, this is the case with services for prisoners and services targeted at immigrants. With regard to homeless people who suffer from mental health problems or who are substance abusers, there should be more services, and they need to be better in terms of their quality and efficiency.

One obstacle – not yet discussed – has been the sluggish economic growth since the international crisis of 2008 (see, e.g., Kangas, 2019). As a consequence of this crisis, the public budgets of the central government and the municipalities have been in deficit for the last decade. The political response has been to cut spending. These cuts have included freezing the level of minimum income transfer benefits and increasing user fees in social and healthcare services (Kangas and Kalliomaa-Puha, 2018). This has hit the most vulnerable groups in society, has meant that they face economic problems and have difficulty in paying their bills (including rents) and has curbed the increases in public financing to combat homelessness.

3.5 Important innovations of the past five years

Since 1985, Finland has continually tried to find new and innovative ways to combat homelessness. In this section, we only present some of these. Each of the projects discussed has a different target group and features different measures.

The *AUNE* project (2016-2019) was started to continue the PAAVO II programme. This project was also led by the Y-Foundation and financed by STEA funds. The target group for the national AUNE programme is people at risk of homelessness: over-indebted and young people or families threatened with eviction, young people receiving child welfare measures, people suffering from mental health problems, substance abusers, immigrants and asylum seekers who have lost their residence permits, and prisoners who have been released from custody or transferred to a trial leave programme. The aim of the programme is to produce 2,500 new dwellings for homeless people and to provide more customer-oriented, more preventive and more cost-effective services (Y-Säätiö, 2019c).

The *NEA* (*Naiserityisyys asunnottomuustyössä* [Specificity of women in homelessness]) project (2018-2020) highlights specific problems related to female homelessness. This project operates in the Helsinki metropolitan area, Turku and Tampere. It is a joint venture between Y-Foundation, municipalities, the Federation of Mother and Child Homes and Shelters, the Helsinki Deaconess Institute and some other NGOs and charitable

organisations. The main aim of NEA is to make female homelessness more visible on the political agenda and to eliminate female homelessness (Y-Säätiö, 2019c).

Unemployment and being outside the labour force go hand in hand with homelessness. Thus, one of the major challenges in safeguarding sustainable and permanent housing is to help homeless people to find employment and to lead them away from labour market exclusion. The goal of the *UURAS* programme (2018-2020) is to find employment for at least 2,000 homeless people (Y-Säätiö, 2019c).

An inability to perform daily meaningful activities and to cope with problems, and difficulties in handling household finances often prevent homeless people from keeping the apartment they have been allocated. The *TOIMEKAS* (2017-2019) project counteracts homelessness by providing everyday management skills to long-term homeless people who have suffered from long-lasting marginalisation. Building blocks for meaningful everyday life are created by working with project mentors and coaches (Y-Säätiö, 2019c). This project is a collaboration between the Helsinki Deaconess Institute, the Finnish Salvation Army Foundation and the Occupational Therapy Association.

Young homeless people are the target group for the *Meriheimo* project (2018-2020). This STEA-funded project is a collaboration between the Y-Foundation and the Finnish Sailboat Foundation. Its aim is to strengthen the life-management and housing and work life skills of young adults aged 18-30 who are in difficult life situations. The project is based on the idea of adventure education. Through sailing adventures, young people are encouraged to make friends, find hobbies, seek training and work and to cope better in their everyday lives.

There are some pilot projects focusing on *interim-rental apartments*. An interim-rental apartment is part of a system where apartments are rented from private owners; the municipalities select the tenants and the Y-Foundation bears the possible economic risks. The aim is to ensure the security of the tenure. Special attention is paid to supporting and advising the new residents, paying off any outstanding debts from previous rental contracts and building mutual trust between the tenant and the landlord.

3.6 Main weaknesses and priorities in Finnish housing policy

A specific characteristic of the Finnish housing system is its heavy bias towards owner-occupied housing. More than 70% of apartments/houses are owner occupied. As a result, one of the main weaknesses in Finnish housing policy is a lack of affordable rental apartments. This problem is most acute in the Helsinki area. A viable solution would be to increase the share of subsidised and ARA-financed flats from the current 20% of all new flats to 30% (see Section 2.2). Certain pilot projects, such as the interim-rental system described above, may help as well.

Another problem is that 30-35% of people who leave prison are released into homelessness, i.e. when they are released, they do not have proper accommodation. Although homelessness in Finland has decreased considerably, this positive trend does not apply to former prisoners (Kriminaalihuollon tukisäätiö, 2019b). A particular risk group is young short-term convicts, whose housing situation has not been settled during their prison sentences. Repeat criminality is more common among former convicts who are homeless after they have served their sentence. For these people, support in finding accommodation is a necessary condition for proper everyday life. The same goes for young people who are finishing their alcohol- or drug-abuse rehabilitation.

More than half of all homeless people live in the Helsinki area. Thus, homelessness is most acute in the capital area. Despite all the efforts described in the previous sections, there is still a serious shortage of cheap rental apartments. Unemployment and divorce may reduce a household’s disposable income. In such situations, it may be difficult to pay the rent on time, which in turn may result in eviction. In the Helsinki area, the annual supply of ARA-rental apartments is insufficient. A solution to this problem is to increase subsidised housing construction and to produce more affordable housing for low-income people.

Immigrants and asylum seekers are in a vulnerable position. Their situation often leads to poverty and homelessness. In their case, priority should be given to improving the asylum-seeking process and, if necessary, to granting permission to reside in the country for humanitarian reasons.

References

Adequacy of Basic Security 2011-2015. https://helda.helsinki.fi/handle/10138/156544 [retrieved 26 April 2019].

Asumisen rahoitus- ja kehittämiskeskus (Housing Finance and Development Centre of Finland) (ARA) (2017), 'ARA implements Finland's housing policy', https://www.ara.fi/en-US/About_ARA/ARA_implements_Finlands_housing_policy(843) [retrieved 25 April 2018].

Asumisen rahoitus- ja kehittämiskeskus (Housing Finance and Development Centre of Finland) (ARA) (2018), Asunnottomat 2017 [Homeless 2017]. Helsinki.

Asumisen rahoitus- ja kehittämiskeskus (Housing Finance and Development Centre of Finland) (ARA) (2019), Asunnottomat 2018 [Homeless 2018]. Helsinki.

Asunto ensin (Housing First) (2019a), 'Ohjelma, asunnottomuuden ennaltaehkäisyn toimenpideohjelma [Action programme to prevent homelessness]', https://asuntoensin.fi/ohjelma/historia/nimi-ovessa-hanke/ [retrieved 25 April 2019].

Asunto ensin (Housing First) (2019b), 'Verkostokehittäjät [Networks Developers]', https://asuntoensin.fi/ohjelma/asunnottomuuden-ennaltaehkaisyn-toimenpideohjelma-2016-2019/verkostokehittajat-hanke/ [retrieved 23 April 2019].

Asunto ensin (Housing First) (2019c), 'PAAVO II', https://asuntoensin.fi/ohjelma/historia/paavo-ii-2012-2015/ [retrieved 25 April 2019].

AUNE – Action Plan for Preventing Homelessness in Finland 2016-2019. Ministry of the Environment. Decision of the Finnish Government 9.6.2016, https://www.ym.fi/en-US/Housing/Programmes_and_strategies/Actionplan_for_preventing_homelessness [retrieved 26 April 2019].

Environment.fi (2019), 'Part-ownership housing', https://www.ymparisto.fi/en-US/Housing/Partownership_housing [retrieved 10 June 2019].

European Commission (2015), 'Euroopan sosiaalirahasto [European Social Fund]', http://ec.europa.eu/esf/main.jsp?catId=379 [retrieved 26 April 2019].

European Commission (2017), 'Euroopan sosiaalirahasto [European Social Fund]', http://ec.europa.eu/esf/main.jsp?catId=46&langId=fi&projectId=2859 [retrieved 26 April 2019].

Eurostat (2019), 'Your key to European statistics', https://ec.europa.eu/eurostat/data/database [retrieved 26 April 2019].

Finnish Competition and Consumer Authority (2019), 'Right-of-occupancy apartments', https://www.kkv.fi/en/facts-and-advice/buying-and-selling/buying-an-apartment/right-of-occupancy-apartments/ [retrieved 19 June 2019].

Helenelund, J. (2013), 'Asuminen ihmisoikeutena Suomessa – oikeuden kohdentuminen [Housing as a human right in Finland]', in Pajukoski, M. et al. (eds), Muuttuva sosiaalioikeus [Changing Social Welfare Legislation]. Helsinki: Suomalaisen lakimiesyhdistyksen julkaisuja E:24, pp. 331-362.

Helsingin kaupunki [City of Helsinki] (2019), 'Asumisen tuen tukipalvelu [Housing support services]', https://www.hel.fi/helsinki/fi/kaupunki-ja-hallinto/hallinto/palvelut/palvelukuvaus?id=3717 [retrieved 26 April 2019].

Kainulainen, S., Saari, J. and Häkkinen, J. (2013), 'Kadulta asuntoon – vaikutukset hyvinvoinnille' [From the street into an apartment – welfare effects], in Hyväri, S. and Kainulainen, S. (eds), Paikka asua ja elää? Näkökulmia asunnottomuuteen ja asumispalveluihin [A place to live in? View of homelessness and housing services]. Helsinki: Diaconia University of Applied Sciences, pp. 49-72.

Kangas, O. (2019), 'Finland. From the deep crisis of the 1990s to the Great Recession', in Ólafsson, S., Daly, M., Kangas, O. and Palme, J. (eds), Welfare and the Great Recession: A Comparative Study. Oxford: Oxford University Press, pp. 154-174.

Kangas, O. and Kalliomaa-Puha, L. (2018), 'ESPN Country Profile Finland 2017-2018', European Social Policy Network (ESPN). Brussels: European Commission.

Kriminaalihuollon tukisäätiö (Criminal Welfare Support Foundation) (2019a), 'Tuettu asuminen [Supported housing]', https://www.krits.fi/apua-ja-tukea/asuminen/tuettu-asuminen/ [retrieved 25 April 2019].

Kriminaalihuollon tukisäätiö (Criminal Welfare Support Foundation) (2019b), 'Suomessa vapautuu vuosittain satoja vankeja asunnottomaksi [In Finland, hundreds of prisoners will be released annually to be homeless]', https://www.krits.fi/2019/04/suomessa-vapautuu-vuosittain-satoja-vankeja-asunnottomaksi/ [retrieved 25 April 2019].

Leppo, A. (2018), Vapautuvien asumisen tuki [Housing support for released prisoners], Helsinki: Kriminaalihuollon tukisäätiö.

Ministry of Economic Affairs and Employment (TEM) (2011), 'Rakennerahastot [Structural Funds]', http://www.rakennerahastot.fi/vanhat_sivut/rakennerahastot/en/01_structural_fund_activities_in_finland/index.html [retrieved 26 April 2019].

Ministry of the Environment (2011), 'Asunnottomuuden vähentämisen taloudelliset vaikutukset [Economic effects of reducing homelessness]', Ympäristöministeriön raportteja 7/2011.

Ministry of the Environment (2018), 'Action plan for preventing homelessness in Finland: Housing First', https://www.ym.fi/en-US/Housing/Programmes_and_strategies/Actionplan_for_preventing_homelessness [retrieved 26 April 2019].

Ministry of Social Affairs and Health (2019a), 'STEA-avustukset [STEA grants]', https://stm.fi/rahoitus-ja-avustukset/stea-avustukset [retrieved 23 April 2019].

Ministry of Social Affairs and Health (2019b), 'Asumispalvelut ja asunnon muutostyöt [Housing services and alteration of apartments]', https://stm.fi/asumispalvelut-asunnon-muutostyot [retrieved 9 May 2019].

Ohisalo, M. (2017), Murusia hyvinvointivaltion pohjalla: leipäjonot, koettu hyvinvointi ja huono-osaisuus [Crumbs at the bottom of a welfare state: Charity food aid and subjective well-being of the disadvantaged]. Kuopio: Publications of the University of Eastern Finland; Dissertations in Social Sciences and Business Studies, 148.

Ohjaamot (2019), 'What is a one-stop guidance centre?', https://ohjaamot.fi/mika-on-ohjaamo-1 [retrieved 10 June 2019].

Pleace, N., Culhane, D., Granfeldt, R. and Knutgård, M. (2015), The Finnish Homelessness Strategy. Helsinki: Ministry of the Environment.

Rikosseuraamusvirasto (Criminal Sanctions Agency) (Rise) (2013), 'Preparation of release', https://www.rikosseuraamus.fi/en/index/enforcement/release/preparationofrelease.html [retrieved 25 April 2019].

Social Insurance Institution of Finland (Kela) (2019a), 'Housing benefits', https://www.kela.fi/web/en/housing-benefits [retrieved 26 April 2019].

Social Insurance Institution of Finland (Kela) (2019b), 'Asumistukimenot uuteen ennätykseen vuonna 2018 [New record for expenditure on housing allowance]', https://www.kela.fi/ajankohtaista-henkiloasiakkaat/-/asset_publisher/kg5xtoqDw6Wf/content/asumistukimenot-uuteen-ennatykseen-vuonna-2018 [retrieved 26 April 2019].

Social Insurance Institution of Finland (Kela) (2019c), 'Kela', https://www.kela.fi/web/en [retrieved 25 April 2019].

Statistics Finland (2019), 'Survey on Income and Living Conditions', http://www.stat.fi/keruu/tuel/index_en.html [retrieved 26 April 2019].

Tuori, K. and Kotkas, T. (2016), Sosiaalioikeus [Social Welfare Legislation]. Helsinki: Alma Talent.

Vailla vakituista asuntoa, ry (No Fixed Abode, NGO) (VVA) (2019), 'No Fixed Abode NGO' https://vvary.fi/in-english/ [retrieved 27 April 2019].

Y-Säätiö (Y-Foundation) (2017), A Home of Your Own: Housing First and ending homelessness in Finland. Helsinki: Y-Säätiö.

Y-Säätiö (Y-Foundation) (2019a), 'Housing First', https://ysaatio.fi/en/housing-first-finland [retrieved 15 April 2019].

Y-Säätiö (Y-Foundation) (2019b), 'Y-Foundation', https://ysaatio.fi/en/y-foundation [retrieved 25 April 2019].

Y-Säätiö (Y-Foundation) (2019c), 'Asunnottomuus on poistettavissa Suomesta kokonaan [Homelessness can be totally eradicated in Finland]', https://ysaatio.fi/asunnottomuus-on-poistettavissa-suomesta-kokonaan [retrieved 9 May 2019].

Y-Säätiö (Y-Foundation) (2019d), 'Hankkeet [Projects]', https://ysaatio.fi/y-saatio/hankkeet [retrieved 26 April 2019].

Annex

Table A1: ETHOS Light categories defined as homeless in Finland

Operational category		Living situation		Definition	Defined as homeless in Finland
1	People living rough	1	Public space/ external space	Living in the streets or public spaces without a shelter that can be defined as living quarters	Yes
2	People in emergency accommodation	2	Overnight shelters	People with no place of usual residence who move frequently between various types of accommodation	Yes NB: in the Finnish classification, categories 1 and 2 are merged; statistics for Helsinki merge together categories 1, 2 and 6)
3	People living in accommodation for the homeless	3 4 5 6	Homeless hostels Temporary accommodation Transitional supported accommodation Women's shelter or refuge accommodation	Where the period of stay is time limited and no long-term housing is provided	Yes for 3.3, 3.4 and 3.5 No for 3.6
4	People living in institutions	7 8	Healthcare institutions Penal institutions	Stay longer than needed due to lack of housing No housing available prior to release	Yes, partially. Only those people who are released from a penal institution and do not have accommodation are classified as homeless. The number of people who are in healthcare institutions due to lack of accommodation is negligible/non-existent
5	People living in non-conventional dwellings due to lack of housing	9 10 11	Mobile homes Non-conventional building Temporary structures	Where the accommodation is used due to a lack of housing and is not the person's usual place of residence	Yes for 5.9, 5.10 and 5.11
6	Homeless people living temporarily in conventional housing with family and friends (due to lack of housing)	12	Conventional housing, but not the person's usual place of residence	Where the accommodation is used due to a lack of housing and is not the person's usual place of residence	Yes

Table A2: Latest available data on the number of homeless in Finland

Operational category		Living situation		Most recent number*	Period covered	Source
1	People living rough	1	Public space, external space and overnight shelters	a) 238 people for whole country excl. Helsinki b) 43 people	a) 2018; the whole year b) monthly average for autumn 2018	a) ARA (2019) b) ARA (2019)
2	People in emergency accommodation	2	Overnight shelters	See above	See above	ARA (2019)
3	People living in accommodation for the homeless	3 4 5 6	Homeless hostels Temporary accommodation Transitional supported accommodation Women's shelter or refuge accommodation	Numbers for 3.3-3.5: a) whole country excl. Helsinki: 455 people; b) Helsinki: 155 people No data for 3.6	a) and b): 2018, the whole year	ARA (2019)
4	People living in institutions	7 8	Healthcare institutions Penal institutions	Healthcare institutions: 0 People leaving penal institutions without home: 713 people	2018, the whole year	ARA (2019)
5	People living in non-conventional dwellings due to lack of housing	9 10 11	Mobile homes Non-conventional building Temporary structures	No data available	--	--
6	Homeless people living temporarily in conventional housing with family and friends (due to lack of housing)	12	Conventional housing, but not the person's usual place of residence	a) whole country excl. Helsinki: 2,326 people b) Helsinki: no data, but most homeless people live with relatives	2018, the whole year	ARA (2019)

* The numbers provided here do not add up to the number of homeless people in Table 1. Table 1 refers to the whole year. Here we have annual data or monthly averages. Furthermore, Table 1 represents the whole country. Here sometimes data for Helsinki are missing, or in some categories data are only for Helsinki.