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Access for children in need to the key services covered by the European Child Guarantee

Finland

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Summary

On 14 June 2021, the Council of the European Union (EU) adopted a Recommendation establishing a “European Child Guarantee”, with a view to guaranteeing access to six key services for “children in need”:

- effective and free access to four services: high-quality early childhood education and care (ECEC); education and school-based activities; at least one healthy meal each school day; and healthcare; and
- effective access to two services: healthy nutrition and adequate housing.

The purpose of the present report is to assess the extent to which low-income children in Finland do indeed have effective (or effective and free) access to these services.

In Finland, the central government legislates for and supervises ECEC, but it is in the domain of local authorities (municipalities) to implement the legislation. All children below school age have a subjective right to ECEC. However, only about one third of children aged 0-3 participate in ECEC activities. The reason is the Finnish cash-for-care system, which creates monetary incentives not to use public daycare. The effect is strongest in households at risk of poverty or social exclusion. Enrolment in ECEC is therefore biased towards better-off households. All low-income households are entitled to services free of charge. Since 1 March 2023, about half of all households have had a daycare placement free of charge. The maximum charge is €295 per month. A serious problem is the chronic shortage of ECEC teachers and nannies. In bigger municipalities, in particular, there are therefore structural challenges concerned with the capacity to actually deliver the services stipulated by the legislation.

School attendance is compulsory for all children aged 7-18. There are no costs for education. In the designated age group (i.e. for primary and secondary education), school equipment and other items that are in effect a necessary part of the curriculum are provided for free to all pupils. The system is universal.

Healthcare for children is free and already begins before birth. The first encounters a baby has with the healthcare system take place in maternity and child clinics. Child clinics assess the physical, mental and social condition of children below school age and provide vaccinations. Every child attending school or higher education is entitled to school and student healthcare. All children and young people are eligible for vaccinations. All of these services are universal and free of charge. The costs of medicine are compensated for by cash transfers.

A serious problem in the Finnish healthcare system is that, due to a lack of care personnel, it is currently unable to adequately meet the healthcare needs of children and young people. The situation is detrimental for low-income children, in particular. Low-income households can seldom afford to subscribe to private insurance policies that guarantee quick access to care.

There is a social gradient in healthy eating. Children from the lowest socio-economic groups and children with an immigrant background eat less healthy food than children from higher strata. Parental socio-economic characteristics are the main factors explaining the quality of children’s diet. Socio-economic characteristics are related to parents’ education, employment status and income. Financial and non-financial barriers are strongly intertwined and therefore it is difficult to separate their individual impacts.

As regards housing, the Finnish situation is very good compared with the other EU Member States. The shares of income-poor children who suffer from severe housing deprivation, overcrowding, or excessive housing costs are either the lowest or among the lowest of all the Member States. The generous housing allowance is one of the main factors contributing to the good situation.

Introduction

On 14 June 2021, the EU Member States unanimously adopted the Council Recommendation (EU) 2021/1004 establishing a “European Child Guarantee” (ECG).¹

The objective of the ECG is to offset the impact of poverty on children and to prevent and combat their social exclusion. To this end, it is recommended that Member States guarantee for “children in need” (defined as people **under 18** who are at risk of poverty or social exclusion – AROPE):

- effective and free access to four services: high-quality early childhood education and care (ECEC); education and school-based activities;² at least one healthy meal each school day; and healthcare; and
- effective access to two services: healthy nutrition and adequate housing.

According to the ECG Recommendation, **effective access** means “*a situation in which services are readily available, affordable, accessible, of good quality, provided in a timely manner, and where the potential users are aware of their existence, as well as of entitlements to use them*” (Article 3d). **Effective and free access** means “effective access” to the services, as well as free-of-charge provision – either by organising and supplying such services or by providing “*adequate benefits to cover the costs or the charges of the services, or in such a way that financial circumstances will not pose an obstacle to equal access*” (Article 3e).

The Recommendation directs the Member States to prepare action plans, covering the period until 2030, to explain how they will implement the Recommendation.³ These plans are to be submitted to the European Commission.

The purpose of the present report is to assess the extent to which children who are AROPE have effective and free access to four of the six services covered by the ECG and effective access to the other two (see above). Given that the eligibility criterion (or criteria) for accessing those services in individual Member States (at national and/or sub-national level, depending on how the service is organised) is/are not based on the EU definition of AROPE,⁴ the report focuses on access for **low-income children** to each of these services, using the national low-income criterion (or criteria) that apply (e.g. having a household income below a certain threshold or receiving the minimum income). Throughout this report, “low-income children” is to be understood as children living in low-income households.

In Finland, all six services covered by the ECG are primarily or solely regulated at national level. Therefore, the report seeks to provide a general picture of the (effective/free) access for low-income children in the country.

¹ The full text of the ECG Recommendation is available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L.2021.223.01.0014.01.ENG&toc=OJ%3AL%3A2021%3A223%3ATOC>.

² According to the Recommendation (Article 3f), “school-based activities” means “*learning by means of sport, leisure or cultural activities that take place within or outside of regular school hours or are organised by the school community*”.

³ Once they have been submitted to the European Commission, the plans are made publicly available online at: <https://ec.europa.eu/social/main.jsp?catId=1428&langId=en>.

⁴ According to the EU definition, children are AROPE if they live in a household that is at risk of poverty (below 60% of median income; hereafter AROP) and/or severely materially and socially deprived, and/or (quasi-)jobless. For the detailed definition of this indicator and all other EU social indicators agreed to date, see: <https://ec.europa.eu/social/main.jsp?catId=756&langId=en>. In 2021, EU Member States agreed a target to be reached by 2030: a reduction in the number of people AROPE in the EU by at least 15 million, including at least **5 million children**.

The report is structured by service:

- effective and free access to high-quality ECEC;
- effective and free access to education and school-based activities;
- effective and free access to at least one healthy meal each school day;
- effective and free access to healthcare (e.g. free regular health examinations and follow-up treatment, and access to medicines, treatments and support);
- effective access to healthy nutrition;⁵ and
- effective access to adequate housing.⁶

1. Early childhood education and care (ECEC)

This section describes the situation regarding effective and free access for low-income children to ECEC services.

1.1 Mapping accessibility and affordability of ECEC

The Child Welfare Act (417/2007) stipulates that when arranging and developing social and healthcare services, child daycare and educational services, as well as other services for children, young people and households with children, the municipalities must ensure that these services provide support in bringing up children for parents, custodians and other responsible people. The Act also mandates that the special support needs of children, young people and households with children are investigated. The Early Child Care Act (508/2015) obliges municipalities to arrange activities to assist children and young people in need of special support. The Act states that all children must be guaranteed equal conditions for healthcare and educational options for lifelong learning. According to the Act, all children must also be given equal opportunities to participate in various pedagogical activities, including games, sports, artistic activities and cultural activities, to encourage a positive learning experience. Furthermore, all children should have equal access to early childhood education, and they should be sensitised to notions of gender equality and taught the capacity to understand and respect the linguistic, cultural and religious differences of children with different cultural backgrounds.

In Finland, the central government legislates for and supervises ECEC, but it is in the domain of local authorities (municipalities) to implement the legislation. The same legislation applies to the entire country, including the autonomous region of the Åland Islands (Nordic Council of Ministers 2023).

Since 1996, all children below school age (i.e. 7) have had a subjective right to ECEC, if their parents decide to make use of it. The municipalities are responsible for arranging ECEC services. Households can also choose to go to publicly subsidised private ECEC facilities. However, in 2021 only 36% of children aged 0-3 participated in ECEC activities (Finnish National Agency for Education 2022a). The reason is *kotihoidontuki*, the Finnish cash-for-care peculiarity (see Section 1.2.2).

⁵ According to the Recommendation (Article 3g), “healthy meal” or “healthy nutrition” means “a balanced meal consumption, which provides children with nutrients necessary for their physical and mental development and for physical activity that complies with their physiological needs”.

⁶ According to the Recommendation (Article 3h), “adequate housing” means “a dwelling that meets the current national technical standards, is in a reasonable state of repair, provides a reasonable degree of thermal comfort, and is available and accessible at an affordable cost”.

The homecare allowance is widely used: close to 90% of parents (usually the mothers) use it. Although utilisation as such is not linked to socio-economic characteristics, the duration of use correlates with education and income (parents with lower education and lower income use it for longer than well educated parents), labour market attachment (those with weak attachment use it for longer) and household status (single mothers use it for longer than mothers with spouses). Therefore, participation in daycare tends to be biased in favour of better-off households.

Among children under 3, approximately 34% are enrolled in full-time childcare. The share among those aged 3-6 is 85.2% (Finnish National Agency for Education 2022a).

These subjective childcare rights compel municipalities to grant a daycare placement within a fortnight. Municipal daycare is available on a full-time basis (for a maximum of 10 hours per day) and on a part-time basis (for a maximum of five hours per day). Municipalities should offer services at the hours households need them. However, due to an acute shortage of skilled childcare personnel, many municipalities have severe difficulties in meeting these requirements. There is a shortage of both early childhood education teachers and nannies. Personnel shortages are a chronic problem, especially in bigger municipalities (JHL 2021 and 2023). There are therefore structural challenges to the municipalities' capacity to actually deliver the services stipulated by the legislation.

In principle, low income is not a priority criterion. However, in priority assessment, the overall household situation is taken into consideration (i.e. the employment situation of parents, their income, and the specific needs of children, etc.) are taken into consideration, whereas income as such is not a priority criterion. Access should be open for all (Table 1.1).

Providing pre-primary education (*esikoulu* – pre-schooling) is a legal duty of the municipalities, and is free of charge. Up to 2015, participation was voluntary, but virtually all children aged 6 participated in it anyway. Since 2015, pre-primary education has been compulsory for all children at age 6. Schooling in Finland starts at age 7. The 2015 reform completed one of the central aims of basic education: all children, regardless of their background, have the same possibility to receive a pre-primary education that fulfils the nationally set standards. Hence, the reform tries to combat the transmission of disadvantage between generations. The service is free of charge (Table 1.1).

Table 1.1: Accessibility and affordability of ECEC

Childcare (usually under age 3)		Pre-school setting (usually age 3 to compulsory school age)	
Accessibility	Affordability	Accessibility	Affordability
ENT-ALL0month	FREE-POOR0years	ENT-ALL6years	FREE-ALL6years

Note: "ENT-ALLxxx" means a legal entitlement for all children from the age of xxx. "FREE-ALL6years" means free for all children from the age of 6. "FREE-POOR0years" means free for low-income children from age 0. If the information differs between centre-based and home-based care, the information provided applies to centre-based care

The National Agency for Education provides a nationwide early childhood education curriculum to serve as the basis for local early childhood education plans. These plans provide a personalised early childhood education plan for every child. ECEC (including childcare) is a part of the educational system, with the deliberate goal of increasing investment in children and their learning capacities (Finnish National Agency for Education 2022b).

1.1.1 Conditions for qualifying as a "low-income child"

The Finnish child daycare system does not define who is a "low-income child" entitled to free access. The fees for using public daycare depend on the size of the household, its income and

the number of hours of care needed. The fee ranges from €0 to a maximum of €295 per month for the youngest child, €118 for the second child and thereafter €59 for each additional child.

1.1.2 Relation between the group(s) of children who have free access and the AROPE population of children in the relevant age group(s)

In 2020, about 20% of children belonged to the €0 group (which was about 50,000 children, compared with the 40,000 AROP children), and 20% belonged to the highest payment group paying €295 per child per month (THL 2021). Since 1 March 2023, the income thresholds for free daycare have been raised. The increase of the household income thresholds means that households that belong to the income deciles I-V (i.e. half of all households) do not pay anything for daycare (Finnish Government 2022a).

In 2020, the AROP threshold for a household of two adults and two children was €2,673 per month, and €2,036 per month for a single parent with two children. The monthly income thresholds for free daycare for such households are €5,930 and €4,998, respectively. The income threshold is increased by €262 for each additional child. Thus, households whose incomes are lower than the AROP poverty thresholds by definition do not need to pay anything for daycare.

In 2020, there were 363,400 children aged under 7. 141,000 of them were under age 3, and 222,400 were aged 3-6 (Statistics Finland 2022a, 257). Unfortunately, there are no exact data available on the total number of children who have free access to the service. Nor are there exact data on the number of AROP children participating in ECEC activities. We cannot break down the number of children who have free access to the service on the basis of low income or other socio-economic criteria. In principle, all low-income children have free access.

There are substantial differences between AROP and non-AROP children in their enrolment. In the 0-2 age group, the ECEC enrolment rate is 19.8%, whereas it is 41.9% in the non-AROP group. In the 3-6 age group, the corresponding shares were 75.5% and 90.2% in 2021 (European Commission 2022). Thus, the non-take-up rates are as follows: in the AROP 0-2 age group, 80.2%; and in the AROP 3-6 group, 24.5%. As said above, all AROP children are entitled to free daycare. Among the non-AROP children, the non-take-up rates are 58.1% and 9.8%, respectively.

A special study of the utilisation of child daycare in Helsinki showed similar results. The enrolment rate in the 1-6 age group was 62% in the lowest income decile, whereas it was as high as 87% in the highest income decile. In the 3-5 age group, the corresponding shares were 80 and 94% (THL 2021).

If we suppose that the AROP rate is 14.1% (Eurostat 2022a), and if we use the numbers presented above, we can get some proxies for the absolute numbers of children in each category. In the 0-2 age group, there were 19,900 AROP children ($14.1\% \cdot 141,000$). 19.8% (3,900) of them were enrolled in childcare, whereas the remaining 16,000 did not use the free childcare available for them. In the non-AROP group (121,100 children) the corresponding numbers were 50,700 and 50,400 children. However, it is impossible to say how many of the non-users in this group had free access.

Regarding the older age group (aged 3-5), there are 163,000 children. Out of them 23,000 ($14.1\% \cdot 163,000$) belong to the AROP population. 5,600 are not using free ECEC, whereas the majority of them (17,400) participate in ECEC. The corresponding numbers for non-AROP children are 13,700 ($9.8\% \cdot 140,000$) and 126,300 ($90.2\% \cdot 140,000$).

There are no specific groups of children who would be over-represented in the AROPE population and lack free access to the service. Access is free for all low-income children. However, the “National Action Plan of Finland – European Child Guarantee” (adopted in April

2022) lists groups that need special attention: children in child protection (especially those living outside the family home); children with various impairments; children with mental health problems; immigrant, Roma, and Sami children; and LGBTIQ children.

1.2 Main barriers to effective and free access to ECEC for low-income children

1.2.1 Financial barriers

In principle, there should not be any financial barriers to daycare. Since the Governmental Proposition (229/2022) became effective (March 2023), half of Finnish households have had free access to child daycare.

1.2.2 Non-financial barriers

The main barrier reducing ECEC enrolment in Finland is the homecare allowance – which we address here rather than in Section 1.2.1, as it is a financial disincentive to using municipal childcare. The homecare allowance also causes socio-economic bias in the enrolment rates. Although the homecare allowance is targeted at children under 3, its impact is also visible in the 3-6 age group (Section 1.1). The reason is that parents can also get child homecare for other siblings under 7 who do not attend municipal early childhood education (“sibling allowance”). The household cannot get the allowance after the youngest child has reached the age of 3. Many households that make use of the homecare allowance for their youngest child keep the older one(s) at home as well.

There are regional variations. Whereas in the rural Ostrobothnia area enrolment rates are about 10 percentage points lower than the national average, in the urban southern and western areas the enrolment rates tend to be about 5 percentage points higher. The municipal additions paid on top of the legislated homecare allowance also affect ECEC enrolment rates in the younger age groups.

The 1982 Child Care Act established a dual system, consisting of the possibility to use municipal daycare or to receive a homecare allowance instead (Kela 2023a). Thus, the Act guarantees universal access to child daycare, or to homecare allowance if the child does not attend municipal early childhood education. The homecare allowance is available for all children under 3.

The rates of the homecare allowance in 2023 are €377.68 per month for the first child under 3, €113.07 per month for each additional child under 3, and €72.66 per month for a child who has reached age 3 but is still under school age.

The benefit is universally available to any household that has children under 3. However, the sibling allowance for those siblings who are over 3 but under 7 is subject to two conditions: (1) the younger child must be under 3; and (2) older siblings are entitled to the allowance only if they do not participate in municipal childcare. If they only attend pre-schooling (see Section 1.1), the sibling allowance is payable to them. However, if they attend municipal daycare in addition to pre-primary education, the sibling allowance is not payable.

In addition, a care supplement (€202.12) is payable on top of the homecare allowance if the household’s income does not exceed certain limits. A household consisting of a parent and two children is entitled to a full supplement if the household income does not exceed €1,430 per month. The right to the homecare supplement expires if the household’s monthly income exceeds €3,580. For a house consisting of two adults and two children the limits are €1,700 and €4,258 respectively.

Municipalities, if they choose to do this, can also pay municipal supplements on top of the homecare allowance and/or give vouchers to compensate for the costs of private daycare. The amount of, and eligibility criteria for, the municipal supplement vary depending on the municipality. One fifth of Finnish municipalities pay supplements. Municipal benefits ranged from €77 to €350 per month in 2019 (Lehtinen & Svartsjö 2020). There are two main reasons why municipalities pay supplements on top of the legislated homecare allowance. First, homecare is cheaper for the municipality than organising municipal daycare. Second, bigger municipalities, which have particular difficulties in finding kindergarten teachers and other care staff, want to reduce the demand for childcare places. If all households used the legal right to enrol their children in childcare services, in many municipalities the whole ECEC system would collapse.

In monetary terms, the homecare allowance with possible municipal supplements might be a strong disincentive for parents not to use municipal childcare services. If a household of one adult and two children under 3 have the income that corresponds to the AROP threshold for such a household (€2,036 per month), the homecare allowance and care supplement would yield €630 in compensation for not using public daycare. Depending on the municipal top-up, the compensation can range from €707 to €980 per month. The compensation levels for a household of two adults and two children are almost the same (€695 and €966). In 2020, the average costs per child of early childhood education in the six largest municipalities were about €1,100 per month (Kuusikkotyöryhmä 2021, 111).

About half of the municipalities that paid homecare supplements reported that the supplement had reduced the demand for daycare placements (Lehtinen & Svartsjö 2020). The monetary disincentive is rather strong for low-income groups, in particular. For example, for a single parent with two children where household income equals the AROP threshold (€2,036 per month), the homecare allowance (with possible municipal extras) corresponds to 30-50% of the threshold income.

Since the homecare allowance is very popular among parents (it is seen as a means to enhance their freedom of choice), it is not realistic to abolish it. What is more realistic is to shorten the duration of the benefit period from three to two years. Simultaneously, the hours of access should be made more flexible. In particular, single parents have problems adapting their working time to the rather rigid opening hours of daycare centres.

Non-financial barriers include various cultural factors (e.g. rural versus urban; traditional family values) linked to the utilisation of childcare versus taking the homecare allowance.

1.3 Free meals provision for low-income children in ECEC

Meals (typically three meals per day) are universally free for all children enrolled in ECEC. Income does not play a role.

2. Education and school-based activities

This section describes the situation regarding effective and free access for low-income children to education and school-based activities.

Section 2.1 maps the main school costs in public primary and secondary education, distinguishing between the following:⁷

- compulsory basic school materials (schoolbag, pens, glue, scissors, etc.);
- compulsory school materials (textbooks, school supplies, notebooks, etc.);
- compulsory specific clothing (uniform, sports clothing);
- IT equipment requested by the school;
- sports equipment or musical instruments requested by the school;
- compulsory extramural activities (e.g. school trips, sport, culture) that are part of the curriculum;
- other compulsory fees or costs; and
- transport costs to or from school.

Section 2.2 briefly describes the cash benefits specifically intended to help meet educational costs.

Finally, Section 2.3 seeks to identify the main barriers that prevent low-income children from having effective and free access to “school-based activities” as defined in the Council Recommendation establishing the ECG (see “Introduction” section). Given that the distinction between these activities and some of the activities covered above – especially the “compulsory extramural activities (e.g. school trips, sport, culture) that are part of the curriculum” – may not always be clear-cut, the focus of Section 2.3 is specifically on school-based activities which are not part of the curriculum.

2.1 Mapping the main school costs in public primary and secondary education

The aim of universal and free education in Finland is to guarantee that all children, regardless of their socio-economic or other background characteristics, have the same possibility to study and fully utilise the educational services. The ultimate objective of the national education policy is to provide citizens with possibilities for personal development through education and cultural services, to guarantee the skills needed in the labour market and to reinforce national culture (Ministry of Education and Culture 2020).

School attendance is compulsory for all children aged 7-18 (Table 2.1a). This means that free attendance at schools and free equipment (books, computers, and other materials) are provided for pupils in that age group (i.e. from primary to secondary education). The system is universal and the same regulations apply to all pupils, be they poor or rich.

⁷ Tuition fees charged by private schools are not covered.

Table 2.1a: School costs of primary education (free for all/low-income children)

Basic material	Books	Clothing	IT	Sports or music equipment	Extra-mural activities	Other fees or costs	Transport
MOST ITEMS	ALL	MOST ITEMS	ALL	MOST ITEMS	ALL	ALL	MOST ITEMS

Note: "ALL" means that this category is free for all children "MOST ITEMS" means that most but not all items in the category are free for low-income children.

Most basic materials (pens, glue, scissors, etc.) needed in schools are covered, whereas school bags are not covered. All books are free. In Finnish schools, school uniforms are not used. Sports clothing and sport equipment (such as running shoes and swimming suits) are not covered by the school (Table 2.1a). In cases where the household has a low income and is unable to buy such equipment (including schoolbags), social assistance may cover these costs.

All IT equipment and musical equipment, as well as extramural activities that are part of the curriculum, are free. The same applies to other fees and costs for items that are in effect a necessary part of the curriculum. Participation in voluntary school trips not included in the curriculum is up to the household to decide. For low-income children, social assistance may cover these costs.

Pre-primary and basic education students have the right to free school transport organised by the municipality if the journey to school is more than 5 kilometres each way, or if it is otherwise too difficult, stressful or dangerous for the age or circumstances of the pupil (Table 2.1b). While transport to school is free in primary education, special conditions apply to secondary education (see Section 2.2.).

In sum, all children residing in Finland are universally and equally entitled to all education services, school meals, healthcare and any other services offered in schools. Since all the services are free of charge, there should not be any obstacles for children coming from low-income households to participate in education, be it basic education or higher forms of education, or any other services offered by the schools. As in the case of primary education, sports clothing and other personal sport equipment as well as transport are not always free. However, for low-income pupils, social assistance may cover costs for the items listed in Table 2.1b.

Table 2.1b: School costs of secondary education (free for all/low-income children)

Basic material	Books	Clothing	IT	Sports or music equipment	Extra-mural activities	Other fees or costs	Transport
MOST ITEMS	ALL	MOST ITEMS	ALL	MOST ITEMS	ALL	ALL	MOST ITEMS

Note: "ALL" means that this category is free for all children. "MOST ITEMS" means that most but not all items in the category are free for low-income children.

2.1.1 Conditions for qualifying as a "low-income child"

Not applicable. Education is free for all, as are all activities that are related to the curriculum.

2.1.2 Relation between the group(s) of children who have free access and the AROPE population of children in the relevant age group(s)

Not applicable: access is free for all children.

2.2 Cash benefits whose specific purpose is to help meet educational costs

There are cash benefits to compensate for the costs of school travel. They apply to all students. The school transport subsidy (*koulumatkatuki*), payable by the Social Insurance Institution of Finland (Kela), covers the costs of travel to school. However, certain conditions apply. The allowance is granted to young people studying in a secondary educational institution, such as a high school or a vocational school. The condition is that there are at least 10 travel days per month and that the school trip is longer than 7 kilometres each way (Kela 2023b). Students in secondary education are also entitled to a study grant. The amount of the grant depends on the age of the student, as well as on whether they live alone or with their parents. If they live with their parents, then parental income may reduce the benefit (Kela 2023c).

Unfortunately, there are no reliable analyses available on how these educational benefits are related to the situation of AROPE pupils, or on the extent to which they cover the costs related to studies.

According to the Act Amending the Basic Education Act (*Laki perusopetuslain muuttamisesta*] 642/2010), pupils who need regular support in their learning or schooling must be given enhanced support in accordance with learning plans made for them. If there are extra costs for fulfilling the goals of the learning plan, the municipality should cover them.

2.3 Main barriers to effective and free access to school-based activities for low-income children

2.3.1 Financial barriers

In Finland, education (including all school-based activities related to the curriculum) is free, whereas school-based activities that are not related to the curriculum (e.g. school trips, parties, and concerts organised at school) may be free or there may be fees depending on the municipality. There are various forms of income transfers to compensate for all potential education-related costs, either partially or totally. Thus, there should not be major financial barriers to education that are related to the household status of the child. Children's backgrounds nonetheless have a significant impact on their educational outcomes. Whereas 70% of children coming from the lowest income quintile do not obtain post-secondary level education, the share is 30% among the highest quintile (Suoniemi 2016).

Unfortunately, there are no exact studies available on the extent to which out-of-pocket costs for accessing school-based activities constitute a financial barrier for low-income children. However, it is known that in 2021 about 10% of all households with children received social assistance. About 3% of households with children received social assistance for longer than six months. Long-term income support indicates prolonged difficulties in making a living. Furthermore, in 2021 about 25% of schoolchildren reported that their households had problems in making ends meet. Such situations may prevent children from properly participating in peer-group activities organised at school and may cause feelings of being an outsider and of social exclusion (Itla 2022).

It is also well known (see, for example, Hakovirta & Rantalaiho 2012) that inequalities in children's consumption resources produce inequalities in children's social status and inclusion. This is particularly evident in children's important peer groups and friendships, whether they be school-based or not. The value and meaning of goods are determined in social interaction. Low-income children cannot always spend their free time in the same way as their peers. According to the Youth Barometer 2020, one fifth of young Finnish people (aged 15-29) said that they had not met friends, and one third that they had not participated in hobbies, because

of a lack of money (Berg & Myllyniemi 2020). Economic inequalities are therefore more or less reflected in pupils' sense of belonging and involvement in the school. Among Finnish schoolchildren, their economic situation is a more important determinant than parental educational attainments in creating feelings of togetherness in the educational context (Hautala *et al.* 2022). In sum, children whose financial situation is weak participate less than others in school-based activities and in other hobbies.

2.3.2 Non-financial barriers

In addition to monetary issues, cultural and attitudinal factors play a role. The childhood home plays an important role in children's hobbies. Parental encouragement and the parent's own example are of great importance. Parents' lower educational attainments tend to lead to lower levels of aspiration among children and lower enrolment rates in school-based activities and hobbies (Hakovirta & Rantalaiho 2012). Other factors, such as geographical distance, sexual orientation, language and culture, play a role too. Children with immigrant backgrounds tend to participate less in regular hobbies than their native-born peers (Valtion nuorisoneuvosto 2017).

3. Free meals at school

This section describes the situation regarding effective and free access for low-income children.

3.1 Mapping free provision of school meals

The first legislation on free school meals was passed as early as 1943. It became effective five years later. The immediate intention was to abolish malnutrition and improve the population's health. In addition, pedagogical motivations were central. Health and nourishment were regarded as essential preconditions for good learning results.

Today, food education in schools is a holistic pedagogical tool which extends far beyond nutrition and the school lunch. According to the Finnish National Agency for Education (2020), the purpose of school meals is to support the healthy growth and development of students, their ability to study and their knowledge of a healthy diet. Furthermore, school meals have the purpose of not only promoting pupils' physical well-being and ability to study, but also fulfilling broader educational functions. When eating, pupils learn sociability and interaction skills. Thus, school meals are a central part of the overall educational curriculum.

Consequently, access to free food during schooling is now universal. In 2023, about 830,000 pupils and students are entitled to free school lunches. Access is not linked to income. Since 1979 the state has also subsidised university students' meals to enhance healthy eating habits among them.

3.1.1 Conditions for qualifying as a "low-income child"

Not applicable.

All children, be they poor or rich, are equally entitled to free healthy meals on each school day. Thus, the total AROPE population is covered by the service.

3.1.2 Relation between the group(s) of children who have free access and the AROPE population of children in the relevant age group(s)

Not applicable. All groups of children have free access, regardless of their income status.

3.2 Main barriers to effective and free access to school meals for low-income children

3.2.1 Financial barriers

Not applicable. All children have equal and free access to healthy meals in daycare and at school. Thus, there are no financial barriers. In sum, all schoolchildren – whether poor or rich, and residing in rural or urban areas – are equally entitled to meals, and therefore there is no socio-economic bias. The free school meal benefits all children in general and poor children in particular. For many low-income children and other vulnerable children, the school meal may be the most important daily meal (Ministry for Foreign Affairs 2019).

3.2.2 Non-financial barriers

Although school meals are a statutory obligation of municipalities, there are variations between municipalities and schools regarding the content and quality of meals. During the peak of the COVID-19 crisis, when schools were closed, alternative arrangements were put in place to provide school meals for children. Municipalities had an obligation to provide free meals to all primary school pupils who were in distance learning. However, there was a mitigation: the obligation to provide meals was to the extent and in the manner that was possible given the circumstances. Thus, there were variations in practices between municipalities. About half of the Finnish municipalities provided school meals to all pupils, whereas one quarter of municipalities provided meals only to contact pupils (i.e. children in classroom teaching). The remaining municipalities provided meals after means-testing – in other words, pupils and students with special needs received meals, and some municipalities provided meals on social and economic grounds. The form of delivery varied. Some municipalities distributed meal bags, while others provided take-away possibilities or vouchers. Cash benefits were also used. After May 2020, when schools were reopened, free meal provision returned to normal.

4. Healthcare

This section describes the situation regarding effective and free access for low-income children to healthcare, focusing on vaccinations, care from a general practitioner (GP) or infant nurses, specialist care, dental care (not orthodontics) and prescribed medicines.

4.1 Mapping the provision of free healthcare services and products

The Child Welfare Act (417/2007) regulates services guaranteeing access to healthcare services and services aimed at health promotion among children. In principle, all services are universal and cover all children equally (Table 4.1).

Table 4.1: Healthcare costs (free for all/low-income children)

Vaccination	GP	Infant nurses	Specialist care	Dental care (not orthodontics)	Prescribed medicines
ALL	ALL	ALL	ALL	ALL	POOR

Note: "ALL" means that all services/products in the category are free for all children. "POOR" means that they are free for low-income children.

For all children in Finland, free healthcare begins before birth. The first encounters a baby has with the healthcare system take place in maternity and child clinics (*neuvola*). Maternity clinics screen the pregnant mother and follow the development of the foetus. Whereas maternity

clinics are for the pregnant mother, child clinics assess the physical, mental and social condition of children below school age, provide vaccinations and support parents in providing secure, child-focused rearing, while also helping them to take care of their relationships. The clinics promote a healthy growth environment for children and healthy lifestyles. They also act as a centre for various kinds of multi-professional collaboration for professionals who specialise in working with young parents. During the first year after birth, a nurse sees the child every month and examinations by a medical doctor take place when the child is aged 4-6 weeks, 4 months, and 8 months. Thereafter, a nurse sees the child every year. At the age of 4, the child again goes through an extensive examination by a medical doctor. Vaccinations are received at the clinics. All of these services are universal and free of charge for all children.

The National Institute for Health and Welfare (THL) takes care of the practical development, monitoring, and municipal guidance of child clinic activities. It provides a children's counselling handbook to be used in maternity and child clinics; and it also publishes other guidelines, organises trainings, and provides information for the clinics. Thus, by providing well defined standards, public authorities aim to (as far as possible) safeguard the homogeneity of services throughout the country.

Whereas child clinics provide regular inspections for children under school age, school healthcare carries out regular, universal, and obligatory health examinations for all schoolchildren (Governmental Decree 338/2011). The Finnish basic school system also follows the principle of a multi-service approach. Beginning in the 1920s, medical doctors (*koululääkärit* – school doctors) and other medical personnel (*kouluterveydenhoitajat* – school nurses) carried out regular health inspections and vaccination programmes in primary schools. Dental services were included in 1956, and eventually psychological services were also added to the bundle of services provided in schools. The Finnish multi-service approach is based on the idea that only healthy and well fed pupils are able to effectively participate in education and learning.

The services cover all primary schoolchildren and are available during school days at school (or in the immediate vicinity). Annual health examinations covering the entire age group form the backbone of school healthcare activities. In grades 1, 5, and 8, health checks are conducted extensively, and parents are invited to participate. The examinations comprehensively assess children's physical and psycho-social health, well-being, and learning. The health examination always includes individual health counselling. All children and young people are eligible for vaccinations against 12 different diseases, related secondary diseases, and long-term adverse effects. Girls are also offered a human papillomavirus vaccine that provides protection against various cancers.

Dental care is free for every child. Dental care inspections are carried out three times prior to school age: when the child is aged 1-2, 3-4 and 5-6. Regular dental inspections are also carried out during the child's time in school.

The costs of medicines may be reimbursed by the Kela. The reimbursement takes place directly and automatically at the pharmacy (i.e. this means that there is no need to pay first and be reimbursed later). The pharmacy digitally contacts the Kela to check if clients are eligible for complete or partial reimbursements (see Section 4.2). The income of the customer does not play any role in the reimbursement, which is the same regardless of people's financial background.

4.1.1 Conditions for qualifying as a “low-income child”

Not applicable for healthcare. Benefits are universal and everybody is equally covered. Regarding medicine, the situation is different. The costs of medicines are reimbursed by the Kela (see Section 4.2). If there are costs that the Kela does not reimburse or reimburses

partially, low-income children can get compensation for the costs of medicine from social assistance.

4.1.2 Relation between the group(s) of children who have free access and the AROPE population of children in the relevant age group(s)

Not applicable to healthcare, which is universal and free to access for all children. The costs of medicines may be compensated for by the Kela; and social assistance helps to cover the costs of medicines for children in AROPE households (Section 4.2).

4.2 Cash benefits whose specific purpose is to help meet healthcare costs

Except for social assistance benefits, which vary by income, all cash benefits provided to help households cope with the costs of medicines are the same for high-income and low-income households. In that sense these benefits universally cover all income groups.

The Kela is responsible for reimbursing the costs of medicines. However, reimbursements are only available for medicines confirmed as reimbursable by the Pharmaceuticals Pricing Board (Hila), which operates at the Ministry of Social Affairs and Health. In the Kela's reimbursements there are different compensation classes (40, 65 and 100% as defined by Hila). There is an annual maximum limit on out-of-pocket costs. If the costs exceed €592.16 per year, medicines beyond this limit are free, although a fee of €2.50 is collected on each purchase. Parents can add their children's costs to their own cost accounts. (Kela 2023d)

A low-income household can get social assistance for possible healthcare user fees and for the cost of necessary transport. In social assistance, costs for medicines are usually compensated for by vouchers. Social assistance-based health benefits are specifically tailored to only low-income children to meet their healthcare costs when services are not free.

There are no absolute criteria to define a "poor household" – every case is treated uniquely. Nor are there studies on the total number of children or AROPE children receiving Kela-based reimbursements, cash benefits or pharmacy vouchers from social assistance to cover the costs of medicines.

4.3 Non-financial barriers to effective and free access to healthcare

As described in Section 4.1, Finland has a good record on healthcare, resulting from its system of child clinics, school examinations and dental care. All of the structures necessary for free and universal healthcare are in place. However, there are major problems with regard to the accessibility and affordability of these services. The problem is that the waiting lists for non-acute care are too long. A study found that 3.0% of all children had not received necessary dental care (Kangas 2019). Among poor households the share was much higher (7.8%). Regarding medical care, in 4.4% of low-income households there was at least one child who had not received a necessary medical treatment. For all children, the corresponding share was 3.4%. The problems are greatest as regards mental healthcare services. The service system is currently unable to adequately meet the needs of children and young people seeking help due to mental health problems. There are shortcomings in equal access to psycho-social treatment and rehabilitation for mental health and substance abuse disorders. (Huikko, Peltola & Aalto-Setälä 2023).

The COVID-19 pandemic further worsened the situation in the healthcare sector. The "treatment deficit" (i.e. the number of children that did not get the treatment they needed) grew,

queues got longer and the number of treatment visits declined. In particular, in 2021 the number of visits to school and student healthcare fell by approximately 15% compared with 2019 (THL 2022).

In order to get easy access to healthcare, 50% of households had subscribed to private health insurance policies for their children as of 2020 (HS 2020). However, health insurance policies are rather expensive, and low-income households often cannot afford private insurance policies for their children. This trend may widen health disparities between children in well-off and low-income households.

The THL carries out school health surveys to collect follow-up data on the school healthcare system, student care and the well-being of students. Most of the information to assess the quality and equality of school healthcare is publicly available at net-based information banks (www.teaviisari.fi). These information sources also contain national- and local-level information on the utilisation of various forms of public healthcare (including school healthcare), as well as on health measures taken by individual municipalities and their outcomes.

Previously healthcare was delivered within 309 municipalities and there were variations between regions and municipalities with respect to healthcare services. The social and healthcare reform (Sote) transferred responsibilities for health and dental care from the municipalities to welfare counties (21 in number, with the Helsinki region as an additional unit). The reform became effective on 1 January 2023. The overarching goal of the Sote reform is to improve the access to, and quality of, healthcare services throughout the country and diminish health gaps between regions and between socio-economic groups, which have been relatively large in Finland (Government of Finland 2022). The task is very challenging. The current situation in the Finnish healthcare sector is grim. There is a shortage of 10,000-15,000 nurses, which is set to worsen steadily. In the next 10 years, about 20,000 nurses will retire from the municipal sector (Social Affairs and Health Committee 2022). Needless to say, the shortage of personnel also has its detrimental effects on children's healthcare services. For the time being, it is too early to judge to what extent, if any, the grand goals of the reform will be achieved in general, and regarding children in particular.

5. Healthy nutrition

This section describes the situation regarding effective access for low-income children to healthy nutrition.

5.1 Main barriers to effective access to healthy nutrition

As described in Section 3, Finnish kindergartens offer breakfast, lunch and an afternoon snack/food. Schools provide warm meals for free. Thus, the basic elements for access to healthy nutrition are built into the activities of these educational institutions. The proportion of children (aged 1-15) who live in a household where there is at least one child lacking a sufficient amount of protein daily for affordability reasons is less than 1% in Finland. This is one of the lowest shares in the EU (Frazer *et al.* 2020). One reason for this low share is obviously the free food provided in ECEC services.

5.1.1 Financial barriers

Despite free meals served in childcare and schools, there are substantial differences in food habits between children in low-income and high-income households. Skaffari *et al.* (2022) studied eating habits among children aged 3-6. Their main finding was that children in the lowest third of the income distribution (income below €1,894 per month) had lower intakes of fibre, vitamin D and folate, fresh vegetables, berries and fish, but greater intakes of sugar-

sweetened soft drinks, fats and saturated fatty acids. Similar trends are likely to apply to most AROP/AROE children.

5.1.2 Non-financial barriers

As indicated above, differences and gaps in access to healthy nutrition are related to income and even more to the broader socio-economic background of children. Socio-economic characteristics are related to the parents' educational level, employment status and income. Lower socio-economic status entails both lower income and lower levels of knowledge about healthy eating habits. Often healthy food is not systematically more expensive than non-healthy food. Culture, knowledge about healthy nutrition and learned shopping and eating patterns and habits have their own impacts, which often may be more important than money. Financial and non-financial barriers are strongly intertwined. It is difficult to separate their individual impacts in such outcomes as overweight and obesity.

Overweight and obesity are a problem among Finnish children and youngsters. 29% of boys and 19% of girls suffer from obesity. Obesity is strongly related to the household's low socio-economic status in both genders. Significantly smaller proportions of children whose parents have tertiary-level diplomas are obese compared with those whose parents only have the lowest educational level. Financial difficulties are also related to obesity (Mikkilä *et al.* 2002). Thus, there is a strong interaction between education (knowledge), social status and income contributing to weight problems. There is an abundance of studies on these topics, and testimonies from them are the same: children with the lowest socio-economic positions and children with an immigrant background eat less fish, skimmed milk and fibre-rich bread, and fewer main meals, than children from higher strata. Parental characteristics are the main factors explaining a child's diet quality (see, for example, Lehto *et al.* 2010; Eloranta *et al.* 2011; de Oliveira Figueiredo *et al.* 2019; Koivuniemi *et al.* 2022).

5.2 Publicly funded measures supporting access to healthy nutrition

There are no specific cash benefits to cover food costs, although one component for calculating the level of the social assistance benefit is the minimum expenditure on food, housing and other expenses necessary for ensuring subsistence.

As all the studies mentioned in Sections 5.1.1 and 5.1.2 indicate, the childhood home plays an important role in forming eating habits. The child adopts healthy habits and patterns first from their parents or guardians at home. The second formative period is enrolment in the ECEC, after which schools and other educational institutions enter the picture.

Maternity and child clinics (see Section 4.1) aim to provide information on the importance of healthy nutrition. The THL published diet recommendations for households with children and pregnant and breastfeeding women (THL 2019). The recommendations include principles for a health-promoting diet and ways to implement it in households with children. The recommendations are also intended for all those professional groups (for example ECEC staff) whose tasks are related to children's nutrition.

There are specific dietary recommendations for early childhood education. Eating and food education are a part of the pedagogical activities in ECEC. The recommendations, based on the foundations of the national early childhood education plan, describe good practice and give tips for implementing food education and its monitoring and evaluation (THL 2018).

There have been positive developments in healthy eating habits in Finland during the 21st century. However, there are still challenges in achieving nutritional recommendations. Although international comparisons show that the nutritional situation in Finland is

comparatively good, a study by Koivuniemi *et al.* (2022) depicted a darker picture. Using the children's index of diet quality to assess to what extent the eating habits of the Finnish children followed the national recommendations of healthy eating, the study concluded that for majority of children, the quality of diet was moderate at best, or even poor.

Recognising socio-economic disparities in access to healthy nutrition, Skaffari *et al.* (2022) demanded more societal support for healthy nutrition. "*Special attention should be paid to low-income households, so that the formation of health differences could be intervened in at an early stage*", they concluded. Until now, the emphasis has followed a more universalistic strategy: information and knowledge-enhancing campaigns have been targeted at all parents and all children.

6. Adequate housing

This section describes the situation regarding effective access for low-income children to adequate housing.

6.1 Publicly funded measures supporting access to adequate housing – Housing allowances

The Finnish housing allowance (*asumistuki*) system is rather generous and comprehensive. Housing subsidies are available to cover the excessive costs of housing for both individual residents and households. These housing subsidies are one of the biggest single expenditure items in the state budget (Finnish Government 2022b). About 16% of the population receives a housing allowance. 21% of recipient households have children, and 71% of recipient households with children are headed by a single parent. According to the authors' own calculations based on the Kelasto data deposit, housing costs for all the recipients of housing allowance were 64% of their disposable income and 30% after the benefit. The corresponding numbers for households with two adults with children and single-parent households were 43% and 22%, and 55% and 26%, respectively. Thus, the average compensation was about 50% of housing costs (data for February 2023).

According to Frazer, Guio and Marlier (2020), the Finnish housing situation seems to be good compared with other EU Member States (see also Eurostat 2022b). The share of income-poor children who suffer from severe housing deprivation, overcrowding, or from an inadequately warm home is (depending on the index) either the lowest or among the lowest of all Member States. There are several reasons for this relatively good situation.

Thanks to the Finnish "housing first" policies, homelessness in Finland is a smaller problem than in any other EU Member State (Kangas & Kalliomaa-Puha 2019). The main policy instrument to support people's access to adequate housing is the Kela-based housing allowance, which effectively compensates for the costs of housing and strengthens access to adequate housing. All low-income households are eligible for the housing allowance to help with their housing costs (Kela 2023e). The maximum compensation rate for approved housing costs is 80%. Limits for the approved maximum housing costs depend on the municipality where the dwelling is located.⁸ For calculation purposes, all Finnish municipalities are divided

⁸ In 2023, the maximum approved housing costs in Helsinki are as follows, by the size of the household: €582 per month for one person; €842 for two people; €1,072 for three people; and €1,253 for four people. For households with more than four people, maximum benefits increase by €156 per month (in addition to €1,253) for each additional household member beyond four. In the cheapest municipality category, the corresponding amounts are €394; €574; €734; €875 and €875 + €129 (Kela 2023e).

into four groups. The first group consists of the most expensive municipalities (all in the Helsinki region), and the fourth consists of the cheapest (rural) municipalities.

If actual housing costs (including heating, water and electricity) exceed the maximum limit, the allowance is calculated only up to the maximum limit and the excess is not taken into consideration in the calculation. If housing costs exceed the maximum limit, the claimant can seek additional compensation from social assistance. For low-income groups, all housing costs (i.e. including the part that exceeds the maximum limit set by the Kela) are usually compensated for by social assistance (Moisio 2021). Thus, social assistance de facto is an additional form of housing subsidy.

Eligibility for the housing allowance is based on formal rules, and there is no discretion involved. The amount of benefit depends on the number of household members, household income, housing costs, the municipality of residence and the ownership type of housing. On this last criterion, rates thus differ according to whether recipients live in owner-occupied homes, rented homes, right-of-occupancy homes, or part-ownership homes. 90% of the recipients live in rented homes.

For a single parent with two children, living in Helsinki in a rented apartment (85 m²) with housing costs corresponding to the maximum housing cost limit (€1,072 per month) and household income equalling the AROP monthly threshold (€2,036), the housing allowance would be €616. Thus, the net monthly housing cost would be reduced to €456. For such a case, the reduction would be 57%. In the case of two adults and two children, with the AROP threshold income for their household type (€2,673 per month) and housing costs of €1,253 (in an apartment of 100 m²), the housing allowance would be €904.⁹ In this case, the reduction would be 72%.

Housing allowances are widely used. Almost one fifth of all households get housing allowance. The upper income limits for eligibility for the benefit are rather high (much higher than the AROP threshold). For example, in Helsinki the upper income limit after which the household cannot get any more housing allowance is €3,777 per month for a single parent with two children, and it is as high as €4,319 per month for two adults and two children. The corresponding limits in the cheapest municipality category are €2,972 and €3,419 per month, respectively. The limits are for the year 2023 (Kela 2023e).

Regarding the level and adequacy of housing allowances, it is impossible to provide exhaustive answers. The amounts depend on too many confounding factors. However, the percentage reductions quoted above are rather substantial. In relation to household income, the housing allowance reduces housing costs from 43% to 22% for a single parent with two children and from 55% to 26% for a household of two parents and two children (averages for the whole country; authors' own calculations based on Kelasto data deposit).

6.2 Publicly funded measures supporting access to adequate housing – Social housing

6.2.1 Mapping the provision of social housing

Even though the right to housing is formulated rather vaguely in the Finnish constitution and in other legislation, it is widely accepted that having a place to live is both a human right and a basic need. Some vulnerable groups – such as client households of child welfare programmes,

⁹ Author's own calculations using the Kela's housing allowance calculator.

some people with disabilities and mental health patients – have a subjective right to housing under Finnish legislation (Tuori & Kotkas 2016).

The government of Finland bears ultimate responsibility for housing policy 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.

The ARA's role is extensive, reaching from information services to the financing of housing construction. Out of the three million Finnish apartments, one third are financed by the ARA. The basic mission of state-subsidised housing has been the provision of safe housing conditions for residents, at a reasonable cost (ARA 2019). The ARA tries to solve the housing problem in larger cities, where the demand for affordable rental apartments granted on social grounds exceeds the supply – a problem which is difficult to solve with market-based housing construction.

The ARA supervises the activities of the owners of residential buildings financed with state support. The goal of the ARA's guidance and supervision is to ensure that state support is allocated to residents and that the operation of rental housing associations is in accordance with the ARA's regulations, orders and instructions. The ARA monitors the profits made by rental building corporations. Together with the municipalities, the ARA steers and monitors the use of rental ARA homes. It is the task of municipalities to monitor rents and the selection of residents, whereas the ARA is responsible for the general steering of municipalities and their debtors (ARA 2019).

The selection of tenants of ARA-subsidised dwellings is based on the applicants' need for housing, as well as on their wealth and income. Homeless people and other applicants with the most urgent need for housing, such as the poorest and the lowest-income applicants, have priority. Needless to say, the supply of dwellings at reasonable prices is lower than the demand for them. There are no exact data or studies on the magnitude of the gap. However, regarding homelessness, Finnish housing policy has been successful. Whereas the number of homeless people was over 11,000 in 2000, it was 8,000 in 2012. Since then, the number of homeless people has constantly diminished, being only 4,000 people in 2022 (ARA 2023).

Finland also performs rather well when it comes to children in general and AROP children in particular (see the NCT Statistical Annex). Regarding severe housing deprivation, the share of deprived children (all children under 18) in Finland is the lowest (1.4%) among the European Member States. There are some differences between AROP (5.0%) and non-AROP (1.0%) children in this regard. Overcrowding is a bigger problem, and there is a wider gap in this respect between AROP and non-AROP groups (22.7% vs 6.8%). Nevertheless, in comparative terms, Finland performs very well. Due to the comprehensive and generous housing allowance system, housing costs are reasonable for almost all categories of people. In fact, the housing cost overburden rate (7.5%) among AROP children is the lowest in Finland.

6.2.2 Main barriers to effective access to social housing

6.2.2.1 Financial barriers

There are no major financial barriers to obtaining social housing. The main possible barrier is the insufficient supply of dwellings with reasonable rents. This is a special problem in larger cities. Households with very low incomes are helped by the general housing allowance, supplemented by social assistance.

6.2.2.2 Non-financial barriers

The main non-financial barrier to obtaining social housing is the lack of cheap rental dwellings. This is a problem in larger cities and in fast-growing municipalities. The processes involved in allocating housing are not overly bureaucratic or complex. The problem is the social housing supply – and, in some cases, long waiting lists.

6.3 Publicly funded measures supporting access to adequate housing – Other measures

As discussed above, the housing allowance covers approved housing costs only up to a maximum limit. If housing costs exceed the maximum limit, the claimant can seek compensation from social assistance. Housing costs are often totally compensated for by social assistance (Moisio 2021). Thus, social assistance de facto is an additional form of housing subsidy. Due to the discretionary characteristics of the assistance, it is impossible to give any exact income limits.

Housing in Finland is heavily biased towards owner-occupied housing, and buying a home has traditionally been supported by tax deductions. This form of tax support was, however, abolished from 1 January 2023. There are a number of other ways in which the state supports home-owners, 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 down payment (usually 15% of the price of the apartment). During their tenancy, a monthly rent is paid for the apartment. 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).

The state supports people's savings for buying their first owner-occupied apartment. The "bonus for home savers programme" (ASP) is based on an agreement between the bank and the savers. Anyone aged 15-44 can open an ASP account. When an ASP saver has saved at least 10% of the price of the dwelling, the bank grants an ASP loan. The interest on the savings is tax-exempt, and the interest the bank pays on the ASP account is higher than on a usual savings account. Interest on the housing loan is lower than in usual housing loans, and there is a state subsidy for the first 10 years of the loan period (State Treasury 2023).

All the measures described above in this section are universal, in the sense that anybody can benefit from those programmes (with the exception of social assistance).

The state also supports non-governmental organisations (NGOs) in their endeavours to provide dwellings at reasonable prices and to combat homelessness. In fact, Finland has a long tradition of NGOs participating in housing provision. The Y-Foundation is an example of such an organisation, owning over 18,000 apartments in different municipalities in Finland. The foundation is the fourth largest landlord in Finland (Y-Foundation 2023).

The Y-foundation prioritises those applicants who are poor, who are in vulnerable positions and who are at risk of becoming homeless. The foundation does not apply any strict income limits for its services. Access to its apartments depends on a case-by-case evaluation. The tenant selection is based on the social situation and the needs of the applicant. The selection criteria broadly follow the ARA regulations.

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