

## Social Services of General Interest

Aino-Inkeri Hansson  
Ministry of Social Affairs and Health

### Field 1 – Legal issues

Legislation on social services – which in Finland is a wide concept, including for instance children's day care services- is not subject to Community regulations according to the principle of subsidiarity. Provision and organization of social services lie on national responsibility. However, the rules concerning the internal market, competition, public procurement etc. are in compliance with Community Law: for instance, rules for competition and public procurement concern both the state and the municipalities when buying services from the private sector.

### Field 2 – Characteristics

The characteristics of social services of general interest are difficult to describe from the point of view of the Finnish legislation and definition of social services. The Finnish Social service system incorporates both standard services provided for the population at large as well as personalized services. The role of voluntary work is minor. Universal social services are available for the entire population. Solidarity is not based on any classification of social service clients; instead, the whole social policy system is based on levelling the impact of income differences. The definition of "services of general interest" is unknown in the Finnish legislation. In Finland, the set of services provided by the public sector has been developed in political consensus and in accordance with prevailing needs. The significance of proximity and cultural traditions depends on the nature of the service.

### Field 3 – Background information

Social services for the elderly in Finland include home care, day services, housing services, institutional care and support for informal care. The aim of Finland's policy for older people is to promote their functional capacity and independence, with the intention that as many older people as possible could continue to live in their own homes and their familiar environments. Long-term institutional care is for persons who can no longer be provided with the 24 hrs-a-day care required at home or in service housing. Long-term institutional care includes not only medical care but full board, including food, medication, Finland hygiene and clothing services, and services that promote social well-being. Institutional care services for the elderly are provided by old people's homes, health centre wards and specialized medical care (hospitals). Institutional care is also provided by various nursing homes, veteran's homes and sanatoria. Responsibility for arranging care services for the elderly members of the community lies on the municipal authorities. Services are provided both by public and private sector as well as the third sector.

In 2005, 7,4 % of Finland's population was over the age of 75. In 2020, nearly one in ten Finns will be 75 +. The population of older people is growing the most rapidly in the over 80's age group. Life expectancy is now 82,3 years for women and 75,3 years for men.

In 1995, 22,1 % of the 75 + clients received home help during the year, and 6,5 % were living in old people's homes, 3,7 % in health care centres and 3,4 in service housing. In 2004, 17,8 % of the 75 + received home help, 4,5 % in old people's homes, 2,4 % in health care centres and 5,6 % in service housing.

Social services, including long-term care, are mainly financed through taxes. In Finland, municipalities have the right to collect taxes. In addition, the central government grants state subsidies to municipalities on a calculatory basis for provision of services. The level of state subsidies to the municipalities is approximately 33 % of the total costs of municipal social and health services. Client fees cover approx. 8-9 % of the costs. In 2005, the expenditure on social welfare was EUR 42,3 billion, of which one third came from the state budget. Social welfare expenditure accounted for 27,2 % of the GDP, which is close to the EU average. 17 % of the expenditure accounts for the services for the elderly. In 2004, the costs for the municipalities for institutional care for the elderly were 774 million euros.

Long-term care is mainly provided by the public sector. The proportion of the private sector providers in institutional care is very small, less than 10 %. The proportion of private providers especially in home help services and service housing is increasing rapidly, accounting approximately 50 % of the services.

The provision and supervision of services, both public and private, is covered by legislation. The legislation applies also to services that the municipalities purchase from private service providers. The qualification requirements for the staff in social and health services are defined in legislation. Quality is controlled by the municipal and provincial authorities, and the Finnish Centre for Medico-legal Affairs is in charge of controlling the quality of professional health service providers as well as institutions.

## Annex

For more background information see the publication "Social Welfare in Finland"

