

Chapter 10

Migrants' Access to Social Protection in Finland



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10.1 Overview of the National Social Security System in Finland

10.1.1 Main Characteristics of the Finnish Social Protection System

The Finnish social protection system is universal, hence not restricted to specific groups or insured individuals only. It is divided into residence-based and employment-based social protection (Fig. 10.1). Eligibility is mostly built on residence whether it is question of income security, healthcare or social services. Most benefits are financed by tax revenue. Employers and employees participate in the funding of employment-based earnings-related benefits by paying social insurance contributions. However, the contributions are often mandatory and contributions therefore resemble taxes.¹

All individuals residing in Finland are covered by social security schemes which govern basic pensions (national pensions), sickness and maternity benefits, family benefits, and social assistance. The Social Insurance Institution (*Kansaneläkelaitos, Kela, Folkspension anstaltet, FPA*) is in charge of these benefits. All employed persons are entitled to statutory earnings-related pensions and benefits for unemployment, work accidents and occupational diseases. One particular feature of the

¹For more information regarding the Finnish social protection system, see the website of the Ministry of Social Affairs and Health (<https://stm.fi/en/frontpage>) and Kela (<https://www.kela.fi/web/en>). Accessed 18 February 2019.

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Social security in Finland

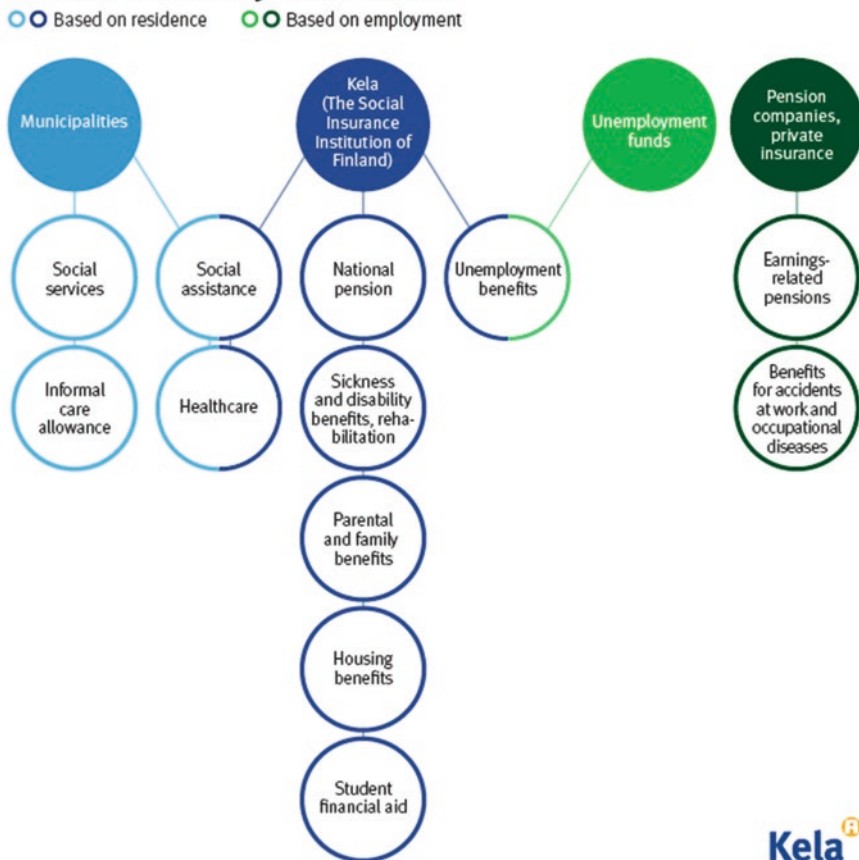


Fig. 10.1 Social protection in Finland. (Source: KELA, <https://www.kela.fi/web/en/social-security-in-finland>, accessed 28 February 2019)

Finnish social protection system is that also private insurance companies and unemployment funds take care of these contributory benefits.

The duty to arrange health care and social services lies on municipalities of residence.² Although there are numerous private social service providers (such as private foster homes or elderly care), their services are mostly bought by the municipalities. Contrary to that, the current Finnish health care system is a hybrid one consisting of insurance-based national health insurance, municipality-based

²Social Welfare Act (*Sosiaalihuoltolaki, socialvårdslagen*, 1301/2014, s. 12.1, and Health Care Act (*terveydenhuoltolaki, hälso- och sjukvårdslag*, 1326/2010, s. 24). All laws can be found at Finlex-database: www.finlex.fi. Accessed 18 February 2019.

health service model and employment-related occupational health care. The national health insurance (run by Kela) provides reimbursements for the costs of prescribed medicine and medical treatment obtained from private providers if one chooses to use private providers instead of the public provision. All residents are covered. Universal health care in each municipality was established in 1972. The third path is occupational health care, which was institutionalized in 1978. The co-existence of these three models has resulted in a multichannel system in financing, access to health care and, consequently, different levels of availability and access to care.

10.1.2 Migration History and Key Policy Developments

For a long time, Finland has been a country of emigration and only in the 1980s the number of immigrants started to exceed the number of people leaving Finland (Fig. 10.2). From the seventeenth century to World War II, the majority of Finnish emigrants settled in the United States, Canada and Australia, and in Finland's neighbouring countries such as Russia, Sweden and Norway. Starting from the 1950s and peaking in the 1970s, Finns moved to work in Sweden looking for higher salaries, better living standards and more available housing. By the 1980s, Finland approached Swedish levels and many Finns began to return (Tanner 2011).

Out of the current population of around 5.5 million people, approximately 5% claim a foreign background (having been foreign born, speaking a foreign language or having a foreign citizenship). In 2017, there were 385,000 people with foreign

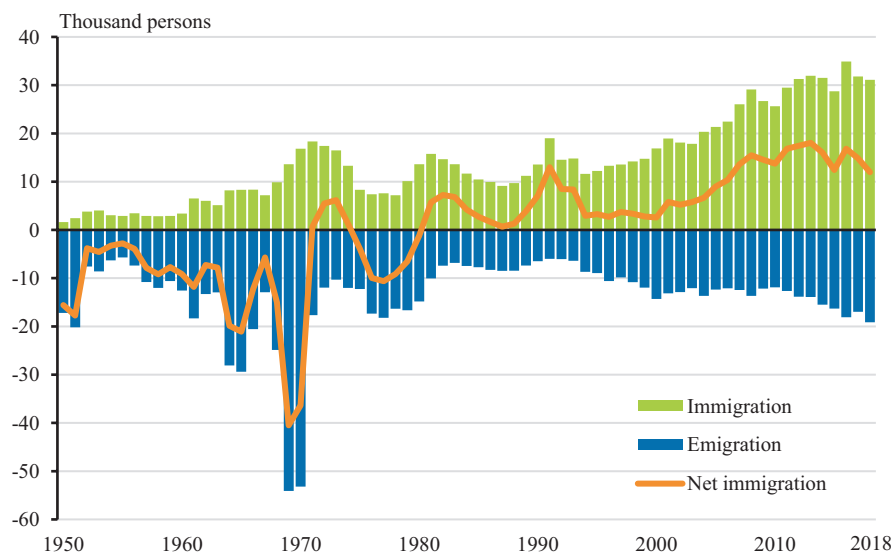


Fig. 10.2 Emigration and immigration in Finland, 1950–2018. (Source: Statistics Finland, https://www.tilastokeskus.fi/tup/suoluk/suoluk_vaesto.html#muuttoliike, accessed 18 February 2019)

background, out of which 16% were born in Finland (Statistics Finland 2019). Most foreign residents came from Estonia, Russia, Sweden, Iraq and China (Table 10.1). Most of them arrived for family reasons (54% of immigrants aged 16–64 years living in Finland in 2014), 18% arrived for work reasons, 10% for studies and 11% for asylum and international protection (Tanner 2011; Sutela and Larja 2015). Estonians mostly immigrated for work, whereas asylum-seeking was the main reason of immigration for people from Middle East and Northern Africa. In 2014, most asylum seekers came from Iraq, Somalia, Afghanistan and Iran (Sutela and Larja 2015). In 2014, only 3651 refugees came to Finland, while in 2015, 32,476 persons sought for asylum. In 2019, the number for asylum seekers was 4550 (Finnish Immigration Service, <https://tilastot.migri.fi/#decisions/23330?l=en>).

Given that the inflows to Finland have been relatively recent, the first Alien Act came only in 1983 (400/1983, followed by Act 378/1991). It did not include any actual right to reside, thus leaving the authorities with a vast room for discretion. Only amendments in the 1999 Act provided for more precise criterion regarding the evaluation of the right to reside including, for instance, that the decision cannot be unreasonable. Due to several changes, the Act was considered incoherent and therefore reformed comprehensively in 2004 by Alien Act 301/2004 (still in force).

Finnish immigration policy is twofold: on the other hand, it aims to persuade migrants to come to Finland for work (*työperusteinen maahanmuutto*) while, on the other hand, it tries to cut down the benefits of asylum seekers so only those in real need would come to Finland (Aer 2016). The significant increase in the numbers of asylum seekers in 2015 further sharpened this rationale – for example, the possibilities to get legal aid or apply for family reunification have become more restrictive, the time to appeal has been shortened and the category of humanitarian protection has been abolished from the legislation. However, migration is seen as one solution for meeting challenges of ageing population and labour market instability. It has

Table 10.1 Foreigners in Finland (2016–2017)

Country of citizenship	2016	%	2017	%	Annual change, %
Estonia	51,499	21,1	51,539	20,7	0,1
Russia	30,970	12,7	29,183	11,7	−5,8
Iraq	9813	4,0	11,729	4,7	19,5
China	8480	3,5	8742	3,5	3,1
Sweden	8040	3,3	8018	3,2	−0,3
Thailand	7487	3,1	7533	3,0	0,6
Somalia	7018	2,9	6677	2,7	−4,9
Afghanistan	5294	2,2	5792	2,3	9,4
Vietnam	5253	2,2	5603	2,2	6,7
Syrian Arab Republic	3355	1,4	5290	2,1	57,7
Others	106,430	43,7	109,346	43,8	2,7
Total	243,639	100	249,452	100	2,4

Source: Statistics Finland, Population structure. https://www.tilastokeskus.fi/tup/suoluk/suoluk_vaesto.html#muuttoliike, accessed 18 February 2019

been recognized that migrants' social needs must be met, although the general perception of migrants as excessive consumers of social benefits make extending social security to new groups of people a rather difficult task both economically and politically (Kiuru 2014; Aer 2016). Yet, there is little evidence regarding the misuse of the Finnish social security system and actually, the take-up of benefits by immigrants is relatively low due to lack of awareness regarding the benefits they are entitled to (Kiuru 2014; Castañeda et al. 2012).

For long the topic of immigration to Finland was not an issue of concern at the political level, despite some discussions regarding refugee quotas and migrants' integration during the 1990s. During the 2000s, the public debate has mostly evolved around legal protection, economy and national security, and the possible misuse of the asylum system (Palander 2018a; Välimäki 2017; Aer 2016). The category of undocumented migrants, or "paperless" people (*paperittomat*) as referred to in public, includes third-country nationals residing in Finland without a residence permit or people residing in Finland legally but which are not entitled to social security, social welfare or health services, for several reasons (Keskimäki et al. 2014; Nykänen 2018). Discussions regarding the needs and social rights of this group have only recently emerged, due to their relatively small numbers within the overall foreign population. Following the Swedish example, there was a legislative proposal for extending the rights of undocumented immigrants to cover also maternity services and treatment of chronic diseases in addition to already provided emergency care. Although the proposal was not finally approved, some municipalities have started to offer certain services in addition to voluntary work based clinics (*Global clinics*) in some large cities (Nykänen et al. 2017; Nykänen 2018).

10.2 Migration and Social Protection in Finland

Generally speaking, the Finnish social security system treats nationals and foreigners equally. Nationality is not a criterion for accessing benefits or services. As soon as a person becomes a permanent resident and is covered by the Finnish social security system, the eligibility rules for accessing social benefits are the same for citizens and non-citizens. However, the rules for entering the country and the conditions for becoming a permanent resident are different between nationals, EU citizens, and third-country nationals. Nationals do not need residence permits and they can enter Finland at any point (Aer 2016).³ Residence permits are issued by the Finnish Immigration Service (*Maahanmuuttovirasto, Migrationsverket*).⁴ EU/EEA/

³The rules for entering Finland are stipulated in the Aliens Act (*ulkomaalaislaki, utlänningslag*, 301/2004) s. 10. Legislation of Finland can be found at online database in Finnish and Swedish. Some translations of Finnish acts and decrees are also available in English and other languages. See www.finlex.fi/en/. Accessed 18 February 2019.

⁴<https://migri.fi/en/home>. Accessed 18 February 2019.

Swiss nationals do not need a residence permit, although they must register with the Finnish Immigration Service if their stay is longer than 3 months.

The criterion for permanent residence is laid out in the Act on Residence-based Social Security in Cross-border Situations (*Laki asumisperusteisesta sosiaaliturvasta rajat ylittävissä tilanteissa, Lag om bosättningsbaserad social trygghet I gränsoverskridande fall*, Act 16/2019), and the Municipality of Residence Act (*Kotikuntalaki, Lag on hemkommun*, 201/1994). A person is considered to live in Finland on a permanent basis if she/he has the permanent residence and home in Finland and stays mostly in Finland. As a main rule, residence abroad for less than six months is considered temporary (except for specific categories such as posted workers, state officials, students and their family members). The Municipality of Residence Act stipulates that, in order to obtain a domicile in Finland, EU/EEA/Swiss nationals need to register (if their stay is longer than 3 months), while third-country nationals need a permanent or extended residence permit.⁵ Those with shorter residence permits (at least for a year) can still have a domicile in Finland if they plan to stay in the country permanently. According to the Municipality of Residence Act, Finnish origin, having lived in Finland previously, having had a work contract for at least two years, having studied for at least two years or having lived in Finland uninterrupted for a year count towards permanency.⁶

If one moves to Finland on a permanent basis, he/she is usually covered by the Finnish social security system from the first day. However, residence-based social security systems may require a certain period of residence to qualify for certain benefits such as parental allowances, invalidity benefits and the national pension. If one comes to Finland from another EU country, time spent there counts for this qualifying period. On the other hand, non-residents who work abroad in the service of an employer from Finland also qualify for benefits from Finland, including the national pension, child support, invalidity benefits, unemployment benefits and health insurance benefits. Incoming workers qualify for Kela benefits if they earn at least 696.60 € per month (Act 16/2019). One may be entitled to benefits even with lower earnings or as jobseeker if he/she has worked for at least 6 months. Jobseekers who arrive from third countries with which Finland has not concluded a social security agreement cannot normally gain social security coverage in Finland.

Finland has concluded social security agreements with the main non-EU countries of destination of Finnish emigrants (United States, Canada and Australia), but also the Nordic countries, Chile, Israel, India, China and South Korea.⁷ These agreements stipulate that a pension accrued in Finland is always paid in the other country. The agreement with the United States also covers health insurance, parental allowances and child benefits for employees on a temporary assignment in the other

⁵There are various kinds of residence permits: see Nykänen 2018; Kallio 2018; Sorainen 2017; Aer 2016; Kiuru 2014 or the website of the Migration Office.

⁶One may keep domicile for a year when moving abroad. Therefore, it is possible to be entitled to benefits in kind longer than cash benefits. Naturally, they cannot be exported, so to get them, one has to travel to Finland.

⁷Social security agreements can be found at <https://www.finlex.fi>. Accessed 18 February 2019.

country. The agreement with Chile covers medical treatment for pensioners, whereas the one with Israel covers child benefits and maternity grants and, for posted workers, also health insurance and parental benefits. The agreement with Australia stipulates that temporary residents of Australia who are insured by the Finnish National Health Insurance are entitled to emergency medical treatment. As for the social security cooperation between the Nordic Countries, the first Nordic Convention on Social Security was concluded in 1955. Nowadays, persons who move between the Nordic countries are covered by the provisions of the EC Regulation on social security. However, the Nordic Convention might offer better treatment in certain cases (for instance, the Convention also applies to persons who would otherwise not be covered by the EC Regulation such as non-EU citizens moving between Denmark and other Nordic countries).

10.2.1 Unemployment

Finland has two unemployment schemes: a) the income-related benefits paid out by unemployment funds (*työttömyyskassa, arbetslöshetskassa*) and financed through premiums paid by insured employees and mandatory fees collected from employers and employees in addition to taxes and; b) “basic benefits” paid out by Kela and covered by taxes and fees paid by employees.⁸ Employees and self-employed can voluntarily insure themselves with one of the unemployment funds for the income-related allowance. For individuals who have not joined any unemployment fund, two “basic security” benefits are available: the basic unemployment allowance and the labour market subsidy. Kela provides a flat-rate basic unemployment allowance (*peruspäiväraha, grunddagpenning*) payable for 400 days to unemployed with at least 26 weeks of employment (work done in other EU countries also counts for this). To be eligible for this benefit, one has to register as jobseeker with the Employment and Economic Development Office. The basic unemployment allowance is not means-tested and meant mostly to resident unemployed (it can be exported when the unemployed is looking for a job in other EU countries).

Those not complying with work requirements or those who have already exhausted their unemployment benefits can apply for the non-contributory labour market subsidy (*työmarkkinatuki, arbetsmarknadstöd*). This means-tested subsidy is granted only to residents (either nationals or foreigners) for an unlimited duration. The subsidy cannot be exported but if one resides temporarily abroad, is actively looking for a job in Finland, and ready to accept work in Finland or take part in activation measures, he/she can keep receiving labour market subsidy.

Unemployment benefits may also be temporarily cut or lost when claimants refuse job offers or activation measures. Foreigners may have extra duties in an

⁸Act on unemployment benefits, *Työttömyysturvalaki, Lag om utkomstskydd för arbetslösa* 1290/2002.

individual *integration plan*, and failing to do so might lead to reductions (Act on the Promotion of Immigrant Integration 1386/2010).

Most social security agreements (except for China and South Korea) concluded by Finland do not cover unemployment benefits. However, the Nordic Convention includes, for instance, a five-year rule on the right of returning migrants from another Nordic country to unemployment benefits. According to this rule, the employment history in another Nordic country of a person who returns to Finland can be taken into account directly as counting towards the condition concerning previous employment for the Finnish unemployment allowance. However, one precondition is that the person has worked in Finland or received unemployment allowance from Finland in the previous five years.

10.2.2 Health Care

Every resident is entitled to adequate healthcare according to the Constitution of Finland.⁹ Persons who have a municipality of residence in Finland are entitled to treatment in the public healthcare system. Citizenship or country of origin are not relevant for accessing benefits in kind in case of sickness: once a person is permanent resident, he/she is entitled to public health care and covered by the National Health Insurance (*sairausvakuutus, sjukförsäkring*). However, the type of residence permit, the length of the residency and the reason for residency effect the scope of the services.

Municipalities are responsible for arranging and funding health care in kind for their permanent residents.¹⁰ They have the right to levy taxes, but also state subsidies and user fees are important for funding. There is an upper limit per calendar year for the fees for health care and medicine, beyond which patients do not have to continue paying. Minors are exempt from fees. Most employees, however, have access to occupational health care, exempt from fees. There are also special arrangements for university students.

Those who stay in Finland temporarily are only entitled to emergency treatment. Those insured in another EU country receive necessary medical treatment and pay

⁹ *Perustuslaki, Grundlagen*, 731/1999. Unofficial translation available at: <https://www.finlex.fi/en/laki/kaannokset/haku/?search%5Btype%5D=pika&search%5Bkieli%5D=5B%5D=en&search%5Bpika%5D=constitution&submit=Search> Accessed 18 February 2019.

¹⁰ The Health Care Act (*terveydenhuoltolaki, hälso och sjukvårdslag*, 1326/2010, unofficial translation available at: <https://www.finlex.fi/en/laki/kaannokset/2010/20101326>, accessed 18 February 2019); Primary Health Care Act (*kansanterveyslaki, folkhäso*, 66/1972, unofficial translation available at <https://www.finlex.fi/en/laki/kaannokset/1972/19720066> accessed 18 February 2019); Act on Specialized Medical Care (*erikoissairaanhoidolaki, lagen om specialiserad sjukvård*, 1062/1989; unofficial translation available at <https://www.finlex.fi/en/laki/kaannokset/1989/19891062>, accessed 18 February 2019); Mental Health Act (*mielenterveyslaki, mentalvårdslagen*, 1116/1990, unofficial translation available at <https://www.finlex.fi/en/laki/kaannokset/1990/19901116>, accessed 18 February 2019).

the same fees as residents. Others can be charged for the costs of the treatment afterwards also for emergency treatment. In other words, everyone (including undocumented migrants) is entitled to emergency health care and EU nationals to a bit more even though they stay in Finland only temporarily as tourists. Asylum seekers are entitled to emergency healthcare, including maternity care and treatment of chronic diseases. Minors are entitled to all same services as permanent residents.

People coming to work in Finland from another EU country or their family members are entitled to public healthcare services even though they have no domicile in Finland. Third-country nationals have the same rights providing they have a residence permit that allows them to work (Kotkas 2019). Employees who are only covered by earnings-related pension insurance or workers' compensation are not covered by the National Health Insurance and cannot get reimbursed for costs for private healthcare, medicine or travel costs.

Under the Nordic Convention on Social Security, extra costs for the return journey home from another Nordic country in cases of illness are reimbursed. With Australia, Finland also has an agreement covering medical treatment during a temporary stay in the other signatory country.

Partial reimbursements for fees of private service providers, medicine and travel is provided by the National Health Insurance. It provides also for the sickness allowance to compensate for loss of income due to incapacity for work lasting less than a full year.¹¹ The system is perhaps the most universal in Europe in the sense that not only are all employees and self-employed included, but also those who do not have income (home-makers or students). Criterion of residency and work is laid down in the Act 16/2019, s. 4–13. The sickness daily allowance is income-related and payable for 300 days. Residents who are not qualifying for the income-related allowance can claim the minimum flat-rate allowance. There is also a partial sickness allowance aimed to help persons who are unfit for work to remain in work and to return to full-time work. After 300 days of sick leave, the person can apply for a disability pension.

Regarding invalidity, disability benefits are paid by Kela to provide support in everyday life, studies or work to individuals with disability or chronic illness. The criterion of the allowances is the same for nationals and foreigners as long as they are permanent residents. The residency is judged according to the Act 19/2019 – living in Finland permanently (sections 5 and 10) or filling in the minimum working requirement (sections 7 and 8). There is a waiting period (for nationals and foreigners equally) of three years. Insurance periods in other EU countries are accepted and therefore a person may be entitled to the allowances right away after moving to Finland. Disability benefits are considered sickness benefits and therefore exportable to other EU countries.

Individuals between 16 and 64 years of age who have an illness or injury that prevents from earning a reasonable living can also get compensation for loss of

¹¹ Health Insurance Act (HIA, *Sairausvakuutuslaki, sjukförsäkringslag*, 1224/2004). Unofficial translation available here: <https://www.finlex.fi/en/laki/kaannokset/2004/20041224>. Accessed 18 February 2019.

income through the pension system. To get a disability pension (*työkyvyttömyyseläke, sjukpension*), insured persons must have lost their work capacity and the incapacity is estimated to last for at least one year (this condition concerns only earnings-related pension) or due to permanent injury. The disability pension consists of the pension accrued during the insured person's work history and the projected pension component. To get disability pension under the National Pensions Act, individuals must have resided in Finland for at least 3 years after having reached the age of 16 years.¹²

10.2.3 Pensions

The statutory pension system is two-fold, with work-related and residence-based pensions. The statutory pension system consists of three defined benefit parts: the work-related statutory earnings-related pension system, the residence-based national pension system and the guarantee pension system.

Earnings-related pensions (*työeläke, pension för arbetstagare*) for employees and self-employed are operated mainly on a pay-as-you-go basis, but some pensions are operated according to the principle of partial funding. Pensions are based on annual earnings and age. The scheme is defined-benefit. The earnings-related system is fully mandatory, but it is run by private pension insurance institutions, company pension funds and industry-wide funds. Employers and employees finance earnings-related pension together.

The residence-based, non-contributory, national pension (*kansaneläke, folkpension*) is tested against income from the earnings-related schemes (National Pensions Act (568/2007, *kansaneläkelaki, folkpensionslag*). The family situation affects the amount of the national pension. There is a waiting period for both nationals and foreigners: having resided for at least 3 years after having reached the age of 16 years. There is no need to have lived in Finland continuously, but periods in Finland can be counted together. Periods lived in another EU country can also be counted. To get the full national pension, claimants must have lived in Finland at least 80 percent off the time between 16 years and 65 years of age.

The non-contributory guarantee pension (*takuueläke, garantipension*) aiming to alleviate poverty and guarantee the minimum safety net¹³ is granted to residents who receive an old-age pension and their total gross pension income is less than €784,52 per month (as in 2019). Also foreigners (i.e. residents not entitled to national pension) who do not receive a national pension are eligible from the age of 65. Both of these residence-based pensions are tax-financed, defined-benefit and operated on a pay-as-you-go basis. Due to nearly universal coverage and the absence of ceilings,

¹²The residence criterion does not have to be met if one has previously received disability allowance for persons under age 16 or if the incapacity for work started while the individual lived in Finland and before he/she reached the age of 19.

¹³Act on guarantee pension, *laki takuueläkkeestä, lag on garantipension*, 703/2010.

the role of supplementary pension is negligible in Finland. If the person has been covered by several different pension acts, the last pension provider awards and pays the whole pension. The Finnish Centre for Pensions (*Eläketurvakeskus, ETK, Pensionskyddcentralen*¹⁴) is the central body of the scheme. National pensions are administered by the Social Insurance Institution (*Kansaneläkelaitos, Kela, Folkpensionanstaltet, FPA*¹⁵).

It is possible to start in a new employment or work as self-employed while drawing an old-age pension. From January 2017, the retirement age for earnings-related pensions is raised by 3 months annually until it reaches 65 years in 2027. Thereafter, it will be linked to life expectancy. Persons born in 1962 are the first age group who have a lowest possible retirement age of 65 years. For persons born in 1965 or later, the retirement age is linked to life expectancy. Currently, the retiring age for the national pension is 65 years, but for those born 1965 or later, the retirement age in the national pension scheme and the earnings-related pension scheme will be adjusted with the life expectancy and determined at the age of 62 years. The longer one works and the later one retires, the higher the pension will be.

Earnings-related pensions can generally be exported to any country. Also, all social security agreements concluded by Finland cover pensions. The agreements with the United States, Canada, Chile and Israel cover even national old-age pensions and survivors' pensions. The agreement with Australia only applies to old-age pensions, whereas the agreements with India, China and South Korea cover earnings-related pensions. Payment abroad of an earnings-related pension continues regardless of the country to which one has moved. However, national pensions can only be exported in other EU countries. Guarantee pension is for residents only. If the stay abroad is considered temporary (less than 6 months), it does not affect one's national or guarantee pension.

10.2.4 Family Benefits

The national, compulsory sickness insurance scheme for all inhabitants provides for earnings-related benefits in case of maternity or paternity for economically active parents. Parents who are not working are eligible for a minimum allowance. Thus all residents are eligible. The residency is judged according to the Act 19/2019, although there is a waiting period. Both parents (nationals or foreigners) must have fulfilled a period of insurance in Finland for at least 180 days immediately before the expected date of confinement. Insurance periods in other EU countries and Israel are also accepted. Only third-country nationals coming straight to Finland cannot have insurance periods accepted (Kotkas 2019).

¹⁴<https://www.etk.fi/en/>. Accessed 18 February 2019.

¹⁵<https://www.kela.fi/web/en/pension>. Accessed 18 February 2019.

Kela pays the maternity allowance (*äitiysraha, moderskapspenning*) for 105 days. The gross compensation level in the average income group is about 75%. After maternity leave, parental allowance (*vanhempainraha, föräldrapenning*) is paid for 158 days. The compensation rate is about 70% income at the median income level. The parental leave can be shared between the mother and the father, but they cannot receive it at the same time. The paternity leave (*isyysvapaa, pappaledig*) can last up to 54 working days. Fathers can choose to stay at home for 1 to 18 days at the same time as the child's mother while she is paid maternity or parental allowance. The rest of the leave can be taken after the parental allowance has ended. There is no statutory continuation of payment, but collective agreements provide for the continued payment of wages and salaries for employees during part of the maternity and paternity leave, and a few agreements during part of the parental leave. If the employer pays the salary, the allowance is paid to the employer. The allowance is exportable only to EU countries, although residing in any other country for less than 6 months will not end the payment (Kotkas 2019). After parental leave, parents can take child care leave until the child (or youngest child) turns three years old. Child home care allowance (*kotihoidontuki, barnvårdstöden*) is paid during that period. Home care allowance can be exported to EU countries due to one of the parents working in Finland. It cannot be paid to third countries. However, the family keeps receiving home care allowance during customary vacations abroad. Usually under 3 months residing abroad is considered customary.

The main child-related cash transfer is the universal child allowance (*lapsilisä, barnbidrag*) paid to the guardian of the child by Kela.¹⁶ It is tax financed, flat-rate and paid to every child under 17 years of age. The amount of the benefit depends on the number of children. The child allowance is for children residing permanently in Finland. The permanency of the residency is judged by the Act 16/2019. However, if the parent works in Finland and the child reside in another EU country, the child can be entitled to child allowance. Third-country nationals need longer working periods as stipulated in the Child Allowance Act section 1a. Child allowance is included in the Social Security Agreement between Finland and Israel.

10.2.5 *Guaranteed Minimum Resources*

The Constitution of Finland stipulates that those who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care (Sect. 19). This applies to all people residing in Finland (including undocumented migrants or tourists without means), as all of them are provided at least emergency healthcare and minimum income. Those residing in Finland permanently, however, are entitled to social assistance (*toimeentulotuki, utkomstöd*) on

¹⁶Child Allowance Act, *lapsilisälaki, barnbidragslag*, 796/1992.

more permanent basis.¹⁷ Social assistance is paid only for people residing in Finland. However, applying the Act on Social Assistance does not require *permanent* residence as the basic benefits described earlier do (Kotkas 2018; Van Aerschot 2017).

Again, nationality is not an eligibility criteria for accessing social assistance. This last resort benefit is meant for those who either are not entitled to basic benefits or - as more often is the case – whose basic benefits are insufficient to cover basic expenses. To qualify for social assistance, the claimant is supposed to apply for all other benefits (unemployment allowance or labour market subsidy) and be registered as jobseeker. The benefit is means-tested considering all type of household's income (except for assets necessary for living), although disability benefits, maternity grant, reimbursement on expenses, activity supplements of unemployment benefits or work income up to €150 per month do not affect the level of the benefit. Social assistance can be granted as long as the relevant conditions are met, but the benefit can be cut by 20–40% if the claimant refuses to participate in activation measures, search for a job, or participate in the immigrant integration plan (only for foreigners). The basic social assistance is managed by Kela and municipalities cater for additional and preventive social assistance.

To apply for Finnish citizenship, family reunification or a permanent residence permit, one must be able to provide for himself/herself. Although the occasional take-up of social security benefits or even social assistance is not considered harmful, the frequent take-up of such benefits is. Even EU nationals can be considered as a burden if drawing constantly on social benefits, especially on social assistance.¹⁸ The authorities responsible for residence permits do not, however, generally receive information on whether a foreigner has been granted social assistance in Finland (Kiuru 2014). However, the discretion of this criterion should take into consideration all the facts including whether the take-up of social assistance has been intentional or happened for reasons beyond one's control (Alien Act S39, Kotkas 2018; Palander 2018b).

10.3 Conclusions

For a long time, Finland has been mainly a country of emigration and started to attract large numbers of immigrants only during the past decades. These demographic changes have challenged the national welfare system that had to efficiently respond to the different needs of such diverse populations. The current Finnish social protection system treats nationals and legally residing foreigners on an equal basis. The eligibility criteria, sanctions, waiting periods or amount of benefits are

¹⁷Act on Social Assistance (*Toimeentulotukilaki, Lag om utkomstöd*, 1417/1997). English translation available here (without the latest amendments): <https://www.finlex.fi/en/laki/kaannokset/1997/19971412>, accessed 18 February 2019.

¹⁸See case 2016:75 of the Supreme Administrative Court in which a German family was repatriated due to constant drawing on social assistance.

the same irrespective of nationality. Coverage is gained mainly through residency. If a residency is considered permanent, a person is usually covered once he/she moves to Finland. Also working in Finland entitles to benefits, providing that one fulfils the earning requirement. Getting into the country is therefore an important phase and the regulations stipulated in the Alien Act condition migrants' access to social protection in Finland. As Kotkas (2018, 2019) highlighted, the social protection system is relatively equal, but getting into it might not always be equal.

Even if foreigners are covered by the Finnish social protection system, they may not always gain advantage of it as nationals do. The services provided may not always cater for migrants' needs. For example, the health services do not reach immigrants well enough, especially services for mental health, nor is equal treatment of multinational clients always easy (Castañeda et al. 2012; Valtiontalouden tarkastusvirasto 2014; Kalliomaa-Puha 2017). In many cases, EU and non-EU foreigners are treated equally in terms of access to social benefits, but there are also many examples where EU nationals benefit from an easier access. To be able to work in Finland, third-country nationals need residence permits, while EU nationals may move to Finland and start working without them. There are various types of residence permits which may have an effect on social rights and the possibility to get entitlement through work. Third-country nationals may need longer working periods to qualify for certain benefits such as the Child Allowance. Also, the length of one's stay and the reason of one's residence matter. For example, asylum seekers' residence is considered temporary and therefore this group has less rights. Persons coming to Finland only to study are in most cases not entitled to benefits. The length of the stay affects, for instance, the amount of national pension (pro rata-principle). Children get social protection easier than adults. A person's behaviour also affects the amount of the benefits. Full amount of unemployment benefits and social assistance require looking for a job and being active. Drawing on benefits frequently can cause turning down the application for residence permits or citizenship (Kotkas 2018; Hakalehto and Sovela 2018).

Receiving cash benefits from abroad is quite flexible as long as non-residents remain in the scope of the Finnish system, which in most cases is for six months. Taking care of one's social security affairs is relatively easy from abroad since most correspondence with the authorities can be done online. However, services-in-kind are impossible to export, which may sometimes cause difficulties when coordinating social protection with countries with cash benefits typical to insurance based system.

Immigrants' social security issues, exporting Finnish benefits and coordination of social security benefits have gained salience in political debates in recent years. Political pressures to change the legislation regulating access to social benefits in Finland have emerged especially in a context in which benefits has been cut due the economic recession affecting the country. Furthermore, the access of migrants to social protection has also changed over time with the different EU directives which are now fully implemented in Finland. Additionally, the efforts to increase work-related immigration in recent years have become controversial and legal scholars have emphasized the fact that ensuring migrants' access to social protection is not

necessarily a political issue, but rather a legal – human rights – question (Aer 2016; Kiuru 2014; Nykänen 2018; Palander 2017).

The Finnish system is, however, about to go through a big change. Two successive governments have been trying to launch the largest social policy reform ever in Finland, but failed to reach political consensus. The main objectives are to fix observed inequalities in access to social and health care, lacking customer orientation and cutting growing expenses. The most heated discussion so far has been on increasing customer choice. That may have implications on immigrants' access to services. It may not be that easy to get the necessary information in a foreign language to be able to find and choose the suitable service. In addition to this reform on social and health care, a simplification of the cash benefits system is also planned for.

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