



Introduction

Healthcare, Social welfare and housing in Finland

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This introduction is compiled by Coincide to the best of our ability

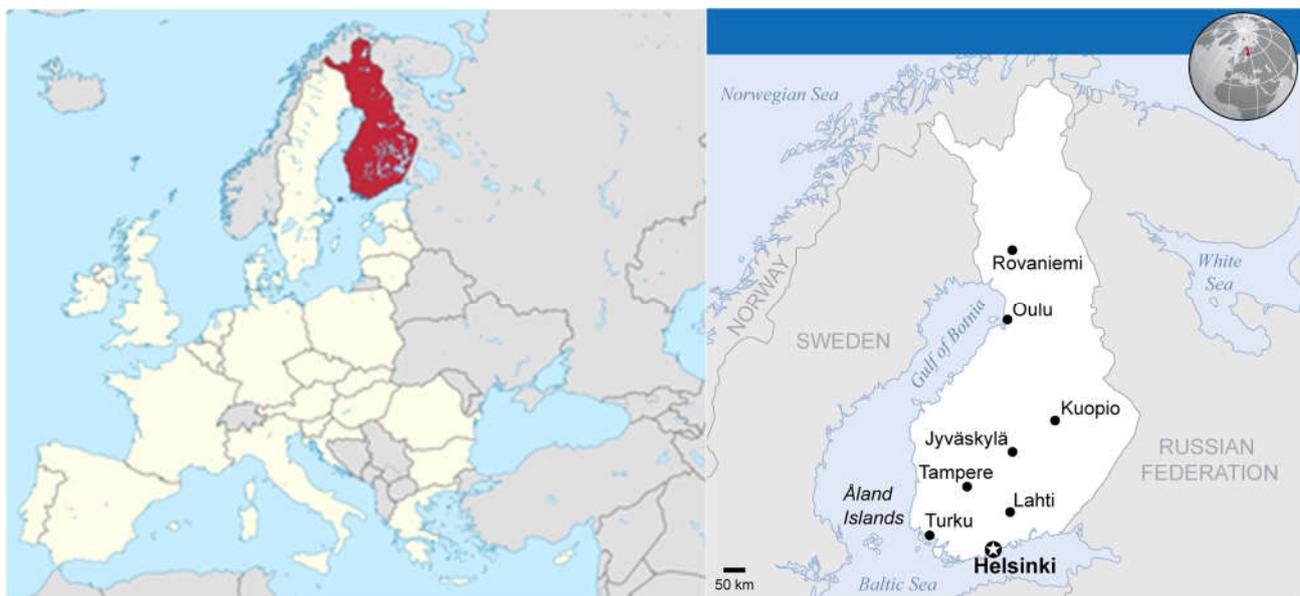
There is not much written information available on the Finnish health and social care system. A brief introduction on long term and social care was written by Vilans in 2019 and is shared separately.



Finland

Statistical comparison between Finland and The Netherlands

	Finland	The Netherlands
Population (2021)	5.571.665	17 515 152
Municipalities (2021)	309	352
Avg. population per municipality	18.031	49.758
Surface area (km ²)	338,450 km ²	41,540 km ²
Population density (pop. /km ²)	16,3	416
% Immigrant (2017)	6.23	11.97
Annual GDP (2020) (M. USD)	269 USD	913 USD
GDP per capita (2020) (USD)	48750 USD	52295 USD
Debt (% of GDP) (2020)	69,2 %	54,5%
Gov. health exp. (% Budget) (2017)	13.12	19.31
% Unemployment rate (March 2019)	6.6	3.3
Average annual wage (2018) (€)	43,984	51,567



History

From the late 13th century, Finland gradually became an integral part of Sweden through the Northern Crusades and the Swedish part-colonisation of coastal Finland, a legacy reflected in the prevalence of the Swedish language and its official status.

Swedish became the dominant language of the nobility, administration, and education; Finnish was chiefly a language for the peasantry, clergy, and local courts in predominantly Finnish-speaking areas.

In the 18th century, wars between Sweden and Russia twice led to the occupation of Finland by Russian forces, times known to the Finns as the Greater Wrath (1714–1721) and the Lesser Wrath (1742–1743). It is estimated that almost an entire generation of young men was lost during the Great Wrath, due mainly to the destruction of homes and farms, and to the burning of Helsinki.

The Swedish era ended in the Finnish war in 1809. On 29 March 1809, having been taken over by the armies of Alexander I of Russia in the Finnish War, Finland became an autonomous Grand Duchy in the Russian Empire which it remained until the end of 1917.

Following the 1917 Russian Revolution, Finland declared itself independent. In 1918, Finland was divided by a civil war, with the Red Guard supported by the Soviet Russians, fighting the White Guard, supported by the



Germans. After a brief attempt to establish a kingdom, the country became a republic. During the WW II, the Soviet Union repeatedly tried to occupy Finland, but it retained its independence, which it kept all throughout the Cold War.¹

After the fall of the Soviet Union in 1991, Finland experienced a deep early 1990's recession, due to miscalculated macroeconomic decisions, a banking crisis and the collapse of its largest trading partner, the Soviet Union. Finland then joined the European Union in 1995. During the Cold War, Finland kept its sovereignty, but it was strongly influenced by the Soviets. When the Soviet Union collapsed, Finland turned towards the West and only three years later it joined the European Union. In 1999 Finland introduced the Euro simultaneously with the other EU members, making it the only Nordic country to adopt this new currency.²

Population

Finland isn't part of Scandinavia (Denmark, Sweden and Norway), but is one of the Nordic countries, which consists of Denmark, Sweden, Norway, Finland and Iceland. Finland has a population of about 5.5 million inhabitants. The capital of Finland is Helsinki and has approximately 630.000 inhabitants. Other major Finnish cities are Espoo, Vantaa, Tampere, Oulu and Turku. 84.3% of the people living in Finland speak Finnish as their native language, while 6.1% speaks the second official language in Finland, Swedish, as their native language.³

Finland still has 309 municipalities with an average of 17.841 inhabitants. The variation in size is enormous; from 101 inhabitants to 630.000 in Helsinki. Around one-fifth of the Finnish population lives in the Greater Helsinki Metropolitan Area, while only about one eighth of the Dutch live in the Amsterdam Metropolitan Area.

There are also huge differences in population per region (the equivalent of a province). In Table 2, the three biggest and three smallest regions are shown to illustrate these differences.⁴

Region (English)	Finnish name	Swedish name	Capital	Area (km ²)	Population (2017)
Helsinki-Uusimaa Region	<i>Uusimaa</i>	<i>Nyland</i>	Helsinki	9,097	1,638,293
Pirkanmaa	<i>Pirkanmaa</i>	<i>Birkaland</i>	Tampere	12,585	509,356
Varsinais-Suomi	<i>Varsinais-Suomi</i>	<i>Egentliga Finland</i>	Turku	10,663	475,543
Kainuu	<i>Kainuu</i>	<i>Kajanaland</i>	Kajaani	20,197	74,803
Central Ostrobothnia	<i>Keski-Pohjanmaa</i>	<i>Mellersta Österbotten</i>	Kokkola	5,020	69,027
Åland	<i>Ahvenanmaa</i>	<i>Åland</i>	Mariehamn	1,553	29,214

Population per Region (Statfi, 2019)

Government

The Finnish parliament consists of 200 members, 199 of whom are elected every four years. In addition, there's 1 member from the Åland Islands that has its own party system. Parliamentary elections were held in April 2019, after the Finnish government collapsed over a failed healthcare reform.⁵

Marin Cabinet

The new cabinet was formed on June 6, 2019. The centre-left cabinet consists of a coalition of 5 parties: the Social Democratic Party, the Centre Party, the Green League, the Left Alliance and the Swedish People's Party. Antti Rinne who had been PM for just 6 months and resigned after he lost the confidence of the center party. His successor, Sanna

Sanna Marin, the youngest PM in Finland ever, continued with the Five party coalition.

¹ Eduskunta. (2019). *Tietoa eduskunnasta*. Retrieved on April 26, 2019 from: www.eduskunta.fi/

² Eurozone Portal. (2019). *Finland*. Retrieved on April 29, 2019 from: <https://web.archive.org/web/20120609030416/>

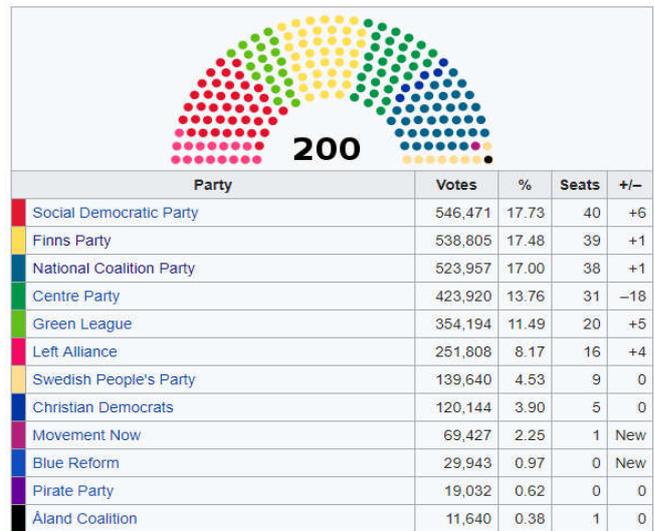
³ Eric Solsten and Sandra W. Meditz. (1988). *Finland: A Country Study*. Washington: GPO for the Library of Congress.

⁴ Statistics Finland. (2018). *Population structure on 31 December*. Retrieved on June 6, 2019 from: <http://www.stat.fi/>

⁵ Yle. (2019). *Juha Sipilä jättää puheenjohtajan tehtävät*. Retrieved on May 27, 2019 from: <https://yle.fi/uutiset/3-10742558>



Prime Minister Sanna Marin



Results Elections 2019 (Finnish Ministry of Justice, 2019)

President

Next to its parliament, Finland has a President, which is the Head of State. Under the Constitution of Finland, executive power is vested in the President and the Government, with the President possessing only residual powers. The President is elected by universal suffrage for a term of six years. In constitutional amendments, which came into effect in 1991, 2000, and 2012, the President's powers have been reduced. The President still leads the nation's foreign politics in conjunction with the Government and is the chief-in-command of the Finnish Defence Forces.

Sauli Niinisto has been the president since 2012 and was re-elected in January 2018. Niinisto is the country's first conservative head of state since half a century. The Pro-European Niinisto has been credited with leading Finland towards economic growth after the collapse of the Soviet Union when he was the Minister of Finance. ⁶



1 President Sauli Niinisto, (Ylem, n.d.)

Economy

The export-led Finnish economy is centred on manufacturing, mainly wood, metals, telecommunications, and electronics industries, and has enjoyed steady growth over the past five years. Heavily dependent on Russian energy, Finland cut tariffs on Russian electricity imports in 2018 and has approved construction of the controversial Nord Stream II pipeline. Finland's public finances are under increasing pressure from its rapidly ageing population and increasing labour costs. ⁷ The rule of law is well maintained and a strong tradition of zero tolerance for corruption continues. Finland's GDP is USD 269 billion (2020), public debt is about 69% of its GDP and the unemployment rate is 7.8%. ⁸

Taxation

The "gross salary" as reported to the employee conventionally does not include any of the taxes paid by the employer, which is a substantial portion of taxes. The employee personally pays municipal tax, state tax, and various minor taxes including contributions to mandatory insurance. The employer pays mandatory contributions to insurance and pension fees.

The Finnish tax rate is highly progressive. Considering the sum of all mandatory fees on the total employer's salary expense, the marginal tax rate, i.e., the percentage of each additional €100 withheld, increases rapidly

⁶ Yle. (2019). *Presidential elections*. Retrieved on May 11, 2019 from: <https://yle.fi/uutiset/osasto/news/>

⁷ Heritage. (2018). *Finland*. Retrieved on May 27, 2019 from: <https://www.heritage.org/index/pdf/2019/countries/finland.pdf>

⁸ Country Economy. (2019). *Finland*. Retrieved on 19 september 2021 from: <https://countryeconomy.com/countries/compare/finland/netherlands>



from 25% to 48% at €13,000/y, from 48% to 55% at €29,000/y, reaches 67% at €83,000 €/year and decreases slightly to 65% at €127,000/year (2018 data). This includes pension.

Social Security Contributions

Every Finnish employee and their employer are required to pay into certain social funds. The taxation is in the form of a flat rate on the income of the employee. The rates are shown in the following table:

Social Security contributions		
Insurance Policy	Employee Rate	Employer Rate
Health Insurance	0.68% - 1.86%	1.34%
Pension Insurance	7.15%	14.35%
Accident Insurance	---	0.8%
Unemployment Insurance	1.25%	0.45% - 1.7%
Total (Average)	10.26%	18.19%

National Taxes

Taxable income (EUR*)		Tax on excess (%)
Over	Not over	
18.600	27.900	6,0%
27.900	45.900	17,3%
45.900	80.500	21,3%
80.500		31,3%

Municipal taxes

Municipal tax is levied at flat rates on taxable income determined for municipal taxation. The rate varies between 16.50% and 23.50%, depending on the municipality. Average is 19%

Democratic and administrative levels

Municipal level

Finland has undergone several municipal reforms over the past years and the number of municipalities has steadily decreased from 475 in 1976 to 309 in 2021.

Most municipalities are very small, more than half of them have fewer than 6,000 residents. These small municipalities account for about half of the land area, but only for 15 per cent of the population and for about 10 per cent of all jobs. The smallest municipalities have fewer than 200 residents.

There are nine cities with a population exceeding 100,000. The largest city is the country's capital Helsinki with a population of about 656 000 (2020), followed by Espoo, Tampere, Vantaa, Oulu, Turku, Jyväskylä, Lahti and Kuopio. They account for one per cent of Finland's area, but for 30 per cent of the country's population and for as much as 40 per cent of all jobs.

Municipalities have a wide range of responsibilities which have been extended over the years. They include education (up to upper secondary schools, vocational education), healthcare (preventive, basic and specialised healthcare, dental care and hospitals) and social services (old-age, disabled people and childcare) among others.

If the Sote reform takes effect the healthcare responsibility will be transferred to the regions. The impact on the municipalities may vary as many municipalities have already transferred healthcare functions to larger entities.



Municipal council and chief executive

The municipal council expresses the will of the residents. It is responsible for the municipality's activities and finances and exercises the municipality's power of decision. The council has a strategic leadership role in determining the municipality's long-term objectives and goals.

The most senior position in a municipality is either that of chief executive or the mayor. Most Finnish municipalities have a chief executive, who is a local government officer and not a member of the local council. The mayor is chosen from among local councillors. Both a chief executive and a mayor work subordinate to the local executive as the head of municipal administration, financial management and other activities.

Sote reform

There is currently a heated political debate in Finland about reforming the municipality system. Essentially, a multitude of small municipalities is seen as detrimental to the provision of public services, having originated during Finland's agrarian years. As a result, there have been suggestions of state-imposed mergers. A committee led by the former Minister for Regional and Municipal Affairs, Hannes Manninen, suggested creating a two-tier system of municipalities with different powers, while the Association of Finnish Local and Regional Authorities (Kuntaliitto) favoured a system where municipalities would be units of at least 20,000–30,000 inhabitants, cf. the current median at 4,700.

Regions

Finland has 19 regions, 18 on mainland and the autonomous province of Åland Islands off the country's southwest coast. Every region has a regional council, which is the region's statutory joint municipal authority. Every municipality must be a member of a regional council.

A region consists of multiple cities and/or municipalities and its main tasks are regional planning, development of enterprise and education and public health services. Regional councils are elected by municipal councils, each municipality sending representatives in proportion to its population.



Finland's 19 regions, (Finnish Ministry of Justice, 2019)



Healthcare

Healthcare system

Finland's healthcare system is highly decentralised, and care is delivered in municipal, occupational and private facilities. On national level, the Ministry of Social Affairs and Health is responsible for developing and implementing health reforms and policies.

Municipal responsibility

Municipalities have relative flexibility in how to fill in their health and social care responsibility. The municipalities, or inter-municipal partners, are responsible for primary care, nursing homes, social assistance within the municipality and basic education. Specialized care is also overseen by local authorities, and they have formed 21 'hospital regions' to provide this care. These 21 regions include 34 hospitals of all sizes, and they all offer both in- and outpatient care.

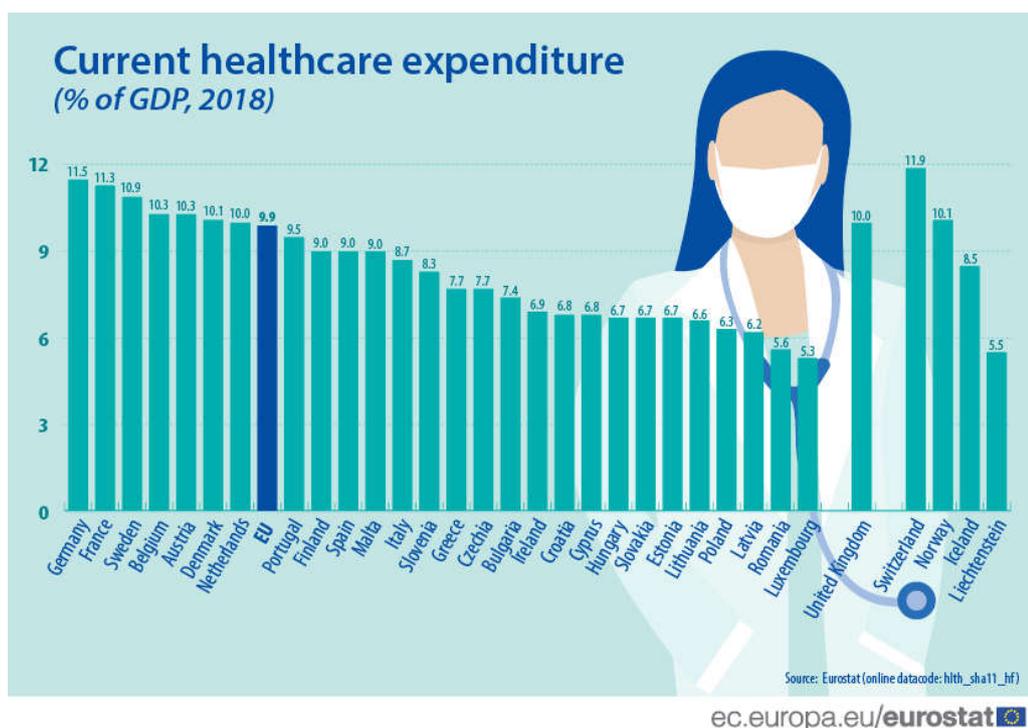
Financing

Funding for healthcare comes through municipalities and the national health insurance (NHI) scheme, ran by the social insurance institution *Kela*. The NHI is responsible for funding outpatient medication, healthcare-related travel costs, and sickness and maternity allowances. In addition, it subsidises occupational healthcare, as in Finland employers are obliged to organize and provide health services for their employees. Also, the NHI reimburses part of the services provided in the private sector.

According Eurostat statistics, Finland spends 9,0% of its GDP, while the Netherlands 10.0% of its GDP on healthcare.⁹

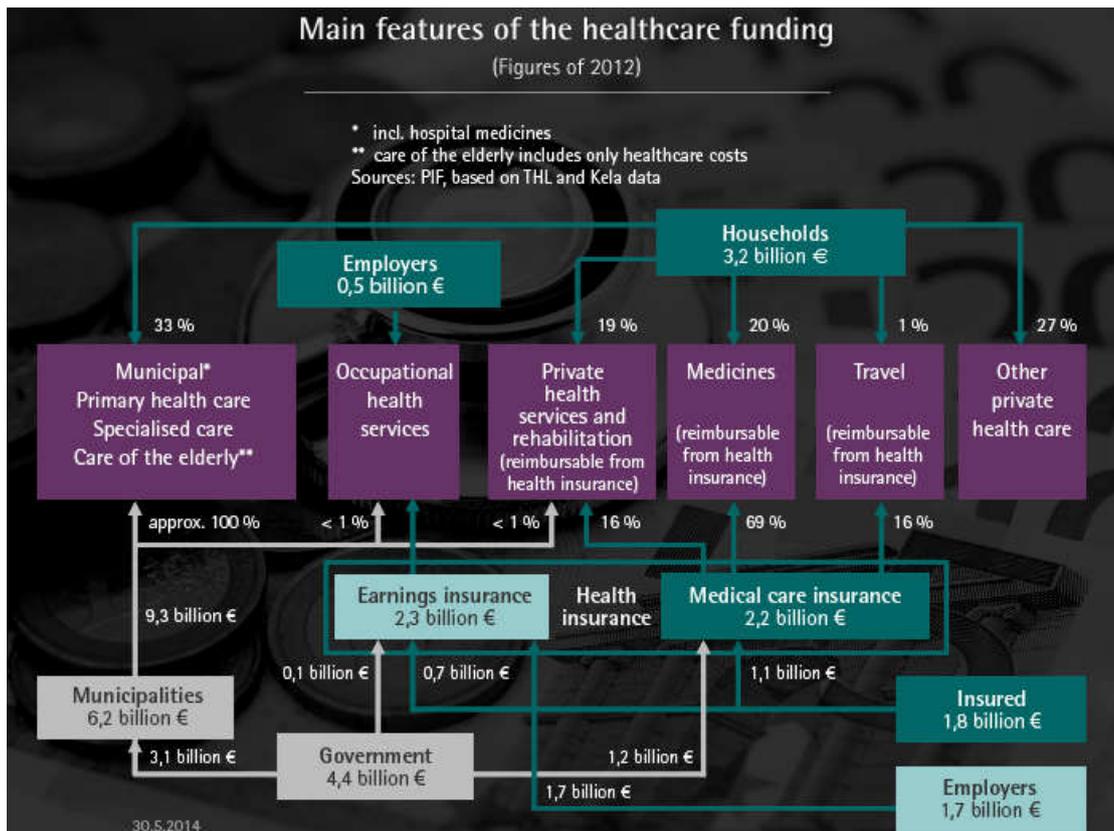
The Finnish healthcare finances comes from four channels, which are:

- municipalities (appr. 40% of expenses),
- government (appr. 24% of expenses),
- private parties, such as households and insurance companies (appr. 22% of expenses), and
- social insurance institution Kela (appr. 14% of expenses)¹⁰



⁹ <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20201202-1>

¹⁰ The Helsingin Sanomat (2014). *Main Features of the Healthcare Funding*. Retrieved on June 6, 2019 from: <https://www.pif.fi/>



Main Features of the Healthcare Funding (The Helsingin Sanomat and Pharma Industry Finland PIF, January 19, 2014)

User charges

User fees are extensive and involve the majority of services, including primary and emergency care. Two forms of protection from excessive user fees are in place: caps on annual payments and exemptions. There are separate annual caps on services (€ 683 in 2019), prescribed outpatient medicines (€572) and transportation costs (€300). Medicines included in the reimbursement list are reimbursed at 40%, 65% or 100%, depending largely on the severity of the condition. Exemptions involve specific services, and most services are free for children under 18. However, this type of health coverage design, with substantial out-of-pocket spending and unequal distribution of available services across municipalities, raises concerns about barriers to accessing health services.

Providers

Private providers

There is a wide range of private health service providers operating in Finland, providing more than 25% of all social and health services. They include companies, independent practitioners, organisations and foundations. These private operators can sell their services to the municipalities, joint municipal authorities or directly to Finnish and international clients. Organisations like Esperi, Attendo care, and Mehiläinen operate in long term care providing nursing home, home care, disabled care and rehabilitation. These services are contracted by the municipalities and offered to citizens similar to the municipal services.

Primary healthcare

Primary health care services are provided at the municipal health centres. The primary health service providers can be either public or private providers. The doctor assesses the patient's need for treatment and, if necessary, refers the patient to specialised medical care, which is usually provided at the hospitals. Private healthcare

Finland has a high ratio of nurses, and their role is gradually expanding

Most professionals working in the health sector are employed in municipally operated health services. Since



the 2000s, the shortage of doctors has eased, but the ratio of physicians to population in Finland (3.2 per 1 000 population in 2016) remains below the EU average (3.6; Figure 10). The ratio of nurses to population (14.3 per 1 000 population) is the highest among EU countries. The role of nurses in primary care has gradually expanded and now includes limited prescribing and care coordination.

Electronic health record

Unlike The Netherlands, Finland has an electronic health record: a systematized collection of patient and population electronically stored health information in a digital format that can be shared between the patient and social welfare and healthcare services. This service, called *Kanta*, is provided by the social insurance institution of Finland, Kela, and was launched in 2010.

Citizens can browse their own medical records and prescriptions and order repeat prescriptions in the online Kanta service. The Medicinal Products Database contains information about medicine, their price and reimbursement statuses in terms of issuing and dispensing. The Patient Data Repository plays a key role in sharing information between healthcare service providers as it allows centralised archiving of electronic patient data, as well as active usage and storage of data.

Sote Reform

There is a broad agreement on the need to reform the Finnish health system for over a decade but reaching policy consensus on how the reform should be implemented has proved very difficult. Common obstacles have been difficulties in reaching political consensus, the weak position of the central government, decentralised decision-making and a number of vested interests in the system.

The three main aims of a major reform remain over the years remained relatively the same:

- recentralisation of the organisational structure from the local to the regional level,
- containment of costs, and
- increasing patient choice.

The 2019 elected government has agreed on the reform which will take effect as of January 2023. Please review the presentation on the Sote reform online.

Division of duties under the reform, as of 1 January 2023





Social services¹¹

The Ministry of Social Affairs and Health is responsible for Finland's social policy and prepares legislation on social welfare. Municipalities must organise and provide these social services, in which they have quite some freedom. What is offered and by which provider differs per municipality.

Services

Social welfare includes social services and related support services as well as other measures social welfare professionals adopt to promote and maintain the functional capacity, social wellbeing, safety and inclusion of individuals, families and communities.

People receive the social services they need from their municipality of where they live and are registered. In emergency situations people have the right to receive these social services in the municipality they are staying in.

Social services include:

- to support people in coping with everyday life
- to provide housing-related support
- to give financial support
- to prevent social exclusion and to promote inclusion
- to respond to need for support caused by interpersonal and domestic violence or other forms of violence and abuse
- to respond to need for support in acute crises
- to safeguard the balanced development and wellbeing of children
- to respond to need for support caused by alcohol or drug abuse, mental problems or other illness or disability or ageing
- to respond to other need for support relating to physical, psychological, social or cognitive functional capacity, as well as
- to support family and friends of those in need for support

The need for services is evaluated by making a *service needs assessment*. Everyone has the right to have a service needs assessment, unless it is obvious that an assessment is unnecessary. A service needs assessment must be started at once and completed without undue delay. Urgent services must be organised immediately. A social welfare client is also entitled to have their own worker.

Municipal social services provided on the basis of special legislation include, among others, social services for persons with disabilities, special care services for people with intellectual disabilities, supplementary and preventive social assistance, child protection, rehabilitative work activities, conciliation in connection with child custody and rights of access, family work and informal care support.

Because of the great amount of services and steering legislation, services are often grouped according to the lifecycle model into services for families with children, services for adults and services for older people even if they are based on the same legislation.

Private social welfare

Social services provided by companies and organisations supplement municipal services. A municipality or joint municipal authority can also purchase services from private service providers.

24-hour social services provide help at all hours

Municipalities are also responsible for 24-hour social services, which are organised to ensure urgent and necessary help round the clock. 24-hour social service clients are all people who urgently need care, security

¹¹ <https://stm.fi/en/social-and-health-services>



and help, such as children without care, young people with problems or older people whose condition deteriorates suddenly. Among others, emergency accommodation, financial support and other necessary services, as required, are also organised by 24-hour social services. The immediate assistance of 24-hour social services is free of charge to the client.

Elderly care ¹²

Municipalities are responsible for arranging services for the elderly. The municipality grants services on the basis of an individual service needs assessment. Municipalities may produce the services themselves or buy them from other municipalities or from private service providers.

Before the municipality will provide a client with nursing care support, one needs, on average, at least 20 hours per month help. Nursing care includes showering and dressing. If you do not reach that level of needs you have to arrange and pay for the care yourself. If a resident needs more than 20 hours support, the municipality can provide that in kind or via a voucher.

Social support for cleaning, meals, cooking, etc. is actually hardly offered.¹³

Nursing care is both reimbursed by the hour and as fixed price. Most providers are eager to get contracts with municipalities for a fixed price as that gives them more flexibility and a better ROI.

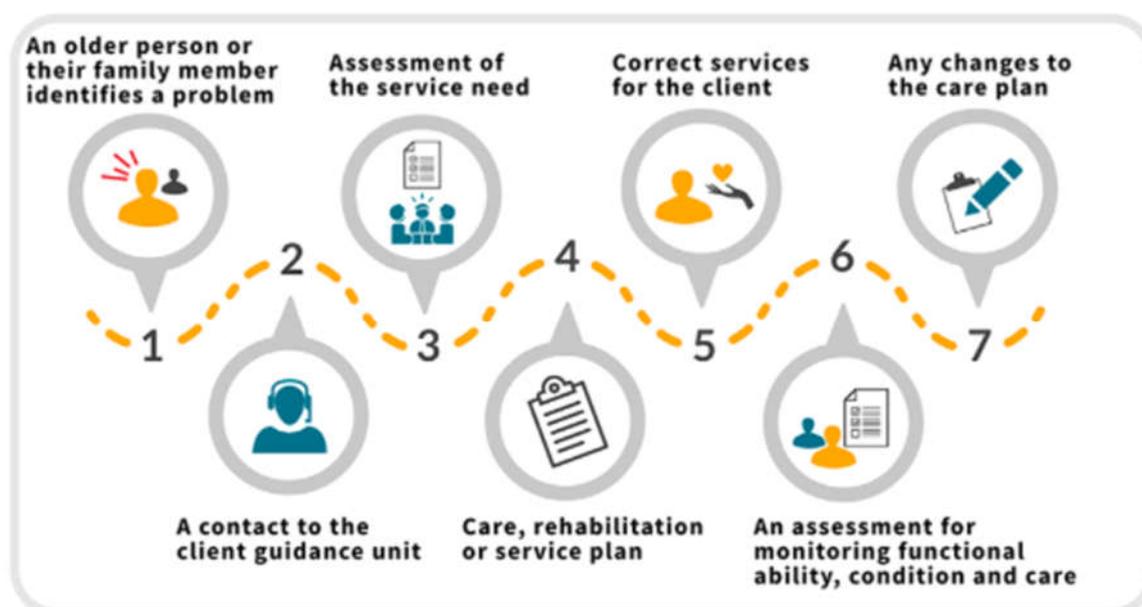
Prevention services

Older people's functional capacity is supported using preventive services and rehabilitation. These services include Senior Info, home visits, day centres, and vaccinations.

Service needs assessment

If an older person requires home services, informal care, institutional care, services for older people, social assistance or other social care services, for these to be granted a municipal official assesses the client's service needs.

Municipalities are obligated to use the RAI assessment system for assessing an older person's functional ability and need for services as of 2023. The municipalities are required to start using the RAI system no later than at the end of the interim period, 1 April 2023.



¹² <https://thl.fi/en/web/ageing>

¹³ From interview with Petri Kokonen



Housing services

Older people's independent housing is supported by housing services by granting reimbursements for housing renovation work and by providing service accommodation.

Home services and home nursing care

Home service and home nursing care assist when an older person requires help at home due to diminished functional capacity or illness. In many municipalities these are combined as home care, which is supplemented by support services.

Institutional care

If it is not possible for an older person to live at home or in service accommodation, care can be organised in the form of institutional care. Like in the Netherlands, the objective is to let people live at home as long as possible.

Informal care

Municipalities may grant informal care support for a relative or friend of a person being cared for.

Memory rehabilitation

Social and health care professionals offer guidance and advice for people with memory disorders in need of special services. Many municipalities have nurses, advisers or coordinators for memory disorders. Also, the regional specialists and support centres of the associations for memory disorders and dementia provide advice and guidance.



Housing

The housing crisis as we are experiencing in the Netherlands is not as such felt in Finland. Though the shortage in suitable housing for vulnerable people is as much a current topic as with us.

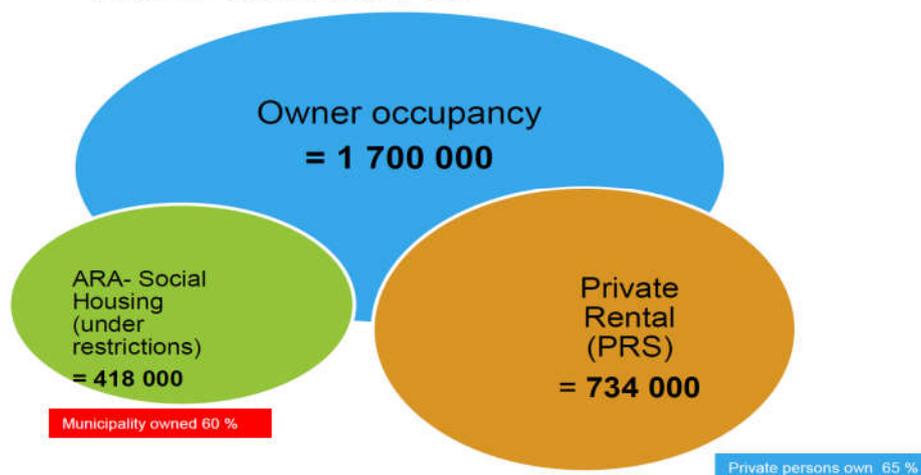
Finnish Housing Stock

Total about 3,1 million dwellings.

About 2/3 of the housing stock is built after 1970.

Occupied Dwellings by Tenure ARA Housing = 15% of all

(Sources: Statistics Finland, ARA)



Types of housing

There are various types of private and social housing options:

No subsidies

- Direct ownership
- In-direct ownership (share in a building, e.g., the Dutch VVE)
- Shared ownership *
- Right of Occupancy *
- Private rental

Subsidized by ARA

- Right of Occupancy *
- Social housing

Shared-ownership home

A shared-ownership home means that one only buys a part of the home at first and pays rent.

The person first pays approximately 10–20% of the price of the home. Following they live in the home as a tenant and pay rent. The tenancy period normally lasts around 5–12 years. In the meantime, the renter may buy additional shares in the home if agreed with the constructor/owner.

Once the tenancy period comes to an end, one can buy the home.

Right-of-occupancy apartments

A right-of-occupancy apartment is an intermediate form between a rental apartment and an owner-occupied apartment. The party acquiring right-of-occupancy must first pay a right-of-occupancy payment, generally amounting to 15% of the purchase price of the apartment. During tenancy, a monthly residence charge is paid for the apartment. If the right-of-occupancy home was not constructed with a state subsidy, the building owner



can choose the occupants him/herself. If the state funded the construction of the home, there are various criteria for occupants, such as age, income and assets.

A tenant may apply for a bank loan to finance the right-of-occupancy payment, the interest on which is tax deductible. The value of the right-of-occupancy payment may be used as security for the loan. The holder of occupancy rights must use the apartment as his own permanent residence.

Subsidized right of occupancy

Queuing

Any person aged 18 or older may apply for a right-of-occupancy apartment. There are no income restrictions, but the applicant may not own an apartment in the same area and is not allowed to have the funds to purchase one. This provision does not apply to applicants over 55 years of age or those who are switching from one right-of-occupancy apartment to another.

Applicants need to get a queuing number. They are given out at the municipality in which the apartment is applied for. Once a queuing number has been received, the applicant reports to the owner or right-of-occupancy association of the desired building.

Use of the apartment

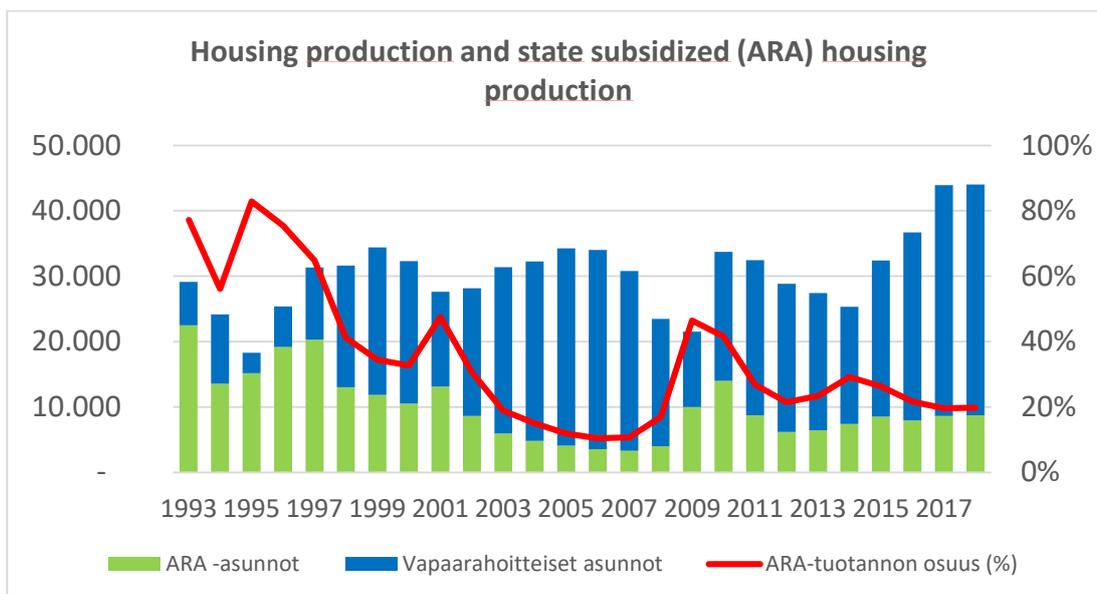
The right of occupancy may not be sold freely. When the tenant decides to give up the right of occupancy, he receives a refund of his right-of-occupancy payment plus an index increment corresponding to the change in the building cost index.

Holders of occupancy rights may also agree to exchange apartments with one another. The apartment may be sold through the owner to a buyer approved by the local municipality.

Costs

Maintenance and upkeep are the responsibility of the owner of the apartment building.

Right-of-occupancy housing is subject to a monthly residence charge to cover capital expenses and upkeep costs. The amount of the residence charge is based on the absorption principle, and it may not exceed the rental prices for apartments of similar quality in the same municipality. Increases to residence charges are determined by the company that owns the apartment. Tenants have the right to participate in the administration of the right-of-occupancy apartment building and decision-making pertaining to residence charges at least in the same manner as tenants in municipally owned rental apartments.



Green: ARA housing production

Blue: Free market housing production

Red line: The share (%) of ARA housing production of total housing production



Elderly housing

There is a national action program for elderly people's housing for 2020-2022.

The Ministry of Environment is responsible for implementation of the program. The targets of the program are:

- to improve housing conditions of the older people and provide suitable housing options (accessible housing),
- support the older citizens themselves in their own preparations regarding housing (renovations etc.),
- to strengthen the forethought and preparation of municipalities in housing of older population.
- Also encouraging the development of age-friendly housing environments is part of the program.
- The government provides various types of grants for improving existing housing stock and construction of new senior dwellings. The development support for municipalities is also provided.
- Co-operation with relevant actors (e.g., municipalities).

The biggest challenge is to have enough accessible dwellings

- The need is for 1.000.000 accessible dwellings by 2030 – at the moment there are around 600.000 accessible dwellings.
- New construction and renovation of existing housing stock are the necessary actions!
- Elevators, wider doors and bigger bathrooms, etc.
- Grants exist for accessible renovations and elevators.

ARA ¹⁴

The Housing Finance and Development Centre of Finland, ARA, has major responsibility for the implementation of Finnish housing policy. ARA belongs to the administrative branch of the Ministry of the Environment.

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

ARA is an expert partner, developer and moderniser of housing and promotes ecologically sustainable, high-quality and reasonably priced housing. ARA's operating principle is everyone is entitled to comfortable housing.

ARA's tasks

- ARA develops sustainable, high-quality and reasonably priced housing.
- ARA supports the improvement of the housing conditions of people with low or average incomes and special-needs groups.
- ARA monitors and directs non-profit housing corporations to ensure the sound management of finances and the allocation of government subsidies to residents.
- ARA develops the existing building stock and living environments to meet the challenges of the times in question.
- ARA directs and monitors the use of ARA's stock of buildings and manages the risks related to their loans together with the State Treasury.
- ARA promotes, utilises and disseminates the results of research and development activities related to housing conditions.
- ARA collects, analyses and disseminates information on the housing market and maintains online and information services for the industry.

ARA housing stock (under state limitations)

Ordinary rental dwellings	275 000	
Owned by municipal companies	193 000	(71 %)
Rental dwellings for elderly	49 000	
Rental dwellings for students	42 000	
Rental dwellings for other groups	9 000	
RENTAL DWELLINGS IN TOTAL	375 000	

¹⁴ <https://www.ara.fi/en-us/>



AFFORDABLE RENTAL HOUSING 13 % OF WHOLE HOUSING
 Right of occupancy dwellings 51 000
 ARA DWELLINGS TOGETHER 426 000
 AFFORDABLE HOUSING TOTAL 15 % OF WHOLE HOUSING

Renters' subsidies ¹⁵

Housing costs and types of homes

Assistance with housing costs is available through Kela for rental, right-of-occupancy, part-ownership and owner-occupied homes situated in Finland. The amount of housing costs accepted under the housing allowance scheme depends on the type of housing. The home must be habitable or otherwise intended for permanent residential use. The size, age or level of amenities of the home do not affect the housing allowance.

Acceptable housing costs

- The acceptable housing costs vary by type of housing:
- [rental home](#)
- owner-occupied home ([unit in a housing cooperative](#) or [single-family home](#))
- [right-of-occupancy home](#)
- [part-ownership home](#).

Maximum housing costs

There is a statutory maximum limit on acceptable housing costs, i.e., maximum housing costs.

If the acceptable housing costs exceed the maximum housing costs, the housing allowance is not calculated on the basis of actual housing costs but the maximum housing costs.

The rates of maximum housing costs are linked to the household size and the municipality in which the home is located. They are pegged to the cost-of-living index.

If one of the household members is disabled and needs a particularly large amount of space on account of assistive devices or an outside caregiver, such a household member counts as two persons for the purpose of determining the amount of maximum housing costs.

Maximum housing costs: Rates in 2021

Household size persons	Municipality in category 1, EUR per month	Municipality in category 2, EUR per month	Municipality in category 3, EUR per month	Municipality in category 4, EUR per month
1	€ 521	€ 504	€ 400	€ 353
2	€ 754	€ 723	€ 584	€ 514
3	€ 960	€ 912	€ 741	€ 657
4	€ 1.122	€ 1.064	€ 878	€ 783
+ each additional person, EUR per month	€ 140	€ 133	€ 120	€ 115

- Municipalities in category 1: Helsinki
- Municipalities in category 2: Espoo, Kauniainen ja Vantaa
- Municipalities in category 3: Hyvinkää, Hämeenlinna, Joensuu, Jyväskylä, Järvenpää, Kajaani, Kerava, Kirkkonummi, Kouvola, Kuopio, Lahti, Lappeenranta, Lohja, Mikkeli, Nokia, Nurmijärvi, Oulu, Pori, Porvoo, Raisio, Riihimäki, Rovaniemi, Seinäjoki, Sipoo, Siuntio, Tampere, Turku, Tuusula, Vaasa and Vihti
- Municipalities in category 3: alla others

¹⁵ <https://www.kela.fi/web/en/housing-costs-and-types-of-homes>