

**EAPN-FINLAND
WORKING GROUP
ON CHILD POVERTY**

**PROPOSED
MEASURES
TO REDUCE
POVERTY
AMONG
FAMILIES
WITH
CHILDREN**



Summary

Poverty in families with children has increased rapidly since the 1990s. The latest statistics show that their position with regard to income distribution continues to decline. In 2003, the poverty line for families with children exceeded that of the entire population, reaching 11.6% in 2005. In terms of income distribution, those worst off are single-parent families, families with young children and large families.

Poverty in families with children is often due to one or both parents' unemployment, casual work, and displacement from the labour market or low wages. Families where the parents are still studying are also in a weak financial position. The high cost of living in growth centres is particularly hard on families with children, who also have less housing space than other households.

The EAPN-FIN Working Group on Child Poverty stresses the fact that the public authorities have access to a number of ways to significantly reduce poverty in families with children. This is primarily a question of whether there is enough political will to deal with the declining situation of families with children.

The Working Group emphasises that the overall subsistence of families with children must be improved; at the same time, however, particular attention must be paid to remedy the situation of families and children facing a particular risk of marginalisation.

In the Working Group's opinion, special and urgent measures are required to further the livelihood, employment and social coping of at least the following:

- **single-parent families;**
- **families with one or both parents unemployed; and**
- **immigrant families.**

Poverty in families with children poses a significant risk for the favourable development of children and teenagers. Poverty has a negative effect on mental health and impairs social coping. For families with children, poverty increases the risk of marginalisation and extends from one generation to another. It reduces children and teenagers' opportunities to participate fully in the activities of their community and society. Poverty in families is extremely costly

Measures proposed by the Working Group to reduce poverty in families with children

General measures proposed to reduce poverty in families with children

Tying the family allowance to the cost-of-living index

Family allowances are the most significant income transfer under the state's family policy. In 2004, EUR 1,429 billion were paid out in family allowances. As family allowances are not tied to any index, their real value is eroded by inflation.

- Family allowances must be tied to the cost-of-living index to secure their real value

Cancelling the cuts made in family allowances in the 1990s and restoring the real value of family allowances

On 1 July 1995, the amounts of family allowances were reduced, particularly those paid to families with several children.

In 2006, the monthly family allowance is EUR 100 for the first child, EUR 110 for the second, EUR 131 for the third, EUR 151.50 for the fourth, and EUR 172 for each additional child.

- The real values of family allowances must be returned to the level prior to the cuts made in 1995.

Extending the family allowance to 17-year-olds

Family allowances are paid for children aged 0–16. However, 17-year-olds are still children, and their parents remain responsible for their maintenance and custody. Because the cost of the education and hobbies for 17-year-olds is high, low-income families will face financial difficulties when the child turns 17 and payment of the family allowance ceases.

- Payment of the family allowance must be extended until the child turns 18

from both human and financial perspectives, and for both the individual and society.

The Working Group on Child Poverty stresses the legal and ethical obligations of the public authorities to intervene in the issue of poverty in families with children. In the Working Group's opinion, a key task for the next government will be to reduce poverty among families with children and improve their livelihoods.

Supporting children's hobbies and securing their opportunities for holiday and camp activities

Many hobbies are today increasingly dictated by the market, which has meant an increase in prices and placed a number of hobbies and interests beyond the reach of the children of low-income families. Municipalities must ensure that the youth, cultural and sports activities they also provide offer enough opportunities for low-income families with children. The hobbies and interests of children of low-income families must be supported through a discretionary social assistance, if necessary.

It is often difficult for low-income families to provide their children with meaningful activities during school holidays. Publicly supported holiday and camp activities are therefore highly important for many children.

- **Grants issued by RAY (Finland's Slot Machine Association) for holiday and camp activities must be secured, and municipalities and parishes must increase their holiday and camp activities for low-income families**

Improving employment measures for unemployed parents

Because the main reason for poverty in families with children is a shortage or complete lack of work-related earnings, whether caused by unemployment or underemployment, it is important to increase the effectiveness of society's measures to reduce the unemployment rate among families.

- **Employment measures that are more effective than those applied today and that lead to permanent employment must be tailored to unemployed parents**

Increasing child increments on the unemployment allowance and labour market support

Child supplements to the basic daily unemployment allowance and labour market support are EUR 4.45 per weekday for one child, a total of EUR 6.54 per weekday for two children, and a total of EUR 8.43 per weekday for three or more children.

- **Child increments must be increased to EUR 6 for one child, to EUR 8.50 for two children, and to EUR 11.50 for three or more children**

Supporting student parents and their children

Low or complete lack of earnings due to one or both parents studying and the low level of study benefits cause poverty in families with children. It is therefore often difficult to reconcile studies with family life. Family allowance was removed from the student financial aid of university students in 1992 and from the student financial aid of upper secondary level students in 1994.

- **Family allowance must be restored to student financial aid**

Proposed measures to reduce poverty in families with young children

The position of families with young children (under 3-year-olds) in income distribution has declined considerably since the early 1990s. In 2004, a total of 18.5% of all parental allowances paid were minimum amounts, as opposed to 5.3% in 1990.

Increasing the maternity allowance

Maternity allowances are paid out either as maternity packs containing childcare supplies or in cash (EUR 140). Because the birth of a child requires purchases that place significant pressure on the family's finances, there are good grounds for increasing the maternity allowance.

- **The amount of maternity allowance must be increased as follows: either a maternity pack and EUR 300 or EUR 440, if the applicant wishes to receive only a cash benefit instead.**

Increasing the minimum amount of the parental allowance

The minimum amount of the parental allowance in 2006 is EUR 15.20 per weekday. In 2004, minimum amounts accounted for 18.5% of all parental allowance paid out.

- **The minimum amount of parental allowance must be raised to the level of the basic daily unemployment allowance, which is EUR 23.50 per weekday**

Increasing the child home care allowance and tying it to the cost-of-living index

At the beginning of 1996, considerable cuts were made to the child home care allowance, weakening the livelihood of families with young children. In 2006, the child home care allowance was EUR 294.28 per month for a child under 3 years of age, EUR 84.09 for each sibling under 3 years of age, and EUR 50.46 per month for each sibling under the school age; the maximum amount of a supplement payable for one child under 3 is EUR 168.19 per month. In 1995, the allowance was EUR 320.90 per month and the maximum supplement was EUR 256.82 per month.

- **Child home care allowances must be returned to the real level of 1995 and adjusted for inflation**
- **Child home care allowance must be tied to the cost-of-living index**

Increasing the partial care allowance

The partial care allowance is paid to a working parent of a child under 3 years old or in the first or second grade at school, if the parent's average working time is a maximum of 30 hours per week. The partial care allowance is paid for only one child at a time. In 2006, the allowance is EUR 70 per month. Because the loss of earnings due to shorter working hours is significantly higher than the amount of partial care allowance, and because the financial situation of families with children under 3 years of age is often difficult, part-time child care leave cannot be applied to the extent wished for by the families.

- **Partial care allowance must be increased to EUR 140 per month**
- **Single parents must be paid a EUR 30 increment on the partial care allowance (single-parent increment)**

Increasing the family allowance for a child under 3 years old

The supplement to the family allowance for a child under 3 years old was abolished at the beginning of 1994. Because the income level for families with children under 3 is lower than for other families, and the risk of poverty greater, there are good grounds for restoring the supplement for a child under 3.

- **The supplement to family allowance for a child under 3 must be restored**

Measures proposed to reduce poverty in single-parent families

Single parents have been low earners in recent years, while their families face a high risk of poverty. Accordingly, particular attention must be paid to reducing poverty in single-parent families. The employment rate among single-parent families has declined since the early 1990s; furthermore, reconciling work and family life is more difficult in single-parent families than in other families. In addition to economic poverty, single-parent families suffer from 'care poverty', a situation where the need for care exceeds the formal and informal care resources available to the family.

For care poverty, see Teppo Kröger's article: "Hoivaköyhyys yksinhuoltajaperheissä: kenelle lastenhoito-ongelmat kasautuvat?" [Care poverty in single-parent families: who bears the greatest burden in childcare?] In P. Takala (ed.): *Onko meillä malttia sijoittaa lapsiin?* Social Insurance Institution 2005.

Increasing the single-parent increase and/or restoring the single-parent deduction to taxation

In 2006, the single-parent increase on the monthly family allowance is EUR 36.60 per child.

- **The single-parent increase on the family allowance must be raised to EUR 70 , or:**
- **The single-parent deduction must be restored to taxation**

Increasing maintenance support

A child is entitled to maintenance support if the person responsible for the maintenance of the child has neglected payment of maintenance or if no one has been confirmed as responsible for the maintenance. In 2006, monthly maintenance support is up to EUR 118.15 per child.

- **Maintenance support for a child must be increased to EUR 150 a month to secure sufficient maintenance for the child.**

Reducing care poverty among single parents

In single-parent families, the need for care exceeds their care resources more often than in other families. To reduce this care poverty in single-parent families, special attention should be paid in day-care services to the needs of single-parent families. Offering home services and temporary childcare services to single-parent families would also reduce their care poverty.

- **Special attention must be paid in day-care services to the needs of single-parent families**
- **Home services for families with children must be increased particularly with regard to single-parent families**

Improving employment measures for unemployed single parents

Since the early 1990s, the employment rate among single parents has declined radically and thus increased the risk of poverty for their families. Single parents' opportunities for participating in work life must be improved by reducing care poverty (where the need for care exceeds the families' care resources) and aiming special employment measures at unemployed single parents.

- **Special employment measures must be aimed at unemployed single parents**

Measures proposed to reduce poverty in large families

For families with more than two children, the income trend has been lower than for other families. The cuts made in family allowances in 1995 were particularly hard on large families. The family allowance for a third child was reduced from EUR 153.05 to EUR 131.02, allowance for the fourth child reduced from EUR 173.23 to EUR 151.54, and allowances for the fifth child and any additional children reduced from EUR 205.19 to EUR 172.00.

Increasing family allowance for large families or introducing tax deductions for them

In 2006, family allowance for a child is EUR 131 per month; for a fourth child, EUR 151.50 per month. To reduce the poverty risk faced by large families, the

family allowance for a third child could be raised at least to the amount currently paid for a fourth child (EUR 151.50), and the amount currently paid for a fourth child to at least the amount now paid for a fifth child (EUR 172). It would be even better if family allowances for large families were restored to the real level prior to the cuts of 1995. Alternatively, large families should be granted a tax reduction for children.

- **Family allowances for large families must be restored to the real level prior to the cuts of 1995; or**
- **Large families must be granted a tax deduction for their children**

Measures proposed to reduce poverty in immigrant families

Because the unemployment rate among immigrant families is higher than among other families, it is essential to improve their employment rate in order to reduce their poverty risk. Finding employment for the parents is extremely important as it helps families integrate into Finnish society and prevents their marginalisation. It also prevents trans-generational poverty and deprivation.

Improving employment measures aimed at immigrants

Special employment measures must be aimed at immigrant parents. It is important to secure young immigrants' opportunities for education and employment to promote the integration and prevent their marginalisation. Many immigrants have large families and will therefore benefit from measures aimed at families with several children.

- **Special employment measures must be aimed at parents of immigrant families, for example, increased Finnish-language teaching and guidance for vocational education and for job-seeking**
- **More resources must be allocated for offering Finnish-language teaching and guidance in education and job-seeking to young immigrants**

Background

Families with children in Finland

According to Statistics Finland, there were 591,528 families with children (families with at least one child under 18 living at home) in Finland at the end of 2005. There were 1,103,698 children (aged 0–17), or 21.0% of the entire Finnish population. There were 1.83 children per family on average. However, the final average number of children for families is higher, as the figures do not include children born later, children over 18 or children who have moved away from their homes.

By European standards, the Finnish birth rate is quite high, the overall fertility rate being 1.80 in 2005. The average age of women giving birth was 30.0 years; for first-time mothers, the average age was 27.9 years. In 2005, 57,745 new children were born in Finland.

About 80% of the families with children have both parents, either married or cohabiting, while about 20% are single-parent families. Blended families account for 8.5% of all families. (Source of statistics: Statistics Finland)

A family is the basic unit of societies and communities and is responsible for raising the next generation. Sufficient income is crucial to a family's success in children's upbringing. Today's society is increasingly market-driven which has an effect on people's lives, giving economic welfare a greater role in people's overall wellbeing.

General notions on poverty among families with children

For poverty among families with children, see Pasi Moiso's article: "Kasvanut polarisaatio lapsiperheiden parissa" [Increased polarisation among families with children]. In Mikko Kautto (ed.): *Suomalainen hyvinvointi 2006* [Welfare in Finland in 2006]. STAKES 2006.

By international standards, poverty among Finnish families with children has been low. In the 1990s, however, their situation began to deteriorate, as did their position in income distribution. In the 1990s, the taxation of families became tighter as child deductions and single-parent deductions were abolished and benefits were cut; what real value these had left was reduced by inflation. The tax policy was much more favourable to capital income than earned income. In 2003, the child poverty rate exceeded the poverty rate among the entire population. Because the risk of poverty faced by families is greatest in single-parent families, families with young children and large families, reduction of poverty requires measures targeted at these groups as well as adoption of a common family policy to reduce poverty.

The relative position of families with children in income distribution has grown weaker in the 1990s and this decade. The percentage of families in the lowest-income tenth has increased and the child poverty rate has rapidly grown.

Calculation of the poverty rate in Finland is based on the relative poverty line in Europe, where people are considered poor if their income is less than 60% of the average income of the entire population. The poverty rate among children can thus be calculated based on the parents' income (see Moiso 2006, 48).

According to the statistics on income distribution compiled by Statistics Finland, the child poverty rate in 2006 was 12.3% as opposed to 4.9% in 1990. In 2003, 9.4% of families with children were in the lowest-income tenth as opposed to 5.4% in 1990. With regard to income distribution between different generations, the position of older households is relatively better than younger households.

The income trend in families with children varies from one type of family to another. It has been lower for single parents, families with a child under 3 years of age and families with more than two children. The number of families considered poor grew fastest in families with young children and in single-parent families in 1990–2003. In 2003, there were 63,000 families with 131,000 children considered poor.

According to STAKES statistics, social assistance, which is the last-resort financial benefit granted by the social services, was granted to 57,091 families with children; 31,788 of these were single-parent families, while 25,503 had two parents or guardians. Of all single-parent families, 27% received social assistance, as against slightly more than 5% of families with two parents or guardians. Single parents' dependency on social assistance has remained high, which indicates a low income and a disadvantage in the labour and the income distribution markets. Because being a single parent involves a risk of poverty, the rise in the number of single-parent families has contributed to the increase of relative poverty among all families with children.

The growing poverty among families with children is connected with the weaker position of younger age groups in income distribution compared to older age groups. After the rapid decline in the early 1990s, the employment rate is still lower than before the recession and the unemployment rate remains high. Among single parents, the decline in the employment rate has been particularly rapid since the early 1990s.

Abolishing child deductions in taxation in 1994 resulted in tighter taxation for families with children and single-parent families in particular. Inflation and the benefit cuts made in the 1990s have reduced income transfers under family policy, and the increases in benefits made in the current decade have fallen behind the level achieved before the cuts. The average amount of family allowance per child was EUR 114.5 in December 2004 as opposed to EUR 133.3 in December 1994.

Legal aspects of the livelihood of families with children: national legislation and international human rights conventions

In accordance with both international human rights conventions binding Finland and national legislation, the public authorities are legally obliged to help families with children cope financially. This chapter presents national and international provisions relevant to the legal aspects of the livelihoods of families with children.

National legislation

In accordance with Section 1 of the *Act on Child Maintenance*, a child has the right to sufficient maintenance. Such maintenance must satisfy the child's material and psychological needs corresponding to the level of the child's personal development, secure the care and education required by the child and cover the related costs.

Under Section 2 of the Act, parents are responsible for their child's maintenance to the best of their abilities. Assessment of the ability of parents to provide for their children must be based on their age, work capacity and their opportunities for gainful employment, the funds accessible to them and any other statutory maintenance responsibilities they may have. Assessment of the extent of their maintenance responsibility shall also include the child's ability and opportunities related to supporting him or herself and any reasons why the parents will incur little or no cost from maintaining the child.

Under Section 3, a child's right to be supported by its parents ends once the child turns 18. However, the parents shall, under the same Section, bear the costs of the child's education after that date if this is deemed reasonable.

A child has the right to receive maintenance confirmed under Section 4 if a parent does not provide for the child's maintenance in any other way or if the child does not live permanently with the parent. The amount and method of payment of the maintenance is confirmed by agreement or by a court deci-

sion. In accordance with Section 6, maintenance is paid monthly in advance unless otherwise agreed or decided. A parent's obligation to pay maintenance ceases when the child turns 18, unless otherwise agreed or decided.

Payment of maintenance support is stipulated by the *Act on Maintenance Support*. The amount of maintenance support for one child is EUR 118.15 per month and it is paid out of municipal funds. In 2004, there were 104,495 children receiving maintenance support, which was 9.4% of all 0–17-year-olds.

In accordance with Section 5 of the Act on Maintenance Support, maintenance support is paid to a child if (1) the person responsible for the child's maintenance has been neglecting the payments, (2) the paternity of a child born out of wedlock has not been confirmed in a legally valid manner, (3) it has not been possible to confirm maintenance at the same time as confirmation of paternity (within six months of the legally valid confirmation of paternity), (4) the maintenance responsibility has been settled by a confirmed agreement or a court decision but, due to the responsible person's inability to fulfil that responsibility, the obligation to pay maintenance has not been confirmed or the amount of maintenance has been confirmed to be lower than the amount of maintenance support, or (5) the child has a single adoptive parent who is not the spouse of nor cohabits with the parent of the child.

In accordance with Section 1 (2) of the *Child Custody and Right of Access Act*, **a child must be provided with good care and upbringing and the control and care required by the child's age and level of personal development**. A child should have a safe, stimulating environment in which to grow and an education corresponding to the child's inclinations and wishes. According to Section 4 (1), the responsibility for a child's development and welfare lies with the child's **parent or guardian**.

Because these child's rights cannot be implemented in today's society without sufficient financial resources, poverty in families poses a significant risk for the implementation of children's right to care and upbringing.

Basic rights are the rights of the individual provided by the *Constitution of Finland*. Superior to all other rights provided by law, they are fundamental rights of particular importance and permanence and of specific legal nature.

Provisions on the basic rights are found in chapter 2 of the Constitution.

According to Section 19 (3) of the Constitution, **the public authorities must support families and others responsible for providing for children so that they can ensure the wellbeing and personal development of the children**.

Section 19 (2) provides everyone with the **right to basic subsistence** in the event of unemployment, illness or disability and during old age and the birth of a child or the loss of a provider.

Section 19 (1) provides everyone with the **right to indispensable subsistence and care**.

According to Section 16 (1), everyone has the **right to free basic education**. According to Section 16 (2), the public authorities shall guarantee for everyone an equal opportunity to receive **other educational needs corresponding to their abilities and special needs, as well as the opportunity to develop themselves unhindered by economic hardship**.

Section 18 provides the **right to work** and the freedom to engage in commercial activity. According to Section 18 (2), the public authorities shall promote employment and work towards guaranteeing everyone's right to work.

Section 6 on **equality** is also relevant to the issue of poverty among families with children. The provisions of paragraph 1 of Section 6 deal with equality before the law; paragraph 2 prohibits discrimination; paragraph 3 provides for equal treatment of children as individuals and their right to have a say in matters regarding them in accordance with their level of personal development; and paragraph 4 contains provisions on promoting gender equality.

Under the *Maternity Allowance Act*, the health and wellbeing of mother and child are promoted through **maternity grants** issued out of state funds. Any woman who is at least 154 days pregnant has the right to a maternity grant. Under Section 7 of the Act, the applicant may claim the grant either as a maternity pack or in cash. In 2006, the amount of the grant in cash is EUR 140 for each child born.

In 2004, maternity grants were received by 56,497 families for a total of 57,447 children. In 70.6% of the cases, families chose a maternity pack and cash in 29.4% of the cases.

Under Section 1 of the *Family Allowance Act*, the family allowance for the maintenance of a child aged under 17 is paid out of state funds. According to Section 6, the right to receive a family allowance is held by one of the child's parents or by the custodian of the child. The family allowance for one child is EUR 100 per month. If the recipient of the family allowance is entitled to a family allowance for more than one child, the amount for a second child is EUR 110.50 euros, for a third EUR 131, for a fourth EUR 151.50, and for each following child EUR 172 per month. Single parents also receive a monthly increase of EUR 36.60 on the family allowance.

At the end of 2004, the family allowance was paid to 570,413 families; 100,469 (17.6%) of these were single-parent families. There were 1,039,967 children entitled to family allowance; 157,377 (15.1%) of these were children of single-parent families.

Under chapter 9 of the *Sickness Insurance Act*, parents are paid **parental allowance**.

The **maternity allowance** is paid for 105 weekdays. At the earliest, the right to the maternity allowance begins 50 weekdays before the due date; at the latest, 30 days before the due date. A **special maternity allowance** is paid to an expectant mother if her employer cannot eliminate a risk to the health of either the mother or her child caused by a chemical substance, radiation or a contagious disease or provide other work for her.

The **paternity allowance** is paid to a father participating in the care of the child for a total of up to 18 weekdays during the payment of maternity and parental allowances.

The **parental allowance** is paid to either parent for 158 weekdays.

The parental allowance is determined by the level of the parent's income confirmed in taxation. If no parental allowance is payable based on the parent's earned income, a parent is paid a daily allowance of EUR 15.20 per weekday.

Examples of the daily allowance provided by the Social Insurance Institution: annual earnings EUR 9,000 = daily allowance EUR 21.00; annual earnings EUR 19,000 = daily allowance EUR 44.33; annual earnings EUR 24,000 = daily allowance EUR 56.00; and annual earnings EUR 40,000 = daily allowance EUR 81.74.

Under the *Act on Child Home Care and Private Childcare*, a parent or guardian is paid a **child home care allowance** to arrange care for the child and a

private day-care allowance to arrange care provided by a producer of child-care services for the child as indicated by the child's parent or custodian. Both allowances consist of a basic allowance and an income-g geared supplement.

In 2006, the child home care allowance for one child under 3 years of age is EUR 294.28; EUR 84.09 for each additional child under 3 years of age; and EUR 50.46 per month for each additional child under the school age. The supplement to child home care allowance for each family is up to EUR 168.19 per month. Private day-care allowance for each child under the school age is EUR 137.33 per month. The supplement to private day-care allowance is up to EUR 134.55 per month per family.

Under the *Act on Child Home Care and Private Childcare*, the **partial care allowance** may additionally be paid to a parent or guardian if they cannot work over 30 hours a week because of caring for a child. The partial care allowance is EUR 70 per month.

At the end of 2004, the child home care allowance was paid to 67,966 families, the private day care allowance to 11,522 families, and the partial care allowance to 10,874 families.

Under the *Housing Allowance Act*, low-income households are paid a **general housing allowance** to reduce their housing costs related to living in a rental dwelling, right-of-occupancy dwelling or owner-occupied dwelling located in Finland. The housing allowance is calculated by deducting a basic deductible based on the income of the household from the housing costs.

In December 2004, the average housing allowance was EUR 213.8 per month, which was 50.5% of the average housing costs incurred by the recipients. Families with children accounted for 40.8% of the households receiving housing allowance; of these, 27.9% were single-parent families and 12.9% had both parents living with the children.

Under the *Unemployment Security Act*, the basic income of an unemployed job-seeker during their unemployment must be secured by a daily unemployment allowance and labour market support.

The **daily unemployment allowance** is paid to an unemployed job-seeker whose work history complies with the previous-employment requirement. Earnings-g geared allowance is paid to a person who has been a member of an unemployment fund for at least 10 months before the unemployment spell and who meets the previous-employment requirement.

The amount of the daily basic allowance is EUR 23.50 per weekday. Unemployed job-seekers with children are also paid a child increment of EUR 4.45 for one child, EUR 6.54 for two children and EUR 8.43 per weekday for three or more children. The daily unemployment allowance is paid for up to 500 days of unemployment, after which the recipient may be entitled to the labour market support.

The labour market support is financial support paid to those who are entering the labour market for the first time or who have already received unemployment allowance for the maximum period. The purpose of the labour market support is to help the person's placement in the labour market. The labour market support is a discretionary benefit, which may be reduced based on the applicants' and their spouses' or partner's income. The maximum labour market support is EUR 23.50 per weekday. A child increment on the subsidy is EUR 4.45 for one child, EUR 6.54 for two children and a total of EUR 8.43 per weekday for three or more children.

Families may be paid **social assistance** under the *Act on Social Assistance*. Social assistance is a last-resort financial support under social services for securing the livelihoods of families and promoting their independent coping. Social assistance provides the minimum income necessary for the dignity of a person or family.

The purpose of preventative social assistance is to promote the social security and independent coping of a person or a family and to prevent their marginalisation or protracted dependency of social assistance.

According to Section 2 of the Act on Social Assistance, everybody has the right to receive social assistance if they need it and cannot receive it through gainful employment, entrepreneurship, other benefits securing their income, other personal income or funds, care provided by a person responsible for their maintenance or other means.

Social assistance is divided into a basic amount and a supplement. In 2006, the basic amount payable to a single person or single parent belonging to a first municipal group category is EUR 382.70 per month, EUR 325.30 per month for others over 18 years old, EUR 267.89 for one 10–17-year-old child, EUR 248.76 for a second child of that age and EUR 229.62 for a third and for any additional child of that age; in the case of children under 10, the amount is EUR 241.10 per month for one child, EUR 221.97 for a second child and EUR 202.83 for a third and any additional child.

In 2004, social assistance was paid to 57,091 families with children; of these, 31,788 were single-parent families, while 25,503 families had two parents or guardians.

Under Section 7 of the *Act on Equality Between Men and Women*, any direct or indirect discrimination of either sex is prohibited.

Under the Act, **direct discrimination** includes different treatment on the grounds of pregnancy or childbirth. **Indirect discrimination** includes different treatment based on parenthood or family responsibilities.

Discrimination of employees with families in the labour market may lead to their unemployment or underemployment or impair their career prospects, thus causing problems related to their livelihood. Single parents, in particular, risk discrimination in the labour market.

International legislation

Human rights are the fundamental rights of every individual which are safeguarded by the international Human Rights Convention. Protection of human rights and protection of (national) basic rights often have common goals and identical contents.

According to Article 26 (1) of the *Convention on the Rights of the Child*, the signatory states recognise the **right of every child to social security**, including social insurance, and take necessary steps to implement this right in full in accordance with their national legislations.

According to Article 27 (1) of the Convention, the signatory states recognise that every child has a **right to a standard of living** adequate for the child's physical, mental, spiritual, moral and social development. According to Article 27 (2), parents and other guardians responsible for the care of the child have the primary responsibility to secure, within their abilities and financial capacity, living conditions necessary for the child's development.

Under Article 27(3), the signatory states take the **necessary measures to assist parents and others responsible for the child** to implement this right, in accordance with national conditions and within their means, and, if necessary, **provide material assistance** and support programmes, particularly with regard to nutrition, clothing and housing.

According to Article 23 (1) of the *Covenant on Civil and Political Rights*, a **family** is the natural and fundamental unit within society and has the **right to be protected by society and the state**. According to Article 24 (1) of the *Covenant*, every child has, as is required by the child's status as a minor, the **right to such protection by their families, society and the state** that excludes any discrimination based on property, for instance.

Article 9 of the *Covenant on Economic, Social and Cultural Rights* provides everyone with the **right to social security**.

Article 10 of the *Covenant* secures the **widest possible protection and assistance for families**. The Article also contains provisions on **protection and social assistance accorded to mothers and on measures to protect and assist children and young persons**.

Under Article 11, the signatory states recognise everyone's **right to an adequate standard of living for themselves and their families**, including sufficient food, clothing and housing and the right to the continuous improvement of their living conditions.

According to Article 13 of the *Convention for the Elimination of All Forms of Discrimination against Women*, the signatory states shall take all the necessary measures to eliminate discrimination of women in other areas of economic and social life, to ensure equal rights for both men and women, particularly with regard to **family benefits** (paragraph *a*).

Under Article 11 of the *Convention*, the signatory states must take all appropriate measures to **eliminate discrimination of women in work life**, in order to ensure equal rights for both men and women.

The *revised European Social Charter* contains a number of provisions relevant to the legal aspects of poverty among families with children.

Article 16 (the **right of a family to social, legal and economic protection**) and Article 17 (the **right of children and young persons to social, legal and economic protection**) of the *Charter* are particularly important for the livelihoods of families with children.

The *Charter of Fundamental Rights of the European Union* contains a number of Articles which include provisions relevant to reducing poverty among families with children.

Article 24 of the *Convention* contains provisions on the **rights of the child**; Article 33 stipulates the **rights to reconcile family and professional life**; Article 34 deals with the **rights to social security and social assistance**.

Conclusion

Families with children were not favoured by income distribution in the 1990s and are still not. Their position in income distribution has declined, the percentage of families with children in the lowest-income tenth of the population has increased, and the child poverty rate has exceeded the average poverty rate for the entire population. The income trend has been particularly poor among single-parent families, families with children under three and large families. The most significant single reason for poverty among families with children is the decline in the employment rate. Considerable cuts were made in the income transfers for families with children in the early 1990s. The real value of the income transfers has been reduced by inflation. Increases on income transfers made in the current decade have not reversed the impact of the cuts made in the previous decade or the impact of the inflation.

With regard to an income trend fairer on families with children, income transfers for families should be improved and family benefits should be indexed to secure their real value.

Taxation of families with children should also be reviewed. Because of the structure of their income and expenses, families with children are, in practice, subject to heavier taxation than other households. Child deductions under family policy were removed from taxation in 1994 and the emphasis of taxation shifted from capital income to earned income, and because families with children have little capital income, their taxation has become heavier. The fact that value-added taxes are high in Finland also has a negative effect on families with children as these spend more money than households with no children. Therefore, the Finnish tax system is clearly unfair from the perspective of families.



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