

Welfare in rural areas

Responsibility of the public, private or 3rd sector?

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rural areas?

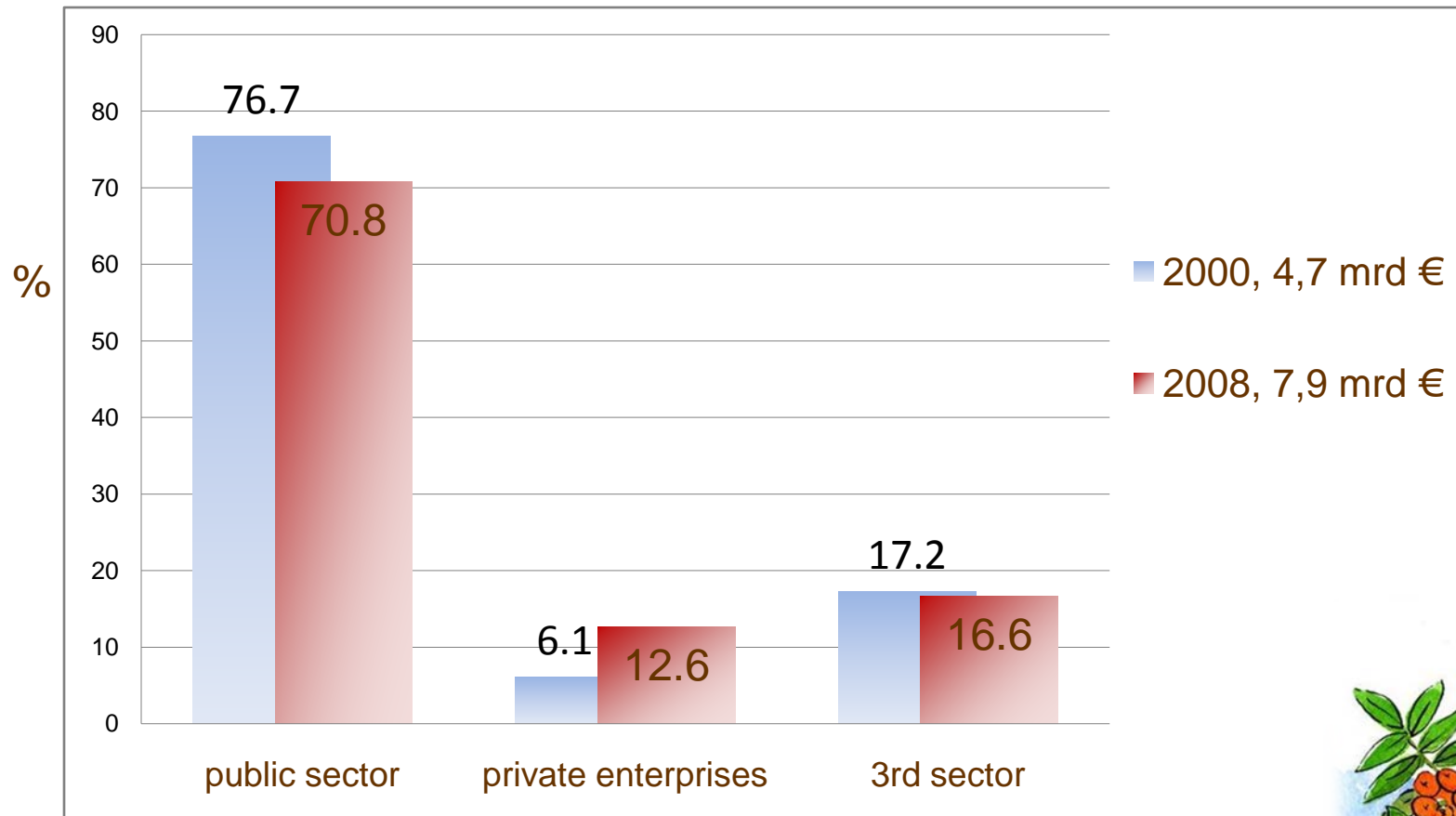
Finnish
welfare state
*strong public
responsibility*

Market and
competition
oriented
paradigm

3rd sector?

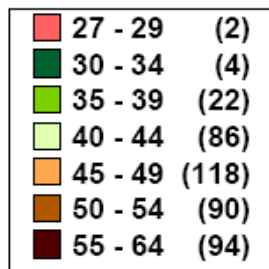


Total value produced in social services in Finland 2000 ja 2008: public, private and 3rd sector



Finland is getting older

Median age (2025)
Whole country 44 years



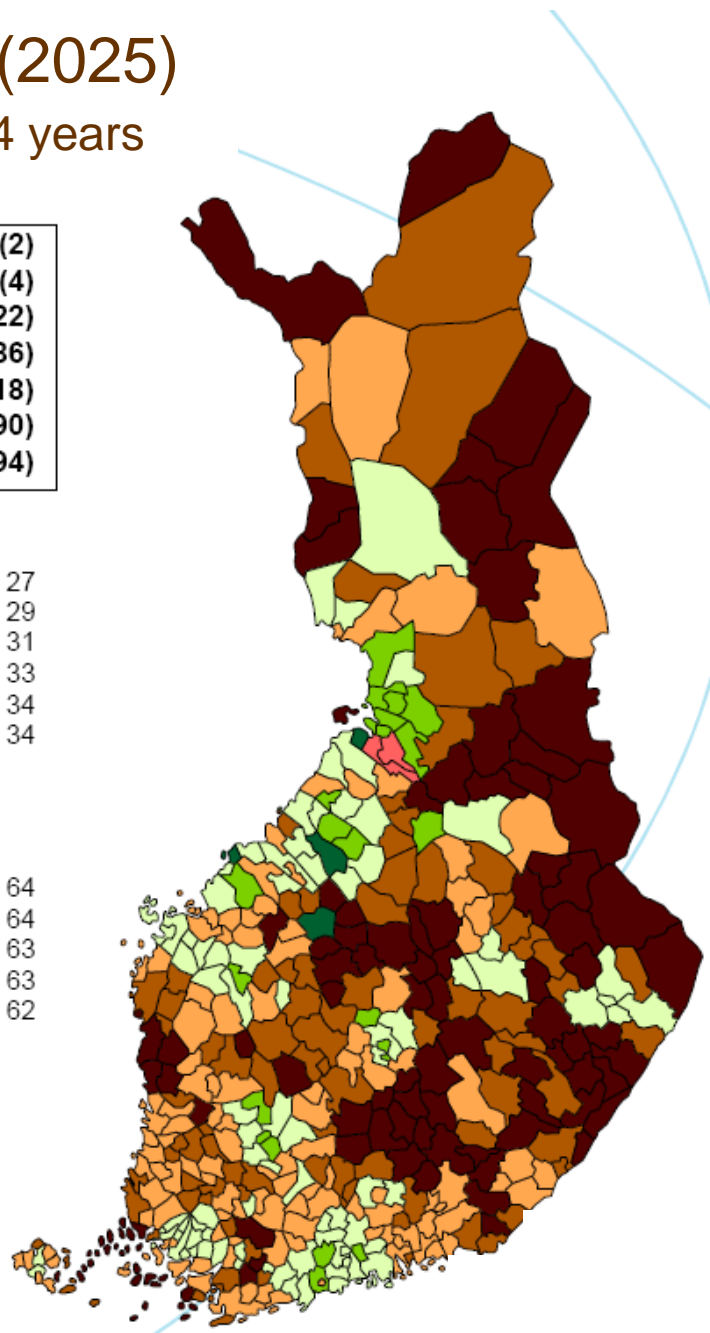
Lowest:

Liminka	27
Tyrnävä	29
Luoto	31
Lumijoki	33
Perho	34
Sievi	34

Highest:

Luhanka	64
Savonranta	64
Puumala	63
Tervo	63
Kuhmoinen	62

Source:
The Association of
Finnish Local and
Regional Authorities



Towns in rural areas with

- long distances
- ageing and decreasing population
- the post-WWII Baby boom generation retiring
- internal migration problems



The demand of social and health care services increases



The expenditure on social services weakens the possibilities to finance other services



Local authorities cannot offer enough help and services to the citizens



The public sector cannot take care of many important daily welfare services



The spiral of increasing costs: the citizens need heavier and more expensive services earlier, if there are less preventive services



Many services and daily help depend on the 3rd sector, relatives and neighbourhood



Family and relatives live often far away, no tradition of family care any more

Conditions for free markets and profitable entrepreneurship are limited because of long distances and low income level

Local authorities can take care only of the most important statutory services



The financial differences between rural towns and cities get bigger



Can state aid be paid according to competition laws?



Who pays: state or local authorities?



Provision of constitutional legal services and rights is not possible without financial assistance from public sector



In taking care of services that require regularity and persistence also the 3rd sector needs hired personnel and money



Voluntary work on the 3rd sector or in the neighbourhood is not the answer to regular and persistent services



3rd sector doesn't have resources either: not enough active members and not enough money



The importance of the traditional and voluntary 3rd sector is recognized and valued: activity, social life, social capital, social participation, sense of the community

The "rough circle" of provision of services in rural areas in Finland

Producing services by short term project or employment funding is questionable



Case Suomussalmi, Kainuu



Suomut ry –
cooperation between
associations and
local authorities

- Suomut ry helps the small associations in the paper work
- year 2008:
232 employment contracts
1.277.402 € salaries

Village associations

- employ long-term unemployed people to act as service workers



The need of
help and
service

- especially elderly people living at homes



Silva Tedre, Ph.D., University of Eastern Finland:

“In Finland the responsibility of public old age care relies on municipalities.

Public policies do not recognize varieties and special features of areas in municipalities.

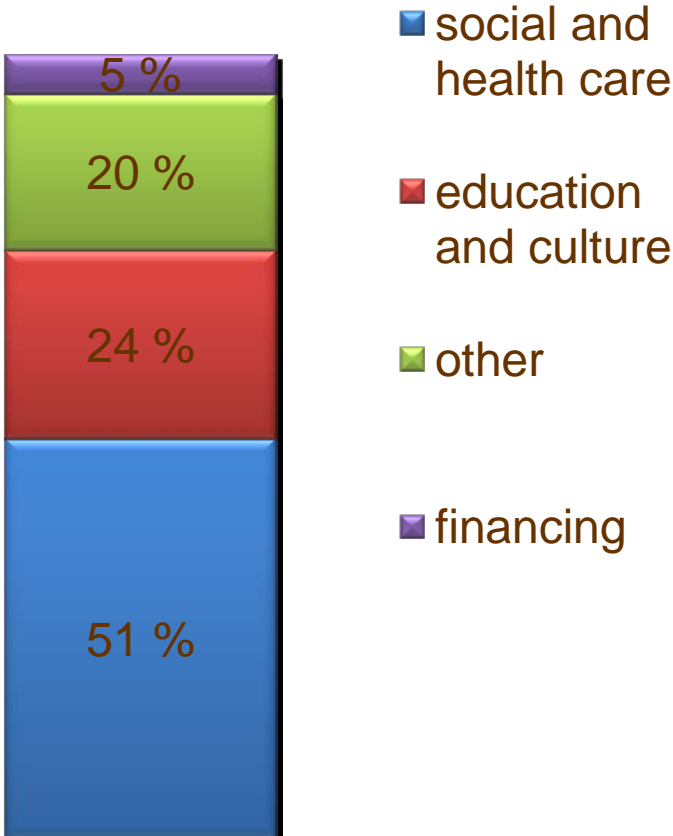
Rural policies ignore age when discussing the development of rural areas. More interaction between age policy, social policy and rural policy is needed.”



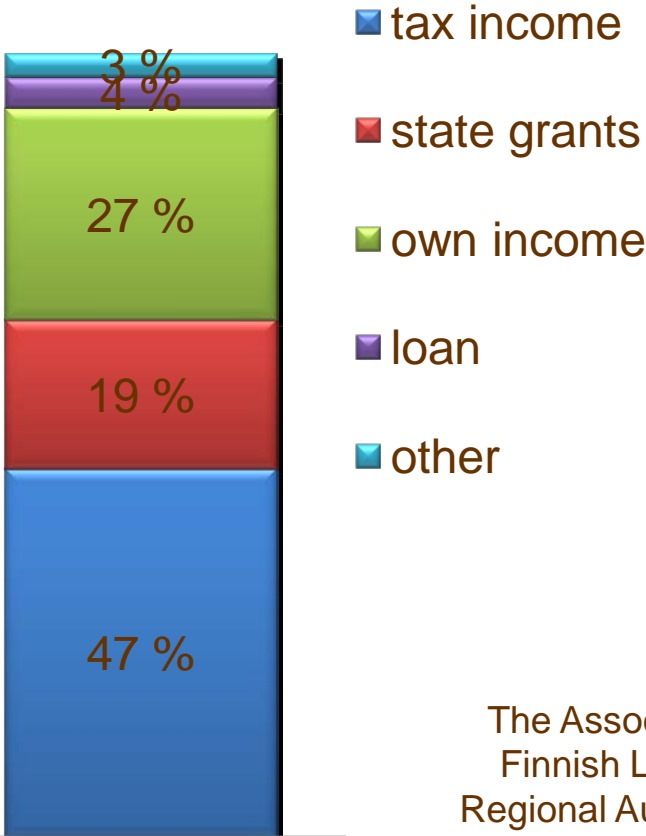
Expenditure and income of local authorities

2009

Total expenditure,
38 mrd €



Total income,
37,7 mrd €



Source:
The Association of
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