



# SOSTE

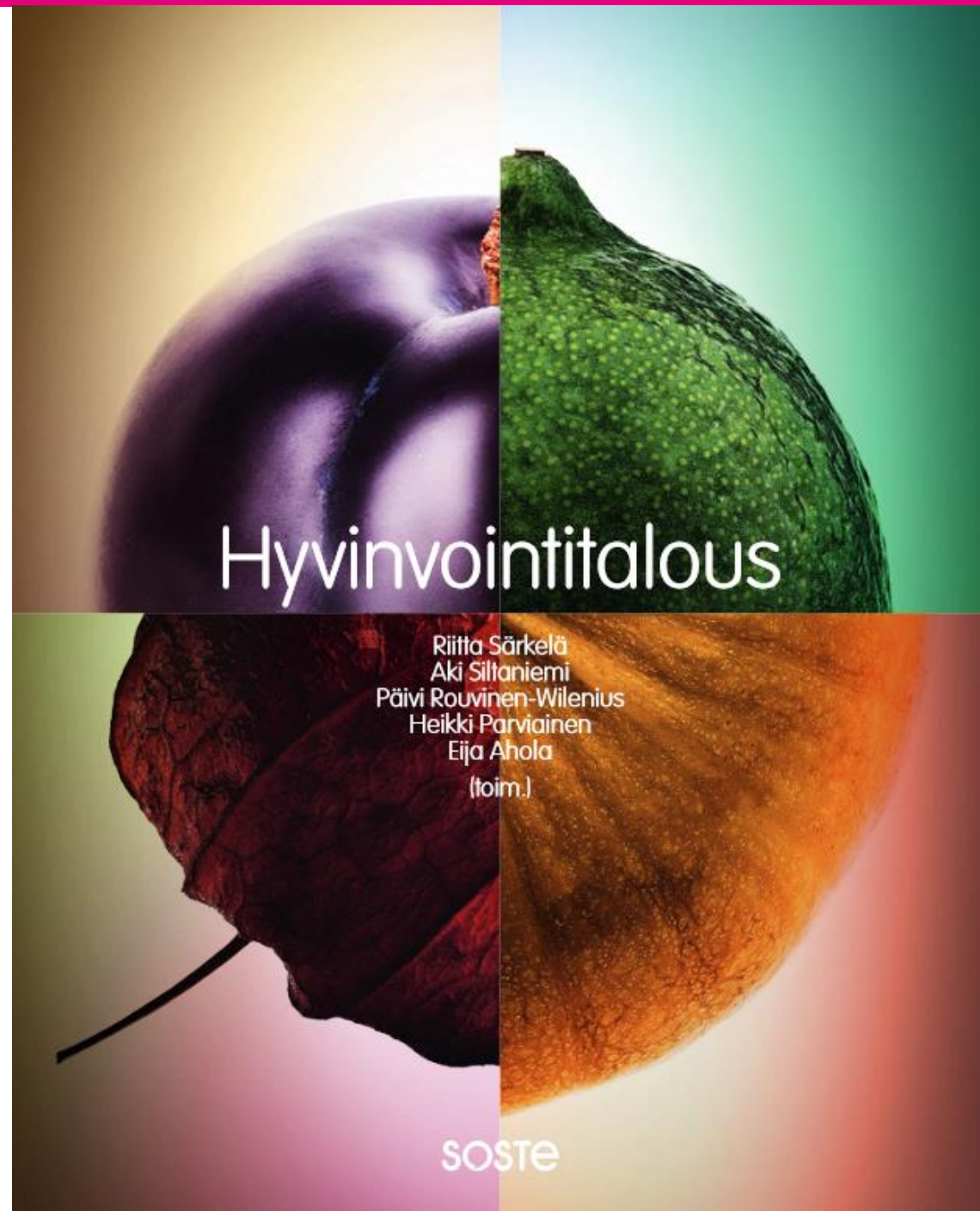
## Finnish Federation for Social Affairs and Health

Otto Kyyrönen  
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October 18, 2024

SOSTE

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1. Wellbeing economy in Finland
2. Developments in 2013–22
3. Post-2022 developments
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# Wellbeing economy in Finland

- SOSTE began to develop the concept of the wellbeing economy (*hyvinvointitalous*) when it was established in 2012.
- Prior to Finland's Presidency of the European Council in 2019, SOSTE was able to convince the Ministry of Social Affairs and Health to make the wellbeing economy one of the key themes of Finland's Presidency.
- Then, Sanna Marin's social-democratic government decided to turn the wellbeing economy into a steering model for decision-making. The task of creating the model was given to the Ministry of Social Affairs and Health.
- In 2023, the National Coalition Party won the parliamentary election, after which the plan has not advanced.

Suomen kansallinen  
hyvinvointitalouden  
toimintaohjelma 2023–2025

# Wellbeing economy

- The OECD defines the wellbeing economy as an economy that
  - expands the opportunities available to people for upward social mobility and for improving their lives along the dimensions that matter most to them;
  - ensures that these opportunities translate into well-being outcomes for all segments of the population, including those at the bottom of the distribution;
  - reduces inequalities; and
  - fosters environmental and social sustainability.

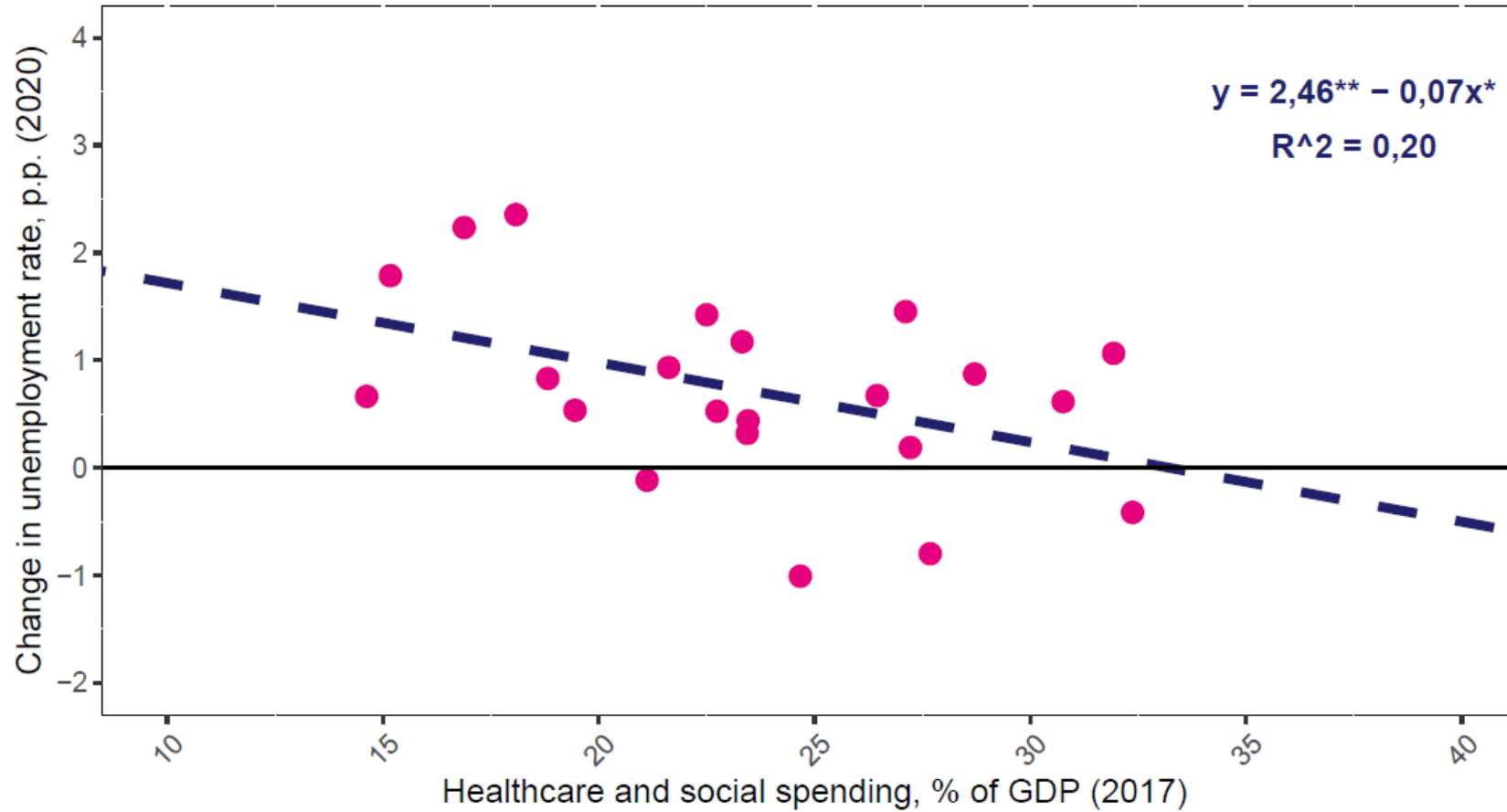


# Wellbeing economy and inclusion

- Inclusion is a central part of the wellbeing economy:
  - **redistribution** guarantees that people with little material resources won't be excluded from the rest of society;
  - a publicly funded **healthcare** system mitigates health inequalities, prolongs careers and boosts productivity, creating more opportunities for more free time;
  - free **education** fosters opportunities for social mobility and for the inclusion of different kinds of children and youth in schools and society; and
  - a vibrant **civil society** reinforces inclusion (e.g., services for people with disabilities) and carries out preventive measures.

# Wellbeing investments and resilience

Economic resilience and public healthcare and social spending, EU member states.



● EU member states

Bulgaria, Croatia, Cyprus, Malta, and Romania are not included.

# Developments in 2013–22

- SOSTE will begin to publish a report about the Finnish wellbeing economy.
- The report will make use of a so-called wellbeing economy indicator, which is a composite indicator developed by SOSTE.
  - The indicator consists of three dimensions: economic, ecological, and social.
  - The current version of the composite indicator makes use of +40 indicators.
  - Observations are currently for 2013–22.

# Wellbeing economy indicator

Wellbeing economy indicator, Finland, 2013–2022.

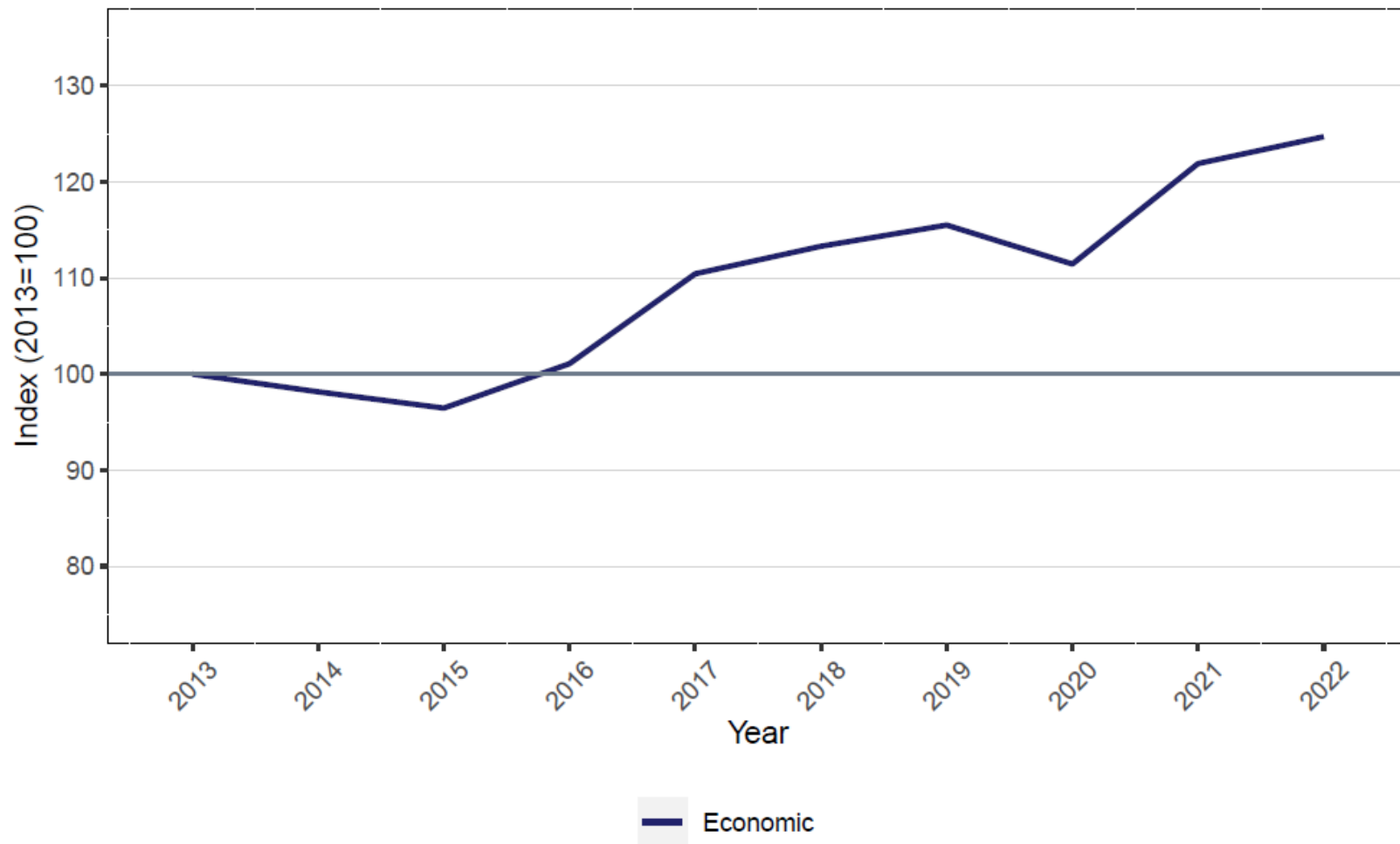


- Wellbeing economy advanced steadily in 2013–17, but thenceforth it has remained stagnant.



# Economic dimension

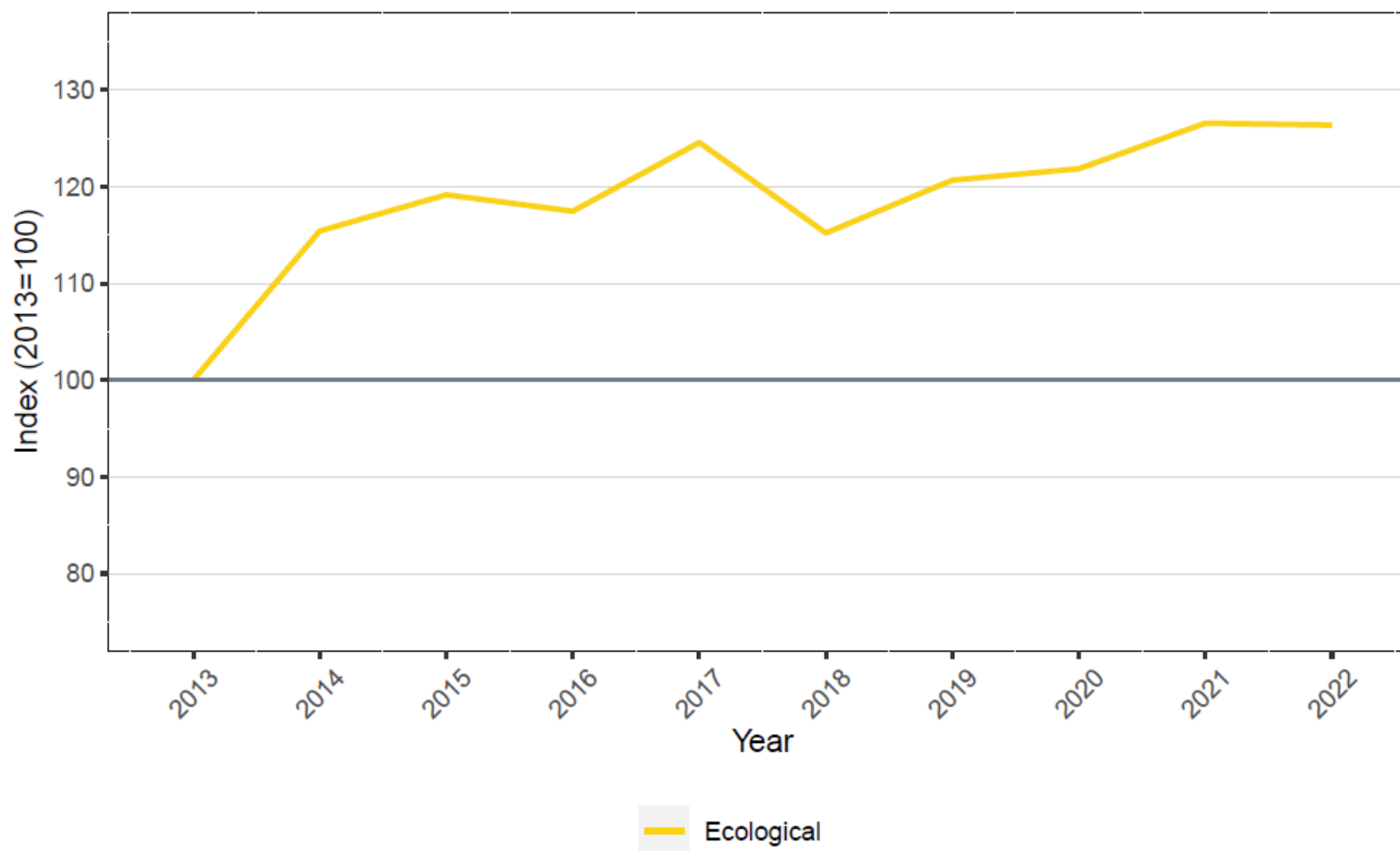
Economic indicator, Finland, 2013–2022.



- The economic dimension has improved nonlinearly.

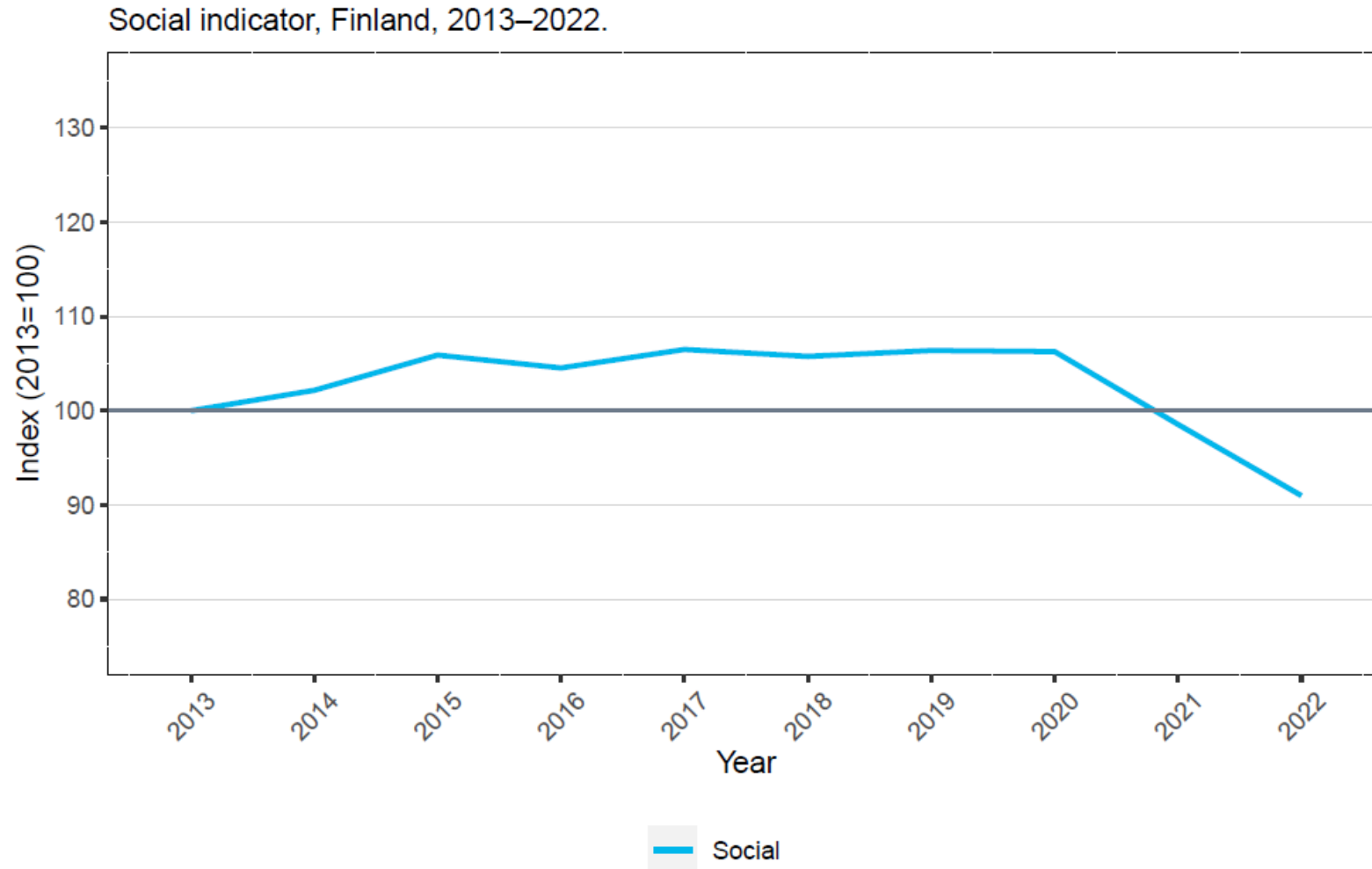
# Ecological dimension

Ecological indicator, Finland, 2013–2022.



- The ecological dimension has almost not grown since 2017.

# Social dimension



- The development of the social dimension has been the worst.

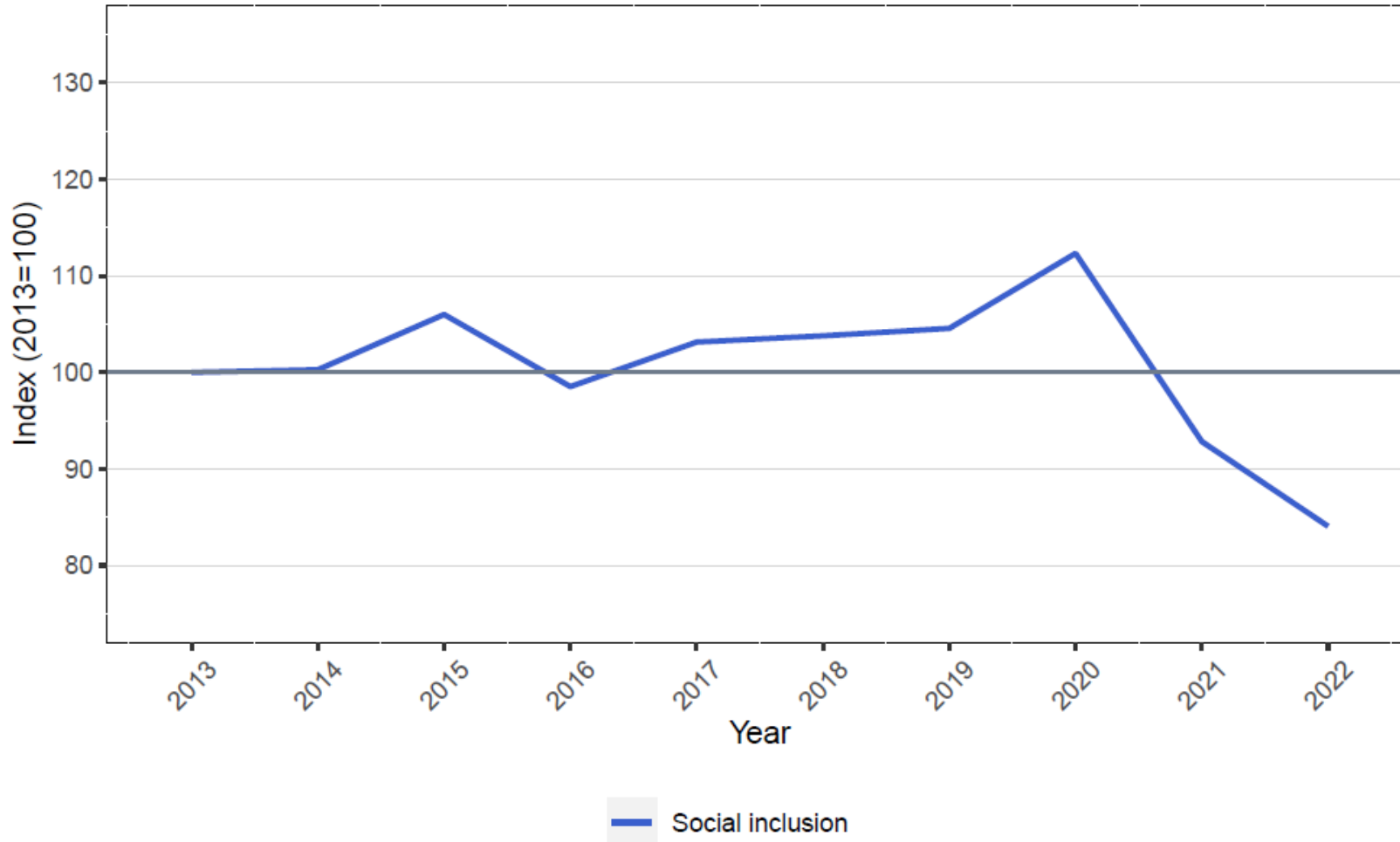
# Social indicators: social inclusion

Table 3: Social inclusion indicators.

Phenomenon	Indicator	Unit	Included
Participation in early childhood education	Young children in education	Percent	X
Loneliness	Persons feeling themselves lonely	Percent	X
Economic vulnerability	Recipients of basic social assistance	Percent	X
Employment stability	Ratio of temporary contracts to all contracts	Percent	X
Employment of immigrants	Ratio of employed to population	Percent	X
Participation in adult education	Adults in education	Percent	
Marginalisation of youth	Not in Education, Employment or Training	Percent	
Exclusion from employment	Disability pension recipients	Percent	
Homelessness	Number of homeless individuals	Persons	
Distribution of care work	Men's share of used parental leave days	Percent	
Long-term unemployment	Ratio of long-term unemployed to all unemployed	Percent	
Labour force participation of women	Ratio of labour force to population	Percent	

# Social inclusion indicator

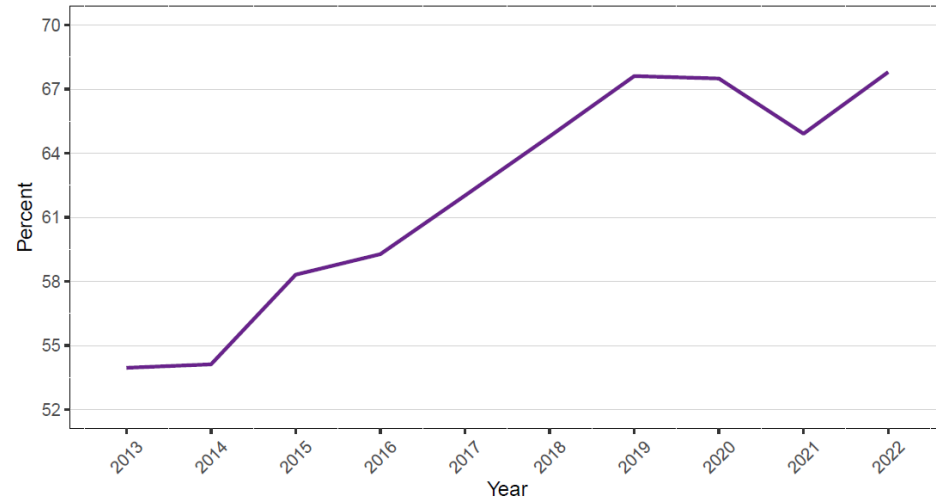
Social inclusion indicator, Finland, 2013–2022.



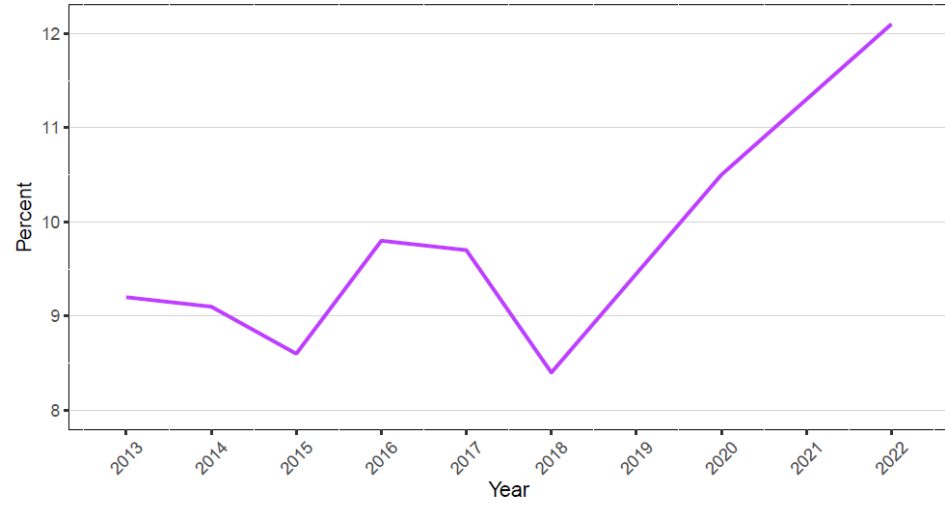
- Social inclusion has developed poorly.



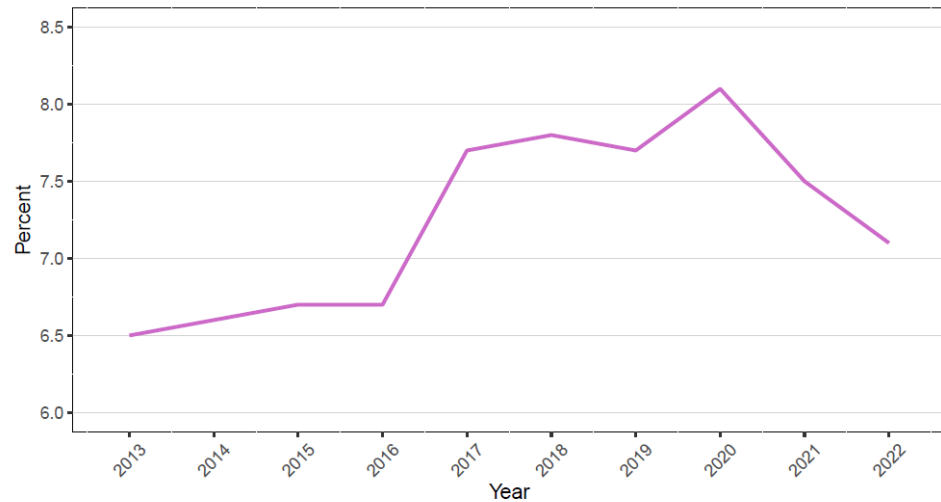
# Social inclusion indicators



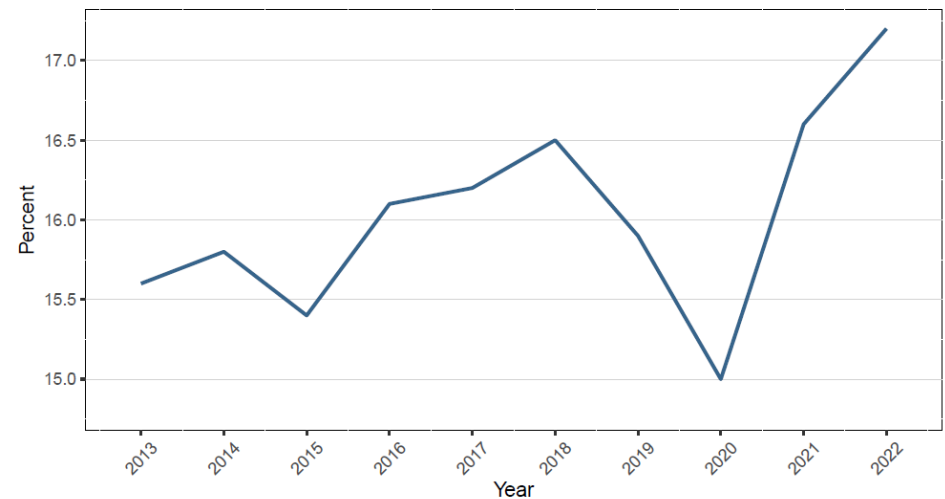
Participation in early childhood education



Persons feeling themselves lonely



Recipients of basic social assistance



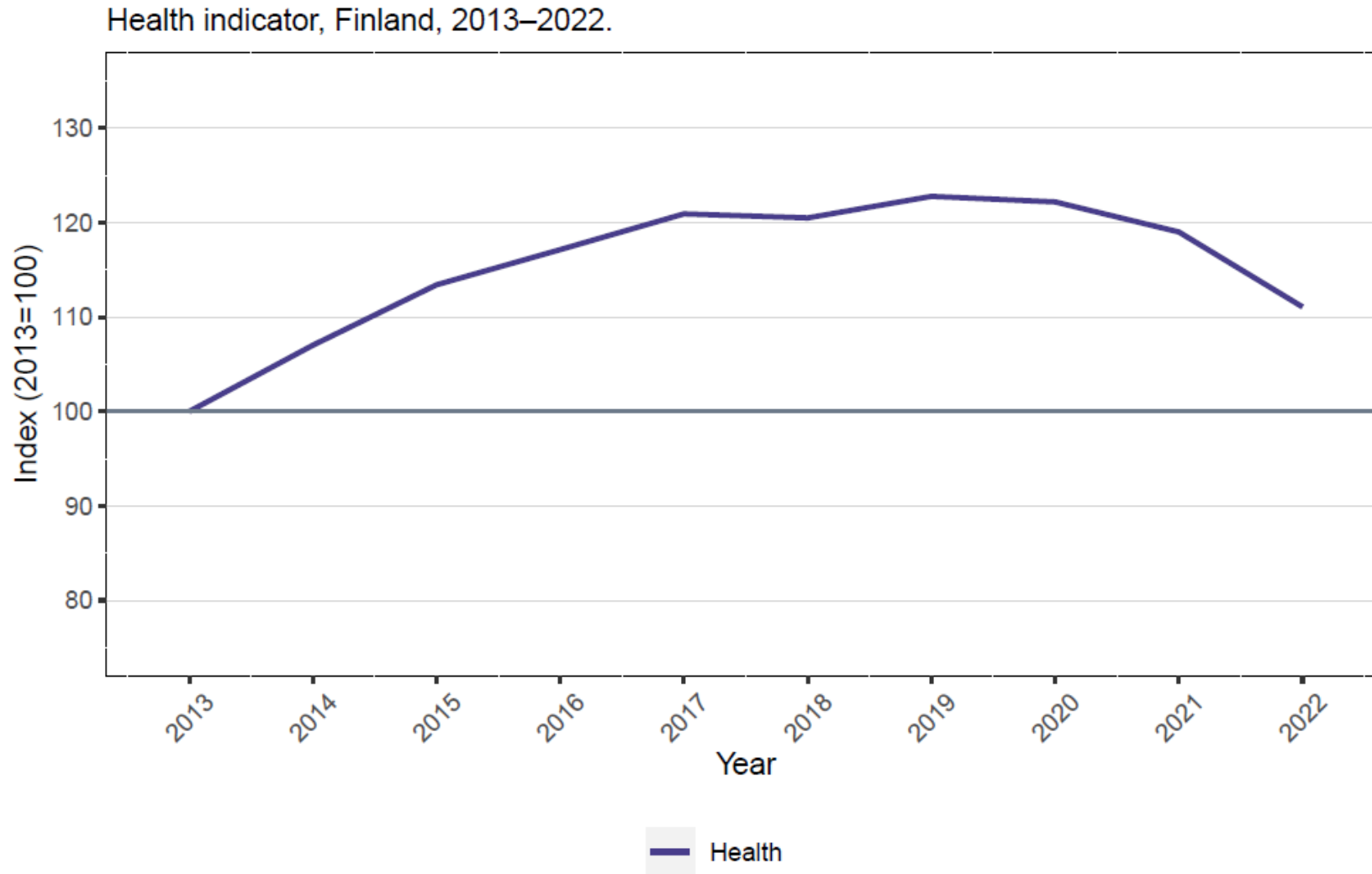
Employment stability

# Social indicators: health

Table 4: Health indicators.

Phenomenon	Indicator	Unit	Included
Overall health	Life expectancy at birth	Years	X
Alcohol use	Persons who drink too much alcohol	Percent	X
Smoking	Daily smokers	Percent	X
Mental health	Reimbursements for depression medicines	Percent	X
Suicides	Suicides per 100 000 inhabitants	Persons	X
Subjective mental health	Severe mental strain	Percent	X
Obesity	BPI equal to or greater than 30	Percent	
Diabetes	Entitled to refunds on diabetes medicines	Percent	
Cardiovascular diseases	Mortality from circulatory system diseases	Percent	
Subjective health	Self-rated health, moderate or poor	Percent	

# Health indicator



- Health has decreased since 2019.

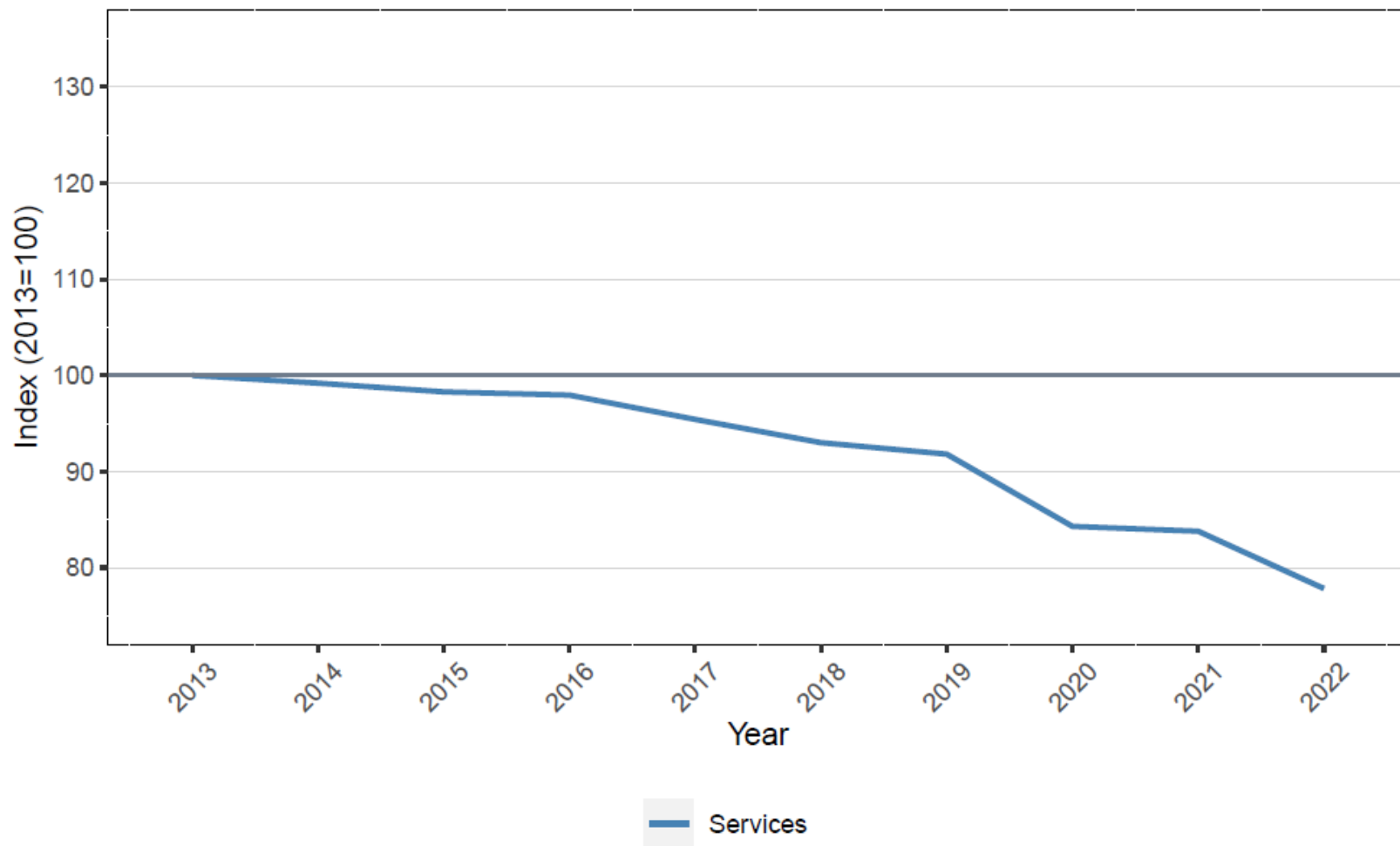
# Social indicators: services

Table 5: Services indicators.

Phenomenon	Indicator	Unit	Included
Health costs	Share of health costs in expenditures	Percent	X
Sufficiency of staff	Ratio of H&S services staff to population	Percent	X
Accessibility of primary healthcare	Access to doctor in primary healthcare in 7 days	Percent	X
Accessibility of specialised healthcare	Patients waiting over 6 months for specialised healthcare	Persons	X
Inclusion of people with disabilities	Services and benefits to people with disabilities	Services	X

# Services indicator

Services indicator, Finland, 2013–2022.



- Services have become less accessible.



# Post-2022 developments

- OECD divides decision-making related to the wellbeing economy into four parts:
  1. Resources are cut from **education**.
    - E.g., the so-called adult education support was abolished in June, and the funding of vocational schools will be cut by almost 10%.
  2. **Healthcare** services will become more inaccessible.
    - E.g., the funding of social and healthcare NGOs will be cut by a third.
  3. **Redistribution** will turn less efficient.
    - E.g., the decisions made in 2024–25 will increase the poverty rate by 1.7 p.p., which is equal to 100,000 new poor individuals.
  4. **Gender equality** will move backwards.
    - E.g., cuts to public healthcare and social spending will lower women's employment and force them to do more unpaid labour at home.

## HYVINVOINTI- TALOUESSA ETEENPÄIN

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Toimittanut Jussi Ahokas

# INVESTOIMALLA HYVINVOINTIA

Hyvinvointitaloutta rakentamassa

## Tentative conclusions

1. The wellbeing economy builds on the interconnectedness of economic, social and ecological types of sustainability.
2. The Finnish wellbeing economy has developed poorly since 2017. This is mainly due to the fall in the social dimension.
3. Recent policies will undermine the Finnish wellbeing economy even further.
4. Instead of austerity, Finland would need more investments in wellbeing, which would lower public indebtedness in the medium or long run.

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#OnneksiOnJoku  
#ihmisenote



Tilaa SOSTEkirje:  
**[sostekirje.soste.fi](mailto:sostekirje.soste.fi)**

# Thank you!

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SOSTE Finnish Federation for Social Affairs and Health

# Appendix

Additional slides



# Economic indicators

Table 1: Economic indicators.

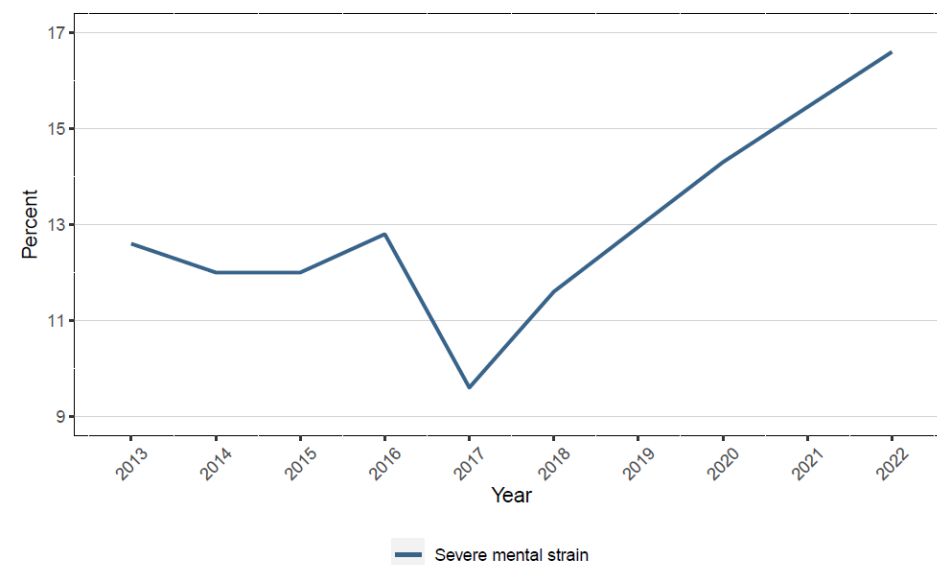
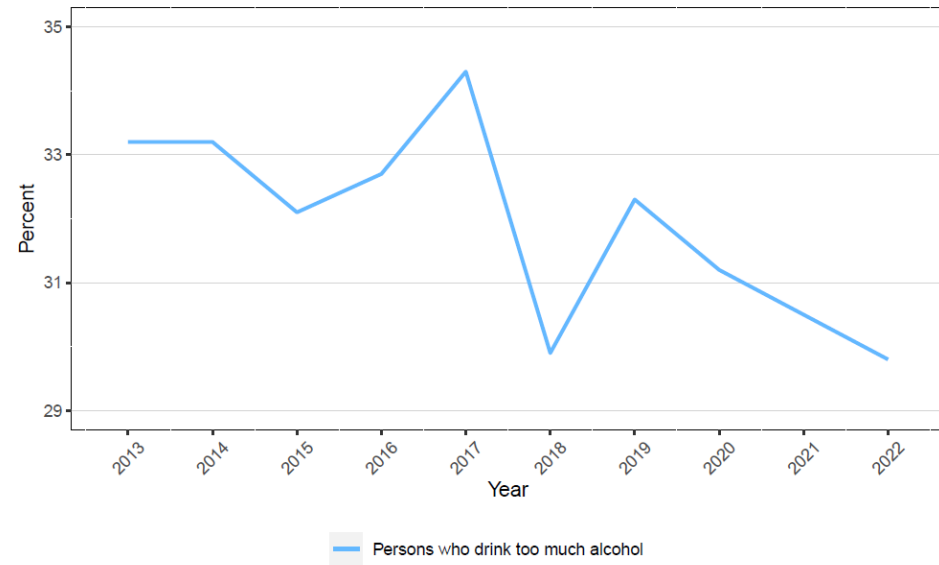
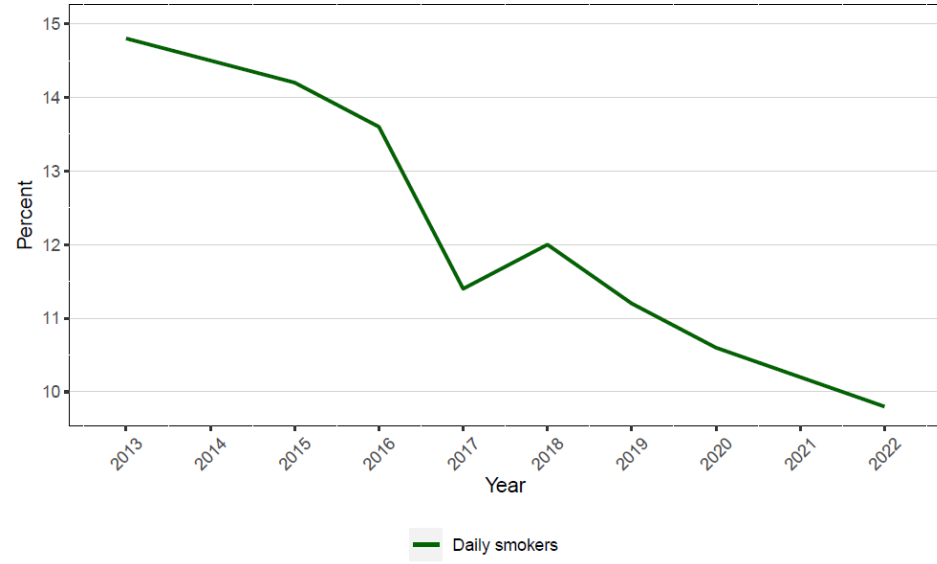
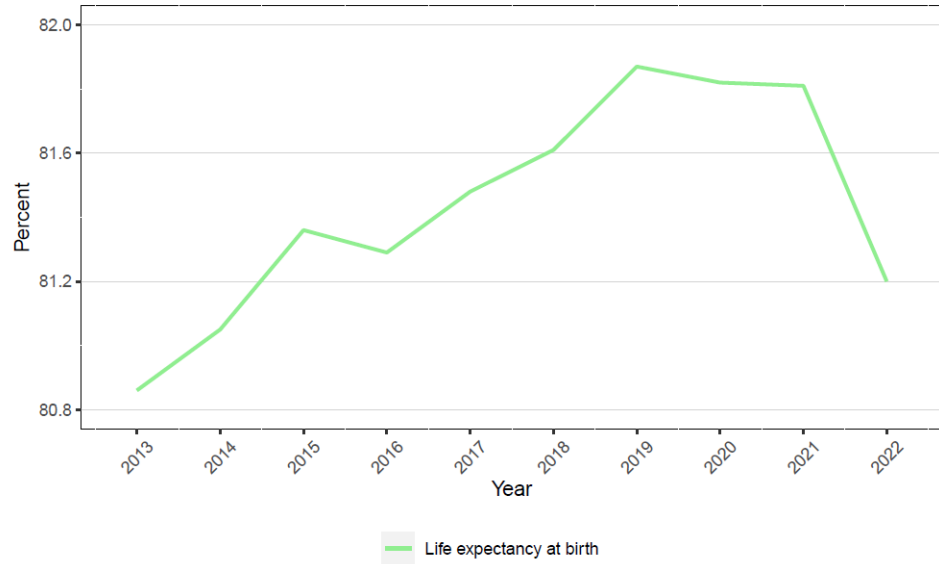
Phenomenon	Indicator	Unit	Included
Labour productivity	GDP per hour worked	Real euros	X
Employment	Employment rate	Percent	X
Innovation	R&D spending	Percent	X
Income distribution	Wage share	Percent	
Purchasing power	Real wages	Index	
Household indebtedness	Ratio of loans to income	Percent	

# Ecological indicators

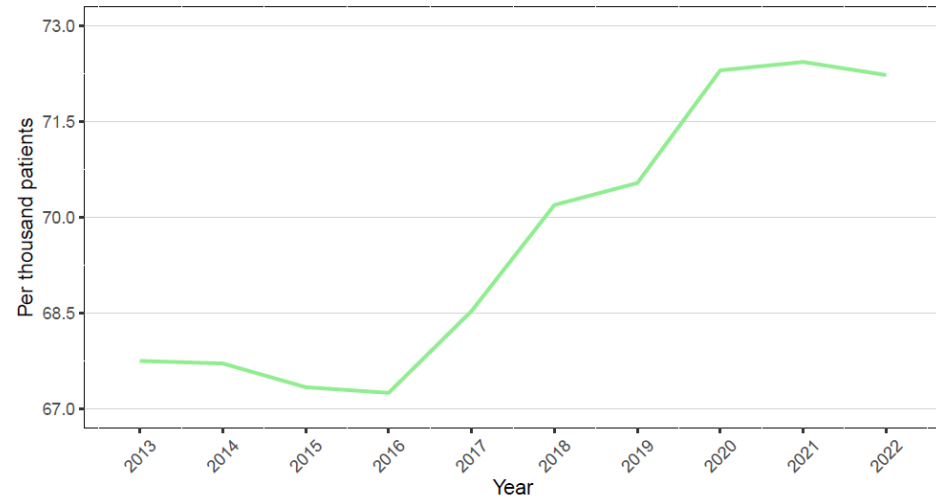
Table 2: Ecological indicators.

Phenomenon	Indicator	Unit	Included
Emissions	Greenhouse gas	Thousand tons of CO <sub>2</sub> -eq.	X
Energy intensity	Ratio of energy to GDP	Percent	X
Use of resources	Domestic material consumption	Thousand tons	X
Biodiversity	Tree cover loss	Hectares	X
Reuse of resources	Circular material use rate	Percent	X
Renewables	Ratio of renewables to all energy	Percent	
Sustainability	Ecological footprint	Earths	

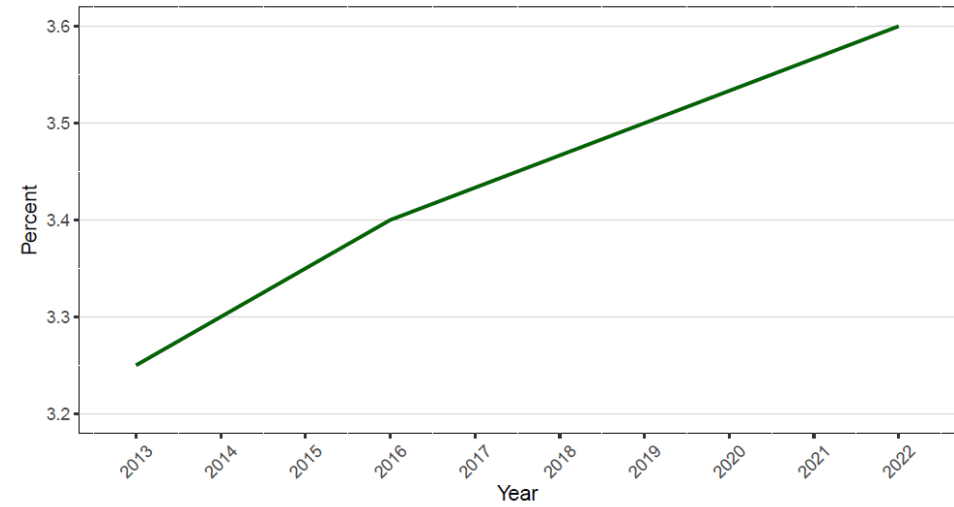
# Health indicators



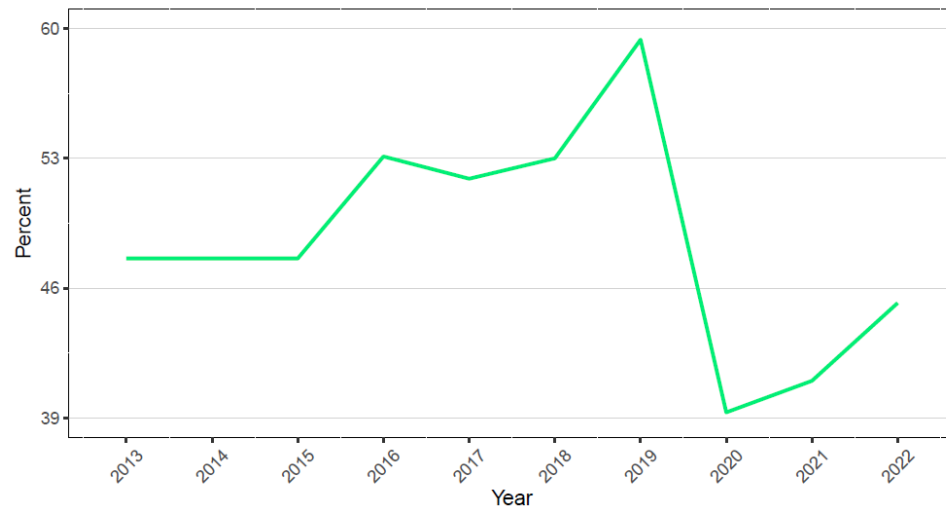
# Services indicators



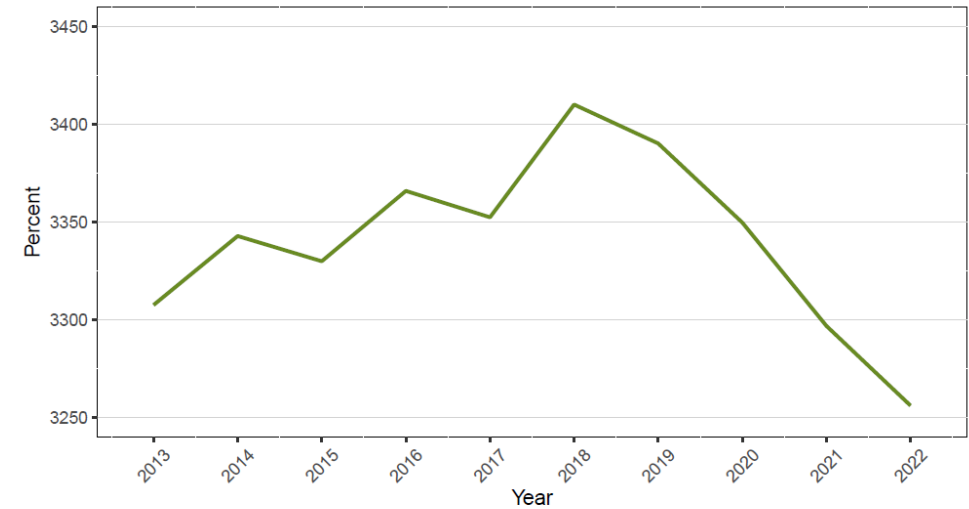
Sufficiency of staff



Health costs



Accessibility of primary healthcare



Services and benefits to people with disabilities