Evangelic Lutheran Church of Finland and the welfare state at the time of the crises

Dr. Heikki Hiilamo, Research Professor, Social Insurance Institute of Finland, Helsinki

The ideas underpinning the different variants of the welfare state are linked to various forms of Christianity: the Central European model is based on Catholic, the social democratic version on Lutheran and the Anglo-American model on laissez-faire religiosity. The most comprehensive welfare states were constructed in the countries with a Lutheran tradition.

The transition of poor relief from the church to the state was a relatively smooth process in the Lutheran countries of Northern Europe where Luther's doctrine of the two estates precluded conflict: the religious estate was responsible for the soul and the governing estate for order. These countries were neither religiously heterogeneous nor did the 'national revolution' lead to fervent state-church conflicts.

Countries in the dominantly Lutheran region established tax-based and centralized systems of poor relief to take the place of the church's charitable activities.

In the late 1980s the common conception was that the Nordic welfare state had provided a permanent solution to the problem of poverty in Finland. However, the early 1990s Finland was hit by a severe economic recession that later became known as the Great Depression. Between 1991 and 1993, GDP declined by 13 percent and unemployment rose to almost 17 percent.

Poverty re-emerged as a formidable social problem with dramatic rises in relative poverty levels. The economic collapse of 2008 stalled economic growth and in 2009 the GDP dropped by 8.2 per cent. Again unemployment began to increase.

Given the strong role of public benefits in the Nordic welfare state model, Finland was from the outset the least likely candidate for the emergence of vibrant church-based charitable activity as a consequence of economic crises. However, after decades of marginalization the role of the Church's poverty alleviation became more pronounced after the recession in the early 1990s and continued to do so throughout the economic collapse of 2008. Poverty alleviation in terms of financial assistance and distribution of food became the dominant features of the Church activities.

While parish level nursing and social work is a special feature of state churches in Northern Europe, its institutional position became clearly strongest in Finland. A large number of parishes chose to refocus their activities after the Great Depression from spiritual activities and work with the elderly and the handicapped to helping the unemployed and the poor. This suggests that widespread consistency in service delivery developed naturally and independently by different parishes, with modest national co-ordination.

Again, the global recession beginning in 2008 gave new impetus for Church efforts to combat poverty and social exclusion. The Church continued to provide the poor with a large-scale and organized poverty alleviation inputs most commonly associated with the Southern welfare state model and the welfare state model in the US. This development has aroused no discord in public debate, indicating a more permanent change in the welfare state ethos.

The scope and volume of the Church's poverty alleviation programs during economic downturns gives reason to challenge the conventional clear cut conception of the universal Nordic welfare state model. It is too early to see if this is only a temporary diversion from the model or a more permanent change towards welfare pluralism.

The case of Finland demonstrates also that the Church is supplementing and complementing statutory social security rather than substituting or replacing it. The Lutheran parishes assign more funds for Church poverty alleviation in regions where local inhabitants experienced more financial difficulties. The Church poverty alleviation efforts had indeed become an established part of the last-resort social safety net and no longer represented a random act of charity determined, first and foremost, by each organization's history, local customs and resources.

The European economic crisis and debt crises has put pressure on governments to cut welfare state spending. The emerging mixed economy of welfare emphasizes the role of voluntary actors such as NGOs and religious organizations.

The most recent trends in Church activities witness weakening of poverty alleviation inputs. The Church is not immune to economic problems. On the contrary, parishes suffer from lack of funds and some are forced to cut personnel. The Church's pension system has a huge deficit, which overshadows the economic prospects of all church actors. Church is also losing members.

Church members give Church poverty alleviation as the most important reason to belong to the Church. However, Church is still considered as part of the state or municipal structure. Church actors have been slow to seek new ways to recruit volunteers and to raise funds for poverty alleviation for example through European Union programs or through applications for private companies, foundations and individuals.

It is also apparent that the widespread consistency in service delivery across parishes does not apply any longer. Perhaps new impetus could come from EU-level to co-ordination poverty alleviation activities of the Evangelic Lutheran Church of Finland.