



## **The Finns Party The Finnish Parliament Elections of 2015**

### **Public finances: a stable foundation with restricted indebtedness.**

The next Finnish government will be faced with a continued sustainability gap in the public sector. This problem requires increased discipline with respect to the growing debt while not adding to the distress of the ordinary citizens. The situation dictates that there must be a very effective prioritizing of expenditures. The Finns Party believes the most important function of government is assuring the security and welfare of the ordinary Finnish citizen - thus budget cuts must come from decreasing migration-support and foreign development aid as well as other 'make a better world'-type spending.

Just cutting the sustainability gap alone, however, is not sufficient. The real key to controlling debt is the revitalizing of the economy with ancillary employment growth. While implementing measures for improvement of the economy, we must also look for restructure and reform of welfare state policies together with other public sector outlays.

The new government will have to decide immediately about making adjustments for 2-3 billion Euros. The present economy is indeed weak and we believe should not be threatened - any adjustments are best planned for 2017-19. To support growth and an increase in employment, we think one-time investments should now be made in, among other things, affordable rental housing, financing of export ventures, transport routes and public infrastructure maintenance.

The national budget needs restructuring. First on the list of items to be cut must be those that have the least influence on our well-being, employment growth and competitiveness. Eliminating the following items would save over two billion euros a year – and without endangering services or growth in the economy: immigration support costs, foreign development aid, social security sent abroad, EU membership fees, ineffective entrepreneur subsidies and wind power feed-in tariffs,

The EU net membership fee for Finland, which reached over a billion Euros in 2014, must be reduced significantly. The 2016 EU budget, as per the mid-term review, must not be approved unless Finland gets a substantial lowering of its membership fee or discounts in the same manner as Sweden and Denmark

New Euro rescue packages and other additional EU invoices for Finland must be fought. Finns have finally dared to defend themselves and to contest billions of Euros of additional charges which we believe do definite damage to Finland.

The Finns Party introduces a new foreign aid development model – one which will result in a 500 million Euros saving. This proposal is to transfer the primary responsibility for foreign aid voluntary, private giving category.

Public sector efficiency is crucial. Reform of the social welfare and health services (SOTE) must be brought to a successful conclusion so we can start to see the proposed savings. The electrification and digitalization of public services should be promoted and advanced. The five year protection period against job dismissal for municipalities and communes should be revoked.

The sustainability of public sector services requires significant improvement regarding employment. Social security and disability pension systems need reform and updating so that part-time employment is always rational economically. To combat unemployment, the Finns Party believes vigorous labour market resources must be activated and increased.

Aside from youth unemployment, the unemployment of those over 50 years of age has increased at an alarming rate. While the guarantee of providing resources for the young should be assured, something similar to the youth program should also be set up for the 50+ unemployed: those able and willing to work until retirement age should be fully supported to get and keep employment.

We need to continue the prevention of workforces coming from outside the EU and EEA countries.

## Taxation: a fair and rational system

The Finns Party believes a tax system must be socially just and accepted by the people. All working Finns have the ability to pay taxes which are then used by the government to perform its functions. We do not support the concept of a so-called 'flat tax.' Taxation must be straightforward, uncomplicated, and comprehensive as well as being balanced with regard to the various sources of tax revenue. Additional resources should not be directed toward intensifying the tax system - and the mechanisms for 'tax planning' should be minimized. Privileges with respect to certain tax dispensations should be discontinued.

Reasonably-priced private cars are a basic right of sorts and, in practical terms, a necessity if the whole of Finland is to be populated. The Finns Party will work for the revocation of the automobile tax during this next Parliamentary period. A consequence of the car tax removal will also result in a generational renewal of cars and thus improve safety and decrease harmful emissions.

The Finns Party wants allowing every Finn to be able to earn 1000 Euros per month tax-free – while at the same time increasing 'high income' tax rates. This reform would increase the purchasing power of the lower and middle income population as well as encouraging employment possibilities. We also believe the present YLE (Finnish Broadcasting) communication tax be decreased in the face of the difficult economic situation.

The wealth tax was abolished in 2005 under the leadership of the Social Democratic Party's Minister of Finance. The Finns Party wants to correct this error - a reinstatement of the tax is a simple method to raise substantial additional revenue from that part of the population with exceptionally high wealth.

We must expand the definition of who is to be a 'taxpayer.' Tax-free foundations' properties must be registered and annual capital gains income exceeding 100,000 Euros must be taxed.

Finland must more actively confront aggressive corporate so-called 'tax planning,' as well as combating the 'shadow economy.' If tax loopholes are plugged, it can result in additional revenue – this revenue could be used to help Finnish small and mid-sized enterprises to compete with huge international corporations.

Finland has approximately 20 billion Euros of tax subsidies. All of these must be critically examined and unnecessary ones eliminated. The Finns Party also opposes any increase in food and medicine sales taxes.

## Competitiveness – an overhaul

The Centre Party, the National Coalition Party and the Social Democratic Party have implemented policies which have done much to destroy Finland's competitiveness in the export sector. A number of EU directives and regulations have also exacerbated this process but the biggest effect has come from national policies that have been poorly thought out - particularly the so-called 'green taxes.' Finnish competitiveness has deteriorated markedly since 2008 with two of our main competitors - Germany and Sweden. As long as Finland remains in the Euro-zone, devaluation cannot be a tool for improving the situation. The Finns do not believe that salary-discounts are not any answer either. The Finns Party proposes the following measures to restore our competitive edge:

Diminishing regulation - decreasing bureaucracy: these are the goals. Reducing the strains and costs of cumbersome administration must be one of the first orders of business of a new government - consensus among those involved must be created. Regulations concerning sparsely-populated areas need to be examined and, in many cases, eased – one clear example: the so-called 'Poop Act' for waste water regulation.

The 'permission bureaucracy' is a tremendously expensive and unwieldy process – there are, presently, billions of Euros of investments now stuck in a rut. One single institution should be set up for handling 'permits' as well as thought given to limiting the appeal possibilities so long as justice is not endangered.

The practice of Finland adding to the minimum requirement of EU legislation (the so-called 'Finnish Extra') must be discontinued as it only aggravates an already poor competitive position. Finnish officials should be instructed to follow minimum requirements and apply flexibility in full measure to achieve this goal.

Instead of using some system of salary-discounts to lower non-wage labour costs, the European Monetary Union's buffer-mechanism should be utilized.

Finland's long distances and sparsely-settled population requires traffic infrastructure to be first class – thus enabling effective commercial competitiveness. The debt of two billion Euros for repairs already done should be reduced during the coming electoral period - and at the same time the entire network should continue to be developed.

Predictability and security of the labour market should be advanced. The universality of collective agreement structures among workers and companies - which preserves fairness and competitiveness - are to be maintained. At the same time, flexibility should be encouraged for finding local bargaining solutions.

Finland's success is, in the long run, based on an educated and skilled workforce. Austerity cuts must be applied to other areas than education and training.

## Changing course: energy and climate policy

The Finns Party believes that climate and energy policies should be in support of employment growth and economic growth rather than being hindrances. Consistent, reasonably-priced and domestic-targeted energy policies will encourage growth as well as competitiveness, purchasing power and social justice. A significant increase in energy self-sufficiency must be thought of as a central goal.

The competitiveness of the energy-intensive export sector is strengthened with the lowering of energy taxes with 100's of millions of Euros. Such a step would also, above all, aid lower-income people with an increase of their purchasing power.

Taxation and subsidy programs should encourage domestic energy sources such as peat and wood chips. These subsidy amounts and associated taxation should be transparent - and the amounts must be kept at a reasonable level.

We should see to investing in increasing the energy efficiency of present building inventories, together with decentralization of energy production and promoting and developing support and lending possibilities. The result of more rational and technically-sound energy production and use will result in tens of thousands of new jobs. Additionally, the decentralization will be significant in supporting regional development policies which have a goal of growing sparsely-populated areas.

Using energy distribution and production solutions with smart networks and grids will facilitate the input and sale of surplus electricity to the network. An important goal here is affordable prices of electricity to the consumer.

According to analysis by the Pellervo Economic Research Group (PTT), the EU goals for climate control will cost Finland billions of Euros of higher energy cost for industry and consumers by 2030 - a pernicious result for both. Finland should not agree to these climate policies without changes assuring fairness throughout the EU.

The Finns Party supports an energy policy that rests on diverse energy sources - including nuclear power.

## Small and mid-size enterprises: a new respect

Prosperity and well-being comes from the private sector. The backbone of Finnish employment and economic growth is the myriad of entrepreneurs running small and mid-sized firms. During the last decade, these companies have accounted for virtually all of the new jobs in Finland - and most for firms with less than 5 employees! This phenomenon must be recognized and supported to a far larger degree than presently.

Encouragement for the growth of entrepreneurship could be assisted by adoption of the Estonian type of tax legislation which promotes the earmarking of profits towards employment growth and the further development of their operations.

A start-up entrepreneur's administrative and financial burdens can be eased by raising the lower limit of annual business subject to value-added-tax to 20,000 Euros and the so-called relief area of 40,000 Euros. These changes would significantly lower the threshold of starting a company. We also think the fee-based value-added-tax for small businesses should be implemented as quickly as possible.

A healthy market economy also includes the possibility for a business to fail. Failure which comes about through 'honest' mistakes and just simply erroneous thinking and/or bad luck should not result in a lifetime of being an outcast. The bankruptcy laws need to be reformed to recognize that there are also non-fraudulent 'business disasters.' We should also go back and look at some of the cases of the 90's recession where some unfortunate situations might get some relief.

Taxation of individuals and partnerships should be corrected so that there is similar taxation regardless of the type of company or entrepreneurship that is set up.

The social security system for entrepreneurs needs development – together with decreasing present administrative difficulties.

Small and mid-size businesses must have better access to financing - including development of a bond market. Finnvera's program should be expanded to give more export support for small and mid-sized companies.

## The Finns Party platform for social and health policy

The Finns Party places the policies for Finnish social and health affairs at the centre for decision-making importance. For us, the foremost requirement is that Finns enjoy their fundamental human rights. Quality health and social services are to be ensured for all - regardless of income level or place of residence. Inequality must not exist. At the same time, we cannot take on the provision of social and health services for the whole world. Our priority is responsibility for Finland and its citizens. Social and health services' structure and its financing framework are the first order of business. The next Finnish government must take on this issue in its entirety and give it the highest order of priority. Options should be put forward with specificity. The Finns Party is bound to push this matter forward - the availability for nearby services is to be assured.

The emergency care set-up needs to be dismantled. The Finns Party believes that this set-up causes considerable extra costs and is not a sustainable system as it is under

'exemption' type legislation. This system also threatens to end maternity care at a number of hospitals which will result in affecting other special areas via the domino effect. We do not support concentrating birth centres in the largest hospitals. Setting up emergency care must become part of a larger reform.

The social security system must be reformed. Unacceptable situations resulting from income traps and incentive problems must be addressed. The present system is complicated and doesn't encourage employment. The structure is not on a sustainable foundation. Low-income members of the Finns Party cannot afford to pay for failed economic policies. A solution to these economic problems is not freezing or cutting benefits nor should we be applying austere measures for services. We cannot repeat the errors from the recession of the 1990's. A sustainable social policy that assures people's welfare is exactly what is needed in difficult economic times.

Finland must have a proper family policy program. Present fragmented and fractured legislation needs clarification. Prevention and early intervention should receive special attention. Protection of children programs must be implemented. Services for children, youth and families should receive significant investment - healthy families are a keystone of societal welfare.

Services for the elderly should finally be set right. Every person deserves a dignified and human old age. Growing old should not be feared. Home care for the elderly is undergoing a deep crisis. Uncontrolled removal of homes for caring for the elderly is not the way to go. In the future everyone needing care should be able to get it. The Finns party believes that effort needs to be made with the training and motivation of the nursing and care staff. The solution to acquiring staff should not concentrate on finding foreigners. The elderly are not to be carted home to die – something that happens presently quite often.

The status of disabled persons and their integration into the community must be strengthened. Legislation should be made more precise with regard to these matters. Too often it is necessary for disabled persons and/or their relatives to fight with officials about their rights and benefits.

Mental health - for all ages - is an area that we must be concerned with. Institutional care has been basically stopped - but at the same time outpatient and other support has been diminished. The consequences have been gruesome. Low-threshold and therapy services must be made available - no one should just be left alone with just a prescription for some medicine.

Situations where there are family caregivers must receive serious attention. We must establish caregiver legislation which assures that all caregivers get equal rights and we must arrange motivational support. The Finns Party believes that the payments related to care-giving come under the KELA ('NHS') administration.

We must begin a national debate regarding alcohol policy. It must be dared to admit that present regulation and policies have not succeeded. The alcohol tax must be examined. Current policy has produced a situation where sales and tax revenue go to a neighbouring country! Furthermore, the present alcohol policy significantly affects, negatively, the tourism and restaurant industries. Alcohol policy is a broad and serious subject - and we

must dare to discuss it. One aspect deserving attention is that we must look at the causes of alcoholism - not just its consequences.

The Finns Party believes priority must be with the national interest of Finland and the human and basic rights of Finns. Such priority is already the case in several other EU countries - as exemplified by the provision of social and health services. Finland cannot be some kind of social or health centre for the world. We must dare to set restrictions on who receives these services and on what basis. We must also dare to approach immigrants with respect to these social and health services and require that they show the ability and desire to be employed in Finland as well as being an integral part of the Finnish society.