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# Church Poverty Relief during a Time of Crisis? Experiences of the Evangelical Lutheran Church of Finland

Heikki Hiilamo 

## Introduction

In the early 1990s, deep economic crisis hit the Nordic countries.<sup>1</sup> The welfare states were under pressure to meet the challenges of increased levels of unemployment and aging populations. In addition, neoliberalism brought calls to cut back the role of the state

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1. Mikko Kautto, "Diversity Among Welfare States:

Comparative Studies on Welfare Adjustments in Nordic Countries," Research Report No. 118 (Helsinki: Stakes, 2003).

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and to develop a welfare mix of different providers. All of the Nordic countries experienced a deep economic recession in the early 1990s, but due to the collapse of the Soviet Union and the ensuing loss of exports, Finland was hit particularly hard.<sup>2</sup> Starting in 1991, the gross domestic product (GDP) declined for 3 years in a row, shrinking by 13 percent, and the country went from full employment to 17 percent unemployment. Faced with the collapse of banks and uncontrollable budget deficits, the government introduced austerity programs that cut benefits and raised taxes.<sup>3</sup> Finland was a latecomer among the Nordic welfare states.<sup>4</sup> The intensive period of universalist welfare state construction did not start before the 1970s. In the 1990s, it ended abruptly. Moreover, a new economic crisis emerged after the economic collapse of 2008. The process of restructuring welfare state provision gave faith-based organizations new opportunities to provide poverty relief. Given the strong role of congregational level church poverty relief, Finland is chosen for the purpose of this study as an example of a Nordic welfare state.<sup>5</sup> With the help of unique data on church poverty relief in Finland collected over a 25-year period, this study aims to examine the role of church poverty relief during two economic recessions.<sup>6</sup>

The two recessions in Finland had different profiles. [Figure 1](#) compares volume change in GDP over two periods, 1990–1997 and 2007–2014. The recession in the early 1990s was followed by rapid economic growth, but the rising tide did not lift all the boats. Social policy was characterized as permanent austerity. Finland chose not to develop comprehensive and universal welfare-state policies to address the poverty problem, and issues were addressed by small-scale poverty relief programs instead.<sup>7</sup> The global recession caused by the collapse of global financial markets took a double-dip shape in Finland ([figure 1](#)). Finland quickly regained part of the lost production in 2009 and 2010,

2. *Ibid.*

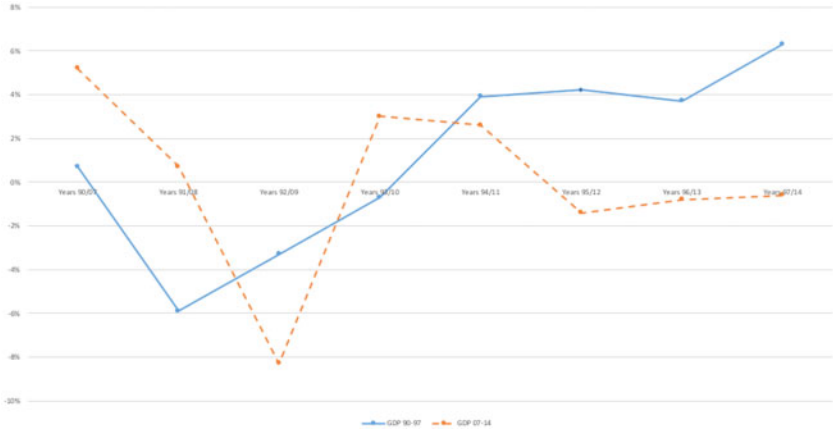
3. Virpi Timonen, *Restructuring the Welfare State: Globalisation and Social Policy Reform in Finland and Sweden* (Cheltenham, UK: Edward Elgar, 2003).

4. Pauli Kettunen, "The Nordic Welfare State in Finland," *Scandinavian Journal of History* 26, no. 3 (2001): 225–47.

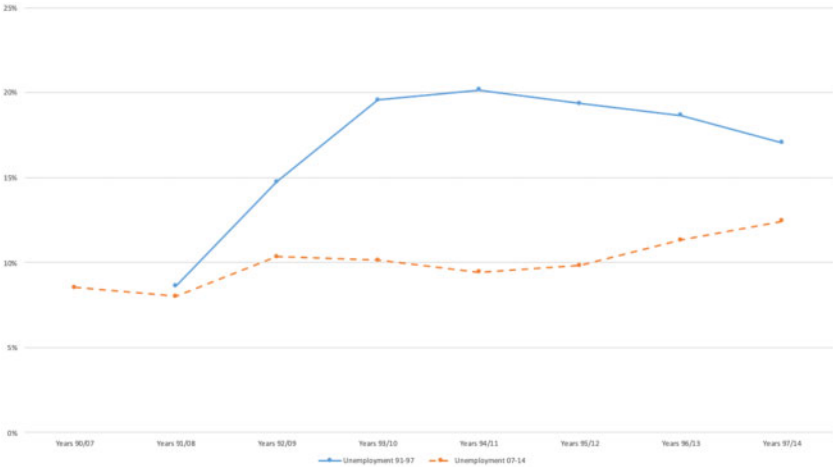
5. Anders Bäckström et al., *Welfare and Religion in 21st Century Europe: Volume 1. Configuring the Connections* (Abingdon: Ashgate, 2010).

6. Heikki Hiilamo, "Diakoniastatistiken som hjälp att utveckla diakoniarbetet" [How to use statistics to develop diaconal work], in *Där nöden är störst. En introduktion i diakoni ur finländsk synvinkel*, ed. Pia Kummel-Myrskoga et al. (Helsingfors: Kyrkostyrelsen, 2009), 185–99.

7. Susan Kuivalainen and Mikko Niemelä, "From Universalism to Selectivism: The Ideational Turn of the Anti-poverty Policies in Finland," *Journal of European Social Policy* 20, no. 3 (2010): 263–76.



**Figure 1.** Volume change (%) in GDP over two periods, 1990-1997 and 2007-2014. *Source:* Statistics Finland 2017.



**Figure 2.** Rate of unemployment over two periods, 1991-1997 and 2007-2014. *Source:* Sotkanet (The Finnish Institute for Health and Welfare) 2017.

but the economy subsequently stopped growing. The economy dipped back into recession in 2012. The initial unemployment effect during the economic recession in the early 1990s was much stronger than in the 2000s, as demonstrated in figure 2 which compares rate of unemployment over two periods, 1991-1997 and 2007-2014. However, unemployment continued to increase for a much longer time during the second period. The employment situation did not start to improve before 2018. In early

2017, GDP in Finland was on a par with the level in 2006, revealing a period referred to as the “lost decade” of economic progress in Finland.

In simple terms, there are two opposing approaches to poverty relief, one emphasizing universal institutions in a welfare state (welfare-state discourse) and the other highlighting the role of civil society actors in a welfare society (civil society or charity discourse).<sup>8</sup> The first approach interprets the development of comprehensive social policy programs as a smooth progression from residual and charity-based poverty relief interventions toward tax-based and centralized systems of poverty relief, while the second approach recognizes the overlapping and shifting roles of both public and civil society actors, including faith-based organizations.<sup>9</sup> The traditional view of the Nordic welfare state—with strong public institutions designed to alleviate poverty through comprehensive and universal policies—aligns with the first approach, while the second is akin to the established role of faith-based organizations in poverty relief for welfare state models emphasizing welfare mix.<sup>10</sup>

Some see charity-based church poverty relief actions as being in stark conflict with the first approach, which emphasizes the capacity of a welfare state to alleviate, even eradicate poverty.<sup>11</sup> Before the early 1990s, there was no reason to challenge the traditional welfare approach in the Nordic countries, which had developed comprehensive earnings-related benefits for the employed and flat-rate benefits for individuals outside the labor market, leaving hardly any space for selective church poor relief. Toward the late 1980s, the matured Nordic welfare state construed poverty as a residual problem best combated through active employment-promoting policies combined with an encompassing system of social benefits. The welfare state was understood as such a strong safeguard against poverty that it would eradicate poverty, just as preventive measures and antibiotics eradicated tuberculosis. Church poverty relief was marginalized.

8. *Ibid.*

9. Kees Kersbergen and Philip Manow, eds., *Religion, Class Coalitions and Welfare State Regimes* (Cambridge: Cambridge University Press, 2009).

10. Heikki Hiilamo, “Rethinking the Role of Church in a Social-Democratic Welfare State,” *International Journal of Sociology and Social Policy* 32, no. 7/8 (2012): 401–14; Maurizio Ferrera, “The ‘Southern Model’ of Welfare in Social Europe,” *Journal of European Social Policy* 6, no. 1 (1996): 17–37; Ram Cnaan, Robert Wineburg, and Stephanie Boddie, *The Newer Deal: Social Work and Religion in Partnership* (New York: Columbia University Press, 1999).

11. Kuivalainen and Niemelä, “From Universalism to Selectivism: The Ideational Turn of the Anti-poverty Policies in Finland,” 263–76.

The economic recessions in the early 1990s and after the economic collapse of 2008 evidently created new demand for poverty relief. It was not just a question of budget deficits and benefits cuts, i.e., so-called permanent austerity.<sup>12</sup> Rather, in the wake of the rapid deterioration of economic conditions, new types of poverty problems—such as over-indebtedness and evictions—emerged. Lawmakers were sometimes slow to respond, since passing new legislation is often a cumbersome process, especially when governments are facing budget restrictions. Civil sector actors, including faith-based organizations, were potentially more flexible and innovative, able to come up with new solutions more quickly. In addition, they may also have had deeper local knowledge when it comes to finding pockets of poverty. However, there is very little research to show if civil sector actions were actually directed to meet the greatest need, or if they were mere random acts of charity. The question is essential for poverty relief, which tries to reach the most vulnerable parts of the population.

The focus of this article is on parish diaconal work, more precisely poverty relief, in the Evangelical Lutheran Church of Finland (ELCF). The aim is to bridge the gap between the two opposing discourses of poverty relief, namely welfare state discourse and civil society/charity discourse. The study focuses on two research questions. The first research question asks if the ELCF's poverty relief reacted in a similar way to two economic recessions. The second research question asks whether ELCF's poverty relief was more active in areas where poverty problems were more severe. First, we discuss ELCF's poverty relief. Then data and methods are presented. The penultimate section presents the results. The final section discusses the results and concludes.

## ELCF's Poverty Relief

With 3.8 million members and 68.6 percent of population coverage in 2019, the ELCF dominates the religious landscape in Finland. Historical traditions such as the right to levy church tax through the national taxation system (albeit for a fee), passing the Church law in Parliament, special worship services at the start of annual Parliament sessions, state funeral services, and decision-making institutions derived from municipal traditions point to the ELCF as part of the public sector.<sup>13</sup> Apart from a state subsidy

12. Paul Pierson, *Dismantling the Welfare State?* (Cambridge: Cambridge University Press, 1994).

13. Anne Birgitta Pessi and Henrietta Grönlund, "The Place of the Church: Public Sector or Civil Society? Welfare Provision of the Evangelical Lutheran Church of Finland," *Journal of Church and State* 54, no. 3 (2012): 353–74.

for the upkeep of graveyards, all ELCF activities, including poverty relief are funded through church tax. On the other hand, the ELCF enjoys full autonomy. The ELCF's input in providing social welfare is a charitable activity analogous to help provided by other types of voluntary organizations.<sup>14</sup> There is no obligation in state law for the ELCF to provide the poor with assistance, nor is any right to such assistance provided for by ELCF statutes.

In the context of this article, church poverty relief corresponds to ELCF's diaconal activities.<sup>15</sup> These activities include meeting clients at receptions to discuss their life situation and to help them claim legislated benefits and services. The activities also include provision of financial and food assistance. According to ELCF statutes, the purpose of diaconal activities is to help those in the gravest need, especially those who are not helped by others.<sup>16</sup> This mission statement's focus on the most marginalized groups gives parish-level social work a distinctive character in comparison with other ELCF activities, as well as a large degree of freedom to address emerging needs. Before the onslaught of the recession in 1991, the ELCF employed as many as 1,100 full-time social workers and nurses, compared with 4,000 social workers employed by municipal social services offices. The ratio of ELCF's "social workers" to municipal social workers is not exceptionally high compared with the United States, for example, but it is surprisingly large within a social-democratic welfare state context that emphasizes universal coverage and the central role of the state in providing for the poor.<sup>17</sup>

All previous studies, whether based on surveys, interview data, statistics, aid request documents, or secondary sources show that parish-level diaconal work underwent a period of dramatic reorientation in the early 1990s.<sup>18</sup> The ELCF reacted to the problems

14. Lena Dahlberg, "Interaction Between Voluntary and Statutory Social Service Provision in Sweden: A Matter of Welfare Pluralism, Substitution or Complementarity?," *Social Policy & Administration* 39, no. 7 (2005): 740-63.

15. Raija Pyykkö, Lea Henrikson, and Sirpa Wrede, "Jurisdictional Boundaries in the Making: The Case of Parish Diaconal Work in Finland," *Professions and Professionalism* 1 (2011): 21-35.

16. Kirkkojärjestys 1991/1993, [Church Order] (Helsinki: Kirkkohallitus).

17. Nnaan, Wineburg, and Boddie, *The Newer Deal: Social Work and Religion in Partnership*; Walter Korpi and Joakim Palme, "The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries," *American Sociological Review* 63, no. 5 (1998): 661-87.

18. For surveys, see Juhani Iivari and Jouko Karjalainen, *Diakonian köyhät—epävirallinen apu perusturvan paikkaajana* [The poor and diaconia] (Helsinki: Stakes, 1999); Elina Juntunen, *Vain hätäapua? Taloudellinen avustaminen diakoniatyö professionaalisen itseymmärryksen ilmentäjänä* (Helsinki: Kirkkohallitus, 2011); For interview data, see Elina Juntunen, "Diakoniatyön taloudellinen apu ja viimesijaisen sosiaaliturvan aukot" [Church poor relief and holes in the public safety net], in *Viimeisellä luukulla. Tutkimus viimesijaisen sosiaaliturvan aukoista*

caused by the recession with a wide array of activities including the introduction of debt counseling and settlement services, organizing meeting places and activities for the unemployed, and establishing food banks.<sup>19</sup>

An earlier study focused on ELCF's poverty relief during the 1990s and on early reactions to the global economic collapse.<sup>20</sup> This study builds upon previous analysis by extending the focus from 2010 to 2014 to study ELCF's responses to two economic recessions. The longer follow-up period allows a more thorough analysis of differences and similarities in ELCF's reactions to economic recession. In addition, this study will also analyze ELCF's poverty relief on a local level. We will ask if ELCF's poverty relief was more active in areas where poverty problems were more severe. The question is important in understanding the ELCF's role in welfare provisions vis-à-vis the state. If there is no link between local needs and responses to it, ELCF's poverty relief will appear as random acts of charity determined by local customs and traditions. If the contrary is actually true, there is potential evidence that the ELCF has become an integral part of the last tier social protection network. Summarizing the earlier evidence, we may hypothesize that the onset of an economic recession in 2008 would again have led to the intensification of ELCF's poverty relief and

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*ja diakoniatyön kohdentumisesta*, ed. Elina Juntunen et al. (Helsinki: Kirkkohallitus, 2006), 51–149; Elina Juntunen, "Koska se on muutakin kuin osto-osoitus": Diakoniatyöntekijöiden kokemuksia taloudelliseen avustamiseen motivoivista tekijöistä" [Because it is more than a food coupon], *Diakonian Tutkimus* 4, no. 2 (2007): 87–108; For statistical analysis, see Henrietta Grönlund and Heikki Hiilamo, "Diakonian resurssit ja alueellinen tarve. Panostetaanko diakoniaan kunnan huono-osaisuuden mukaan?" [Diaconal resources and local needs], *Diakonian Tutkimus* 2, no. 2 (2005): 98–115; Henrietta Grönlund and Heikki Hiilamo, "Diakoniatyöhyvinvointivaltion mittarina" [Diaconal work as a measure of the welfare state], *Yhteiskuntapolitiikka* 71, no. 2 (2006): 134–45; Heikki Hiilamo, "Laman uhrien auttaminen diakoniatyössä" 1990-luvulla" [The role of diaconal work in supporting victims of the recession in the 1990s], *Diakonian Tutkimus* 1 (2010): 7–26; Hiilamo, "Rethinking the Role of Church in a Social-Democratic Welfare State," 401–14; Heikki Hiilamo, "Miten kirkon diakoniatyö reagoi 2000-luvun taluskriisiin?" [How did the Evangelical Lutheran Church of Finland react to economic downfall after 2008?], *Yhteiskuntapolitiikka* 81, no. 3 (2016): 288–300; For aid request documents and secondary literature, see Raili Gothoni, *Velat anteeksi? Akordirahastotoimintamallin arviointitutkimus* [Evaluation of church's model to help the over-indebted] (Helsinki: Kirkkohallitus, 2006).

19. Anne Birgitta Yeung, "Re-emergence of the Church in the Finnish Public Life? Christian Social Work as an Indicator of the Public Status of the Church," *Journal of Contemporary Religion* 18, no. 2 (2003): 197–211.

20. Hiilamo, "Rethinking the Role of Church in a Social-Democratic Welfare State," 401–14.



Table 1. Descriptive statistics of the municipal sample, 2007-2013.

Variable	Average	Median	Min	Max
ELCF's poverty relief clients (% of total population)	7.9	6.7	2.0	25.7
Working-age ELCF poverty relief clients (% of total population)	4.2	3.6	0.6	18.0
Annual amount of financial assistance in Euros	38,120	17,695	55	56,121
Long-term social assistance recipients (% of total population)	1.8	1.1	0.2	5.2
Rate of structural unemployment, %	3.9	3.7	0.5	9.1
Population	45,858	21,962	10,010	612,664

that the ELCF would be more active in areas with more severe poverty problems.<sup>21</sup>

## Data and Method

The data for this study on ELCF engagement in poverty relief derives from the ELCF's annual statistics. A unique feature of the ELCF is that all field workers keep a record of their clients.<sup>22</sup> The data includes information on the volume of client contacts (total

21. Grönlund and Hiilamo, "Diakonians resurssit ja alueellinen tarve. Panoste-taanko diakoniaan kunnan huono-osaisuuden mukaan?," 98-115; Grönlund and Hiilamo, "Diakoniatyöhyvinvointivaltion mittarina" [Diaconal work as a measure of the welfare state], 134-45.

22. Hiilamo, "Diakoniastatistiken som hjälp att utveckla diakoniarbetet" [How to use statistics to develop diaconal work], in *Där nöden är störst. En introduktion i diakoni ur finländsk synvinkel*, ed. Pia Kummel-Myrskoga et al. (Helsingfors: Kyrkostyrelsen, 2009), 185-99; Pyykkö, Henrikson, and Wrede, "Jurisdictional Boundaries in the Making: The Case of Parish Diaconal Work in Finland," 21-35.

number of contacts, number of clients), location (home, office, other), age groups (under eighteen years, working age, elderly). The most recent statistics also describe the volume of new forms of ELCF poverty relief efforts, such as the provision of free meals and other types of financial assistance.

We measure the orientation of diaconal work by the share of ELCF's poverty relief clients of population, the share of working-age clients of population and the volume of financial assistance (monetary value of free meals and financial assistance, Euros/year) (table 1). Working-age individuals who lose their jobs are the first victims of economic recessions. Retirees on a minimum pension also seek financial help from diaconal work, but their number is presumably not as sensitive to economic fluctuations as the number of working-age individuals. The ELCF's financial assistance is concentrated on receptions where the field workers, for example, distribute food coupons and pay clients' bills.

There is no single measure of poverty. According to the ELCF's mission statement, the target group for diaconal work is those who have the greatest need. In practical terms, this refers to people facing long-term problems. To capture these problems, we utilize two indicators, long-term receipt of social assistance and a measure of structural unemployment. This data was derived from Sotkanet database, which includes statistical information on welfare and health in Finland.<sup>23</sup>

Social assistance in Finland is last-resort financial assistance paid to ensure that the person or family receive at least the minimal livelihood needed for a life of human dignity. The benefit is granted on a monthly basis. The indicator for long-term social assistance is the annual share of those social assistance recipients aged twenty-five to sixty-four years as a percentage of the total population of the same age, who have received social assistance for at least 10 months during the year (Sotkanet indicator number 234). The percentage of long-term recipients in the total population is a more accurate measure of poverty than that of all social assistance recipients, since individuals and households with a temporal financial problem (for example, delays in benefit payments) may receive social assistance for a short period. It is important to note that to qualify for social assistance recipients are required to pass a strict means test where almost all income, including bank accounts as well as assistance from family and friends, is included. However, financial assistance provided by diaconal work is not deducted from social assistance.

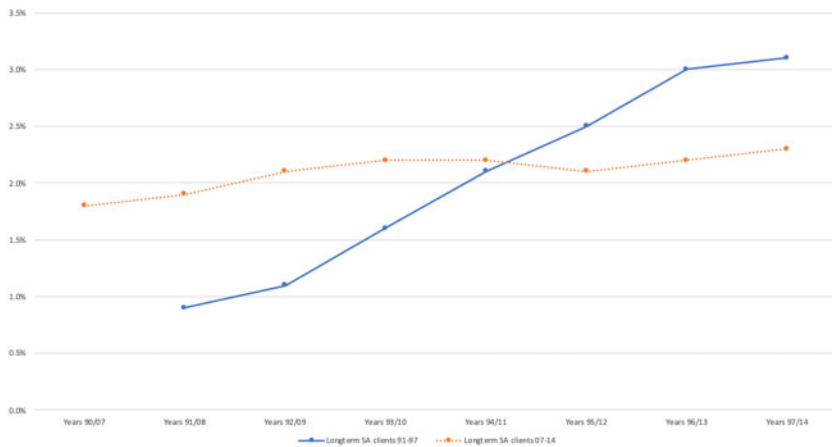
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23. See [www.sotkanet.fi](http://www.sotkanet.fi).

The measure for structural unemployment indicates the share of those persons aged fifteen to sixty-four years who are difficult to employ (Sotkanet indicator number 3071). The indicator includes the long-term unemployed (continuously registered as unemployed jobseekers for twelve months), repeatedly unemployed (unemployed for more than twelve months in the last sixteen months), those becoming unemployed after a labor market measure, and those repeatedly circulating between labor market measures. The measure reflected broadly long-term problems in the labor market caused by economic recession. The data on diaconal work and poverty are used to compare both the recession trajectories between two time periods (1990–1997 and 2007–2014) and the ELCF's reaction during the recession in the 1990s (for the years 1990–1997), as well as during the global economic crisis (2007–2014). The method of analysis is a simple graphical presentation.

In the case of the second period, we used municipal-level data to conduct a more sophisticated regression analysis in which we contrasted data on the ELCF's activities with measures of poverty between 2007 and 2013 (this type of data was not available for the first period). According to Church law, a parish has to operate, for Church tax collection purposes, within the boundaries of one municipality. However, particularly in larger cities there are several parishes within a municipality. For the purpose of this study, we merged data so that the analysis could be carried out at the municipal level. The data were made comparable between the years by excluding records of client contacts through telephone and email (only for period between 2007 and 2014). To reduce random variation, we excluded those municipalities with less than 10,000 inhabitants at the end of 2007. Due to missing data, we also had to exclude eleven municipalities (Kaarina, Lapinlahti, Mustasaari, Mänttä-Vilppula, Nastola, Pedersöre, Pietarsaari, Raasepori, Salo, Sastamala, and Valkeakoski), leaving us with a final sample of ninety-two municipalities.

Although some of the parishes maintain electronic client records, central ELCF statistics do not provide register data on diaconal work clients. The data on diaconal workers' activities are based on workers' reports to the Church council, which collects the data on an annual basis. The statistics do not provide a complete overview of ELCF's engagement in poverty relief. Receptions and client work with working-age individuals are not the only way for diaconal work to address poverty relating to economic recessions. Other forms of assistance include voluntary work, cooperation with unemployed people's associations, and community



**Figure 3.** Share of working-aged, long-term social assistant clients over two periods, 1991–1997 and 2007–2014 as percentage of same age population. *Source:* Sotkanet 2017.

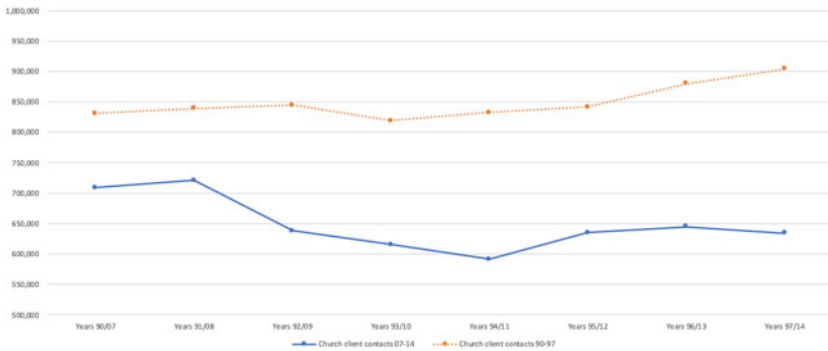
work. However, there is no systematic data available on these activities. The analysis at the municipal level was an ecological analysis with no individual-level data.

As a method of analysis, we used descriptive statistics as well as pooled and fixed-effect panel data regression models. The economic collapse after 2008 caused considerable regional variation in the long-term receipt of social assistance among those of working-age and also in structural unemployment (table 1). In some municipalities, the receipt of long-term social assistance and structural unemployment has remained flat or even decreased; while in some it has increased rapidly. Fixed-effect model allowed us to differentiate between poverty outcome differences due to inherent characteristics of specific municipalities and those that result from increasing (or decreasing) local poverty problems. We took advantage of these changes to model the effects of diaconal work on poverty measures while controlling for the inherent heterogeneity of municipalities.<sup>24</sup> The analysis was carried out with the open-source statistical software R (plm package).

## Analysis

The analysis will answer two research questions: (1) Did the ELCF's poverty relief react in a similar way to two economic recessions? and (2) Was the ELCF's poverty relief more active in areas

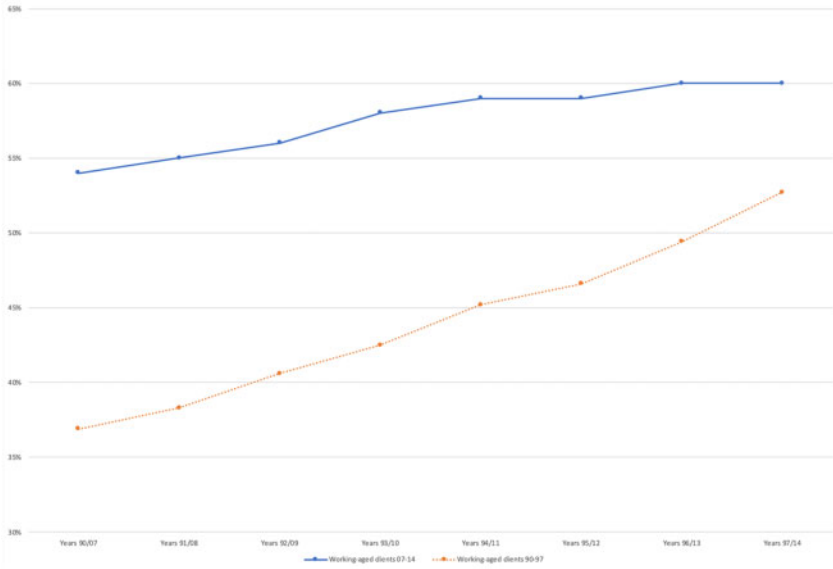
24. Hiilamo, "Miten kirkon diakoniatyö reagoi 2000-luvun talouskriisiin?," 288–300.



**Figure 4.** Number of ELCF poverty relief clients over two periods, 1990–1997 and 2007–2014.

where poverty problems were more severe? A comparison of experiences from the two recessions shows different trajectories with regard to poverty impact. The recession in the early 1990s was reflected more strongly in the share of working-age long-term social assistance clients as shown in [figure 3](#), which compares the share of working-age long-term social assistance clients over two periods, 1991–1997 and 2007–2014. This indicates that the recession in the early 1990s created more severe need for ELCF’s poverty relief than in the global economic recession. However, it is noteworthy that at the beginning of the second period the rate was already at a much higher level than at the beginning of the first period (0.9 percent in 1991 versus 1.8 percent in 2007). This higher rate indicates that in terms of the long-term receipt of social assistance, Finland had not fully recovered from the previous recession when it was hit by a new one. Unfortunately, due to missing data, we are unable to compare the two time periods for structural unemployment.

Next we analyze the differences and similarities in ELCF’s poverty relief response to two economic crises. In terms of client contacts, the ELCF poverty relief response to the recession in the early 1990s was clearly different from that of the 2000s as demonstrated in [figure 4](#), which compares the number of poverty relief clients over two periods, 1990–1997 and 2007–2014. In the 1990s, client contacts increased, while during the global economic recession the contacts decreased. Both physical and phone/email contacts are included in these figures since it was not possible to disentangle the different types of contacts in the data from the 1990s. Client contacts dropped by almost 19 percent from 2007 to 2014. If we remove phone and email contacts, which increased by 15 percent during the observation period, the fall in physical



**Figure 5.** Share of working aged clients in ELCF poverty relief over two periods, 1990–1997 and 2007–2014, as percentage of all clients.

client contacts amounts to almost 34 percent. In the early 1990s, the number of clients increased toward the end of the period, while the contacts decreased right at the beginning of the second period and did not reach the previous level before the end of the period.

The share of working-age clients in ELCF poverty relief increased dramatically in the 1990s, as shown in figure 5, indicating a shift of focus from the elderly to working-aged clients suffering from the recession. The refocus in the 1990s was sustained in the 2000s (although this is partly a statistical artifact arising from the inclusion of phone contacts in the first period). The share of working-age clients was 53 percent in 1997 and 54 percent in 2007. The share continued to increase up to 60 percent, which can be taken as an indication of the ELCF's focus on the victims of the economic recession in the aftermath of the 2008 crisis. Unfortunately, we cannot compare volume in ELCF financial aid since there is no data on ELCF financial aid from the first period.

As for the second research question, table 2 shows the connection between structural (long-term) unemployment and long-term social assistance with number of poverty relief clients, share of working-age poverty relief clients, and financial assistance between 2007 and 2013. The results of the pooled regression

Table 2. Connection between structural (long-term) unemployment and long-term social assistance with number of ELCF poverty relief clients, share of working-age ELCF poverty relief clients, and ELCF financial assistance, pooled regression 2007–2013.

	Unemployment		Social assistance	
	Estimate	95% confidence interval	Estimate	95% confidence interval
Intercept	1.29**	0.33–2.25	–0.68**	–1.14 to (–)0.19
ELCF poverty-relief clients	0.04*	0.004–0.9	–0.01	–0.03 to (+)0.01
Working-age ELCF poverty-relief clients	0.02	–0.05 to (+)0.08	0.05**	0.02–0.08
ELCF financial assistance in Euros	0.22***	0.12–0.31	0.24***	0.19–0.28
R-square	0.05		0.17	

Note: Significance codes: \*\*\*0.001, \*\*0.01, \*0.05.

analysis demonstrate that during the observation period the ELCF's parishes actually invested more funds for financial assistance in those municipalities where there were more long-term unemployed people and more people receiving long-term social assistance. There is also an indication that long-term unemployment is positively associated with ELCF poverty relief clients, and that long-term social assistance is positively associated with working-age ELCF poverty relief clients. However, in both cases the effect sizes are small.

The pooled regression analysis does not take into account temporal order of incidence, i.e., if parishes invested in poverty relief before or after the economic problems. Instead, it assesses differences between municipalities. The fixed effect model gives a more reliable estimate on ELCF poverty relief actions with regard to local needs. The model analyzes if changes in economic problems and ELCF poverty relief action within each municipality are associated. Table 3 shows the connection between structural (long-term) unemployment, long-term social assistance, and ELCF's poverty relief in relation to municipal-level social work clients

Table 3. Connection between structural (long-term) unemployment, long-term social assistance, and ELCF poverty relief, in relation to municipal-level social work clients and measures of economic recession, municipal fixed effects 2007–2013.

	Unemployment		Social assistance	
	Estimate	95% confidence interval	Estimate	95% confidence interval
Intercept	1.37	–1.62 to 4.37	–1.49*	–2.95 to –0.04
ELCF poverty-relief clients	0.08	–0.05 to 0.21	–0.001	–0.07 to 0.06
Working-age ELCF poverty-relief clients	–0.03	–0.25 to 0.18	0.04	–0.07 to 0.15
ELCF financial assistance in Euros	0.20	–0.10 to 0.50	0.24***	0.17–0.46
R <sup>2</sup>	0.05		0.22	

Note: Significance codes: \*\*\*0.001, \*\*0.01, \*0.05.

and measures of economic recession within municipalities from the years 2007 to 2013. The regression analysis with municipal fixed effects indicates that the parishes did not seem to react to economic recession through more input into client work. Instead, we found that parishes invested more funds for financial assistance in those municipalities where there were more people on long-term social assistance.

## Discussion

Confirming earlier findings, the results of this study show that after decades of marginalization, the ELCF's role in poverty relief became more pronounced in the early 1990s and continued throughout the global economic recession.<sup>25</sup> The ELCF's role in poverty relief challenges the traditional view of a Nordic welfare

25. Malkavaara, "Nälkä ja köyhyys kirkon asiaksi. Näkökulmia laman ja markkinakilpailun aikana" [Church took up the issue of hunger], in *Lasaruksesta leipäjonoihin. Köyhyys kirkon kysymyksenä*, ed. Virpi Mäkinen (Jyväskylä: Atena, 2002), 283–312; Yeung, "Re-emergence of the Church in the Finnish Public Life? Christian Social Work as an Indicator of the Public Status of the Church," 197–211.



state where poverty is combated with active employment-promoting policies combined with an encompassing system of social benefits, and where other actors do not feature with established roles in poverty relief.<sup>26</sup> The development was also puzzling from a theoretical perspective. Esping-Andersen's regime theory suggests that the kind of traditional assistance the church lends to the poor would die out in the course of "social-democratic" welfare state development, a statement analogous with the secularization hypothesis.<sup>27</sup>

This study answered two specific research questions: (1) whether the ELCF's poverty relief reacted in a similar way to two economic recessions and (2) whether ELCF's poverty relief was more active in areas where poverty problems were more severe. The answer to the first question is negative, while the answer to the second question is positive. Our results confirm the earlier finding on the ELCF's accelerated poverty relief action both to alleviate poverty resulting from both economic recessions and to demonstrate a welfare mix provision of poverty relief in Finland. In 2008, the number of social assistance recipients increased after a steady decrease of twelve years. By combining ELCF statistics and municipal data on social and financial problems, we were able to show that ELCF poverty relief did react to the emerging needs of financial assistance by increasing the volume of assistance. Somewhat surprisingly, this time no corresponding increase was observed among ELCF poverty relief client contacts. The weaker response after 2008 can be explained by the fact that the second recession, although longer in time, was not experienced in Finland as dramatically as the recession in the early 1990s. Also important is the fact that the ELCF's poverty relief activities were already on a higher level before the start of the global economic crises and before the recession in the early 1990s.

With regard to activity level (pooled cross-section analysis), our results align with an earlier finding by Grönlund and Hiilamo, who showed that in the early 2000s the Lutheran parishes assigned more funds for poverty relief—especially through client

26. Korpi and Palme, "The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries," 661–87.

27. Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Cambridge, MA: Polity Press, 1990); Gøsta Esping-Andersen, *Social Foundations of Post-Industrial Society* (Oxford: Oxford University Press, 1999); Bryan Wilson, *Religion in Secular Society: A Sociological Comment* (London: Watts, 1966); John Somerville, "Secular Society Religious Population: Our Tacit Rules for Using the Term Secularization," *Journal for the Scientific Study of Religion* 37, no. 2 (1998): 249–53.

work in field offices—in regions where inhabitants experienced more financial difficulties.<sup>28</sup> Another quantitative study showed that those parishes where the population, on average, faced more severe economic difficulties were more active distributors of European Union food aid.<sup>29</sup> Qualitative studies explain the reorientation in terms of the new ethos in ELCF poverty relief to fill gaps in state and municipal provision.<sup>30</sup> The reorientation was not uniform, however, and some dioceses were more active than others.<sup>31</sup>

Our descriptive results from ELCF statistics as well as from pooled and fixed effects regression models seem to indicate that the ELCF did not react as strongly in the 2000s as in the 1990s. However, it is important to note that we did not have comparable data from the 1990s to facilitate a fixed effects regression model comparison between the two recessions. It is also necessary to acknowledge that the focus on poverty relief in ELCF activities was sustained between the two recessions. Thus, there was not as much room for change in the 2000s as there was in the early 1990s.

The concept of the welfare state mix represents an approach where the role of both public actors and civil society actors, including volunteers and religious organizations, is recognized.<sup>32</sup> The European economic crisis put pressure on governments to cut welfare state expenditure in the Nordic countries including Finland. The ELCF's poverty relief efforts provided a unique case study by which to evaluate the role of unofficial poverty relief under economically challenged conditions. Between the recessions, the ELCF's engagement in poverty relief was regarded as self-evident; no criticism against ELCF food aid, for example, was expressed in the public debate.<sup>33</sup> Governmental actors did not oppose ELCF's new public role. Moreover, the ELCF's new role was

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28. Grönlund and Hiilamo, "Diakonian resurssit ja alueellinen tarve. Panoste-taanko diakoniaan kunnan huono-osaisuuden mukaan?," 98-115; Grönlund and Hiilamo, "Diakoniatyöhyvinvointivaltion mittarina," 134-45.

29. Hiilamo, "Laman uhrien auttaminen diakoniatyössä" 1990-luvulla," 7-26.

30. Elina Juntunen, "Diakoniatyön taloudellinen apu ja viimesijaisen sosiaaliturvan aukot, Viimeisellä luukulla," in *Tutkimus viimesijaisen sosiaaliturvan aukoista ja diakoniatyön kohdentumisesta*, ed. Elina Juntunen et al. (Helsinki: Kirkkohallitus, 2006), 51-149.

31. Hiilamo, "Miten kirkon diakoniatyö reagoi 2000-luvun talouskriisiin?," 288-300.

32. Annette Leis-Peters, "Hidden by Civil Society and Religion? Diaconal Institutions as Welfare Providers in the Growing Swedish Welfare State," *Journal of Church and State* 56, no. 1 (2014): 105-27.

33. Hiilamo, "Rethinking The Role of Church in a Social-Democratic Welfare State," 401-14.

also supported by EU's National Action Plans (NAP's) against poverty and social exclusion. In Finland, the Ministry of Social Affairs and Health, which was responsible for preparing the NAP's, invited the ELCF to contribute to the process as a legitimate partner, indicating a move toward a deeper partnership between church and state in the social policy field.<sup>34</sup> The ELCF's poverty relief activities were also welcomed by the great majority of ELCF members. One important reason that many joined the ELCF and remained an ELCF member was that the ELCF was engaged in helping the poor.<sup>35</sup> The development coincided with an increase in ELCF social worker and nurse vacancies.

Our results seem to lend support to the church supplementing and complementing statutory social security, rather than substituting or replacing it. The results show that ELCF's poverty relief efforts are not random acts of charity determined by local customs and traditions. Trends in long-term social assistance caseloads and structural employment paralleled the ELCF's poverty relief activities. Given the fact that there are no detailed instructions on how to practice poverty relief at the parish level, it is noteworthy that in the 1990s so many chose to refocus their efforts away from spiritual activities or work with the elderly and the handicapped towards helping the unemployed and the poor.<sup>36</sup> This suggests that widespread consistency in service delivery developed naturally and independently in different parishes with modest coordination. A similar development continued during the 2000s. These factors together indicate that ELCF has become an integral part of the last tier social protection network.

Given the unique position of the poverty relief in the ELCF and the economic and social development of Finland, the results may not be generalized to other Nordic countries, even though parish-level diaconal activities exist also in other Nordic Lutheran churches. It is also important to note that the welfare state regime theory has evolved since its inception in the 1990s. The same goes for different variants of secularization theory. The current understanding of welfare state regimes points to convergence and

34. Juho Saari, Markus Seppelin, Tiina Grandlund and Mervi Kattelus (toim.), *Kansallinen raportti sosiaalisen suojelun ja sosiaalisen yhteenkuuluvuuden strategioista* [National report on strategies for social protection and social inclusion], Sosiaali- ja terveystieteiden tutkimuskeskus, 53 (Helsinki: Sosiaali- ja terveystieteiden tutkimuskeskus, 2006), 17.

35. Church Research Center, *Gallup ecclesiastica. Opinion Survey* (Tampere: Church Research Centre, 2012).

36. Hiilamo, "Laman uhrien auttaminen diakoniatyössä" 1990-luvulla," 7-26.

hybrid model, whereas traditional understandings have less relevance.<sup>37</sup>

The example of Finland demonstrates that religious actors may also shape welfare state discourse by developing long-standing practices and modes of operation. The ELFC has pioneered in poverty relief through providing financial aid at diaconia receptions as well as through developing debt counseling and settlement services, organizing meeting places and activities for the unemployed, and establishing food banks.<sup>38</sup> These ideas may have contributed in the 2000s to the so-called “poverty politics” in Finland, where poverty problems are addressed no longer through developing comprehensive and universal welfare state policies—which are also costly for the state budget—but through small-scale poverty relief programs and minor increases in targeted benefits for the poor.<sup>39</sup>

## Conclusion

After decades of marginalization, the role of the ELCF’s poverty relief became more pronounced after the recession in the early 1990s. It continued to be so—albeit not as strongly as in the 1990s—in the years following the economic collapse of 2008. In the early 2000s, the Lutheran parishes assigned more funds for poverty relief in regions where inhabitants experienced more financial difficulties. The ELCF’s poverty relief programs during economic downturns provide grounds for challenging the conventional clear-cut conception of the universal Nordic welfare-state model based solely on statutory poverty relief. The work of the ELCF also demonstrates how faith-based organizations can find windows of opportunity to refine their roles in public life.

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37. Annette Leis-Peters, “Hidden by Civil Society and Religion? Diaconal Institutions as Welfare Providers in the Growing Swedish Welfare State,” 105–27.

38. Hiilamo, “Rethinking the Role of Church in a Social-Democratic Welfare State,” 401–14.

39. Kuivalainen and Niemelä, “From Universalism to Selectivism: The Ideational Turn of the Anti-poverty Policies in Finland,” 263–76.