

**SGI** Sustainable Governance  
Indicators 2009

## Finland report



## Executive summary

Economic and social developments in Finland have been quite positive in many respects, and many reforms initiated over the past few years aim at fine-tuning current structures or anticipating future needs. Following national elections in 2003, the second Paavo Lipponen cabinet was replaced by Matti Vanhanen's first cabinet, each representing a cross-section of bourgeois and socialist parties. Following the national elections in 2007, the outgoing cabinet was replaced by Matti Vanhanen's second cabinet, which is a bourgeois government. Vanhanen's first cabinet program, as released on June 24, 2003, opened with a title statement: "Employment, entrepreneurship and common solidarity: the keys to an economic rebound." The program text then went on to state that the government would strengthen security at home by the continued pursuit of Finland's stable foreign and security policy, and by further developing the welfare society, which enjoys wide popular support. Goals for developing the welfare sector included an increase in employment, improvement in basic welfare services and income security and an attempt to ensure a more balanced regional development. In the so-called Government's Evening School meeting in February 2007, representatives of the government parties expressed satisfaction with the extent to which declared objectives had been realized during the 2005 – 2007 period. Although objectives had not been fully reached in housing policy, a sufficient amount of new jobs had been created and health care achievements were quite satisfactory.

Perhaps the most extensive reform effort of the first Vanhanen cabinet was directed toward ensuring a more balanced regional development. This effort took the form of a substantial restructuring of the municipal political framework, merging municipalities in order to cut down on their total number. In 1997 Finland still had 452 municipalities, and in recent years only a few municipal mergers have taken place every year, with the total number of local authorities declining only to the present number of 416. This number is deemed to be too high for municipalities' viability, or to allow local authorities to function efficiently, and so reforms to local government structure have been called for. The Act on Restructuring Local Government and Services came into effect in March 2007, and the restructuring process is due to be completed by 2012. As a result, municipal services are expected to be put on a sufficiently

solid structural and financial basis, enabling extensive welfare services to be secured in all parts of Finland. The process is also expected to have an impact on organizing local government services, their funding and the division of labor between central and local government. While the goals are commendable, the reform process has been hasty and much too technocratic in nature. Debate over the value of reforms has been neglected, and the many mergers' consequences for democratic governance have not been sufficiently investigated.

Other important reform ventures have primarily focused on improving and coordinating governmental methods and routines, especially with regard to the duties and work conditions of the government office. The Decree on the Government Office (passed in 2003) enumerates 26 task areas, several of which give the office a key role in evaluating ministerial draft bills. Generally, the decree aims at enhancing the coordination between government and parliament, and at the management and monitoring of the cabinet program. To that end, paving the way for managerial innovation, the first Vanhanen cabinet launched four new policy programs, each coordinated by a minister. These programs were broad-based and cross-sectoral in nature, were specified in the cabinet program, and were developed in order to reach that program's objectives. They are made up of the various measures, projects and appropriations that fall into the ministries' mandates. The four programs included the Information Society Program (coordinated by the prime minister), the Employment Policy Program (coordinated by the minister of labor), the Entrepreneurship Policy Program (coordinated by the minister of trade and industry), and the Civil Participation Policy Program (coordinated by the minister of justice). The preparation and monitoring of the programs was delegated to ministerial groups, and the ministers responsible for the policy programs were assisted by program directors.

More generally, a new program-management system was introduced and adapted for monitoring of the cabinet program. This new system changed working methods at the government's political and managerial levels. In particular, program management aims at giving policy-making a more horizontal and strategic character, as well as making implementation more effective. The system was retained into Vanhanen's second government. This second government launched three intersectoral policy programs, as well as the Strategy Document procedure, which singles out particular issues for intensive monitoring, and provides a draft for legislative projects.

A pension system reform in 2004 aimed at creating incentives for older people to stay in the labor force until reaching the age of 68. This reform was spurred by the rapid aging of Finland's population, which poses the threat of fiscal

problems and difficulties in maintaining the labor force. Preliminary evaluations suggest that the incentives are working adequately. Furthermore, a system has been established to ensure that Finland can present a coordinated position, in line with its broader EU policy, on issues under consideration at the European Union level. Finally, the Internal Security Program, introduced in 2004, is a comprehensive cross-sector development plan, which includes proposals for enhancing everyday security, and which focuses on improving cooperation between public authorities. The plan identifies several key challenges, and aims at preventing social exclusion, counteracting information society vulnerabilities, strengthening border security and customs control, and warding off the growing impact of international crime.

The government has improved regulation impact analysis. A Ministry of Justice working group recently recommended harmonizing and expanding impact assessment further. Improving regulation has received a high priority in the current government's program.

Although several reforms were realized, the two pressing reform projects remained unaddressed during the first Vanhanen administration. First, no real attempts were made to advance the stereotyped and obsolete version of Finland's representative democracy, which cries out for the heartening input of referenda and popular initiatives. Second, no attempts were made to tighten the country's relationship with NATO, which would improve the country's international security position. Hesitant attitudes among the government parties, as well as public reluctance, have in this respect amplified each other in an unfortunate manner.

## Strategic Outlook

In general, Finland performs well with regard to democratic standards, governmental reform capacity and policy outcomes. Nevertheless, the reform paths followed by the government in recent years must be pursued further. Several societal challenges will require further reforms and adjustments in the future. Strategic planning and impact assessment measures will be crucial for maintaining and enhancing the government's reform capacity. Impact assessment measures in particular should be developed and implemented in all fields of government.

Technological innovation has been very successful due to comprehensive R&D promotion, but the sectoral diversity of innovation still should be increased.

The promotion of excellence clusters remains the most effective means for pursuing high-quality research and innovations, but basic research in all scientific fields should be promoted equally.

Regional development remains a continuing challenge in spite of the ongoing municipality reform. The population's uneven regional distribution makes it challenging to provide sparsely populated rural areas, especially in northern and northeastern Finland, with levels of infrastructure and employment sufficient to attract economically active, younger citizens. With regard to the provision of welfare services, municipalities need ongoing and reasoned support from the central government, especially in the provision of high-quality health care and services for the elderly.

Although labor market policies have been somewhat successful in reducing unemployment, the situation remains challenging. Efforts to integrate young, low-skilled and long-term unemployed persons into the labor market must be intensified in order to prevent social exclusion. On the other hand, some sectors suffer from a skilled-labor shortage. Targeted immigration and educational policies must therefore be considered.

Finland benefits from its excellent position as a gateway between East and West in traffic, transport and logistics. Here, Finland has to remain competitive in comparison to the Baltic states, and environmental impacts of the growing traffic and transport must be taken into account. The growing volumes of road freight traffic between Finland and Russia, which constitute a majority of the cross-border goods traffic, demand more stringent planning. Border and customs procedures on the Finnish-Russian border must be made more efficient, and road and rail connections improved, in order to create a more efficient, environmentally sustainable transportation network. In this matter, Finland is already engaged in cooperation with Russia both bilaterally and at the EU level.

Environmental protection of the Baltic Sea is another policy area requiring intensified regional cooperation. The Baltic's ecological situation is alarming, especially in the Gulf of Finland, and growing levels of oil transport pose a particular risk to the highly sensitive ecosystem. In 2002, the Finnish government introduced a Program for the Protection of the Baltic Sea, followed by an action plan on the issue in 2005. Regional and international cooperation in this area must remain a top priority in the coming years.

More broadly, Finland's cooperation with Russia in these areas, and its historically acquired expertise and experience in relations with Russia are a valuable asset both locally and at the EU level. Initiatives such as the EU's Northern Dimension, dealing with cross-border policies in the Nordic and

Baltic countries, as well as Russia, demonstrate this potential.

In the field of security policy, the option of NATO membership will remain on the agenda. At this point, the issue remains controversial among the political elite and in the public at large. The March 2008 decision to participate in the NATO Response Force, but only in a limited way, is symptomatic of Finland's broader position –hesitantly interested, but keeping all options open.

As in most other established democracies, political participation is declining in Finland. Electoral turnouts have been decreasing in recent years, and political parties and associations have lost members. Not only overall interest, but also trust in politics and politicians, is diminishing. These problems of participation and legitimacy might worsen if policy-making continues to become more abstract and technocratic. Providing more participation options for citizens might reawaken this flagging political interest.

## Status Index

### I. Status of democracy

#### Electoral process

*Fair electoral process*

*Score: 10*

Finland's electoral process is free and fair. The Constitution Act of 2000 includes provisions granting Finnish citizens the right to participate in national elections and referendums. Registered political parties have the right to nominate candidates; however, since 1975, under the principle that all voters should have the right to influence the nomination process, electoral associations of at least 100 enfranchised citizens have also had the right of nomination. These associations' role has been marginal.

In like manner, candidates for president can be nominated by any political party represented in the Finnish parliament, the unicameral Eduskunta, at the time of nomination, but also by groups of at least 20,000 enfranchised citizens. Presidential candidates must be Finnish citizens by birth; people under guardianship and those in active military service cannot be candidates in parliamentary elections. The procedure for registering political parties is regulated by the Party Law of 1969. Parties which fail to elect representatives to parliament in two successive elections are removed from the list of registered parties. However, by gathering the signatures of 5000 supporters, a party may be reregistered.

*Fair electoral campaign*

*Score: 10*

Access to the media is fair in principle, but practical considerations such as time and channel limitations restrict the access of smaller parties and their candidates to television debates and appearances. Given the impact of such appearances on an election's outcome, this bias is problematic from the point of view of fairness and justice. However, the restrictions are a factor of party size and importance, and are not about ideology or the government-opposition divide. Access to newspapers and commercial forms of communication is

unrestricted, but is in practice dependent on parties' and candidates' economic resources. Candidates are required to report their sources of campaign income, and candidates' financial backgrounds and links to the media must be disclosed.

**Annotation:**

The score is outside the range of the country experts because the higher score is justified in relation to other countries' scores.

*Inclusive  
electoral process  
Score: 10*

Finland's electoral rules provide for secret ballots. All citizens of 18 years or more can vote, but voting is not compulsory. Finnish citizens living abroad are entitled to vote, but foreigners living in Finland are not (although permanent residents may vote in municipal elections). The Population Registration Center maintains a register of eligible voters, and sends a notification to those included in the register; consequently, citizens do not need to register separately to be able to vote.

To facilitate electoral participation, a system of advance voting was adopted beginning in the 1978 parliamentary election, and the proportion of ballots cast in advance has risen significantly since. In the 2007 national election, advance voting stations were maintained at more than 400 places throughout the country.

**Access to information**

*Media freedom  
Score: 10*

Media independence is nowadays a matter of course in Finland. According to the Worldwide Press Freedom Index in 2005, Finland was ranked second in the world, next to Denmark. According to the same index in 2006, Finland was ranked in first place (along with Iceland, Ireland and the Netherlands). As comparison, Norway was ranked in sixth position, and Sweden ranked 14th.

Finland's national public broadcasting company, called Yleisradio, is owned by the Finnish state and is funded through private television broadcasting license fees and a television fee. Governed by a parliamentary council, Yleisradio operates five national television channels, a dozen national radio stations and some 25 regional radio stations. Freedom of speech is regarded an important political privilege, and these broadcast outlets are seen as an impartial means for the expression of differing opinions and citizen debates.

*Media pluralism*

Finland has a large variety of newspapers and magazines. In 2005, a total of 200 newspapers were published, 32 of which were dailies. In earlier times,



*Score: 9*

many newspapers were financially and ideologically connected to political parties. This has now changed, and by 1998, independent newspapers represented 95 percent of total circulation. As a rule, newspapers are privately owned but publicly subsidized; the ownership structure is therefore diversified in nature. Although some of the main newspapers are owned by a single media concern, this does not push the contents in one or another political direction. Regional newspapers retain a strong position, thus providing great variety of print media both at the national and the regional level.

In 2004, the parliament liberalized a media law that had placed restrictions on Internet publishers and service providers. The Finnish News Agency is an independent national news agent, providing real-time and comprehensive news service. The national broadcasting company, Yleisradio, operates several national and regional television and radio channels, and supplies a broad range of information online. Although state-owned and controlled by a parliamentary council, Yleisradio is generally viewed as unbiased. Yleisradio is complemented by several private broadcasting companies.

*Access to  
government  
information*

*Score: 10*

In accordance with the Finnish constitution, every Finnish citizen has the right of access to public documents and recordings. This right implies access to documents and recordings in the possession of authorities, unless their publication has been legally restricted for compelling reasons. However, several special categories are exempt from release, including documents that relate to foreign affairs, criminal investigations, the police or security forces, or military intelligence. Such documents are usually kept secret for 25 years, unless otherwise provided by law.

The Act on the Openness of Government Activities (1999) stipulates that persons asking for information are not required to provide reasons for their request. Official responses to requests must be made within 14 days. If a request is denied, appeals can be made to a higher authority and then to an administrative court. The Office of the Chancellor of Justice and the Ombudsman of Parliament can also review the appeal. The Council of Europe's Group of States Against Corruption (GRECO) committee noted in 2004 that the policy of openness and electronic access is a key reason for low levels of corruption in Finland.

### **Civil rights**

*Civil rights  
protection*

*Score: 10*

Since the early 1980s, the Freedom House organization has given Finland the highest possible ranking for civil rights in the group's annual survey of international freedoms. Indeed, state institutions respect civil rights and courts

*Non-discrimination**Score: 9*

effectively protect citizens. The law provides for freedom of speech, and this is respected in practice. Furthermore, Finns enjoy full property rights and the freedom of religion, with government officially recognizing 55 different religious groups. Freedoms of association and assembly are respected in law and practice; workers have the right to organize, bargain collectively and strike.

Rights of ethnic and religious minorities are as a rule well protected in Finland, and the criminal code covers ethnic agitation, penalizing anyone who threatens a racial, national, ethnic or religious group. The rights of the Swedish-speaking minority in Finland are widely respected, and Finnish and Swedish share a position as national languages. The Aland Islands, whose inhabitants speak Swedish, for historical reasons have extensive autonomy and their own parliament (as well as one seat in the national legislature).

Cases of discrimination are rare. However, ethnic minorities and asylum seekers do report occasional police discrimination, and according to the International Helsinki Federation for Human Rights, Finland was found on six occasions in 2005 to be in violation of article 6 of the European Convention on Human Rights and Fundamental Freedoms. Roma individuals, who make up a very small part of the population, are widely marginalized.

**Rule of law***Legal certainty**Score: 10*

The rule of law is one of the basic pillars of Finnish society. When Finland was ceded by Sweden to Russia in 1809, the strict observation of prevailing Swedish laws and legal regulations became one of the most important tools for circumventing Russian interference in Finnish affairs. From this has emerged a political culture which demands legal certainty and does not accept any degree of legal uncertainty.

*Judicial review**Score: 9*

As there is no constitutional court in Finland, judicial review does not exist in the strict sense of the term. Courts do not decide on the constitutionality or legality of government or administration acts. Instead, the supreme supervisor of legality in Finland is the Office of the Chancellor of Justice. Together with the Parliamentary Ombudsman, this office supervises authorities' compliance with the law and the legality of the official acts of the government, its members and of the president of the Republic.

The chancellor is also charged with supervising the legal behavior of courts, authorities and civil servants. Additionally, the parliament's Constitutional Law Committee issues statements on the constitutionality of bills and other matters. Judicial review is thus organized and realized in a pluralistic and independent way. There are no examples of political parties or government having any

*Corruption prevention**Score: 10*

influence on courts' independence.

Since 2000, Transparency International's annual Corruption Perceptions Index has ranked Finland as the country with the lowest level of perceived corruption. In May 2005, the national parliament passed a law criminalizing the acceptance of bribes. Auditing of state spending is strict, as is regulation of party financing. The country's political culture strongly condemns any fusion of public and private interest. In the economic sector, too, corruption rarely occurs.

## II. Economic and policy-specific performance

<i>Basic socioeconomic parameters</i>	<i>score</i>	<i>value</i>	<i>year</i>
GDP p.c.	4.35	30959 \$	2005
Potential growth	3.43	3.2 %	2008
Unemployment rate	6	7.8 %	2006
Labor force growth	3.93	1.3 %	2007-2008
Gini coefficient	9.3	0.247	2000
Foreign trade	2.14	-25.75	2005
Inflation rate	8.95	1.5 %	2007
Real interest rates	7	2.7 %	2007

### A Economy and employment

#### Labor market policy

*Score: 8*

Labor market policy in Finland has been only partially successful in addressing unemployment. Achievements with regard to long-term unemployment, unemployment among low-skilled workers, youth employment, and employment of older individuals are satisfactory, but far from excellent. This is due to several interrelated factors. Finland is a large but sparsely populated country, and geography presents an obstacle to smooth labor force mobility.

Globalization has threatened labor market strategies, with cost-conscious companies increasingly moving production out of the country, contributing to unemployment and declining job security. Minimum wage and collective bargaining agreements are in force, and wages for full-time employment must exceed the regular social assistance level. However, dismissal protection regulations are not strong enough and in many sectors, temporary work contracts make it difficult for employees to plan and organize their careers and lives

#### Enterprise policy

*Score: 8*

Enterprise policy has managed to achieve a high degree of competitiveness. Finland has also been fairly successful in eliminating bureaucratic red tape and market regulation. Government enterprise policy has effectively advanced innovative enterprises through large-scale public support for research and development, especially in technology sectors, and has been very supportive of internationalization strategies. The number of enterprises increased strongly from 2005 to 2006. The Ministry of Trade and Industry bears overall responsibility for the promotion of exports and the internationalization of enterprises, while export promotion policy aims at ensuring Finnish enterprises are treated on the same terms as their rivals in international markets. Domestic companies receive public services and subsidies as encouragement to expand their businesses across borders.

The country's enterprise policy is grounded in the idea that economic growth is closely linked to the development and innovative application of technology. As evidenced by Finland's strong competitiveness, such technological development has indeed created the preconditions for sustainable economic growth. The environment for innovation has been developed in a way that both responds to changes and foresees future needs.

#### Tax policy

*Score: 9*

Finland's tax system performs effectively and guarantees sufficient revenues. Adjustments in recent years have made the taxation system less complex and more transparent. The relatively high tax burden is widely accepted by citizens, because it constitutes the basis for the welfare state's services. Therefore, low levels of tax evasion compared to many other countries are reported. The imbalance between the relative tax burdens of wage earners on the one hand,

and taxation of corporate profit and capital revenue on the other, renders horizontal equity somewhat problematic. In contrast, vertical equity of taxation is promoted by the Finnish tax system to a high degree.

### **Budgetary policy**

*Score: 9*

Finland's public finances have traditionally been balanced, but the collapse of markets in the Soviet Union caused an economic crisis in Finland in the early 1990s, with debt levels increasing sharply. A fiscal consolidation program significantly reduced expenditures, and Finland now enjoys budget surpluses and is able to pay down accumulated debt. In 2005 Finland's state debt was among the lowest in Europe, and the relative surplus of state finances was the highest in the euro zone. However, economic growth must be improved further to offset the impact of the country's aging population.

## **B Social affairs**

### **Health policy**

*Score: 8*

Citizens have a choice between a low-cost basic health care plan covering all medical dimensions and provided by communal health care agencies, or paying more and taking advantage of additional private health care services. Health policies have successfully promoted some aspects of public health, with examples including the very low level of infant mortality and an efficient health insurance system. However, other aspects remain more neglected. In particular, the aging of the population and insufficient local government resources for health care create and aggravate problems.

These issues have been foreseen, and preventive measures outlined in planning documents such as the Health 2015 Public Health Program, which identifies targets for Finland's national health policy. The main focus of the strategy is health promotion rather than developing the health care system further. This "Health in All Policies" program is a cooperative venture, providing a broad framework for health promotion across different sectors of the administration. However, it acknowledges that public health is largely determined by factors outside the control of the health care system, such as lifestyles, living environment and the quality of products. Another national objective is to secure better access to information for patients, by means of the digitalization of patient data and development of the national health care infrastructure and information network.

**Annotation:**

Finland Ministry of Social Affairs and Health, “Government Resolution on the Health 2015 Public Health Program.” (Helsinki: Publications of the Ministry of Social Affairs and Health, 2001)

Ministry of Social Affairs and Health, “EHealth Roadmap – Finland,” Report 2007:15 (Helsinki: Ministry of Social Affairs and Health, 2007).

**Social cohesion**

*Score: 9*

Social policy has largely prevented poverty in Finland. The country has low poverty rates and high rankings of life satisfaction. Its income equalization system has proved to be one of the European Union’s most efficient in terms of poverty reduction. Still, although there is no absolute poverty in Finland, relative poverty prevails. The share of the population suffering from relative poverty was exactly the same in 1981 as in 2003 (11 percent), with single-parent households, long-term unemployed persons and immigrants especially affected. Of those who have experienced poverty, this state of affairs has proved permanent for one-third of individuals, occasional for another third, and an on-and-off experience for the final third. During recent years, the number of people exposed to long-term unemployment has been increasing, and this has of course added to poverty.

**Family policy**

*Score: 9*

Family policy aims at providing a supportive framework for combining parenthood with employment, for both sexes. In addition to extended maternity leaves, fathers can opt for a state-subsidized paternity leave. Child rearing is supported by financial grants and child care services, and the decision between raising the child at home and combining employment with parenthood is left to individuals. However, intensifying labor market requirements and the erosion of traditional family structures pose a challenge, especially for single-parent households in which the mother or father works full time.

Prevailing societal attitudes support the combination of motherhood with employment, and fathers’ parental leave is also widely accepted. Nevertheless, primary child care responsibility still tends to fall to women, and mothers opt for part-time employment more often than do fathers. Policies encouraging

more men to opt for parental leave are needed, as are more flexible child care options for parents working full time.

### Pension policy

*Score: 9*

As in most European countries, demographic aging presents a challenge to the Finnish pension system's financial sustainability. The pension system is based on two pillars, a residence-based national pension and an employment-based earnings-related pension. Private pension schemes exist, but are not very popular due to the good coverage of the two other provision types.

An extensive pension reform took hold at the beginning of 2005, introducing the most sweeping changes since the pension system's inception. Regulations governing the age when pensions can be received were made more flexible, and age limits for pre-retirement pensions were raised in order to give incentives for older employees to stay in the labor force longer. Since that time, the employment rate of older individuals has been increasing. The pension reform also included provisions taking retirees' earnings across their whole work histories into account in calculating pensions, and adjusting pension amounts to increased longevity. The fact that unpaid periods in the course of life are now accounted for when calculating pension levels has especially benefited women. Since pension levels have been increasing only marginally for years, retirees' purchasing power has been decreasing relative to that of wage-earners in recent years. Nevertheless, age-related poverty remains uncommon.

## C Security and integration policy

### Security policy

*External security*

*Score: 8*

Finland's security policy is based on a credible defense capability, founded on the principles of general conscription and full territorial defense. While today abjuring membership in any military alliances, Finland's policy is to maintain and develop its national defense and credible defense capabilities, to be fully engaged in the EU's Common Security and Defense Policy and crisis management operations, and to develop its Partnership for Peace (PfP) relationship with NATO, while retaining the possibility of ultimately applying for NATO membership. In recent years, Finland has indicated a readiness to participate in NATO-related activities, and the NATO option is one frequent theme in the country's foreign policy discussions. However, NATO membership has to date remained only an option. Possible security risks

resulting from the neighboring Russia are attentively observed, but are rarely discussed openly in public.

Finland supports endeavors to strengthen the European Union as an actor in the field of international policy and economy. The development of relations with the neighboring areas, including the Nordic countries, Russia and the Baltic states, is of prime importance. Policymakers try to enhance the status of the Baltic Sea region and the northern regions within the European Union. More broadly, Finland endeavors to strengthen multilateral cooperation and international law, and to increase global security by reducing inequality and social exclusion.

*Internal security*

*Score: 8*

While far from excellent, Finland's internal security achievements are satisfactory. Although the rate of violent crime, and homicides in particular, is relatively high, Finland is one of the safest countries in Europe. In fact, in opinion polls respondents often regard the police as society's most reliable institution. Expenditures on public order and safety are still fairly modest, but Finland has worked hard to identify problems and problem areas and take steps toward their elimination. The Internal Security Program (2004) is a comprehensive cross-sector development plan, which includes a large number of proposals for enhancing everyday security, and focuses on improving cooperation between public authorities. The plan identifies several key challenges, such as preventing social exclusion, counteracting the information society's increased vulnerability, strengthening border security and customs controls, and warding off the growing impact of crime led from abroad. The first Internal Security Program was modified and expanded in 2007.

*Annotation:*

Finland Ministry of the Interior, "A Safer Community. Internal Security Program, Summary," (Helsinki: Ministry of the Interior, 2004).

*New security  
policy*

*Score: 7*

Police forces and intelligence activities have done quite good work against the rapidly growing levels of international organized crime. Nevertheless, signs of human trafficking have emerged, as Finland is located on the border between East and West, and Nordic countries are often used as a gateway from Asia to Europe. International organized crime has become a new challenge, where practically no such phenomenon previously existed.

Finland actively participates in regional and international cooperative efforts in different fields of crisis management and protection against new risks. One example addresses environmental catastrophe management, with the creation of



a Baltic-wide capacity to respond to accidents at sea. Yet new risks should be included in the security policy agenda in a more explicit way, especially with regard to threats resulting from uneven development and gaps in living and production conditions in different parts of the world.

### Integration policy

*Score: 7*

Finland's immigration policy was originally humanitarian in nature, focusing on refugees and return immigration, but in recent years it has assumed the task of promoting work-based immigration. During the last ten years or so, the number of foreigners in Finland has almost doubled, although it is still low in absolute terms. Several factors, including the geography, the difficulty of learning the Finnish language, and also prevailing negative attitudes in the Finnish society at large toward immigrants, prevent a significantly increased immigrant inflow.

Formally, immigration policy aims at integration. Yet the reality of immigrants' societal integration shows shortcomings. Unemployment is high among immigrants and education levels remain lower than those of Finnish natives even in the long run, although pupils with a foreign-born background perform well compared to counterparts in many other European countries according to the OECD's Program for International Student Assessment (PISA) test. But whereas about 70 percent of immigrants are of working age, only about 40 percent are actually in the labor force.

## D Sustainability

### Environmental policy

*Score: 7*

While environmental policy is very effective in some areas, including sustainable forestry, the establishment of nature reserves, and the introduction of less-polluting technology in the industrial sector, some areas need more attention. Although difficult climatic conditions make it generally more difficult to reduce emissions or achieve better energy efficiency, better technical solutions and changes in consumer behavior must be pursued by governmental policies. Instead of increasing energy production from renewable sources (which today account for a relatively high 25 percent share), Finland has built new nuclear plants. The question of the final disposal of nuclear waste will be one of the crucial challenges for future environmental policies. However, in the field of maritime protection, Finland has implemented useful

policies which should be replicated at the European level.

### Research and innovation policy

*Score: 8*

Finland is a leader in terms of R&D spending, and has held this position for several years. The results have been quite impressive in terms of indicators such as science and technology degrees and triad patents (patents applied for in the United States, Europe, and Japan), although perhaps less so with regard to high-tech employment. Still, the reputation of Finland as a high-tech country is well earned. However, R&D inputs have focused on applied research to the disadvantage of basic research, and universities and other basic research institutes have not benefited much.

In the long run, the level of applied research being dependent on the level and achievements of basic research, this bias will no doubt have negative consequences for product development and productivity. Moreover, technology transfer from universities to industry is not functioning as well as it could, and academic entrepreneurship is relatively poorly developed. The number of high-tech start-ups is low by international comparison. Obviously, there are not enough incentives for young talented people to start their own businesses. The government has launched a national innovation strategy, seeking to enhance the environment for innovations and improve their competitiveness, input into national productivity and societal utility.

### Education policy

*Score: 10*

Education policy in Finland is a success story. Investments in education have been central to Finland's efforts to improve competitiveness, and the ambition of education policy is to ensure that the entire population has access to education and training. Generally speaking, Finnish people have a high standard of education, and the principle of lifelong learning is important. Basic education is free of charge, and municipalities are responsible for providing education to all local children. Basic education must be provided near home.

There are about 4000 comprehensive schools in Finland, and some 60,000 children start the first grade every year. By and large, the education system has met with undeniable success. In the OECD's Program for International Student Assessment (PISA) tests, Finland has consistently been among the highest scorers worldwide. The fact that pupils are taught by highly qualified instructors all day, and are offered a free meal during the school day is of essential importance in this regard. Education is given high priority in Finnish

society and is intertwined with further public services such as communal libraries. There are 20 universities and 30 polytechnics in the country, and although entrance examinations require a relatively high level of knowledge, some 60 percent to 70 percent of each age cohort enters higher education.

## Management Index

### I. Executive Capacity

<i>Cabinet composition</i>	<i>Prime minister</i>	<i>Parties in government</i>	<i>Type</i>	<i>Mode of termination *</i>	<i>Duration</i>
	Matti Vanhanen	Centre Party (KESK/CENT), Social Democratic Party (SDP), Swedish People's Party in Finland (RKP/SFP)	Surplus coalition	1	06/03-04/07
	Matti Vanhanen	Centre Party (KESK/CENT), National Coalition Party (KOK/SAML), Green Party (VIHR/GÖNA), Swedish People's Party of Finland (RKP/SFP)	Surplus coalition	-	04/07-

\* The following modes of termination should be distinguished: elections = 1; voluntary resignation of the prime minister = 2; resignation of prime minister due to health reasons = 3; dissension within cabinet (coalition breaks up) = 4; lack of parliamentary support = 5; intervention by head of state = 6; broadening of the coalition = 7.

#### A Steering capability: preparing and formulating policies

##### Strategic capacity

*Strategic planning*  
*Score: 8*

Strategic planning is well integrated into Finnish policy-making. The medium-term framework budget, which is effective for five years, forces policy planning to take long-term effects and priorities into account. Strategic goals of the government program are recorded in specific strategy documents. These documents refer to a one-year period and include a plan for pursuing priorities, with descriptions of key decisions that must be made and indicators for evaluating the government's progress toward strategic

goals. The Prime Minister's Office makes these strategy documents available, along with evaluations of the documents. The government also has specific policy programs for fields of special importance. In the period under review, the Matti Vanhanen cabinet maintained four specific policy programs on the knowledge society, employment, entrepreneurship and citizen participation.

Once during each legislative period, the government presents a long-term report on the future to the parliament. In this statement, government presents strategic objectives dealing with one or more future problems of special importance, and proposes measures for action. The report is jointly prepared by ministerial and specialist working groups. In addition, the parliamentary Committee for the Future deals with future-related strategic planning and gives other committees advice on specific issues.

*Scientific advice*

*Score: 6*

Although academic policy experts have participated in foreign and security policy preparation, and legal experts regularly testify in parliamentary hearings, social sciences in Finland are directed more toward analysis of government efforts than to playing a direct role in policy-making. Scholars are oriented, so to speak, toward the sphere of enlightenment rather toward the sphere of engineering. This division of labor is well understood by both camps, and is reflected in the prevailing patterns of contact and collaboration.

However, these conditions also result in a lack of empirical data illuminating the question at hand. It can safely be said that meetings between government and academic experts are infrequent, typically taking place on an ad hoc basis. Government planning does make frequent use of academic research and at times contributes to large-scale research programs. However, attempts at steering research beyond the funding of specific topics are as a rule regarded unfavorably by the scientific community.

#### **Inter-ministerial coordination**

*GO expertise*

*Score: 9*

The Prime Minister's Office is a ministry by itself. Its main tasks, besides the coordination and preparation of Finland's EU policy and oversight of state investments is to monitor the implementation of the government program, to evaluate ministerial draft bills and to assist the prime minister in the general management of government functions. The decree on the government office (passed in 2003) enumerates 26 task areas, several of which give the office a role in evaluating ministerial draft bills.

Additional tasks include: the coordination of the work of the government and parliament; the management and monitoring of the cabinet program; the

preparation of general guidelines for Finland's EU policy and the preparation and handling of ministry-level issues relating to the European Union; the preparation of reports on government policy implementation; the coordination of government and ministerial communications; the planning of future-oriented social policies; and the promotion of cooperation between government and the various branches of public administration. The Prime Minister's Office has a secretary of state, an undersecretary of state and is well staffed with several departments focusing on specified tasks.

*GO gatekeeping*

*Score: 7*

Although the Prime Minister's Office is able to return some items on policy grounds, this is exceptional. Line ministers can place items on the cabinet meeting agenda even against the wishes of the prime minister. Managing conflict can be delicate, especially in cases when the prime minister and the line minister represent different parties, and their political interests must be reconciled. The prime minister does not have a dominant position in Finland. He or she is a leader, but a leader among equals, and decision-making must take place on the basis of consensus between colleagues. The model giving the government office a right to automatically return items is foreign to the Finnish system.

*Line ministries*

*Score: 9*

Finland's individual ministries are responsible for the preparation of issues falling within the scope of government activity, as well as for the proper functioning of administration. Given this framework, rather than line ministries involving the government office in policy preparation, the expectation is that the government office involves line ministries in its own policy preparation.

In practice, of course, the patterns of interaction are transverse. For one thing, policy programs and other overlapping subject matters in the cabinet program are a concern for the government office as well as the line ministries, and efforts must be coordinated. Also, since cabinet decision-making is collective and consensual in nature, line ministry attempts to place items on the cabinet agenda without involving the Prime Minister's Office at least to some extent in preparations are doomed to failure. This is partly for political reasons, as Finland's broad-based coalition governments amalgamate and encapsulate ideological antagonism, and thereby prevent fragmentation along ministerial and sectoral lines.

*Cabinet committees*

*Score: 10*

The government has four statutory cabinet committees, including the Committee on Foreign and Security Policy (which meets with Finland's president whenever current business so requires), the Committee on European Union Affairs, the Cabinet Finance Committee, and the Cabinet Committee on Economic Policy. Each of these committees is chaired by the

prime minister. In addition, there are various ministerial working groups, the present Vanhanen cabinet having established 10 such groups. These committees and groups are tasked with preparing cabinet meetings, a job facilitated by the structures linking a large number of ministries and interests. For instance, there are seven ministers on the Committee on Foreign and Security Policy, and nine ministers in the Committee on European Union Affairs. Eight ministers sit on the working group for the government foresight report. A large majority of important cabinet issues are reviewed first by cabinet committees.

*Senior ministry officials*

*Score: 10*

As a wide-ranging Finnish political science study has shown, Finland's ministers are dependent on their senior officials, while the senior officials are dependent on their ministers. One expression of this mutual dependence and associated trust and confidence is, according to the same study, that ministers do not necessarily pay close attention to all matters on the cabinet agenda, but trust in their ministries' preparatory work, as contained in reports prepared by civil servants. This work extends to practically all cabinet agenda items. Indeed, senior ministry officials are expected to prepare cabinet meetings.

*Line ministry civil servants*

*Score: 8*

With regard to policy programs and other similar cross-sector matters, coordination between civil servants from separate ministries is a matter of course. Furthermore, in specific matters, coordination may be dictated. For instance, statements from the Ministry of Finance must be obtained on matters under preparation by other ministries if these matters have financial implications. On the whole, given the decision-making culture, civil servants of individual ministries are certainly expected to coordinate with other ministries. An unwritten code of behavior prescribes a harmonious and undisturbed mode of action, and ministers are therefore expected to bring financially burdensome or politically sensitive projects to a process of collective examination. Preparing such matters in secret, or trying to surprise cabinet colleagues, inevitably rouses suspicions, and slows decision-making.

### Regulatory impact assessments

*RIA application*

*Score: 9*

The cabinet's present program-management system encompasses three intersectoral policy programs, including the Policy Program for Employment, Entrepreneurship and Work Life, the Policy Program for Health Promotion, and the Policy Program for the Well-Being of Children, Youth and Families. Along with the government's strategy document, these programs and documents determine the procedure for promotion of and follow-up to the

government program. They provide information on issues to be subject to intensive monitoring, a draft for legislative projects, a list of statements to be submitted to parliament, a plan for government resolutions and the main themes and priorities for sectoral research.

The issues under special monitoring presently include climate and energy policy, skills and innovations, administrative reform, structural reform of municipal and service sectors, social protection, exclusion and the reform of social protection systems, preparation for population aging, broad-based security, and Finland's international status.

The Prime Minister's Office, in collaboration with other ministries, will produce an impact assessment and a follow-up report on these issues and policy programs, which will be used in mid- and end-of-term government policy-review sessions. In June 2007 the prime minister issued a letter launching monitoring of the government's program. This letter includes a follow-up plan covering the present government's entire term of office (2007 – 2011).

Annotation: Prime Minister's Office, "Program Management within the Finnish Government." (Helsinki: Prime Minister's Office Publications, Dec. 2007).

#### *Needs analysis*

*Score: 10*

As evident from the following example, regulatory impact assessments have analytic depth. In late 2006, the Prime Minister's Office asked the ministries and policy programs to deliver information and data to be used in an impact assessment and evaluation of the cabinet program. The data requested covered all issues contained in the cabinet program and its related strategy documents. The impact assessment includes a description of essential measures that have been taken; in addition the assessment constructs models of key issue-area features affected by government policy. Statistical and other indicators are used to illustrate and describe the policies' development.

Annotation: Pääministeri Matti Vanhanen hallituksen ohjelman seuranta, Valtioneuvoston kanslian julkaisusarja 6/2007: Helsinki.

#### *Alternative options*

*Score: 9*

Under the existing system, the government releases one foresight report per electoral period, addressing a range of long-term issues. The procedure also involves statements from the parliamentary Committee for the Future and



from regional future forums. A recent review of these procedures held that this current model of dialogue between parliament and government on future-related issues should be continued and reinforced. According to the review, the foresight reports should focus on a core issue or set of issues relevant across several social and administrative sectors, and should discuss the government's vision over the equivalent of an entire electoral period. These reports should also present strategies and policies proposed to attain the desired objectives

Annotation: Prime Minister's Office, "Improving the Government Foresight Reporting Procedure." (Helsinki: Prime Minister's Office Publications 1/2007).

#### Societal consultation

*Mobilizing  
public support  
Score: 10*

In Finland's consensually oriented political system, interest organizations and associations are regularly consulted in order to include a variety of views in the policy-making process. This also in turn helps generate public support for government policies

#### Policy communication

*Coherent  
communication  
Score: 8*

The position of the prime minister being one of *primus inter pares* rather than one of dominant leadership, attempts at "speaking with one voice" are advanced by means of consultation rather than by directives and command. Furthermore, as any such directives would conflict with the principle of freedom of speech, they would probably be regarded as illegitimate, and stimulate opposition.

When in 2007 Prime Minister Matti Vanhanen recommended that ministers should refrain from commenting publicly on matters that were under consideration in ministries other than their own, his request was received unfavorably in the media as well as among his colleagues. Nevertheless, contradictory statements are in practice rare. Interestingly enough, they have lately tend to pop up with regard to matters of foreign policy, a policy sector that earlier in postwar Finland was marked by near-unanimous anxiety and deference.

**B Resource efficiency: implementing policies**

	<i>Total</i>	<i>Share</i>
<i>Legislative efficiency</i>		
Bills envisaged in the government's work program	512	
Government-sponsored bills adopted	497	97.07 %
<i>Veto players</i>		
Second chamber vetos	-	- %
Head of state vetos	-	- %
Court vetos	-	- %

**Effective implementation**

*Government efficiency*  
*Score: 9*

Prime Minister Vanhanen's first cabinet (2003 – 2007) adopted a new program management approach. This approach seeks to make implementation of policy objectives and governmental procedures more effective, and consists of various policy programs and a system for strategic review. The government monitors the implementation of its own policy objectives by means outlined in the Strategy Document and the Evaluation Report of the Strategy Document. This document defines tools and indicators for evaluating the government's performance in achieving government program goals.

In general, the first Vanhanen cabinet achieved most of its own policy objectives.

Of course, on some issues such as unemployment levels or employment targets, the government can have goals but lack the proper means to achieve them if economic development deviates from what was expected.

*Ministerial compliance*  
*Score: 9*

Ministers are committed to the cabinet program in several ways and through several mechanisms. This program is set through negotiations between the political parties in government, and its implementation is supervised by coalition partners and other line ministries. Furthermore, matters on the cabinet agenda are in most cases prepared and coordinated in cabinet committee meetings, informal groups and other meetings. All items are preliminarily discussed in the so-called Government's Evening School meeting, which precedes the formal cabinet meeting. In other words, ministers are closely watched as well as supposed to be integral parts of cooperative units. They would find it difficult as well as unrewarding to

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<i>Monitoring line ministries</i> <i>Score: 7</i>	<p>pursue independent goals at the expense of the government program.</p> <p>Government monitoring of line ministry activities is largely indirect in nature. The same mechanisms that foster ministerial compliance often have monitoring functions as well. These include the preparation and coordination of matters in cabinet committee meetings and other meetings such as the Government's Evening School. More generally, various forms of interministerial coordination also fulfill a kind of monitoring role. However, these are interactions in terms of cooperation and consultation rather than monitoring in any strict sense of the term. While the Prime Minister's Office does monitor line ministries, this monitoring is implicit rather than explicit and timid rather than obstinate.</p>
<i>Monitoring agencies</i> <i>Score: 8</i>	<p>Some agencies, such as the National Funding Agency for Technology and Innovation (Tekes), which operates under the Ministry of Trade and Industry, are intentionally given high levels of autonomy, with monitoring taking place only at a very general level. For some, a Balanced Scorecard system is used to monitor their activities. Result management practices are used by all ministries in monitoring the agencies in their task area. In addition, a new system of political undersecretaries of state aims at helping individual ministers monitor political activity.</p>
<i>Task funding</i> <i>Score: 6</i>	<p>In Finland, municipal governments provide most public services. Municipal governments have a right to assess taxes, and in fact collect twice as much in personal income taxes as does the central government. There is a government grant/subsidy system that enables local governments to provide public services if their own tax revenue is insufficient. A portion of locally collected taxes is put into a common pool, from which transfers are made to local governments with weak financial resources. The central government establishes strict standards and service provision requirements, to which all citizens are entitled. Local governments are tasked with providing these services, which means some may be unable to meet the standards fully without increasing taxes to abnormally high levels.</p>
<i>Constitutional discretion</i> <i>Score: 10</i>	<p>Finland is a unitary state without federal arrangements, with the exception of the extraordinary status of the Åland Islands. The 416 municipalities have a long tradition of independence in specific policy areas, while also implementing the policies of the central government. Municipalities are responsible for the implementation of educational, health, social and infrastructural services. Employment in the municipal public sector makes up about one-fifth of the country's total labor force. Local government autonomy is from time to time restricted by financial pressures, but subnational autonomy is in general guaranteed and protected by law.</p>

*National standards*  
*Score: 6*

Due to local authorities' wide constitutional scope of discretion, the central government has few means by which to ensure that national standards are consistently met on the municipal level. Local government is separated from central government, and municipal bodies are partly independent of the state. Local government decisions can be appealed to administrative courts, but only on grounds that the decision was out of order or illegal. In a very few specific matters, such as environment or social care issues, decisions by local authorities must be confirmed by state authorities.

## C International cooperation: incorporating reform impulses

### Domestic adaptability

*Domestic adaptability*  
*Score: 8*

Finland has shown limited willingness to act in response to international and supranational developments, especially in consequence of Finland's membership in the European Union. Finland was among the first wave of EU member states to adopt the euro, and is to date the only Nordic country to have done so. However, EU membership has not changed the country's long-standing de facto commitment to a nonaligned status. Domestic government structures have in several instances been adapted. Parliament's Grand Committee is tasked with preparing and dealing with EU matters. The secretariat responsible for the coordination of EU affairs was transferred in 2001 from the Ministry for Foreign Affairs to the Prime Minister's Office, when its responsibilities were assumed by the Government Secretariat for EU Affairs. A system of policy coordination helps the country present a coordinated response on issues under consideration at the EU level. This system involves the relevant ministries, the Cabinet Committee on European Union Affairs, the Committee for EU Affairs, which is an advisory and mediatory body, and its various EU subcommittees. These 35 subcommittees are sector-specific preparative organs, and they constitute the foundation for the promotion of EU affairs at the civil servant level.

### External adaptability

*International coordination activities*  
*Score: 7*

The government's participation in internationally coordinated activities has been satisfactory. Although Finnish troops have participated in U.N. peacekeeping activities since 1956, participation in U.N. Security Council missions has been modest. Regional cooperation is an integral part of Finland's foreign policy and economic strategy, and is carried out in

accordance with Finland's Strategy for Cooperation in the Neighboring Areas, confirmed by the government in 2004. Finland has given the newly independent Baltic states considerable aid and technical assistance, and supported their accession to the European Union.

As holder of the EU presidency in 2006, Finland strengthened the European Union's efforts to reinvigorate the Middle East peace process. During this period, the EU Commission also finalized its comparison of Croatian and Turkish legislation with EU legislation. Finland actively prepared the ground for negotiations on the EU's climate regime at summit meetings and in Permanent Partnership Council discussions.

Annotation: Finland Ministry for Foreign Affairs, "From Support to Partnership – Finland's Strategy for Cooperation in Its Neighboring Areas." (Helsinki: Ministry for Foreign Affairs, Department for Russia, Eastern Europe and Central Asia, 2004).

*Exporting reforms*

Score: 6

During the period of this analysis, Finland's government was not actively working to spread its own reform priorities through international channels. Indeed, Finland has been a follower rather than a pioneer. According to a popular saying, Finland has acted in the EU in the role of a pattern pupil, incorporating new features rapidly and implementing policies that represent other partners' priorities.

## D Institutional learning: structures of self-monitoring and -reform

### Organizational reform capacity

*Self-monitoring*

Score: 9

Monitoring activities are frequent and institutionalized. A new coordination tool, Finnish Program Management, was adopted by Prime Minister Matti Vanhanen's first government (2003 – 2007), changing working methods at the political and managerial levels of government. The new system aims at a more horizontal and strategic policy-making process, as well as at effective implementation. Government policy-review sessions are an integral part of the management process. The principle of horizontality is essential, and was introduced to meet several institutional arrangement demands. Policymakers had been concerned that many important issues were falling inefficiently between sector accountabilities, and that a sector-based administrative machinery was failing to meet the needs of citizens and society. General

monitoring of the cabinet program covers, among other things, eight broad-based policy areas. Several of these, including administrative reform and structural reform of the municipal and service sectors, focus explicitly on institutional arrangements. Also, several of the government bills presented to parliament during the 2007 autumn session concerned transfers of tasks and task areas between ministries and bureaus.

Annotation: Prime Minister's Office, "Program Management within the Finnish Government." (Helsinki: Prime Minister's Office Publications, December 2007).

*Institutional reform*

*Score: 8*

In accordance with the program management approach, institutional reforms of governing can be realized. Substantial reforms, including the fusion of ministries, have also have taken place in recent years. For example, in late 2007, the former Ministry of Trade and Industry was merged with the Labor Ministry due to strategic considerations. The new ministry was put in charge of employment and economic issues.

## II. Executive accountability

### E Citizens: evaluative and participatory competencies

#### Knowledge of government policy and political attitudes

*Policy knowledge*

*Score: 7*

Although no empirical evidence on the actual policy knowledge of Finnish citizens is available, citizens are in general well-informed about political and societal matters. Information on governmental policies and decisions is widely available online, and many policy fields are widely debated in the mass media. The relatively high consumption of newspapers, and Finns' general perception of political institutions as trustworthy, might indicate citizens' degree of political awareness. How comprehensively individual citizens are informed about political issues naturally varies with individual interests and behavior.

## F Parliament: information and control resources

### Structures and resources of parliament, committees, parliamentary parties and deputies

Number of deputies	200
Number of parliamentary committees	16
Average number of committee members	17.4
Average number of subcommittee members	-
Pro-government committee chairs appointed	11
Deputy expert staff size	1
Total parliamentary group expert support staff	7
Total parliamentary expert support staff	476

*Obtaining documents*  
Score: 10

Committee reports provide the basis on which parliament takes nearly all of its decisions. Committees prepare government bills, legislative initiatives, government reports and other matters for handling in plenary session. It thus follows that the government is expected to report to committees in full its motives for proposing legislation, and that committees are able to obtain desired documents from government. Committee hearings generally begin with a ministry representative or representatives, and then proceed with other persons who have assisted in the preparation of proposals.

*Summoning ministers*  
Score: 10

Committees are able to summon ministers to their hearings and do so regularly. Committee hearings usually begin with a presentation by a ministry representative. Ministers can take part in the committee meetings and debates, but cannot be regular members of the committees.

*Summoning experts*  
Score: 10

Parliamentary committees regularly summon experts. A committee meeting always starts by hearing experts and obtaining information from other sources. They can also ask experts for written statements. Hearings generally begin with a presentation by a ministry representative and then proceed with other persons who have assisted in preparing a proposal, or who represent agencies, organizations or other interested parties involved in issue at hand.

*Task area  
coincidence*

*Score: 10*

Parliament has a total of 16 committees, including 15 permanent special committees and the Grand Committee. The special committees prepare government bills, legislative initiatives, government reports and other matters for handling in plenary session. Committees also issue statements when requested to do so.

Reforms of the committee system in the early 1990s aimed at achieving a better fit between the task areas of parliamentary committees and ministries. Today the fit is almost perfect, with committees thematically bound within the scope of a corresponding ministry. The Grand Committee is in practice a committee for the handling of EU-related matters.

*Audit office*

*Score: 10*

Formerly, parliamentary oversight of government finances was performed by the Parliamentary State Auditors. However, this institution has been abolished, and the work of the Office of the Parliamentary State Auditors discontinued. In its place is now the parliament's Audit Committee, which was created by combining the Parliamentary State Auditors' tasks with the related functions of the administrative and audit section of the parliament's Finance Committee. The Office of the Parliamentary State Auditors has also been replaced by the National Audit Office of Finland, an independent expert body that operates in connection with parliament. It is tasked with auditing the legality and propriety of the state's financial arrangements, along with compliance with the state budget. Specifically, the office is expected to promote the exercise of parliament's budgetary power and the effectiveness of administration. The office is directed by an auditor general, who is elected by parliament. With about 150 employees, the office is made up of a financial audit unit, a performance audit unit and an internal services unit.

*Ombuds office*

*Score: 10*

The Parliamentary Ombudsman of Finland is an office consisting of one ombudsman and two assisting ombudsmen, with a staff of more than 40 people. Established in 1920, this office is one of the oldest in the world, second only to Sweden's. Officeholders are appointed by parliament, but the office is expected to perform its duties in a neutral manner and is independent of parliament. The office reports once a year on its activities to parliament. Citizens may complain to the office about decisions by authorities, civil servants and others who perform public duties. The workload of the office is considerable. For example, in 2006, the Parliamentary Ombudsman handled over 6300 oversight-of-legality cases, including 3600 complaints. In the two months of September and October 2007, the office issued a total of 22 decisions.



## G Intermediary organizations: professional and advisory capacities

### Media, parties and interest associations

#### *Media reporting*

*Score: 8*

Domestic and international politics receive broad coverage in Finland's mass media. The national broadcasting company Yleisradio offers continuous information on political issues and their context on news and political discussion programs. Discussion programs deliver daily background information on ongoing political debates and governmental decisions, from hard facts to political satire. Although so-called infotainment programs are growing more common, citizens in general can be said to be well informed about the basic issues by the media. In addition to the national broadcasting company's programs, a broad range of information is available from commercial channels.

#### *Fragmentation*

#### Parliamentary election results as of 3/16/2003

<i>Name of party</i>	<i>Acronym</i>	<i>% of votes</i>	<i>% of mandates</i>
Centre Party	KESK/CENT	24.69	27.50
Social Democratic Party	SDP	24.47	26.50
National Coalition Party	KOK/SAML	18.55	20.00
Left Alliance	VAS/VÄNST	9.93	9.50
Green Party	VIHR/GÖNA	8.01	7.00
Swedish People's Party in Finland	RKP/SFP	4.61	4.00
Christian League of Finland	SKL/FKF	5.34	3.50
True Finns	PS	1.57	1.50
Province of Åland Representative		2.83	0.50

#### *Party*

*competence*

*Score: 8*

There are no systematic and broad analytical studies of electoral programs' content from recent years. However, scattered evidence from less ambitious studies suggests that electoral programs are fairly well structured in terms of

diagnosing problems and proposing solutions. For instance, it is evident from one study that the party campaigns in the 2004 European elections had a clearly national focus, and that this emphasis on addressing national rather than European objectives and values resonated well with the electorate's expectations.

In like manner, a recent small-scale comparison of Social Democratic Party and Green Party manifestos found structured reasoning and a capacity to formulate coherent policies in both. In itself, this state of affairs is not surprising. During earlier decades, party politics in Finland were clearly ideologically driven and confrontational. However, as cleavages between classes diminished as a result of postwar social leveling, parties evolved into catch-all organizations. For rational, vote-maximizing reasons, ideological overtones and manifestations were replaced by more systematic, fact-based and problem-oriented political propaganda.

*Association  
competence*

*Score: 8*

Most associations' policy positions are based on expert knowledge and feasibility analyses, and thus contribute positively to the quality of decision-making. Exaggerations and one-sided arguments are in the nature of interest organizations and the negotiation process, but in the country's corporatist style of politics, various interests gain access to the policy-making process.

*Association  
relevance*

*Score: 10*

Interest associations and trade unions traditionally have great impact in Finnish politics and society, although their impact has been decreasing since the 1990s. Union density and membership rates in diverse associations are high. The preparation of government policies thus takes place in part along corporatist lines.

Various interest associations and trade unions also have a high profile in public discourse, and play a significant role in shaping public opinion.

This country report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at [www.sgi-network.org](http://www.sgi-network.org)

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