

SGI Sustainable Governance Indicators 2011

Finland report

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Executive Summary

Finland is in many respects a model democracy that has clearly established a democratic basis for attempts at reform, problem-solving and social betterment. Several international rankings and classifications released during 2009 and 2010 have verified this. For instance, Finland again received the highest rankings for political liberties and civil rights in an annual Freedom House world survey; in the organization's 2009 press freedom survey, Finland ranked first together with Denmark, Ireland, Norway and Sweden. However, Finland's democracy is not without its shortcomings. The country's previously excellent rankings regarding corruption have been deteriorating. Political financing scandals in 2008 and again in 2009 were partly to blame, as political parties and individual politicians were accused of failing to disclose sources of campaign funds. The scandals had a negative impact on government legitimacy, and an opinion poll indicated that no less than 60% of respondents believed that politicians' credibility had fallen as a result of the scandals. In consequence, political parties have now decided to open their records and the government has drafted new campaign finance legislation that will force the political elite to disclose sources of political money. Also, the government has initiated reforms to further advance the proportionality of the Finnish electoral system. However, the main parties have not as yet agreed to all technical details in the proposal. The global economic crisis had of course affected Finland negatively, and the Finnish economy contracted in 2009. Among the many consequences of the crisis was an increase in the number of long-term unemployed. The general decline in the economy seems, however, to have since leveled out, and several indicators suggest that Finland has taken on the challenge to work out and implement a forceful post-recession exit strategy. For instance, Finland ranks sixth in the World Economic Forum's Global Competitiveness Report 2009-2010, and according to a poll among international banks, Finland had the most impressive sovereign funding team as of 2009. A long-term stability program was endorsed by the government in February 2010. In the wake of the economic crisis, it has been observed that Finnish society at large has expressed a growing negativity toward immigrants. Despite national elections scheduled for 2011, the main political parties have so far hesitated to confront or challenge these attitudes, whereas at the same time, support for the right-wing populist party True Finns has gained momentum. Whereas a recent reform of the university system, introducing elements and ideologies from business discourse and practice, has

met with much criticism and seems set to fail, the attempts of government to restructure local government by means of municipality amalgamations have been clearly more successful.

Large-scale institutional reforms and other similar arrangements for promoting governance and decision-making have not been introduced during the period under assessment. The present government decided in 2009 to retain the system of program management used since 2007 and encompasses three inter-sector policy programs as well as the government's strategy document procedure. In February 2009, the implementation of the cabinet program was evaluated at depth at a meeting that not only engaged in stocktaking but also listed future measures that were regarded necessary for a full implementation of the cabinet program.

Strategic Outlook

Although Finland represents a model polity in many respects, its current democratic prospects are less bright. The overall legitimacy and trustworthiness of the usual pillars of representative democracy are deteriorating; electoral turnout is low; membership in political parties is declining; and as evident from polls, citizens no longer trust institutions such as the parliament and the government to the extent they formerly did. Revitalizing representative democracy obviously requires an input of participatory institutions, such as decisive referenda and forms of popular initiative. However, Finland's political parties have so far shown no real intention to recognize the need for such measures. Finland's long-established representative democracy is in need of change related to the very nature and foundations of the system. Attempts are now underway to reform the electoral system and to make it still more proportional. While this endeavor is praiseworthy in itself, it is clearly not enough. More demanding efforts at political engineering are called for.

External and internal security as well as foreign policy poses important challenges to the Finnish political system. First, Finland's proximity to Russia is a key problem, calling for a solution in terms of alliance politics. However, there is a marked resistance to membership in NATO by the public. This has obvious spill-over effects on the attitudes of the political parties, for which NATO is a foreign policy option but not at present a policy. Second, current institutional arrangements in Finland divide the management of foreign affairs (EU affairs not included) between the president and the government. Besides being unnecessary and potentially faulty in terms of constitutional logic, this dual leadership creates uncertainty abroad and at home over foreign policy competencies. Divergent

opinions exist between the government and the opposition as regards the functionality and desirability of the dual leadership arrangement. An attempt to resolve conflicts between the main parties via political committee in 2009-2010 achieved only marginal success. Given that constitutional amendments require qualified majorities, the arrangement is now likely to remain for years to come. Third, Finland's willingness to integrate foreign immigrants has been clearly limited, and recent polls indicate that about 60% of the population is opposed to continued foreign immigration. Since the ageing of Finland's population has negative implications on the workforce, an immigration policy must be rapidly assumed that promotes work-based immigration. However, the pending 2011 national elections and public opinion being what it is, political parties now hesitate to engage in drastic measures to promote immigration.

The executive capacity is noteworthy. Several factors and circumstances promote strategic governance; there is a fair degree of interministerial coordination; the government office has an independent evaluation capacity; and a large majority of cabinet issues are reviewed first by cabinet committees and working groups. Furthermore, interest associations and organized interest groups are widely consulted during the preparation of legislation. However, the local government sector still confronts problems as far as executive capacity is concerned. Tasks delegated to the municipalities are not adequately funded. It still remains an open question to what extent reforms aiming at reducing drastically the number of local government units and aiming also at restructuring administrative borders and divisions will really achieve a sounder economic basis and increased efficiency. The attempts at restructuring administrative geographies have not sufficiently considered the potential negative consequences for the rights of the Swedish-speaking population of Finland, which according to the constitution, must enjoy equal rights with the Finnish majority.

Status Index

I. Status of democracy

Electoral process

Candidacy
procedures
Score: 10

The electoral process in Finland is free and fair. Since 2000, the constitution has included 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 the right of nomination. Still, the role of these associations has been marginal.

In a similar manner, candidates for presidential elections can be nominated by any political party that is represented in the Finnish parliament at the time of nomination. Candidates may be nominated 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 5,000 supporters, a party may be registered anew.

Citation:

Dag Anckar and Carsten Anckar, "Finland", in Dieter Nohlen and Philip Stöver, eds. *Elections in Europe. A Data Handbook*, NOMOS, 2010.

Media access
Score: 10

The access of candidates and parties to media and means of communication is fair in principle, but practical considerations that relate to limitations in terms of time and channel space restrict somewhat the access of smaller parties and their candidates to television debates and appearances. Given the increased impact of such appearances on electoral outcome, this bias in terms of access is somewhat problematic from the point of view of fairness and justice. However, the restrictions are in terms of size and importance only 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 the economic resources

for campaign management of parties and individual candidates. Candidates are, however, required to report their sources of income used for campaigning.

Voting and
registrations rights
Score: 10

Electoral provisions stipulate universal adult suffrage with secret elections; the voting age is 18. Voting is not compulsory. Finnish citizens living abroad are entitled to vote, but foreigners living in Finland cannot vote, although permanent residents may vote in municipal elections. The population registration center maintains a register on persons eligible to vote and sends a notification to those included in the register; thus citizens do not need to register separately to be able to vote. A system of advance voting has been adopted since the 1978 parliamentary elections, and the proportion of ballots cast in advance has risen significantly. In the parliamentary elections of 2007, advanced polling stations were maintained at almost 400 locations all over the country. In the municipal elections of 2008, electronic voting was tested but will not be utilized in further elections. Instead, the government has decided to keep an option for Internet voting in the future.

Citation:

Dag Anckar and Carsten Anckar, "Finland", in Dieter Nohlen and Philip Stöver, eds. *Elections in Europe. A Data Handbook*, NOMOS, 2010.

Party financing
Score: 6

Ranking first for several years, Finland was ranked only fifth in Transparency International's Corruption Perceptions Index in 2009. This was because of secretive political financing scandals in 2008 and again in 2009. Parties and politicians were accused of violating the law by failing to disclose the source of campaign funds; also, the law in question was faulted for lacking any penalty for violations. An opinion poll showed that 60% of respondents said politicians' credibility had dropped as a result of the scandals, and there was much speculation about whether business executives and others had been donating money to campaigns in order to garner favorable political decisions. In consequence, the parties have decided to open their records, and the government has been drafting new campaign finance legislation that will force the political elite to disclose political money sources and will also provide for independent and efficient monitoring.

Citation:

Kyösti Karvonen, "Finnish Parties Learn Glasnost the Hard Way"; <http://Finland.fi/Public/default.aspx?contentid=169121&nodeid=41805&culture=en-US>

Access to information

Media freedom
Score: 10

The independence of media is nowadays a matter of course in Finland. Media independence is guaranteed by the Act on the Exercise of Freedom of Expression in Mass Media from 2003 and supported by public and political discourse, in which free and pluralist media is considered an important means for debates among citizens and the formation of public opinion. According to Reporters without Borders' Worldwide Press Freedom Index 2009, Finland was ranked first along with Denmark, Ireland, Norway and Sweden. Finland's national broadcasting company, Yleisradio, is a public broadcaster 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 radio channels and some 25 regional radio stations. In their operation, freedom of speech is regarded a political right and broadcasting activities an impartial means for the mediation of differing opinions and debates.

Citation:

<http://en.rsf.org/press-freedom-index-2009,1001.html>

Media pluralism
Score: 10

Finland's media landscape is indeed pluralistic, as the country supports a large number and variety of newspapers and magazines. According to Freedom House's 2008 press freedom survey, Finland boasts an impressive newspaper readership, ranking third in the world for circulation in relation to population. Two hundred newspapers are published, 31 of which are dailies. Previously a good portion of newspapers were financially and ideologically connected to political parties and acted as mouthpieces for the respective parties. This has now changed, and already in 1998 independent newspapers represented no less than 95% of the total circulation. As a rule, newspapers are privately owned but publicly subsidized; the ownership structure is therefore diversified. The position of regional newspapers remains strong, and they provide a great variety of print media at the national and the regional level. In 2004 parliament liberalized a media law that had placed restrictions on Internet publishers and service providers; the Internet is now open and unrestricted and more than 60% of all citizens have regular access. In 2009 Finland defined Internet access as a universal service that must be available to everyone. 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 govt.
information
Score: 10

The public's access to government information is in principle unrestricted. In accordance with the Finnish constitution of 2000, 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 for some compelling reason been restricted by a government act. However, special categories are secret and exempt from release, including documents that relate to foreign affairs, criminal investigations, the police or the security police, military intelligence and so on. Such documents are usually kept secret for a period of 25 years, unless otherwise provided by law. Finland was also among the first countries to sign the Council of Europe Convention on Access to Official Documents in 2009. The act on the openness of government activities (1999) stipulates that persons asking for information are not required to provide reasons for their request; responses to requests must be made within 14 days. Appeals to any denial can be made to a higher authority and then to the Administrative Court. The chancellor of justice and the parliamentary ombudsman can also review the appeal. Most probably, the policy of openness and electronic access is a key reason for the low levels of corruption in Finland.

Civil rights

Civil rights
Score: 10

Civil rights are widely respected and protected in Finland. Since the early 1980s, Finland has received the highest possible rankings on civil rights in annual freedom rankings by Freedom House. The law provides for freedom of speech, which is also respected in practice. Furthermore, Finns enjoy full property rights and freedom of religion, with the government officially recognizing 55 religious groups. Freedoms of association and assembly are respected in law and practice; workers have the right to organize, bargain collectively and strike.

Political liberties
Score: 10

Political liberties are effectively protected in Finland, and Finland has for decades now received the highest scores concerning political rights and civil liberties in Freedom House surveys. Finnish law provides for freedom of speech, and this freedom is upheld in practice. Finns also enjoy freedom of religion, and freedoms of association and assembly are upheld in law and in practice. Workers have the right to organize, bargain collectively and strike; approximately 80% of workers belong to trade unions. Women enjoy equal rights and liberties in Finland. The criminal code covers ethnic

agitation; human trafficking is a criminal offense. The constitution guarantees the indigenous Saami population (less than 1% of the population) cultural autonomy and the right to pursue their traditional livelihoods.

Non-discrimination
Score: 9

Rights of ethnic and religious minorities are as a rule well protected in Finland, and the criminal code covers ethnic agitation as well as penalizes 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 are the two national languages of Finland. Implemented and still pending reforms of the regional administrative apparatus, however, are in some violation of the rights of the Swedish-speaking population. The Aland Islands, whose inhabitants speak Swedish, have for historical reasons extensive autonomy and a parliament of their own, as well as one permanent seat in the national legislature. All in all, Finland has often been seen as a forerunner concerning its efforts to put forth an effective minority protection policy.

Cases of discrimination are rare. However, ethnic minorities and asylum seekers report occasional police discrimination, and Finland has on occasion been found 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 avoiding and circumventing Russian interference in Finnish affairs. From this emerged a political culture which demands legal certainty, condemns any fusion of public and private interest and prevents public officeholders from abusing their position for private interests.

Judicial review
Score: 9

Clearly, the predominance of the rule of law is weakened by the lack of a constitutional court in Finland. The need for one has been discussed from time to time, but plans have always been blocked by leftist parties. The parliament's Constitutional Law Committee has in fact acquired a position that resembles that of a constitutional court in other countries. The implication of this is that parliament is controlled by an inner-parliament, and this makes the Constitutional Law Committee arrangement a poor compensation for a regular constitutional court. Also, although courts are independent in Finland, they do not decide on the constitutionality and the conformity with law

of acts of government and administration. 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.

Appointment of justices
Score: 3

There are three levels of courts: local, appellate and supreme. The final court of appeal is the Supreme Court; there is also a supreme administrative court as well as an ombuds office. The judiciary is independent from the executive and legislative branches. Supreme Court judges are appointed to permanent positions by the president of the republic; they are independent of political control. Supreme Court justices appoint lower court judges. The ombudsman is an independent official elected by parliament. The ombudsman and deputy ombudsman investigate complaints by citizens and conduct investigations. While formally transparent, the appointment processes do not stir up much attention and are not fully covered in media.

Corruption prevention
Score: 9

Since 2000 Finland has been ranked as one of the countries with the lowest level of perceived corruption in Transparency International's annual Corruption Perceptions Index. In 2009, Finland ranked sixth in the world. Since May 2005, a law criminalizing the acceptance of a bribe was made effective. The auditing of state spending is strict. In a like manner, corruption rarely occurs in the economic sector. In 2008 and 2009, however, several political corruption charges were brought to light; Prime Minister Matti Vanhanen and other politicians were involved in campaign funding scandals. This inspired discussions on campaign financing and bribery laws.

Citation:

http://www.transparency.org/policy_research/surveys_indices/gcb

<http://www.freedomhouse.org/>

II. Policy-specific performance

A Economy

Economy

Economic policy
Score: 9

At the onset of the global economic crisis in 2008, Finland's economy was in a good position. However, owing to the recession, public

finances fell into deficit, and in 2009 the economy contracted by 7.6%. In the coming years, it will be a challenge of economic policy to work out and implement a post-recession exit strategy, in which measures that support growth are combined with general government adjustment measures; however, the impact of the recession on public finances has been so considerable that it will take a number of years to recover. Also, the aging of Finland's population sets restrictions for economic growth and at the same time poses a challenge for the sustainability of public finances, especially as it comes to financing pensions.

A stability program was endorsed by the government in February 2010, which presented Finland's economic policy objectives and projected implementations up to 2013. Whereas the general decline in the economy now seems to have leveled off and a gradual growth in GDP is expected, the recession will leave an enduring mark on the balance of general government finances and its debt ratio. The general government deficit is expected to deepen in 2010 to 3.6% of GDP: the debt-to-GDP ratio will rise to over 56% by 2013. Finland's medium-term target for general government is set in the program at a structural surplus of 0.5% of GDP; however, this objective will not be achieved without new and significant additional measures.

Citation:

Ministry of Finance, "Stability Programme Update for Finland"; http://www.vm.fi/vm/en/03_press-releases_and_speeches/01_press_releases/2010204Stabil/name.jsp

Labor market

Labor market policy
Score: 7

Labor market policy in Finland has been only partially successful in implementing strategies against unemployment. The achievements in terms of, for instance, long-term unemployment, low-skilled unemployment, youth employment and elderly employment are satisfactory, but far from excellent. This is due to several interrelated factors. Finland is a large but sparsely populated country, and geography therefore becomes an obstacle to the smooth mobility of the labor force. Also, globalization has turned into a threat against labor market strategies, as companies out of cost-related considerations are moving their production facilities to an increasing extent outside the country, contributing to unemployment and weakening job security. Concerning labor market regulations, a system of minimum wages and collective agreements are operating, but more attention should be given to matters of dismissal protection. In many sectors, temporary work contracts make it difficult for

employees to plan and organize their careers and lives. In the current assessment period, the government has among other things set off an amendment of a program on wage subventions for employing unemployed persons under the age of 25. Furthermore, a strategy for more flexicurity in the labor market was implemented in June 2009 and a development strategy for the creative economy was set up in October 2008.

Citation:

Ministry of Employment and the Economy 2009: Flexicurity and common principles of flexicurity. http://www.tem.fi/files/24012/Flexicurity_and_common_principles_of_flexicurity160609_en_final_.pdf

Ministry of Employment and the Economy 2008: Development Strategy for the creative Economy.

Enterprises

Enterprise policy
Score: 8

Enterprise policy has managed to clear the way for a high degree of competitiveness, and Finland ranks ninth in the IMD World Competitiveness Scoreboard 2009 and sixth in the World Economic Forum's Global Competitiveness Index 2009-2010. Finland has also been fairly successful when it comes to eliminating bureaucratic red-tape and market regulation. The Ministry of Trade and Industry bears the overall responsibility for the promotion of exports and the internationalization of enterprises, as well as managing export promotion policy to ensure that Finnish enterprises have at least equal internationalization conditions and operating possibilities in the market compared to competitors. With public services and subsidies, enterprises operating in the home market are encouraged to internationalize their business. Enterprise policy has internalized the thought that economic growth is closely linked to the development of technology and its innovative applications. As evident from the good Finnish competitiveness performance, inputs in the development of technology and innovation have indeed created preconditions for sustainable economic growth. The environment for innovation has been developed in a way which not only responds to changes but also foresees future needs.

Citation:

"World Competitiveness Scoreboard 2009"; <http://www.imd.ch/research/publications/wcy/upload/scoreboard.pdf>

"World Economic Forum. The Global Competitiveness Report 2009-2010";

Taxes

Tax policy
Score: 9

Taxation policies in Finland are well-balanced and perform effectively. Adjustments in recent years have made the taxation system less complex and more transparent and at the same time, the tax burden of wage earners and pensioners has been diminishing. While demand for vertical equity is fully satisfied, the same is less true of horizontal equity. By and large, taxation policies are competitive and generate sufficient revenues. As evident also from the low degree of tax evasion as compared to many other countries, taxation policies are approved by the public, which largely regards taxation as a necessary means for securing the continued health of the country's welfare state.

Budgets

Budget policy
Score: 9

The collapse of markets in the Soviet Union caused an economic crisis in Finland in the early 1990s, and the level of indebtedness increased sharply. However, a fiscal consolidation program significantly reduced expenditures, and Finland enjoyed budget surpluses and was able to pay down accumulated debt. Finland's net debt management strategy has been successfully implemented despite the challenges created by the current international financial crisis and has maintained an even exemplary low debt-management strategy. As a result, the Finnish state's debt management strategy and risk management are used as a benchmark for other countries. The level of indebtedness has been reduced to less than 30% of GDP, and according to a poll among international banks, Finland had the most impressive sovereign funding team of 2009. However, economic growth must be improved further to offset the impact of the country's aging population. The budgetary situation of municipalities has become more fragile.

Citation:

"Finland's Debt Management Praised Despite Global Financial Turmoil";
http://www.investinfinland.fi/why_finland/economy/en_GB/debt/

B Social affairs

Health care

Health policy
Score: 8

Health policies in Finland have certainly promoted some aspects of public health, the very low level of infant mortality being one example and an efficient health insurance system being another. Other aspects, however, remain neglected. In particular, the ageing of the population and non-sufficient local government resources for health care have led to problems. The system of a low-cost, basic health care plan covering all medical needs and provided by communal health care agencies is challenged by a shortage of physicians willing to work for public health care centers. Many formerly municipal clinics are now run by private companies, which also provide physicians with more attractive employment conditions. The government is therefore challenged to maintain basic health care as well in rural regions. Shortcomings in municipal basic health care especially affect persons who are not covered by occupational health care (such as the chronically ill, the unemployed, the elderly and the poor).

These problems are clear and preventive measures have been scheduled in planning documents, as is evident from the high spending input in Finland during recent years on preventive and health programs. A central document is the 2015 public health program, which outlines targets for Finland's national health policy. The main focus of the strategy is health promotion and prevention strategies, rather than developing the health service system. The program is a cooperation venture which provides a broad framework for health promotion across different sectors of administration and acknowledges that public health is largely determined by factors outside health care, such factors being, for instance, lifestyle, the environment and product quality. Concerning future measures for promoting health care information, Finland's national objective is to secure the access of information for those involved in care, and the means used to achieve this objective have included a comprehensive digitalization of patient data as well as the development of the national health care infrastructure and information network solutions.

Citation:

Government Resolution on the Health 2015 Public Health Programme. Helsinki: Publications of the Ministry of Social Affairs and Health, 2001.

Social inclusion

Social inclusion
policy
Score: 8

Social policy has largely prevented poverty in Finland. In terms of poverty rate and life satisfaction, the Finnish rankings are excellent from a comparative point of view. The Finnish income redistribution system has in fact proved to be one of the most efficient in the European Union when it comes to poverty reduction. Still, although there is no absolute poverty in Finland, relative poverty prevails. Generally speaking, of those who have experienced poverty, one-third are subject to persistent poverty, another third to occasional poverty and a final third to borderline poverty. During recent years and due to the economic crisis, the number of people exposed to long-term unemployment has been increasing, and this, of course, adds to the general level of poverty. Interestingly, there is a strong consensus in the Finnish population on the causes of poverty, as Finns have blamed the flaws and inadequacies of the labor market and thus emphasize a structural explanation of poverty. The National Action Programme of Finland, within the framework of the European Year for Combating Poverty and Social Exclusion 2010, identifies the following key objectives: enhancing child welfare, reducing health inequalities, combating the risk of poverty of older women living on national pensions, as well as structural unemployment affecting elderly men in particular.

Citation:

Mikko Niemelä, "Perceptions of the Causes of Poverty in Finland", *Acta Sociologica*, 2008, vol. 51, nr 1, pp. 23-40.

Ministry of Social Affairs and Health 2009. The National Action Programme of Finland. http://www.stm.fi/c/document_library/get_file?folderId=336356&name=DLFE-9350.pdf

Families

Family policy
Score: 9

The state contributes to the expense of raising children by offering financial support and child care arrangements, including a family leave system as well as maternity grants, child maintenance support, child care allowance, subsidized day care and so on. While such efforts have practically eradicated child poverty, the fertility rate has for some time not been encouraging and the number of families with children has declined. In 2008, however, a turning point in fertility was reached as the largest number of babies in the 10 preceding years was born. As female employment is high, family policy has not yet fully succeeded in solving the challenge of how to combine parenting

and employment. The erosion of a traditional family structure in recent years has certainly added to the difficulties, creating single-parent households in which the mother or father works full-time. Primary child care responsibility still falls to women, and mothers opt for part-time employment more often than do fathers. Policies encouraging more men to opt for parental leave are therefore needed, as are more flexible child care options for parents working full-time. In the face of municipal austerity it has been discussed whether the right for child care should be restricted only to parents who are employed. So far, the Ministry of Social Affairs and Health adheres to the universal right on child care after parental leave.

Pensions

Pension policy
Score: 9

Pension policy in Finland has been successful. The pension system has two pillars, a residence-based national pension and an employment-based, earnings-related pension. In addition, private pension schemes exist. The mixture of public and private pension schemes appears functional and able to mediate unfavorable outcomes. For instance, in regards to the poverty rate for people aged 65 or older, Finland has been able to steer clear from the classic problem of poverty in old age. Still, the population in Finland is ageing, which creates problems in terms of labor force maintenance as well as fiscal capability. A reform of the pension system in 2004-2005 aimed at a more flexible policy and at creating incentives for older workers to keep working until 68 years of age. Preliminary evaluations indicate that the reform might be successful, and the employment rate of older individuals has been increasing. However, pension levels have increased only marginally and the purchasing power of retirees has been decreasing relative to that of wage earners. A recent attempt from a part of government to raise the pension age has been received unfavorably from opposition parties and labor market organizations, and will most probably fail.

Integration

Integration policy
Score: 7

Whereas the Finnish immigration policy previously dealt with humanitarian concerns, focusing on refugees and return immigration, it has lately assumed the task of promoting work-based immigration. During the last 10 years or so, the number of foreigners in Finland has almost doubled. However, the number is still low in absolute terms. Several factors, like geography, the difficulty of learning the Finnish language, and also prevailing negative attitudes toward immigrants in society at large, have prevented large-scale immigrant

inflows. Finland's willingness to integrate foreign immigrants has perhaps not been overwhelming and integration policies have been only partly successful. Foreign-born unemployment is still high: whereas a good 70% of immigrants satisfy labor-force age requirements, only a good 40% are actually employed. The figures for foreign upper-secondary education and foreign-born tertiary attainment are less than impressive, and immigrant education levels remain lower than those of Finnish natives. The rules for the acquisition of nationality are strict, and are duly enforced. In the period under assessment, no major governmental initiatives in migration and integration policy were made.

C Security

External security

External security
policy
Score: 8

The external security strategy of Finland relies heavily on the country's own military forces, which are based on compulsory military service, high standards of technical equipment and general support on behalf of the citizenry for defense policy. Given its history, the potential security risks related to neighboring Russia are observed closely. While the current external security policy is functional and very effective in terms of cost/benefits, joining NATO remains a serious option for the country's future security policy. As long as NATO remains just an option and not a policy, however, Finland's external security policy revolves for the most part around the EU's Common Security and Defense Policy. Cooperation in security-related issues with the Nordic countries remains an important pillar as well. More generally, Finland endeavors to strengthen multilateral cooperation and international law as well as to increase global security by reducing inequality and social exclusion.

Internal security

Internal security
policy
Score: 8

Finland's achievements in internal security are satisfactory. In fact, although the rate of violent crime, with homicides in particular, is relatively high, Finland is still one of the safest countries in Europe. As evident from opinion polls, citizens tend to regard the police as the perhaps most reliable institution in society. While expenditures on public order and safety are still fairly modest, Finland certainly has the preparedness to identify problem areas and take measures to eliminate them. In 2004, the government established the first program on internal security. This program conjoins security matters from a

cross-sectoral perspective and takes account of security challenges in all areas of society, from social cohesion over border security to environmental matters. The first internal security program was modified and expanded in 2007. A national civilian crisis management strategy has also been initiated by the current government.

D Resources

Environment

Environmental
policy
Score: 8

The Finnish performance in terms of sustainability has been good, although not excellent. A concern for environmental issues is a part of the public consciousness in Finland, and large-scale efforts since the 1970s at institution-building for the purpose of enhancing environmental policy have in several respects proved to bear fruit. For instance, nature reserves have been established, and the protection of forests is instituted. Furthermore, less-polluting technologies have been introduced in the industrial sector. Still, Finland has, because of climate factors, quite specific problems to tackle and the rather modest achievements in terms of emission and energy spending must partly be seen against this background. Obviously, these geographical factors will create obstacles to pursuing a truly effective environmental policy in the future.

The most influential but also the most contested policy decision in the period under assessment concerns the building of new nuclear energy plants. The current government endorses two new nuclear energy plants within the framework of its energy and climate strategy. Public opinion is divided; nearly half of the population is opposed to building new nuclear plants. Another major policy initiative during the assessment period regards the reform of legislation on waste treatment and responsibilities.

Research and innovation

Research and
innovation policy
Score: 9

Finland is a forerunner in terms of R&D spending, and has held this position for several years. The results have been quite impressive considering indicators such as science and technology degrees and triad patents, yet perhaps less so in high-tech employment. Still, Finland's reputation as a high-tech country is well-earned. However, the focus of R&D has been about 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 of course being dependent on the level and

achievements of basic research, this bias will no doubt have negative consequences for product development and productivity. Moreover, the technology transfer from universities to industry leaves something to be desired and academic entrepreneurship is not well developed. The government has launched a national innovation strategy which will attempt to enhance the environment for innovation and improve competitiveness.

Education

Education policy
Score: 10

Investing in education has been central to Finland's efforts for 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 in all education provisions. Basic education is free, and municipalities are responsible for providing education to all local children. Also, basic education must be provided near a pupil's home. There are about 4,000 comprehensive schools in Finland, and each year some 60,000 children start the first grade. By and large, the education system has met with undeniable success. In the OECD's Program for International Student Assessment (PISA), Finland has consistently been among the highest scorers worldwide, and in tertiary education, the World Economic Forum has ranked Finland first in the world in enrollment and quality and second in mathematics and science education. There are some 20 universities and some 30 polytechnics in the country, and although entrance examinations require a relatively high level of knowledge, some 60% to 70% of each annual cohort enters higher education. However, the need to adapt to present globalization processes in the field of education tends to blur the distinction between vocational and academic qualifications, and may pose in the future a threat to the quality of the Finnish system.

Management Index

I. Executive Capacity

A Steering capability

Strategic capacity

Strategic planning
Score: 8

Strategic planning has considerable influence on decision-making. Strategic goals of the government program are recorded in specific government strategy documents. These strategy documents refer to a one-year period and include a plan for pursuing the priority goals, notice of intent for key decisions to be made and indicators for evaluating the government's performance in achieving its strategic goals. The implementation of the government program is assessed by a half-time report which defines how strategic goals should be reached in the remaining cabinet period. The Prime Minister's Office assists the prime minister and the government in their work, and is also responsible for the planning of social policy legislation that does not fall within the competence of any other ministry. The cabinet launches policy programs that cover broad-based inter-sectoral issues to ensure the attainment of the government's key objectives; the preparation and monitoring of the programs are delegated to ministerial groups. During the legislative period, government presents a long-term report on the future to the parliament; this report is jointly prepared by ministerial and specialist working groups. In addition, the parliamentary Committee for the Future deals with long-term strategic planning.

Scholarly advice
Score: 6

Scientific advice is organized mainly informally; for example, by consulting scientific experts for committee report drafts. Some formal bodies, such as temporary working groups, ad-hoc committees and permanent councils, also exist. In general, different permanent and non-permanent committees play an important role in structuring scientific advice in government decision-making. An example of a permanent group that advises the government and ministries in research and technology matters is the Science and Technology Policy Council. Attempts at steering research in other terms than those pertaining to a topic alone are as a rule regarded rather unfavorably by the scientific community. Yet academics in the field of

international politics used to participate in policy preparations and in networks of the foreign policy and security policy administration, and law representatives are employed often as experts in parliamentary committee hearings. In contrast, the social sciences in Finland have generally adhered to orientations that seek to uncover, explain and criticize rather than assist and support government efforts.

Inter-ministerial coordination

GO expertise
Score: 9

Being a ministry by itself, the Prime Minister's Office (PMO) certainly has an evaluation capacity. The decree on the PMO from 2003 enumerates 26 task areas, several of which indicate this capacity. Among these are the coordination of the work of government and parliament, the management and monitoring of the cabinet program, the preparation of general guidelines of Finnish EU policy and the preparation and handling of issues relating to the European Union in the ministries, the preparation of reports on measures taken by government, the coordination of communications from the government and the various ministries, the planning of future-oriented social policies, the promoting of cooperation between government and the various branches of public administration, and so on. The PMO has a secretary of state, an undersecretary of state and is well-staffed with several departments for the managing of specified tasks.

GO gatekeeping
Score: 8

The Prime Minister's Office (PMO) can return items envisaged for the cabinet meeting on policy grounds. Due to the fact that the PMO coordinates draft making and arranges also the agenda for the cabinet sittings, it does not often occur that the PMO returns items. The rule is that line ministers can place items on the cabinet meeting agenda even against the wishes of the prime minister. The handling of conflicts can be delicate, especially in cases when the prime minister and the line minister represent different parties and perhaps differing political interests which need to be reconciled. Yet controversial items are often discussed in informal meetings beforehand. Especially the institutionalized unofficial meeting of the cabinet which is led by the prime minister (the *iltakoulu*, or evening session) has an important function in consensual decision-making. In any case, the position of the prime minister is not dominating. The position is a leadership position, but a leader among equals and decision-making must depart from the task of building consensus between colleagues. A model which gives the government office the right automatically to return items does not fit the Finnish political reality.

Line ministries
Score: 9

The guiding rule in Finland is that each ministry is, within its mandate, responsible for the preparation of issues that fall within the scope of

government and also 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 Prime Minister's Office (PMO) 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 inter-sectoral subject matters in the cabinet program are a concern for the PMO as well as the line ministries, and efforts must be coordinated. Also, as decision-making is collective and consensual in nature, attempts from the part of line ministries to place items on the cabinet agenda without involving at least to some extent the PMO in preparations are foredoomed to failure. This is partly for political reasons, as the broad-based coalition governments in Finland amalgamate and encapsulate ideological antagonism and thereby prevent a fragmentation along ministerial and sectoral lines.

Citation:

Jaakko Nousiainen, *Politiikan huipulla. Ministerit ja ministeriöt Suomen parlamentaarisessa järjestelmässä*. Porvoo: Werner Söderström Osakeyhtiö, 1992, p. 163.

Cabinet committees
Score: 10

Cabinet committees effectively prepare cabinet meetings. The government has four statutory cabinet committees, namely the Committee on Foreign and Security Policy (which meets also with the president whenever current business requires so), the Committee on European Union Affairs, the Cabinet Finance Committee, and the Cabinet Committee on Economic Policy. All these committees are chaired by the prime minister. In addition, there are various ministerial working groups, and the present (Prime Minister Matti) Vanhanen II cabinet has established 10 such groups. The task of these committees and groups is to prepare cabinet meetings, and the task is facilitated in terms of consensus-building by the structures encompassing and involving a rather large number of ministries and interests. For instance, there are seven ministers in the Committee on Foreign and Security Policy, and nine ministers in the Committee on European Union Affairs. In all, a large majority indeed of important cabinet issues are reviewed first by cabinet committees and working groups.

Senior ministry
officials
Score: 10

Senior ministry officials prepare cabinet meetings. A large-scale political science investigation of the internal politics and practices of the cabinet and ministries emphasizes that ministers are dependent on senior officials and senior officials are dependent on ministers. One expression of this mutual dependence and the trust and confidence that follows in its wake was, according to the same investigation, that ministers do not necessary pay much attention to

all matters but trust in the collaborative preparatory work that is done in the ministries on a civil servant level and is operationalized in the reports prepared by the servants. This work extends to practically all cabinet agenda items: indeed, senior ministry officials prepare effectively cabinet meetings.

Citation:

Jaakko Nousiainen, *Politiikan huipulla. Ministerit ja ministeriöt Suomen parlamentaarisessa järjestelmässä*. Porvoo: Werner Söderström Osakeyhtiö, 1992, p. 128.

Line ministry civil servants
Score: 9

As it comes to policy programs and similar inter-sectoral issues, coordination between civil servants of separate ministries is a matter of course. In specific matters coordination may even be dictated. For instance, statements from the Ministry of Finance must be obtained on matters under preparation in other ministries in case these matters carry economic and financial significance. 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 it is therefore the task of a minister or a ministry to bring projects which are financially burdensome or sensitive from a party political point of view to a collective examination and testing.

Informal coordination procedures
Score: 9

Inter-sectoral coordination has generally been perceived as an important issue, but rather few institutional mechanisms have in fact been introduced. One of these is the so-called *iltakoulu*, or evening session, which is an unofficial negotiation session of the cabinet. To a considerable extent, though, coordination proceeds through informal mechanisms. The recent large-scaled policy programs enhance inter-sectoral divisions in policy-making and administration. Additionally, Finnish EU membership has of course brought forth a need for an increased interministerial coordination. Recent research in Finland has only marginally focused on informal mechanisms. Separate case studies suggest, however, that the system of coordination by advisory councils in use has performed well.

Citation:

Antti Pelkonen, Tuula Teräväinen and Suvi-Tuuli Waltari, "Assessing Policy Coordination Capacity: Higher Education, Science and Technology Policies in Finland". *Science and Public Policy*, Vol. 35, no. 4, 2008, pp. 241-252.

RIA

RIA application
Score: 9

The government-adopted bill in 2004 drafted instructions wherein impact assessment was set to be part of the Finnish legislative drafting process. The RIA process is described in several guidelines. In the preparatory drafting stage, different impact areas are identified. The assessment looks at economic impacts, impacts on public administration as well as environmental and social impacts. A follow-up of the effects of the implemented reform is too part of the impact assessment procedure. The results of the impact assessment are written down in the statement of reasons in the government bill.

The present government has decided in 2009 to retain the system of program management that has been used since 2007. The system encompasses three inter-sectoral policy programs: the Policy Program for Employment, Entrepreneurship and Worklife, the Policy Program for Health Promotion and the Policy Program for the Wellbeing of Children.

The policy programs and the strategy document provide information on issues under 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 sector research. The issues under special monitoring 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; preparing for population ageing; broad-based security and Finland's international status. The Prime Minister's Office produces in collaboration with other ministries an impact assessment and a follow-up report on the aforementioned issues and policy programs for the use of an end-of-term government policy-review session.

Citation:

http://www.tem.fi/files/25972/The_Impact_Assessment.pdf

<http://www.om.fi/35780.htm>

<http://www.tem.fi/?l=en&s=2089>

Needs analysis
Score: 10

The RIA deals with the intended positive and negative effects and the costs and benefits of a bill in the drafting process to give all drafting parties a comprehensive view of the possible impacts. Guidelines and assessment instructions are concise and lead to a deep analytical look of the assessment. For example, in the assessment of business impacts, the impacts of regulation and various implementation alternatives must be examined especially with respect to companies' costs and earnings, competition between

companies, the functioning of the market, growth opportunities, company investment and innovation and companies' international competitiveness.

Citation:

[http://www.om.fi/en/Etusivu/Parempi saantely/Vaikutustenarviointi](http://www.om.fi/en/Etusivu/Parempi%20saantely/Vaikutustenarviointi)

Alternative options
Score: 9

The examination of various implementation alternatives is part of the legislative drafting process and closely connected to impact assessment. The impact assessment analyzes alternative process options with analytical depth and within the scope of effects, costs and benefits analyses.

Citation:

[http://www.om.fi/en/Etusivu/Parempi saantely/Vaikutustenarviointi](http://www.om.fi/en/Etusivu/Parempi%20saantely/Vaikutustenarviointi)

Societal consultation

Negotiating public
support
Score: 10

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

Policy communication

Coherent
communication
Score: 8

Since the position of the prime minister is one of primus inter pares rather than one of absolute leadership, it is natural that the government's attempts at speaking with one voice are advanced through discussion and consultation rather than through directives and commands. Furthermore, as directives and commands would easily come into conflict with the principle of freedom of speech, such communication would probably be regarded as illegitimate and foster opposition. In practice, therefore, contradictory statements are rare. Interestingly enough, such dissenting voices have lately tended to be heard in regards to foreign policy, a sector that earlier in post-war Finland was marked by unanimous anxiety and servility.

B Policy implementation

Effective implementation

Government
efficiency
Score: 9

Given that Finland is governed by broad-based coalition governments that command decisive majorities in parliament, the political conditions for satisfactory government implementation are good indeed. In general, the (Prime Minister Matti) Vanhanen II cabinet achieved most of its policy objectives. Of course the economic global crisis has hampered the cabinet efforts as regards employment targets. The government's own mid-term evaluation of its program from February 2009 also identified further shortcomings, including the situation of socially excluded children and inequalities in health care. While performing reasonably well in terms of general competitiveness, Finland placing sixth overall in the 2005 IMD World Competitiveness Yearbook and ninth overall in 2009, the country's economic performance ranking was less successful. While Finland ranked 30th in 2005 and 36th in 2008, the overall rank in 2009 was 40th.

Citation:

"World Competitiveness Online"; http://www.imd.ch/research/publications/wc/wcy_online.cfm

Valtioneuvoston kanslia 2009. Hallitusohjelman toimeenpanon arviointi hallituskauden puolivälissä. Hallituksen strategia-asiakirjan seuranta. Valtioneuvoston kanslian julkaisusarja 14/2009. <http://www.vnk.fi/julkaisukansio/2009/j14-hallitusohjelman-toimeenpano>

Ministerial
compliance
Score: 9

Ministers are committed to the government's program through several mechanisms. Government programs come about following negotiations between the political parties in government, and therefore its validity and steering capacity is supervised by coalition partners and line ministries. Cabinet agenda issues are in several cases prepared and coordinated in cabinet committees and informal groups and meetings. All items are preliminarily discussed weekly in the government's evening session, or iltakoulu, meetings, which precede formal cabinet meetings. In other words, ministers are closely watched as well as expected to be integral parts of cooperative units. They would find it difficult as well as unrewarding to pursue their own self-interests.

Monitoring line
ministries
Score: 8

Government monitoring of line ministries is mainly indirect in nature, and the same mechanisms that foster ministerial compliance tend to have monitoring functions as well. These include the preparation and

coordination of matters in cabinet committee meetings and meetings such as the government's evening sessions (iltakoulu). In general, the various forms of interministerial coordination fulfill monitoring functions as well. These forms are, however, interactions in terms of cooperation and consultation rather than monitoring in any strict sense. While the Prime Minister's Office does monitor line ministries, the monitoring is implicit rather than explicit.

Monitoring agencies
Score: 8

Some agencies, such as the National Funding Agency for Technology and Innovation (Tekes), operating under the Ministry of Trade and Industry, have a high degree of autonomy and monitoring takes place on a general level only. To monitor some other agencies, a balanced scorecard system is used. All ministries use result management practices to monitor the agencies in their respective task area. In addition, a newly introduced system of political undersecretaries of state is designed to foster the monitoring activities of individual ministers.

Task funding
Score: 6

Municipal governments have a right to assess taxes, and they in fact collect twice as much in personal income taxes as does the central government. A government grant/subsidy system enables local governments to provide public services in case their own tax revenue is insufficient. In essence, 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 however that some governments are unable to meet the standards without increasing taxes. Given that local government units differ greatly in size and resources, they are in unequal positions in terms of capacity and performance efficiency. A large-scale reform for municipalities and services, which started in 2006 and has led to a reduction of the number of municipalities from 415 to 348 in 2009, aims to, among other things, secure sufficient financing and efficient provision of services.

Citation:

Ministry of Finance: Kunta- ja palvelurakennemuudistus. http://www.vm.fi/vm/fi/05_hankkeet/025_paras/index.jsp

Constitutional
discretion
Score: 9

Municipalities in Finland have a long tradition of independence in specific policy areas, while also implementing policies of the central government. In particular, municipalities are responsible for the implementation of educational, health, social and infrastructural services. Municipalities may not be burdened with new functions or

financial or other obligations, nor may they be deprived of their functions and rights except by an act of parliament. The control that the state exercises over municipalities does not imply any general right of the state to intervene. Control may be exercised only in accordance with specific legal stipulations. Thus, subnational autonomy is guaranteed and protected by law. Still, the autonomy of local government may be curtailed by financial pressure.

National standards
Score: 7

Since local authorities have a right to fully make use of their constitutional scope of discretion, the central government has limited reach to ensure that national standards are consistently met on the municipal level throughout the country. Local government is separated from central government, and the municipal bodies are partly independent of the state. Appeals to administrative courts of decisions taken by local authorities are possible on grounds that the decisions were not made in proper order or were otherwise illegal. In certain and very few specific matters (environment, social care) or decisions by local authorities must be confirmed by state authorities. The ongoing reform of municipalities and services aims at a more effective provision of services also in periphery regions and at more sustainable municipal finances.

C Institutional learning

Adaptability

Domestic
adaptability
Score: 8

Most of the recent adaptations have occurred since 1995 in the course of EU membership. Finland was among the first wave of EU member states to adopt the euro. Domestic government structures have in several instances been adapted. The Grand Committee of parliament is tasked with preparing and dealing with EU matters. The EU secretariat responsible for the coordination of EU affairs was transferred from the Ministry for Foreign Affairs to the Prime Minister's Office in 2001, as its responsibilities were assumed by the government secretariat for EU affairs. Also, a coordination system has been established to ensure that Finland is able to present a coordinated position which is in line with its overall EU policy on issues under consideration in the European Union at each stage of preparation. This coordination system involves competent ministries, the cabinet committee on European Union affairs, the committee for EU affairs, which is an advisory and mediatory body in the coordination of EU affairs, and its various EU subcommittees. These subcommittees are sector-specific preparative organs and they constitute the basis for the promotion of EU affairs at the civil servant

International
coordination
Score: 8

level. So far European Union membership has not changed the country's long-standing, de facto commitment to a non-aligned status.

The participation of government in internationally coordinated activities has been satisfactory. Although Finnish troops have participated in U.N. peacekeeping activities since 1956, Finnish participation in U.N. Security Council missions has been fairly modest. A recent initiative by the Ministry for Foreign Affairs seeks to intensify Finland's involvement in peace mediation. Finland is also a candidate for a non-permanent seat on the U.N. Security Council for the term 2013-2014. In 2008, Finland held the chairmanship of the Organization for Security and Cooperation in Europe (OSCE). Neighboring area cooperation is an integral part of Finland's foreign policy and economic cooperation, and cooperation is carried out in accordance with Finland's strategy for cooperation in the neighboring areas, confirmed by the government in 2004. A new strategy for the arctic region has been prepared by a working group appointed by the Prime Minister's Office. A special area of involvement has been the Baltic states.

Since the Baltic states regained their independence, Finland has given considerable aid and technical assistance to the region, and has supported the Baltic states' accession to the European Union.

Organizational reform capacity

Self-monitoring
Score: 9

The government has decided to retain the system of program management that was introduced during the previous cabinet's term of office. This system encompasses three inter-sectoral policy programs, namely 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. The system also includes the government's strategy document procedure, applied to the promotion and monitoring of the government program. The policy programs and the strategy document provide information on issues under 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 sector research. In addition to the policy programs, the government pays particular attention to selected policy themes. The Prime Minister's Office produces, in collaboration with other ministries, an impact assessment and a follow-up report on the aforementioned issues and policy programs for the use of a mid- and end-of-term government policy-review session. An initiative for better regulation aims at more efficient, transparent and accountable procedures in the legislation and implementation process.

Citation:

"Monitoring of the Government Programme", <http://www.vnk.fi/toiminta/hallitusohjelma-seuranta/en.jsp>

Institutional reform
Score: 8

Although noteworthy changes in institutional arrangements in 2009-2010 have not been implemented, other recent re-arrangements certainly confirm the willingness and capacity of government to initiate institutional reform. The Ministry of Labor was merged as from January 2008 with the Ministry of Trade and Industry to form a new so-called super-ministry (Ministry of Employment and the Economy); in the same reform, regional development issues were transferred from the Ministry of the Interior to the super-ministry. Also, the financial monitoring and planning power of the Ministry of Finance was expanded as economic, administrative and information issues concerning municipal and regional governance were included in its jurisdiction. Sometimes government attempts to change institutional arrangements have met with failure: a proposal that the administration of copyright policies should be transferred from the Ministry of Education and Culture to the super-ministry gave cause to protests from copyright stakeholders, resulting in the copyright issues remaining within the jurisdiction of the Ministry of Education and Culture.

II. Executive accountability

D Citizens

Knowledge of government policy

Policy knowledge
Score: 7

Democracy requires that the public and its representatives have the means to hold government accountable. In this respect the Finnish situation is satisfactory, although not perfect or excellent. Information on governmental policies and decisions is widely available via the Internet and many policy fields are debated at great length in the mass media. Additionally, the consumption of newspapers is high. A weak spot is no doubt the evaluative and participatory competencies of the public. Recent surveys about the extent to which citizens are informed of government policy-making indicate that only about one-third of the Finnish electorate takes an abstract interest in politics; earlier research findings substantiate this result. Also, the legitimacy and trustworthiness of central political institutions, not least the

government, leaves a lot to be desired. One should note, though, that there are probably great differences between policy issues in this respect. Whereas some are widely debated in media and attract attention, hence foster knowledge on the subject, others remain largely unnoticed.

E Legislature

Legislative accountability

Obtaining documents
Score: 10

Reports drafted by committees 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 sessions. Given these tasks and functions, it follows that the government is expected to report in full its motives for proposing legislation, and that committees are able to obtain the desired documents from government upon request.

Summoning ministers
Score: 10

Committees are able to summon ministers to their hearings and do so regularly. Committee meetings 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 committee. Furthermore, when deemed necessary, committees invite the ombudsman or the deputy ombudsman or their representatives to a formal hearing as experts on questions of legislative drafting. In 2009, this happened on four separate occasions.

Summoning experts
Score: 10

Parliamentary committees are able to summon experts for committee meetings, and they do it regularly and to an increasing extent. A committee starts its work by hearing experts; each committee decides which experts to call in a particular matter. Besides ministerial representatives, further persons, who have assisted in preparatory work or speak for agencies, organizations and other interested parties of importance for the issue, are involved. The scope of hearings varies greatly. In some cases only one expert may be called, but in major legislative projects a committee may hear even dozens of experts.

Data from earlier research show that the committees consulted advisers in 1938 in 59% of all cases on which they prepared reports; the corresponding figure was 94% in 1960 and a full 100% in 1983. The number of experts consulted has likewise been increasing.

Citation:

“Committees”;

<http://web.eduskunta.fi/Resource.phx/parliament/committees/index.htm>;

Dag Anckar, "Finland: Dualism and Consensual Rule", in Erik Damgaard (ed.). *Parliamentary Change in the Nordic Countries*, . Oslo: Scandinavian University Press, 1992.

Task area
coincidence
Score: 10

A total of 15 permanent special parliamentary committees and the Grand Committee prepare government bills, legislative initiatives, government reports and other matters for handling in plenary session. 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 mainly for the handling of EU-related matters.

Audit office
Score: 10

Legislative accountability is advanced by the audit office being accountable to the parliament and being an integrated part of parliament. Formerly, parliamentary oversight of government finances was performed by parliamentary state auditors. However, this institution is now abolished. In its place is the parliamentary Audit Committee, which was created by combining the task of parliamentary state auditors with the related functions of the administrative and audit section of the Finance Committee. The office of the parliamentary state auditors has also been replaced by the National Audit Office of Finland, which is an independent expert body operating in connection with parliament. Its task is to audit the legality and propriety of the state's financial arrangements and 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 the auditor general who is elected by parliament. With about 150 employees, the Office comprises the financial audit unit, the performance audit unit, and the internal services unit.

Ombuds office
Score: 10

Parliament has an ombudsman office, consisting of one ombudsman and two assisting ombudsmen. Established in 1920, this office is the second oldest in the world. The office has a staff of more than 40 people. The 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 in regards to decisions by authorities, civil servants and others who perform public duties. The number of complaints decided on by the ombudsman has been increasing in recent years, the number of complaints being 4,373 in 2009 and 3,694 in 2008.

F Intermediary organizations

Media

Media reporting
Score: 8

By providing a continuous flow of information and background analysis, the main TV and radio stations in Finland offer substantive in-depth information on decisions taken by the government. This provision takes different forms, like inserts in regular news programs, special features, debates between proponents of conflicting views, debates between representatives of government and opposition, regular broadcasts of government hearings in parliament, and so on. Empirical information about program volume is not available, but subtracting for “infotainment programs,” between five and seven hours a week is a rough estimate.

Parties and interest associations

Party competence
Score: 8

The electoral programs of major parties propose plausible and coherent policies. Although there have been no systematic or analytical studies of the content of electoral programs from recent years, scattered evidence suggests that the electoral programs of the parties and their candidates are fairly well-structured in terms of problem diagnosis as well as problem-solving. Small-scale comparisons of party manifestos thus indicate structured reasoning and a capacity to formulate coherent policies. In itself, this state of affairs is not surprising. During earlier decades party politics in Finland was clearly ideological and confrontational. However, as the cleavages between classes diminished with the post-war social leveling with political parties turning into catch-all organizations, ideological overtones and manifestations were, for rational and vote-maximizing reasons, replaced with a more systematic, matter-of-fact based and problem-oriented political propaganda.

Association
competence
(business)
Score: 8

The large market-sector organizations representing labor and management became involved in a series of comprehensive incomes policy agreements in 1968. These concerned not only wages and working conditions but also frequently social welfare programs and corresponding legislation. While this institutional arrangement for cooperation between government and associations has now eroded to a large extent, it created a framework for advancing responsible, considered and expert-based policy proposals on the part of large economic interest associations. Other mechanisms, not least the participation of associations as members and experts in the

committee system, have worked in the same direction. As a consequence, this corporatist setting and the consensus style of policy-making have led to reasonable policies.

With the process of European integration, a transformation to the system of European interest intermediation may be expected to emerge. However, due to institutional constraints, no real convergent system of European interest integration has emerged so far. Still, pressures toward transformation exist, and in these processes, the quality of policy proposals will develop.

Policy-relevant positions of most associations are based on advanced know-how and feasibility analyses in the respective fields and thus contribute to the quality of decision-making. Exaggeration and one-sided arguments are in the nature of interest organizations and of the negotiation process, but in corporatist-style policy-making, various interests gain access to policy-making. No doubt the contribution of interest associations in terms of know-how in decision-making is a valuable asset which enhances the quality of policy-making. Also, interest associations have a high profile in the public discourse and often shape public opinion. The fact remains, though, that the function of interest associations is to promote certain interests to the disadvantage of others.

Association
competence
(others)
Score: 8

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