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Sustainable
Governance
Indicators

2014 Finland Report

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Executive Summary

Finland is a model democracy that has established a democratic basis for government reform, general problem-solving and social improvement; international rankings and reports have continuously verified this fact. For instance, Finland has received repeatedly the highest rankings for political liberties and civil rights in annual Freedom House surveys, and in the Reporters without Borders Worldwide Press Freedom Index for 2011 – 2012, Finland shares first place. Furthermore, while Finland's previously top rankings concerning corruption deteriorated in recent years as a consequence of political financing scandals, new campaign finance legislation has forced the political elite to disclose sources of political money, and at the time of writing, the overall level of corruption in the country is low. However, the negative impact of earlier scandals on government legitimacy is still discernible. Electoral system reforms, although marginal, have somewhat increased the proportionality of the system, and a new participation mechanism, a citizens' initiative, was introduced in 2012.

The Finnish economy contracted in 2009 as a result of the global economic crisis, and although Finland is still counted among successful European countries in terms of economic validity and stability, its economic outlook is less than bright. Unemployment figures are alarming, and especially the increase in youth unemployment is a cause for concern.

In the wake of the economic crisis, Finland's attitude toward immigrants has grown increasingly negative, a situation that is weakening prospects for economic improvements through work-related immigration. What's more, the main political parties have hesitated to confront or extensively challenge such attitudes. In part, this hesitation may be explained by the growing support for the right-wing, populist True Finns party, with its anti-immigration stance. In a like manner, attitudes toward the country's Swedish-speaking population have become harsher in certain areas; although, admittedly, the most important parties and segments of the population still value and respect the bilingual nature of Finland.

In general, the performance of the Cabinet (Council of State; Valtioneuvosto) under Prime Minister Jyrki Katainen has been poor. The Cabinet is a sort of catch-all institution, comprised of six parties and including representatives from right-wing as well as left-wing interests. In times of economic decline, the disadvantages of such an umbrella framework have become more obvious, especially with ideological cleavages in the government's handling of matters related to taxation, employment and social welfare. A recent reform of the university system that introduced elements and ideas from the business community has proved a failure, and the attempts of government to restructure local government by means of municipality amalgamations has so far not met with success, rather evoking a strong resistance and opposition within as well as outside the Cabinet. In 2013, Finland was an unsuccessful candidate for a position as a non-permanent member of the U.N. Security Council; and although this foreign-policy failure cannot reasonably be held against the Cabinet, it certainly does not contribute positively to its political performance. Concerning environmental issues, continuous problems with mining sites such as Talvivaara point to a lack in efficiency in managing and preventing situations that could cause a huge environmental impact at the local government level.

Large-scale institutional reforms and other similar arrangements for promoting governance and decision-making have not been introduced during the review period. For instance, the government has retained its system of program management and its strategy document procedure. However, a lack of reform should not be taken as evidence for government debility. It is rather a matter of the Finnish system being at present fairly complete and well-formed. While not necessarily a concern of institutional structures, Finland's present difficulties (which are, after all, surmountable when compared to most other countries) are the consequences of factors that remain mainly beyond the Cabinet's control. Among these are the repercussions of the global economic crisis, as seen in the shortcomings of several countries to manage their economies in a sound, efficient manner. This has presented several challenges to the Finnish economy as well, and serves directly and indirectly to undermine the solidarity of Finnish voters with European values and politics, as has become clear in the anti-EU rhetoric of the populist party True Finns and its recent electoral support.

Key Challenges

Although Finland in many respects represents a model polity, current democratic prospects remain less bright. The overall legitimacy and trustworthiness of the usual pillars of representative democracy have been deteriorating for some time, as electoral turnout remains low and membership in political parties is declining. Citizens do not fully trust central political institutions such as parliament and the government, although interest in politics and trust in political institutions have been slightly increasing during the review period. Low participation and institutional trust may in part be a consequence that recent cabinets in Finland have been extremely broad-based, which serves to blur patterns of accountability and transparency and works against the possibilities of the public to gain full insight into and a full understanding of the processes and dynamics of politics. Drastic measures and innovative efforts at political engineering are at the time of writing in demand – and most probably revitalizing representative democracy requires the input of new participatory institutions, such as decisive referendums and forms of popular initiative. And, in fact, the practice of popular initiative has, in the wake of recent reforms, been introduced; however, only in a very weak form. Initiatives, to be supported by 50,000 signatures, are for agenda-building purposes only, as parliament still retains in full the right to decide on citizen-initiated issues.

External and internal security as well as foreign policy poses important challenges to the Finnish political system. First, Finland's proximity to Russia is still a key security problem and calls for a solution in terms of alliance politics. However, there is marked resistance from the public to membership in the North Atlantic Treaty Organization (NATO), and this resistance shows no signs of weakening. This has obvious spill-over effects on the attitudes of political parties, for which NATO is a foreign-policy option but not at present real 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 faulty in terms of constitutional logic, this dual leadership pattern creates uncertainty abroad and at home over foreign policy responsibilities. Finland's aging population – an essential problem in recent years – has negative implications on the country's workforce; there is now strong demand for an immigration policy that promotes work-based immigration. However, public opinion is still reluctant and the True Finns, an opposition party, has gained much support for its hostile stance

toward immigration issues and politics. In consequence, political actors at large hesitate to pursue drastic measures toward promoting immigration.

The executive capacity of the Finnish government system remains strong. The government program framework works well and forms a sound basis for strategic and rational action; the same is true of various follow-up activities that are an integral part of the framework. Strategic governance is also promoted by several other factors, including: a fair degree of interministerial coordination; the independent evaluation capacity of the Government Office; and a majority of cabinet issues being reviewed first by cabinet committees and working groups. Also, interest associations and groups are widely consulted during the preparation of legislation. On the negative side, executive capacity falls short with the local government sector, as tasks delegated to municipalities are not adequately funded. It still remains at the time of writing an open question to what extent reforms aiming at drastically reducing the number of local government units and aiming also at restructuring administrative borders and divisions will really give the system a sounder economic basis and result in increased efficiency. Furthermore, the attempts at restructuring administrative geographies have not sufficiently considered the potential negative consequences for the rights of the Swedish-speaking population, which must enjoy, according to the constitution, equal rights with the Finnish-speaking majority. Generally, there appears to be a lack of understanding in Finland that there are no one-size-fits-all solutions; some government issues may require only a few resources to solve, while some economic problems may require increased resources to manage. The solution, therefore, is in finding combinations that build upon established patterns of municipal cooperation as well as divisions of labor.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 8

The Finnish economy has not recovered in full from a recession in 2008 – 2009, and GDP levels still remain somewhat below 2008 levels. In fact, the impact of the recession on public finances has been so strong that a full recovery is envisioned a few years still into the future. Fiscal policy is a concern, considering growing public debt and government spending that is more than 50% of GDP. To restore fiscal sustainability, the government's 2013 budget aims for greater prudence and balance. The government is also seeking to raise the minimum statutory retirement age, to improve incentives for older people to continue working, and is working to reform the system of wages setting. So far efforts have been mixed. However, without significant reforms of the retirement system, significant further fiscal consolidation will soon be needed to manage the increasing costs of Finland's aging population.

According to the Heritage Foundation 2013 Index of Economic Freedom, Finland's economy was ranked 16 among the freest economies, showing improvements in the management of public finances, investment and labor freedoms. In the European region, Finland ranked seventh out of 43 countries. During the period, the government has maintained monetary stability well and encouraged entrepreneurship. Finland remains open to international trade and investment, as its investment regulations are transparent and efficient.

Citation:

"OECD Economic Surveys: Finland 2012", February 2012.

Labor Markets

Labor Market Policy
Score: 7

A deep depression in the Finnish economy in the 1990s resulted in a rapid and even dramatic increase in unemployment, and the country has not yet recovered in full. Comparatively, present achievements in stemming long-term unemployment, youth unemployment and low-skilled unemployment are still not satisfactory; especially the high level of youth unemployment is cause for concern. Recent government strategies include efforts to improve employment subsidies and labor market training; in 2010 the government initiated measures to promote self-motivated education and training for unemployed people receiving unemployment benefits. Youth unemployment is a special target for reforms that entered in effect at the beginning of 2013. While Finland maintains a system of set minimum wages and collective agreements, more attention is needed in matters of worker dismissal protections. Structural, institutional and political factors add to present difficulties. Finland is a large but sparsely populated country; in consequence, geography becomes an obstacle to labor mobility. Also, globalization has become a threat to labor market strategies, as companies out of cost-related considerations to an increasing extent move production facilities outside the country. In many sectors, the amount of temporary work contracts is on the increase. All this, of course, works against employment and job security.

Citation:

Heikki Räisänen et al., "Labor Market Reforms and Performance in Denmark, Germany, Sweden and Finland", Publications of the Ministry of Employment and the Economy, Nr 19/2012.

Taxes

Tax Policy
Score: 9

Finland's taxation policies by and large are effective. An individual's income is taxed on a progressive scale, which in 2013, ranged from 6.5% to 31.75%; municipal taxes range from 16.25% to 21.75%, depending on the municipal authority. As a result demands for vertical equity are satisfied; the same, however, is less true for horizontal equity. A net wealth tax was abolished in 2006, and recent efforts to boost employment (among other plans) through taxation have to some extent implied discrimination between economic actors. Adjustments in recent years have made Finland's taxation system less complex and more transparent. As evident from comparative data, Finland performs very well in regards to structural balance and redistribution effects; what's more, overall taxation policies generate sufficient government revenue. Finland, when compared to other countries, has a unique situation in which

taxation policies are largely approved by the public, which understands that taxation is a necessary means for securing overall social welfare.

Citation:

[http://www.vero.fi/fi-FI/Syventavat_veroohjeet/Henkiloasiakkaan_tuloverotus/Vuoden_2013_valtion_tuloveroa_steikko%2825864%29](http://www.vero.fi/fi-FI/Syventavat_veroohjeet/Henkiloasiakkaan_tuloverotus/Vuoden_2013_valtion_tuloveroa_steikko%2825864%29_for_2013_income_tax_schedule) for 2013 income tax schedule.

Budgets

Budgetary Policy
Score: 10

According to the Government Program, Finland's economic policy goals are to strengthen the economy's growth potential, to raise the employment rate, to bolster household spending power, and to improve international competitiveness. The government's commitment is to an active fiscal policy that supports economic growth and employment, and by and large, the impact of an unfavorable economic environment notwithstanding, the government has been able to promote its goals and ambitions. While the debt crisis in Europe has slowed economic growth, Finland has kept its budget deficit in line with European Union rules, and the government seeks to halt the growth of debt by 2015 to secure its top AAA credit rating. Comparatively speaking, prospects are fairly good. While government debt in 2012 was considerably higher than in 2008, according to the European Commission, debt was still much less than the average government debt in the euro area. The government reviews annually the need for additional fiscal policy adjustments; as of the review period this starts from the decision over central government spending limits for 2013 – 2016.

Research and Innovation

R&I Policy
Score: 9

Finland has for some time been a forerunner in research and development (R&D) spending as well as in its number of researchers and patent applications; yet less so in terms of computer technology and Internet access. Finland's reputation as a high-tech country is well-earned. However, the focus of R&D has been on applied research to the disadvantage of basic research, and universities and other basic research institutes have not benefited. In the long run, the level of applied research of course being dependent on the level and achievements of basic research, this bias will have negative consequences for product development and productivity. Moreover, the technology transfer from universities to industry is subpar and academic entrepreneurship is not well-developed.

Stabilizing Global
Financial Markets
Score: 9

Global Financial System

Following the financial market collapse in Europe and the increased general vulnerability of global financial markets, political leaders in Finland have urged for stronger regulations and more coordinated market supervision. Finland, in terms of its attitude and action, has presented itself as an agenda-setter with its support of countries which seek to advance self-regulation and combat excessive market risk-taking. Finland during the period also has pursued measures to secure its own finances. In 2013, the Finnish government approved two national programs, to be delivered to the European Commission. Of these, the Stability Program describes the medium-term economic development of the Finnish economy in terms of fiscal policy, whereas the Europe 2020 National Program describes measures by which national targets set on the basis of the Europe 2020 strategy will be achieved. The Government Program includes proposals for measures to create an effective national macroprudential supervision system; to this end, a working group set up in 2012 has proposed that provisions on fixed and counter-cyclical additional capital buffers be added to the Credit Institution Act, in accordance with the minimum requirements of the directive. For the Financial Supervising Authority, the group proposes a conditional right to limit the amount of housing, real estate and securities-backed credits.

Citation:

“Finanssimarkkinoiden makrotaloudellisten vaikutusten sääntely ja valvonta”, Työryhmän muistio 32/2012, Ministry of Finance, Publications 2012.

II. Social Policies

Education

Education Policy
Score: 9

Built on the principle of lifelong learning, education policy in Finland promotes and maintains a high standard of education. All people by law must have equal access to high-quality education and training; basic education is free, and municipalities are responsible for providing educational services to all local children. Finland has some 20 universities and 30 polytechnics, and close to 70% of graduates each school year enters higher education. Nevertheless, the proportion of graduates from higher education (those 25 to 34 years old) has

been comparatively low, and the number of graduates overall has been rising more slowly than in many other OECD countries. By and large, Finland's education system is successful, and in the OECD's Program for International Student Assessment (Pisa), Finland has consistently been among the highest scorers worldwide, and is also ranked at the top in 2012. Adopted by the government every four years, the Education and Research Development Plan is the key document of education and research policy in Finland and directs the implementation of education and research policy goals as stated in the Government Program. From 2011 to 2016, the plan will focus on the alleviation of poverty, inequality and exclusion. In 2012, a National Working Life Development Strategy was completed; an implementation phase is at the time of writing under preparation.

Citation:

Education and Research 2011-2016. A development plan. Reports of the Ministry of Education and Culture, Finland 2012:3

Social Inclusion

Social Inclusion
Policy
Score: 8

The Finnish constitution safeguards basic economic, social and educational rights for all people, and the realization of these rights is guaranteed by the state and municipal authorities. The reality for Finnish citizens however does not completely live up to the law. While social policy has largely prevented poverty in Finland and the Finnish income redistribution system has proven to be one of the most efficient in the European Union, pockets of relative poverty still prevail. The global economic crisis has exposed an increasing number of people to long-term unemployment and this has, of course, added to the general level of poverty. Finland in terms of life satisfaction and gender equality has embarked on a number of programs to improve its performance. The government has passed an Act on Equality between Women and Men, and discrimination is also prohibited under other laws. Despite legislation, however, inequalities prevail between young men and women, not least at work. The government has put particular emphasis on programs for at-risk youth, from 15 to 17 years old, who experience social exclusion, as well as programs to create equal opportunities for the disabled. Immigrants are another group that faces social exclusion, especially from a lack of integration in the labor market.

Citation:

"Socially Sustainable Finland 2020. Strategy for Social and Health Policy", Ministry of Social Affairs and Health, Helsinki, 2010.

Health

Health Policy
Score: 8

Health policies in Finland have supported important aspects of public health, such as a low infant mortality and an efficient health insurance system. Finnish residents have access to extensive health services, and yet total per capita health costs remain comparatively low. Still, the system runs into criticisms regarding life expectancy and perceived health levels, and specific problems, such as an aging population and a lack of health care resources at the local level, add to the difficulties. It is estimated that the old age dependency ratio in Finland will be the highest of all EU countries as of 2025. Many formerly municipal clinics are now run by private companies, which also provide physicians with more attractive employment conditions. Government planning documents outline preventive measures; the 2015 Public Health Program is the central document, describing a broad framework to promote health across different sectors of government and public administration. A major structural reform plan (SOTE) seeks to move responsibilities for social welfare and health care services from municipalities to larger governmental entities.

Citation:

“Government Resolution on the Health 2015 Public Health Programme”. Helsinki: Publications of the Ministry of Social Affairs and Health, 2001; Juha Teperi et al., “The Finnish Health Care System”, Sitra Reports 82, 2009.

Families

Family Policy
Score: 9

Family policy in Finland aims programmatically at creating a secure growing environment for children and safeguarding the physical and mental resources of parents to rear children. While certainly in parts successful – child poverty has practically been eradicated in Finland – child care policies, a mix of different kinds of public support, still remain to some extent problematic in relation to gender equality. As female employment is high and the fertility rate has increased, family policies have not been able to fully solve the challenge of combining parenting and employment. In practice, child care responsibilities still fall to women, and mothers opt for part-time employment more often than do fathers. Also, Finnish women tend to leave the labor market after having a child for a longer period than do women in other countries. Optimistically, however, evidence has shown that thinking that is centered on the family is growing among Finnish adults, and that within Finnish culture, the family has become more important for the individual.

Citation:

Katja Repo, "The Contradiction of Finnish Childcare Policies", <http://www.reassess.no/reassessassets/20608/20608/ppt#256.1>

Pensions

Pension Policy
Score: 9

The Finnish pension system has two pillars: a residence-based, national pension and an employment-based, earnings-related pension. Private pension schemes also exist. Successfully managed by social partners as well as by the government, overall pension policy and the mixture of public and private pension schemes has been able to effectively provide support for Finnish citizens. Finland has been able to avoid the classic problem of poverty in old age. Still, the aging of Finland's population creates problems in terms of labor-force maintenance and fiscal capability, and the ongoing economic crisis in Europe has added considerably to these problems. A reform of the pensions system in 2004 – 2005 aimed for a more flexible pension policy and for the creation of incentives to keep older workers employed. While these reforms were successful, recent government attempts to raise further the retirement age has met considerable opposition from political and labor market organization forces, and has so far (at the time of writing) failed. Since flexible retirement often promotes later retirement and thereby add to system adequacy as well as sustainability, these developments give cause for concern.

Citation:

Nicholas Barr, "The Pension System in Finland: Adequacy, Sustainability and Systems Design", Finnish Centre for Pensions, Helsinki 2011.

Integration

Integration Policy
Score: 8

Finland, according to a policy study on immigrant integration, when compared to European Union countries, the United States, Canada and Switzerland, was ranked fourth in terms of how its legislation and policies help newcomers adopt to their new circumstances. The study however does not measure in full the practical success of integration efforts in the various countries, and may therefore give a somewhat exaggerated view of the Finnish situation. Second-generation immigrants have had difficulties finding education or work, and the employment situation when comparing overall foreign-born employment, or foreign-born to native-born employment, or even foreign-born generational concerns, is certainly troubled.

Increasing labor market participation is one of the key targets of the government's "Future of Migration 2020 Strategy." Although the Finnish immigrant population has increased sixfold from 1990 to 2009, the number of foreign-born or Finnish citizens who were born abroad living in Finland is approximately 300,000 out of a population of 5.4 million (5.5%); in general, Finland is not considered among the top destinations for immigrants. This is for various reasons. Applying for a Finnish residence permit is still a complicated process as is applying for Finnish citizenship; Finnish is a difficult language and proficient language skills are required. While sympathetic to work-related immigration, the general attitude of authorities as well as the public on immigration to reunite families is restrictive.

Citation:

Arno Tanner, "Finland's Balancing Act", <http://www.migrationinformation.org/feature/display.cfm?ID=825>

Safe Living

Safe Living
Conditions
Score: 9

Finland is still among the safest countries in Europe, although its rate of violent crime, homicides in particular, is relatively high. Finnish citizens, according to polls, regard the police as one of the most reliable societal institutions. In 2004, the government established the First Program on Internal Security; this program was modified and expanded in 2007. In June 2012, the government adopted the Third Internal Security Program. Aiming at preventing security problems that affect a citizen's daily life, the program puts an emphasis on measures to prevent social exclusion and social polarization. In all, the program includes 64 measures, each designating a responsible party and a timetable for implementation. The overall implementation will be monitored by the Ministry of the Interior. Additionally, the government has adopted or is considering national strategies for combating organized crime, the informal economy and terrorism.

Citation:

"Turvallisempi huominen. Sisäisen turvallisuuden ohjelma." [A more secure tomorrow. Programme of Internal Security] 26/2012. Ministry of Interior, Helsinki.

http://www.intermin.fi/en/development_projects/internal_security_programme

Global Inequalities

Global Social Policy
Score: 8

Based on international humanitarian law, international human rights treaties and laws regarding refugees, Finnish humanitarian aid is committed to aid

principles as laid down by the OECD Development Assistance Committee. These principles emphasize the provision of aid solely on the basis of need, and Finland requires that recipient countries also have made formal requests to the United Nations for aid. Finland emphasizes the primary role of the United Nations in coordinating the provision of aid, and channels its funds for humanitarian aid through U.N. organizations. In terms of development coordination, such as work to improve the economic and social position of developing countries, Finland's contributions are implemented through various methods, and portions of multilateral funds are channeled through the European Union. Generally, Finland is committed to development and has participated in several international efforts to promote equal social opportunities and fair global trade. However, the overall efficiency of Finnish efforts is not at a high level, and the country should not be counted among top initiators and agenda-setters. In short, in terms of advancing global social inclusion, Finland is a committed partner rather than a leader.

Citation:

"Finland's Humanitarian Policy", Ministry for Foreign Affairs of Finland, 4/11/2013.

"Finland's Development Policy Programme 2012", Ministry for Foreign Affairs of Finland, 6/19/2012.

III. Environmental Policies

Environment

Environmental
Policy
Score: 7

Finland faces specific environmental challenges in terms of climate change and population, yet the country's contribution to larger efforts in combating climate change have so far been modest. Water pollution is another large issue. While pollution emissions from large industrial facilities have been to a large extent successfully curbed, and while polluted lakes and rivers have been cleaned, waterborne nutrient emissions that are generated by farms remain a pressing problem. According to calculations, some 1,500 lakes are in need of more active restoration measures to combat eutrophication. Finland's most valuable natural resource is its forests, the management of which is of vital importance for sustainable economic development. Thankfully, the overall annual growth rate of trees in the forests exceeds the total timber harvest, a result of well-planned institutionalized protections. Separately, efforts to halt an ongoing decline in biodiversity have by and large proved insufficient; the government has however created networks of protected areas.

Global
Environmental
Policy
Score: 8

Global Environmental Protection

International regimes are often sector-specific, and international regulatory and administrative systems, created and implemented through formal agreements, form the core of each international regime. While Finland is committed to observing many multilateral and bilateral environmental agreements concerning climate change, air pollution, and so on, Finland however is still not among the forerunners as far as the advancement of international regimes is concerned. The Arctic Environmental Protection Strategy, adopted in 1991, is a multilateral agreement among Arctic states did come about as a result of a Finnish initiative, however; and Finland has received good or satisfying ratings in several international comparisons of environmental protection standards, such as the Global Economic Forum's Environmental Sustainability Index.

Citation:

Katrina Running, "Examining Environmental Concern in Developed, Transitioning and Developing Countries", World Values Research 5 (1): 1-25, 2012.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

The electoral process in Finland is free and fair, and the Finnish constitution grants Finnish citizens the right to participate in national elections and referendums. Registered political parties have the right to nominate candidates; however, under the principle that all voters have the right to influence the nomination process, electoral associations of at least 100 enfranchised citizens also have the right of nomination. Admittedly, the role of these associations has been fairly marginal. Candidates for presidential elections can be nominated by any political party that is represented in parliament at the time of nomination; again, however, 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 signatures of 5,000 supporters, a party may be reregistered.

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 televised debates and other media appearances. Given the increased impact of such appearances on the electoral outcome, this bias in terms of access is 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 divide between government and opposition parties. Access to newspapers and commercial forms of communication is unrestricted, but is in practice dependent on the economic resources of parties and individual candidates for campaign management. Candidates are, however, required to report their sources of income used for campaigning. Social media has played

an increasing role in candidates' electoral campaigns, especially in the 2011 parliamentary and the 2012 presidential elections; yet such outlets still only attract a small share of voters.

Citation:

Strandberg, Kim (2012): Sosiaalisen median vallankumous? Ehdokkaat, valitsijat ja sosiaalinen media vuoden 2011 eduskuntavaaleissa. In: S. Borg (ed.), *Muutosvaalit 2011*, Helsinki: Ministry of Justice, 79-93.

Sundberg, Jan (2012): Finland. In: *European Journal of Political Research Political Data Yearbook* 51: 96–102, 2012.

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. Electronic voting was tested during the municipal elections of 2008, yet it was decided to not use such a system in subsequent elections; instead, the government has decided to keep open the option for exploring voting via Internet 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: 9

In the wake of secretive political financing scandals in 2008 – 2009, new campaign finance legislation has been implemented that has forced the political elite to disclose the source of political money and has provided for independent and efficient monitoring. There are now bans on donations from foreign interests to parties and candidates, likewise on donations from corporations with government contracts and on donations from anonymous donors. There are limits on the amounts a donor can contribute to a political party over a time period or in relation to an election. Candidates have to report on campaign financing, and the reports are to be made public; ministries and auditing agencies receive such reports. Party and candidate finance scandals attracted and still attract media coverage; according to a 2012 report on Finland by Jan Sundberg, studies show that the Center Party (Kesk) lost voters due to the scandal. As a result of the new rules, party financing has improved overall and polls that track the public's attitude over politicians' credibility have also improved.

Citation:

<http://www.idea.int/parties/finance>

Demokratiapuntari 2012: Yhteenveto. Ministry of Justice/MTV3/tnsGallup, 02/2012. <http://www.kansanvalta.fi/Etusivu/Tutkimusjakehitys/Julkaisujajatutkimuksia>.

Mattila, Mikko & Sundberg, Jan 2012: Vaalirahoitus ja vaalirahakohu. In: Borg, Sami (ed.): Muutosvaalit 2011. Oikeusministeriön selvityksiä ja ohjeita 16/2012. Oikeusministeriö (Ministry of Justice), 227–238.

Sundberg, Jan (2012): Finland. In: European Journal of Political Research Political Data Yearbook 51: 96–102.

Popular Decision-Making
Score: 5

In 1987, the government incorporated referendums in the Finnish constitution. The stipulation, laid down in the Law of Procedures in Advisory Referendums, was that advisory referendums may be called by parliament by means of special laws that prescribe the date of voting and establish alternatives to be presented to the voters. There are no stipulations on quorum in terms of participation, or on the majority required for the vote. Since then, only one national referendum in 1994 took place, dealing with Finland's entry to the European Union. While this device is no direct democracy tool and opens no channels for direct citizen participation, a constitutional amendment in 2012 introduced a system of popular initiative, which requires 50,000 signatures for the initiative to be submitted to parliament. Parliament is then obliged to discuss the initiative and to consider its approval. However, citizens do not have the opportunity to vote on initiative issues, as the right of decision and agenda-setting still remains with parliament.

At the time of writing, the first initiative – the prohibition of fur farming – was submitted to parliament and to parliament's Agriculture and Forestry Committee to hear expert testimony. It is probable that the committee will not back the initiative. A second initiative on gender-neutral legislation that was first blocked at the committee level has been returned to parliament through a citizen's initiative. The Finnish system allows for citizen-initiated municipal referendums; however, the arrangement of such referendums, which are advisory only, is decided by the municipal authorities.

Citation:

Dag Anckar, "Finland", in Bruno Kaufmann and M. D. Waters, eds. *Direct Democracy in Europe*. Durham, N. C.: Carolina Academic Press, 2004.+

Access to Information

Media Freedom
Score: 10

Media independence is 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 debate among citizens and the formation of public opinion. According to Reporters without Borders' Worldwide Press Freedom Index, Finland has been ranked in first place since the 2009 report. Finland's national broadcasting company, Yleisradio, is a public broadcaster owned by the 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-2013,1054.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. Though circulation numbers for the 10 largest printed newspapers have declined by 6% in ten years, Finland still boasts an impressive newspaper readership and the printed media market volume remained stable in 2011. There are 188 newspapers, with 48 of them published daily from four to seven times a week. 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 regional level. Internet use is open and unrestricted, the share of Internet users in the population aged 16 to 74 is 90%, and broadband Internet access is defined by law as a universal service that must be available to everyone.

According to Official Statistics of Finland, the Internet has become an established source of information concerning elections, with almost 50% of the public aged 16 to 74 having searched for information about parties and candidates online before the 2011 parliamentary election. Social networking sites, however, were not popular.

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.

Citation:

Official Statistics of Finland (OSF): Use of information and communications technology by individuals [e-publication]. ISSN=2323-2854. 2011. Helsinki: Statistics Finland [referred: 6.6.2013].

Access method: http://www.stat.fi/til/sutivi/2011/sutivi_2011_2011-11-02_tie_001_en.html ; http://www.stat.fi/tup/suoluk/suoluk_kulttuuri_en.html#newspaper; http://www.stat.fi/til/jvie/2011/01/jvie_2011_01_2012-12-12_tau_001_en.html

Access to
Government
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 government 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.

Civil Rights and Political Liberties

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 a large number of religious groups. Freedoms of association and assembly are respected in law and practice; workers have the right to organize, bargain collectively and strike. Debates on same-sex marriage and adoption rights legislation are ongoing and polarizing even in electoral campaigns during the review period, although the right to register a partnership for same-sex couples has been legal since 2002.

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; a large majority of workers belong to trade unions. Nevertheless, the share of membership in trade unions has been of late decreasing. 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.

Citation:

<http://findikaattori.fi/en/36>

Non-discrimination
Score: 8

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. Reforms set for the regional administrative apparatus, which are still pending, do however violate some of the rights of the Swedish-speaking population, and sentiments held by certain segments of the population, primarily represented by the True Finns party, have lately turned hostile toward those who speak Swedish. The Åland Islands, whose inhabitants speak Swedish, have maintained for historical reasons an 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. However, several court sentences and fines against members of parliament from the True Finns party dealing with discrimination issues over ethnic origin and sexual orientation attracted media attention.

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

Judicial Review
Score: 9

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.

Clearly, the predominance of the rule of law is weakened by the lack of a constitutional court in Finland. The need for such a court 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 assumed a position that resembles in essence that of a constitutional court as seen in other countries. The implication of this is that parliament is controlled by an inner-parliament, and this makes the Constitutional Law Committee arrangement poor compensation for a regular constitutional court. Also, although courts are independent in Finland, they do not decide on the constitutionality or the conformity with law of acts of government and government 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 official acts of 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: 5

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 by the media.

Corruption
Prevention
Score: 9

The overall level of corruption in Finland is low. The country too offers a solid example of how the consolidation of advanced democratic institutions can often lead to the reduction of corruption. Several individual mechanisms contribute, including: a strict auditing of state spending; new and more efficient regulations over party financing; lawmaking that criminalizes the acceptance of bribes; full access of the media and the public to relevant information; public asset declarations; and consistent legal prosecution of corrupt acts. However, the various integrity mechanisms still leave some room for potential abuse. It is, for instance, evident that political appointments are much too common in

Finland. Whereas only some 5% of citizens are party members, two-thirds of the state and municipal public servants are appointed from among party members. During the review period, however, several political corruption charges dealing with bribery and campaign financing were brought to light and attracted media attention.

Citation:

Hung-En Sung, "Democracy and Political Corruption: A Cross-National Comparison", *Crime, Law & Social Change*, Vol. 41, 2004, 179-194.

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 9

Strategic planning has considerable influence on government decision-making. Strategic goals of the Government Program are recorded in specific government strategy documents. These strategy documents cover a one-year period and include a plan for pursuing priority goals, a notice of intent for upcoming key decisions and indicators for evaluating government performance. The implementation of the Government Program is assessed by a report halfway through the Cabinet's tenure, which defines how strategic goals should be attained through the rest of the Cabinet's time in office. 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 government often launches policy programs to ensure the attainment of its key objectives; while the preparation and monitoring of programs are delegated to ministerial groups. During the legislative period, the government presents a long-term report on the future to parliament; this report is jointly prepared by ministerial and specialist working groups. In addition, the parliamentary Committee for the Future deals with future-related matters.

Citation:

Paula Tiihonen (2011): Revamping the Work of the Committee for the Future. Summary. Publication of the Committee for the Future 7/2011.

Scholarly Advice
Score: 6

The government organizes the collection of scholarly advice mainly informally; for example, by consulting scientific experts on 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 scholarly 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.

Interministerial Coordination

GO Expertise
Score: 9

As a ministry in itself, the Prime Minister's Office (PMO) maintains an evaluation capacity. The primary function of the PMO is to support the duties of the prime minister, who directs the work of government and coordinates the preparation and consideration of government business. The PMO monitors the implementation of the Government Program and coordinates Finland's EU policy; also, among the tasks of the PMO is to coordinate communications from the government and the various ministries, to plan future-oriented social policies and to promote cooperation between government and the various branches of public administration. The PMO has five departments and three units: EU affairs, Government Administration and Specialist Services, Government Ownership Steering, Government Preparedness and Government Communications departments and the Government Session Unit, the Government Policy Analysis Unit and the Government External Economic Relations Unit. Also the steering of the "Team Finland network" takes place within the PMO. "Team Finland" is a network to promote economic relations and the internationalization of Finnish businesses and to improve the efficiency of their cooperation as well as to provide customers with easy access to services.

The PMO has a secretary of state, a permanent undersecretary of state and is well-staffed (some 250 employees) with several departments for managing specific tasks.

Citation:

PMO 2013: Team Finland. http://vnk.fi/toiminta/Team_Finland/en.jsp [13.6.2013]

GO Gatekeeping
Score: 8

The Prime Minister's Office (PMO) can return items envisaged for the cabinet meeting on policy grounds. Because the PMO coordinates the making of drafts

and also arranges the agenda for cabinet meetings, it does not often occur that the PMO returns items. The rule is that line ministers can place items on the Cabinet's 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. The institutionalized unofficial meeting of the Cabinet (the *iltakoulu*, or evening session), led by the prime minister, has an important function in consensual decision-making. In any case, the position of the prime minister is not dominating. It 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 preparations. 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 on the part of line ministries to place items on the Cabinet's agenda without involving at least to some extent the PMO in preparations will fail. This is partly for political reasons, as 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. Additionally, ad-hoc cabinet committees can be appointed by the government plenary session, like the current Information Committee on Cost and Income Developments. All these committees are chaired by the prime minister, who also chairs sessions of the Economic Council, the Research and Innovation Council and the Title

Ministerial
Bureaucracy
Score: 10

Board. In addition, there are several ministerial working groups, for example the government working group for the coordination of research, foresight and assessment activities, chaired by the state secretary of the Prime Minister's Office.

The primary 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 large number of ministries and interests. In all, a large majority of issues identified by the as important are reviewed first by cabinet committees and working groups.

Cabinet meetings are prepared by ministry officials and civil servants. Findings from a large-scale analysis of the internal politics and practices of the Cabinet and ministries are 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 follow in its wake is, according to the same analysis, that ministers do not necessarily pay much attention to each and every matter but trust in the collaborative preparatory work that is done in the ministries by civil servants and articulated in reports. This work extends to practically all items on the Cabinet's agenda.

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 political point of view to a collective examination and testing.

Citation:

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

Informal
Coordination
Score: 10

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 effectively through informal mechanisms. The recent large-scale policy programs enhance inter-sectoral divisions in policymaking

and administration. Additionally, Finnish EU membership has of course brought forth the need for 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.

Evidence-based Instruments

RIA Application
Score: 9

Systematic impact assessment is by now an integrated part of the Finnish legislative drafting process. Regulatory impact assessment activities abound and comprise, for instance, of a series of evaluation reports by the Ministry of Foreign Affairs that deal with principles of development policy and with partner countries and regions and many other topics. Also, the activities certainly include the corresponding reports from the Ministry of Social Affairs and Health. Reference should also be made to an international evaluation of the Finnish national innovation system, commissioned by the Ministry of Education and the Ministry of Employment and the Economy. Furthermore, the Ministry of Education and Culture has been preparing an evaluation plan for third-party evaluations and evaluations carried out to monitor learning outcomes: from 2014 evaluation activities that concern education will be concentrated into a single Education Evaluation Center. These are, however, only scattered examples. The general framework for regulatory impact assessments (RIA) is to be found in a system of program management that encompasses inter-sectoral policy programs. This framework was initiated in 2007 and is still applied as a guide to impact assessment.

Citation:

“Evaluation of the Finnish National Innovation System - Policy Report”, Helsinki, Ministry of Employment and the Economy, 2009.

Quality of RIA
Process
Score: 8

Adopted in 2007 and superseding as well as supplementing the then valid documents, such as the Bill Drafting Instructions (2004), impact assessment guidelines as part of the drafting of legislation provide a framework for the process of regulatory impact assessments (RIAs). The revision bureau of the Ministry of Justice Law Drafting Department monitors compliance with these impact assessment guidelines. Impact assessments cover the economic impact of proposed legislation, its administrative impact, environmental impact and social impact, and guidelines describe what impacts may be involved, how the impact may be assessed, and what methods and information sources are available; also, the guidelines provide contact information for expert advisers. For instance, assessments deal with the economic impact on households, on businesses or on public finances, not to mention the overall economic impact.

Concerning method, the guidelines recommend the use of statistical data, questionnaire data, expert analyses, and, when necessary, qualitative methods. Generally speaking, the RIA process in Finland is well-structured and emphasizes quality.

Citation:

Ministry of Justice (2008): "Impact Assessment in Legislative Drafting - Guidelines". Helsinki, Publication 2008:4.[http://www.tem.fi/files/321_76/Vaikutusarviointiohjeet_2007_en.pdf].

Sustainability
Check
Score: 9

Finnish government understands that regular and complete assessments of regulations are fundamental to the governing of complex as well as open societies and economies. In consequence, Finland has a comprehensive regulatory impact assessment (RIA) program in place and a formally adopted RIA strategy, in which general instructions on the drafting of government proposals are, when necessary, complemented by separate specific instructions issued by ministries. Assessments involve the use of large sets of indicators; and as part of the process, different interests are widely consulted and different techniques widely used. As a rule, aspects of sustainability form an integral part of the assessment process, and impact variations over time are observed and evaluated.

Societal Consultation

Negotiating Public
Support
Score: 10

In Finland's consensually oriented political system, interest organizations and associations are and have been regularly consulted to include a variety of views in the legislative process. Although the corporatist system that was initiated in the 1960s has changed much over time, it remains a fact that the exchange of views and information with a variety of social interests is still part and parcel of the everyday activities of Finnish government. Through various mechanisms, such as hearings and similar remiss procedures, committee memberships, expert positions, and so on, plans and drafts are circulated to interested parties which are then invited to express their views before new laws are decided upon or crafted. Various laws and guidelines, such as the Act on the Openness of Government Activities, contain provisions on consultation and participation. By and large, the system functions well and large-scaled social confrontations over policymaking are rare. Admittedly, consultation tends to favor organized groups and neglects outside participation; it is also the case that consultation is carried out mainly to build consensus (and not, for instance, to gather support or assess impact). However, from the point of view of support inducement, this helps to generate public support for government policies.

Policy Communication

Coherent
Communication
Score: 9

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. However, the fact that Finland is governed at the time of writing under a broad-based umbrella coalition, which accommodates many diverse interests and ideological shadings, serves to diversify communication to some extent. The existence of an agreed-upon and fairly detailed government plan, on the other hand, serves to streamline communications.

Implementation

Government
Efficiency
Score: 9

Given that Finland during the review period is governed by a broad-based coalition government that commands a decisive majorities in parliament, the political conditions for satisfactory implementation of government plans are good. The implementation plan for the government program of Prime Minister Katainen was adopted in October 2011; the outcome from a review session, in February 2013, was that approximately 80% of the measures outlined in the program had been undertaken successfully or were about to be accomplished. However, the review also indicated shortcomings in several interrelated areas, including economic growth, employment and foreign trade, as well as municipal finance. In fact, the largest and most difficult program issues still remain unsolved. The economic global crisis has of course hampered the Cabinet's efforts regarding the economy, but the remaining difficulties are also partly because of internal tensions in government, the broad-based nature of which, due to ideological conflicts, may prove a curse as well as a blessing.

Citation:
Hufvudstadsbladet March 1, 2013

Ministerial
Compliance
Score: 9

Through several mechanisms, ministers are committed to the government's program. Government programs come about following negotiations between the political parties in government; therefore the validity and steering capacity of the program 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, and all items are preliminary

discussed weekly in the government's evening session (iltakoulu) which precedes formal cabinet meetings. On the whole, ministers are closely watched, and they are certainly expected to be integral parts of cooperative units. They would no doubt find it difficult as well as unrewarding to pursue narrow self-interests.

Monitoring
Ministries
Score: 8

The 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,
Bureaucracies
Score: 8

All ministries use result management practices to monitor agencies in their respective task areas; in many cases, a balanced score system is used. Still, all agencies are not monitored to the same extent. 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. Other agencies enjoy a somewhat lesser degree of autonomy; however, as a rule, they have autonomy with respect to day-to-day operations. Generally speaking, monitoring takes many forms, and a system of political undersecretaries of state has been designed to foster the monitoring activities of individual ministers.

Task Funding
Score: 8

Municipal governments have a right to assess taxes, and in fact, collect over twice as much 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 municipalities 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 an efficient provision of services. During the review period the government has introduced a further, although highly contested

reform project to create larger entities for social and health service provisions in a more efficient way (SOTE); this program has been discussed largely in the media.

Citation:

Markus Sovala, "State Transfers to the Finnish Municipalities", <http://www.oecd.org/gov/budgeting/39794511.pdf>

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 care, social and infrastructure 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 pressures.

National Standards
Score: 7

Since local authorities have the 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 municipal bodies are partly independent of the state. Appeals to administrative courts over 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 (environmental or social care issues) 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. It still remains an open and much debated question to what extent these reforms will meet stated goals.

Adaptability

Domestic
Adaptability
Score: 9

Most recent adaptations have been in the course of EU membership. Finland was among the first wave of EU member states to adopt the euro, and domestic government structures have in several instances been adapted to EU norms. The Grand Committee of parliament is now tasked with preparing and dealing with EU matters, and the EU secretariat, which is responsible for the coordination of EU affairs, was transferred from the Ministry for Foreign

International
Coordination
Score: 8

Affairs to the Prime Minister's Office, as its responsibilities were assumed by the government secretariat for EU affairs. A coordination system exists to ensure that Finland maintains a coordinated position in line with its overall EU policy on issues under consideration in the European Union. This system involves competent ministries, the cabinet committee on EU affairs, the committee for EU affairs and its various EU subcommittees, which are sector-specific preparative organs and constitute the basis for the promotion of EU affairs at the level of civil servants.

Typically, global public goods are best addressed collectively on a multilateral basis, with cooperation in the form of international laws, agreements and protocols. Finland is a partner to several such modes of cooperation and thus contributes actively to the implementation of global frameworks. Finland is committed to and has ratified the Kyoto Protocol to the United Framework Convention on Climate Change that came into effect in 2005. The Ministry of the Environment is responsible for coordinating further climate negotiations. Specifically, within the framework of the European Union, Finland is committed to bringing its national average annual emissions down to their 1990 levels by 2008 – 2012. The Finnish government also adopted a foresight report on long-term climate and energy policy in 2009. In 2012, the government signed a Memorandum of Understanding, through which Finland and the United States agree to continue their cooperation in preventing the proliferation of weapons of mass destruction. Still, Finland is not to be regarded a main or even an important player in efforts to foster the provision of global public goals. Given a relatively high level of knowledge and research in Finland as well as adequate existing frameworks for policy coordination and monitoring, several relevant institutional capacities for fostering global governance do exist. They are, however, not utilized to their fullest extent.

Organizational Reform

Self-monitoring
Score: 10

The monitoring and evaluation of existing institutional models forms an important element of the Finnish political and administrative system. While dealing to some extent with basic political system features, and attempts at promoting the electoral system in terms of proportionality and constituency size are examples of such activities, evaluation and monitoring activity deals mainly with administrative and steering issues. A system of program management is at work, which includes also government's strategy document as applied to the promotion and monitoring of the Government Program. In an implementation plan adopted in 2011, the Cabinet under Prime Minister Katainen introduced new measures for monitoring the Government Program; the plan states the main objectives of the Government Program, defines

preparation responsibilities as well as key measures and projects and turns them into strategic, inter-sectoral policies. The government now has three priority areas, namely the reduction of poverty, inequality and social exclusion, the consolidation of public finances and the strengthening of economic growth, employment and competitiveness. Key projects are the reform of local government structures, the provision of social guarantees for young people and the fight against the informal economy.

Citation:

“Government Programme Monitoring”, <http://valtioneuvosto.fi/toiminta/hallitusohjelmanseuranta/en/jsp>

Institutional Reform
Score: 7

While institutional arrangements have not changed much, the government at the time of writing is considering plans that bear witness to its capacity to promote and implement strategic knowledge. Plans include the merging of ministries and an expansion of monitoring and planning power; all which are necessary. Several factors, not least the fairly high degree of independence of Finnish ministries and the broad-based nature of recent Cabinet work against policy coordination across government bodies, have highlighted the need for measures that smoothen and advance coordination efforts. Given these conditions, it is unfortunate that the use of interministerial committees – inexpensive and efficient in terms of planning and consensus-building – has been reduced. This is one example of misguided strategic policy.

II. Executive Accountability

Citizens’ Participatory Competence

Policy Knowledge
Score: 9

Democracy requires that the public and its representatives have the means to hold government accountable. In this respect Finnish democracy is effective, although not perfect. Information on governmental policies and decisions is widely available online, and many policy fields are debated at great length on television or in other media; newspaper readership is also very high in Finland. A weak spot however is the public’s evaluative and participatory competencies. Surveys about the extent to which citizens are informed of government policymaking indicate that an interest in politics has been in general on the increase, and young Finns are especially more interested in politics during the review period than in the early 2000s. Trust in political institutions has been also increasing. Social media and the 2012 presidential campaign in particular have had a marked impact on the participation of younger citizens in politics.

Yet there are probably significant differences between policy issues in this respect; whereas some issues are widely debated in the media and attract general attention and thus better (and wider) knowledge, other issues less media-friendly or stimulating pass largely unnoticed.

Citation:

YLE News, 29.09.2012, http://yle.fi/uutiset/politiikka_ki_innostaa_nuoria_yha_enemman/6310622.
 Demokratiapuntari 2012: Yhteenveto. Ministry of Justice/MTV3/tnsGallup, 02/2012.
http://www.kansanvalta.fi/Etusivu/T_utkimusjakehitys/Julkaisujatutkim_uksia

Legislative Actors' Resources

Parliamentary
Resources
Score: 9

The resources for members of parliament to obtain information were greatly improved in the 1990s through the creation of a parliamentary assistant system; every MP thus was given a personal assistant. At the time of writing some 190 assistants work in parliament (there are 200 MPs). The assistants perform a variety of tasks, some of which relate closely to the procurement of information and general expertise. MPs are assisted also by the Information and Communication Department, which includes the Library of Parliament, the Research Service and the Parliament Information Office. The Library of Parliament employs 45 people and maintains three service entities: collection services, reference and archival services, and information services.

Additionally, the Research Service supplies information, documents, publications and other materials that are required by MPs and other actors involved in parliamentary work. As the MPs are members of, on average, two parliamentary committees, they benefit from the information and knowledge of various experts that are regularly consulted in committee hearings.

Citation:

<http://lib.eduskunta.fi/Resource.php x/library/organization/people.htx>
<http://web.eduskunta.fi/Resource.php x/parliament/aboutparliament/organizationchart.htx?ct=e0>

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 the government upon request.

Summoning
Ministers
Score: 10

Committees are able to summon ministers to hearings and do so regularly. Committee meetings usually begin with a presentation by a ministry representative. Ministers can take part in committee meetings and debates, but cannot be regular members of the committee. Furthermore, when deemed necessary, committees invite the ombudsman, the deputy ombudsman or their representatives to a formal hearing as experts on questions of legislative drafting.

Citation:

<http://www.oikeusasiamies.fi/Resour ce.phx/ea/english/ombudsman/work/hearings.htm>

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, other individuals, who have either assisted in preparatory work or speak for agencies, organizations and other interested parties of importance in 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 dozens of experts. Data from earlier research show that the committees in 1938 consulted advisers 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.php x/parliament/committees/index.htm>

Task Area
Congruence
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. The fit as of the review period 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 parliament and being an integrated part of parliament. Formerly, parliamentary oversight of government finances was performed by parliamentary state auditors. However, this institution has been 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 affiliation 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 and it also oversees election and party funding. The office is directed by the auditor general who is elected by parliament. With about 140 employees, the office comprises the financial audit unit, the performance audit unit, the executive management support unit and the administration and information units.

Citation:

"National Audit Office"; <http://www.vtv.fi/en>

"The Audit Committee"; <http://web.eduskunta.fi/Resource.php x/parliament/committees/audit.htm>

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, and has a staff of more than 60 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 bring complaints to the office over decisions by authorities, civil servants and others who perform public duties. The number of complaints decided on by the ombudsman has been increasing, with 4,543 cases initiated in 2011.

Citation:

<http://www.ombudsman.fi/english>

Media

Media Reporting
Score: 9

By providing a continuous flow of information and background analysis, the main print media, TV and radio stations in Finland offer substantive in-depth information on government decisions. This provision takes different forms, such as inserts in regular news programs, special features, debates between proponents of conflicting views, debates between representatives of the government and opposition parties, 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 dedicated to the workings of government on television or radio. Circulation numbers are still very high for daily newspapers, which often focus

on high-quality reporting on political issues.

Parties and Interest Associations

Intra-party
Democracy
Score: 8

In 2012, four major parties hold seats in the Finnish parliament (Eduskunta). Although empirical research on intraparty democracy has focused on only one party (the Center Party, or Kesk), there is little doubt that the findings from this case study are more or less valid for the three other major parties as well. Generally, the internal decision-making system of parties concerned has developed structurally in two directions. While active party members operate party field organization, leadership and national policy functions are largely decided by people who have politics as an occupation and constitute the party's elite. This dualism has thus placed power in the hands of party elites, especially the chair and the closest followers of the party. At the same time, the distance has increased between party leaders and the party membership. As party meetings are the highest decision-making institutions in Finnish party life, and individual party members as a rule participate in party meetings through elected delegates only, the input of members remains indirect at best.

Citation:

Karina Jutila, "Yksillä säännöillä, kaksilla korteilla", Dissertation, University of Tampere, 2003; Rauli Mickelsson, "Suomen puolueet. Historia, muutos ja nykypäivä", Tampere: Vastapaino, 2007.

Association
Competence
(Business)
Score: 8

The large market-sector organizations that represent labor and management became involved in a series of comprehensive income policy agreements in 1968. These concerned not only wages and working conditions but also social welfare programs and corresponding legislation. While this institutional arrangement for cooperation between government and associations has since 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 policymaking have lead to reasonable policies.

Association
Competence
(Others)
Score: 8

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 policymaking, various interests gain access to government policymaking. No doubt the contribution of interest associations in terms of know-how in decision-making is a valuable asset which enhances the quality of

policymaking. Also, interest associations have a high profile in 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.

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