



Finland Report

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Sustainable Governance Indicators 2017

Executive Summary

As a mature democracy with a sound basis for effective policy reform, Finland's system of governance allows stakeholders to identify problems, formulate solutions and advance social well-being, earning it top marks among international rankings on effectiveness in governance. Freedom House has repeatedly given Finland the highest ranking worldwide for political liberties and civil rights and, since 2008, the country has also topped Reporters without Borders' Worldwide Press Freedom Index ranking. However, as a result of a scandal regarding party and electoral campaign financing, Finland no longer holds the top position in global anti-corruption rankings. Since 2008, when the scandal broke, legislation requiring the disclosure of donations to candidates and parties has been introduced. Though less extensive by comparison, electoral system reforms introduced in 2012 have improved the proportionality of the system and a participatory mechanism introduced in 2012 enables citizens to propose legislative changes through an internet-based platform.

While Finland's economy has in past years numbered among the most stable in Europe, its outlook is now clearly less favorable. The economy has been in recession for several years, and Finland has not managed to retain its AAA rating. Public debt is increasing, and the labor market continues to shrink. Unemployment figures are now, in fact, alarming, with an increase in youth unemployment giving particular cause for concern.

Public attitudes toward immigrants have hardened in recent years, with the main political parties failing to challenge such attitudes. This hesitation may be explained in part by the growing support for the populist and anti-immigration Finns Party (formerly referred to in English as the True Finns party) in recent years, although levels of support for the party have diminished radically under the current government. Attitudes toward Finland's Swedish-speaking minority have also hardened, despite Finland's official bilingualism and constitutional protections. However, the present dramatic and largely uncontrolled inflow of refugees and asylum-seekers into Europe has generated a deeper – although by no means broadly shared – understanding for the need to adopt a more generous and responsible immigration policy.

The performance of Prime Minister Jyrki Katainen's government in the 2011 – 2014 period was rather poor. Katainen's government featured a broad coalition

of six parties including members of both right- and left-wing parties that ultimately fragmented under the pressures of economic crisis. Following the withdrawal of two parties from the governing coalition, as well as cabinet reshuffles in 2014, a new government under Prime Minister Alexander Stubb took over until parliamentary elections in spring 2015. Following these elections, a three-party government under Juha Sipilä was installed in late May 2015, commanding 124 seats in the country's 200-seat parliament. Developments under Sipilä are thus far less than encouraging, as tensions across departments within the government persist, the leadership appears rudderless and, most notably, the government and labor-market organizations are battling over the direction of economic policy. A fairly recent reform designed to introduce business practices into higher education has largely failed. Meanwhile, the central government's attempts to restructure local government, in part through amalgamating local government services, has met with resistance within local administrations and among the public more widely, ultimately leading to a compromise solution with no clear prospect of success. In 2013, Finland failed in its application to become a non-permanent member of the United Nation's Security Council. Beleagured by ongoing problems with mining sites and disputes over environmental policy principles, Finland's environmental management and policy framework is less effective than hoped for.

Aside from the reform targeting a re-organization of regional government, health care and social services, no large-scale institutional reforms or similar actions promoting governance and decision-making have been undertaken during the assessment period. The government has retained much of its system of program management, and also retained (or even strengthened) its strategy-planning procedures. The lack of large-scale reform does not evince a failing of government – it underscores the quality and comprehensiveness of the system inherited.

The economic and governance challenges facing Finland today are perhaps surmountable, though many of these challenges are rooted in problems beyond the government's control. The effects of European and global economic and political crises present several challenges to the economy and have directly and indirectly undermined public sympathy for EU values and the EU's political agendas. And yet, recent security developments, most notably Russia's military and political intervention in Ukraine and other displays of Russian power, have generated a palpable rise in pro-EU and pro-NATO attitudes among the public.

Key Challenges

Although Finland's political system represents a model polity, current trends regarding the strength of democracy are less encouraging. Overall, public faith and trust in Finland's democratic institutions have weakened, as is evident from the relatively low electoral turnouts and declining membership in political parties. Furthermore, survey data indicates that public trust in central political institutions such as the parliament and government could be improved. However, public interest in politics and trust in political institutions increased slightly over the assessment period.

Low levels of participation and institutional trust result in part from the instability of recent governments. In Finland, this instability has been due to the necessity of forming coalition governments made up of several political parties in order to achieve a working parliamentary majority. The broad and unstable nature of such governments undermines government accountability and transparency, and limits the public's ability to fully understand and engage with the processes of public policymaking. Expectations that the three-party structure of the present Sipilä government would result in a more efficient and transparent style of governance have not been met. Instead, tension and a lack of direction characterize everyday politics within the cabinet.

Radically innovative measures and political engineering will be required to reverse the erosion of democratic participation. Revitalizing representative democracy in the country will require the input of new participatory institutions (e.g., binding referendums). Indeed, some progress has been made in this regard. A new mechanism, the so-called citizens' initiative, obliges parliament to debate any petition that receives at least 50,000 signatures and, as of the time of writing, several initiatives are awaiting parliamentary consideration. While this mechanism marks a step in the right direction, these initiatives are non-binding, and parliament retains the right to reject any initiative. The first successful initiative, proposing same-sex marriage, was passed by a slim parliamentary majority in November 2014.

National security – both internal and external – and foreign-policy issues represent substantial challenges for Finland. First, given Russia's political and military intervention in Ukraine, as well as the deteriorating relationship between Russia and EU member states, concerns about Finland's proximity to Russia have increased pressure on the government to form alliances with international partners. Political and public attitudes toward EU and NATO

membership, which were increasingly critical before the recent security crises, are now increasingly favorable. Current institutional arrangements divide responsibility for foreign affairs (excluding those related to the European Union) between the president and the government. The indistinct constitutional basis for this duality as well as the active foreign policy leadership assumed by President Sauli Niinistö creates uncertainty both abroad and domestically.

The long-term increase in the average age of Finland's population has created a strong demand for migrant workers. However, this economic demand conflicts with negative public attitudes toward immigration, represented and exacerbated in particular by the Finns Party, which has won greater electoral support in recent parliaments. Present polls, however, suggest that the party is losing ground and will likely face defeat in upcoming elections. Nonetheless, the party's capacity to garner rapid support has left the country's major parties hesitant to pursue policy initiatives that would increase immigration. At the time of writing, however, the massive inflow of refugees and asylum-seekers to Europe, and to a lesser extent to Finland, appears to have had a somewhat moderating impact on the country's public opinion.

The government's executive capacity remains strong. The government program framework works reasonably well, and forms the basis for strategic planning and implementation. Strategic governance is also promoted by effective interministerial coordination, by the government office's ability to independently monitor and evaluate public policies, and by the oversight capacities of cabinet committees and working groups. Interest associations and civil society groups are widely consulted when legislation preparation is underway. However, local government executive capacity is frequently undermined by inadequate funding, while reforms intended to amalgamate and restructure local government administrations have had mixed success. Plans to restructure administrative boundaries have not sufficiently taken into account the effects this will have on the constitutionally protected rights of Finland's Swedish-speaking population. Generally, there appears to be a lack of appreciation for the contextual nature of the public-policy challenges that now confront Finland. A lesson to be learned would be that there is no one-size-fits-all policy solution; rather, any successful solution must draw upon combinations of policies rooted in a division of responsibilities between local and central governments.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 7

The Finnish economy has not recovered to its pre-recession levels of 2008. In fact, the economy has now contracted for several years in a row, with gross national product contracting in the April – June 2015 period for the fourth consecutive quarter. Furthermore, even as other Nordic countries are emerging from recession, Finland faces continued negative growth due to a decline in export competitiveness, weakened investment and subdued private consumption. Output has been dragged down by several additional factors, such as the global turndown, the decline of the electronics and paper industries, and the ongoing Russian recession. The impact of the recession on public finances has been so strong that a full recovery will probably not be achieved for several years. Fiscal policy is a particular concern, as public debt is growing and will probably continue to grow until 2019. Government expenditure totaled 58.7% of GDP in 2014 and is among the highest such ratios in the EU. With the aim of restoring fiscal sustainability, the government has placed a high priority on greater budgetary prudence and balancing the budget. The government has also sought to raise the minimum statutory retirement age, while improving incentives for people to continue working into later life. Furthermore, the government has been targeting a reform of the wage-setting system and the retirement system. These are crucially important measures, as further fiscal consolidation will otherwise be needed to manage the increasing costs associated with Finland's aging population.

While the Finnish economy continues to perform fairly well in several measures of economic freedom, the country's overall performance has been in decline. Finland's economy was ranked 19th worldwide in the Heritage Foundation's 2015 Index of Economic Freedom, slipping several places from its 2012 rank of 16th; in 2016 Finland was ranked in a mediocre 24th place. The relative decline can be attributed to deteriorations in fiscal freedom,

business freedom and the management of government spending. The Finnish economy is forecasted to grow by 1.1% in 2016, and economic growth for the years is also expected to increase by some 1% annually. For 2018, GDP is forecasted to be nearly 3% below its 2008 level and industrial production just over 5% above. Still, during the assessment period, the government successfully maintained monetary stability and encouraged entrepreneurship.

Citation:

“OECD Economic Survey of Finland 2016”, <http://www.oecd.org/eco/surveys/economic-survey-finland.htm>;

“European Commission Assessment of the 2015 Stability Programme for Finland”, http://ec.europa.eu/economy_finance/economic_governance/sgp/pdf/20_scps/2015/26_fi_scp_en.pdf;

“The Heritage Foundation 2015 Index of Economic Freedom”, <http://www.heritage.org/index/pdf/2015/book/highlights.pdf>;

“The Heritage Foundation 2016 Index of Economic Freedom”, <http://www.heritage.org/index/ranking>;

Ministry of Finance, “Finland’s Economic Growth will Remain Subdued”, http://vm.fi/en/article/-/asset_publisher/suomen-taloukasvu-jaa-vaisuksi-ennustaa-valtiovarainministerio;

Labor Markets

Labor Market
Policy
Score: 6

A deep depression in the Finnish economy in the 1990s resulted in a rapid and dramatic increase in unemployment rates. While the employment situation gradually recovered from this 1990s recession, unemployment has again become a serious challenge in recent years, aggravated by the European economic crisis. The unemployment rate in July 2014 was 7.0%; by June 2015, this rate had reached 10.0%. Figures for 2016 were 10.8% (May), 9.3% (June) and 7.8% (July). Forecasts estimate the unemployment rate to stand at around 8.2% in 2020. Present achievements in stemming long-term unemployment, youth unemployment and low-skilled unemployment are not satisfactory, and the high level of youth unemployment is a particular cause for concern. In the area of active labor-market policies, recent government strategies have included efforts to improve employment subsidies and labor-market training, and youth unemployment has been specially targeted by recent reforms. While Finland maintains a system of minimum wages and collective agreements, more attention is needed in matters of worker-dismissal protections. Structural, institutional and political factors exacerbate the present difficulties. Finland is a large but sparsely populated country. Consequently, geography is an obstacle to labor mobility. Globalization has also become a threat to labor-market strategies, as companies have sought to reduce their costs by moving production abroad. In many sectors, the amount of temporary work contracts has been increasing. All this works against employment and job security.

The Sipilä government has initiated a reform of the unemployment benefit system, with first amendments coming into force 1 January 2017. The first part

of the reform cuts the duration of earnings-related unemployment benefits from a maximum of 500 to 400 days, sets stricter conditionalities for the unemployed in accepting job offers and seeks to personalize employment services by interviewing job-seekers regularly. The reform marks a shift from passive to more active labor-market policies.

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.

"Finnish Unemployment Rate. Forecast 2016-2020", www.tradingeconomics.com;

"Statistics Finland - Labor Market", www.stat.fi

"Työttömyysturvalakiin muutoksia - työttömyysturvan kesto lyhenee"; http://stm.fi/artikkeli/-/asset_publisher/tyottomyysturvalakiin-muutoksia-tyottomyysturvan-kesto-lyhenee

Taxes

Tax Policy
Score: 9

In Finland, the state, municipalities, the Evangelic Lutheran Church and the Orthodox Church have the power to levy taxes. Taxation policies are largely effective. The state taxes individual incomes at rates falling on a progressive scale between 6.5% and 31.75% (2016). Municipal taxes range from 16.25% to 21.75%, depending on the municipal authority. In 2015, the average overall personal income-tax rate was 51.50%; it averaged 53.10% over the 1995 – 2014. Generally speaking, demands for vertical equity are largely satisfied. However, this is less true for horizontal equity. The corporate income-tax rate was lowered in January 2014 from 24.5% to 20%, and adjustments in recent years have made Finland's taxation system less complex and more transparent. Finland performs well in regards to structural-balance and redistributive effects, and overall taxation policies generate sufficient government revenue. Taxes are generally high in Finland because the country has expensive health care and social-security systems, and also operates an efficient but costly education system. In comparison to most other countries, Finland enjoys a unique situation in which the public understands that taxation is necessary in order to secure the overall social welfare. In recent polls, 96% of respondents agreed that taxation is an important means of maintaining the welfare state, and 75% agreed that they had received sufficient benefits from their tax payments.

Citation:

Tim Begany, "Countries with the Highest Taxes", <http://www.investopedia.com/>;

<http://www.tradingeconomics.com/finland/personal-income-tax>;

"Tax Rates Finland", www.nordisketax.net

Budgets

Budgetary Policy
Score: 8

The government agenda of the current Sipilä government builds on its predecessors' initiatives, structural policy programs and public-finance adjustment policies. Consequently, the government's economic policy program aims at strengthening the economy's growth potential, raising the employment rate, bolstering household spending power and improving international competitiveness. Accordingly, the government is committed to an active fiscal policy that supports economic growth and employment, aims at a reduction of the central government's debt-to-GDP ratio, and tries to strike a balance between long-run fiscal sustainability and the short-term need to support domestic demand. However, the unfavorable economic environment has impeded the government's goals and ambitions. The debt crisis in Europe has slowed economic growth, and the government's initial ambition to halt the growth in public debt by 2015 was not fulfilled. The Ministry of Finance's budget proposal for 2017 draws on the decisions made in the general government fiscal plan of April 2016. According to estimates, there has been no significant improvement in the economic situation. The 2017 draft budget total of €5.2 billion exceeds the 2016 budget by €0.8 billion. The European Commission's 2016 Stability Programme for Finland points to a risk of some deviation from adjustments targeting the medium-term objective of structural balance. The Commission's spring 2016 forecasts confirmed these fears, which implies a significant risk of deviation in the future.

Citation:

European Commission, "Assessment of the 2016 Stability Programme for Finland", http://ec.europa.eu/economy_finance/economic_governance/sgp/pdf/20_scps/2016/26_fi_scp_en.pdf

Research and Innovation

R&I Policy
Score: 7

Finland was earlier among the forerunners in research and development (R&D) spending as well as in the number of researchers and patent applications. Its lead in computer technology and Internet access has been somewhat less. Finland had the EU's highest R&D intensity in 2014, followed by Sweden and Denmark; indeed, in Finland, R&D expenditure totaled 3.2% of GDP. However, this position has declined; in 2015, the R&D expenditure totaled only 2.9% of GDP, which is the lowest level this figure has reached in Finland since 1998. The innovation system's low level of internationalization is a particular weakness. Moreover, the focus of R&D has been on applied research, with basic research at universities and other institutes benefiting little. Undermining commitments laid out in the government program, the Sipilä government has repeatedly carried out dramatic cuts in government

spending for education and higher learning. In the long run, given the dependence of applied research on basic-research developments, the heavy bias in favor of applied research will in fact carry negative consequences for product development and productivity. Furthermore, the system of technology transfer from universities to the private sector is comparatively weak, and academic entrepreneurship is not well developed.

Citation:

“Research and Innovation Policy Guidelines for 2010-2015”. The Research and Innovation Council of Finland, 2010. http://www.minedu.fi/export/sites/default/OPM/Tiede/tutkimus-_ja_innovaationeuvoisto/julkaisut/liitteet/Review2011-2015.pdf

“Statistics Finland - Science, Technology and Information Society - Research and Development”, www.stat.fi

Data on R&D expenditure; <http://ec.europa.eu/eurostat/>

Global Financial System

Stabilizing
Global Financial
Markets
Score: 9

Following the collapse of financial markets in Europe and the increased vulnerability of financial markets globally, political leaders in Finland have urged the passage of stronger regulations and more coordinated market supervision. In terms of attitudes and action, Finland has presented itself as an agenda-setter, providing support to countries seeking to advance self-regulation and combat excessive market risk-taking. Finland has also pursued measures to secure its own finances. In 2013, the Finnish government approved the Europe 2020 National Program, which contains measures and national targets for achieving the goals of the Europe 2020 strategy. The program included proposals to create an effective national macroprudential supervision system. With some 200 employees, the Financial Supervisory Authority is tasked with overseeing Finland’s financial and insurance sector. Operating administratively in connection with the Bank of Finland, the Authority’s main objective is to facilitate the balanced operation of credit institutions and insurance and pension companies in stable financial markets. The Financial Markets Department of the Ministry of Finance creates the rules for financial markets and the framework in which markets may operate; the department is also responsible for ensuring that the Ministry of Finance’s international activities remain effective.

Citation:

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

Ministry of Finance, “Financial Markets”, <http://vm.fi/en/financial-markets>;

Financial Supervisory Authority; <http://www.finanssivalvonta.fi/en/Pages/default.aspx>

II. Social Policies

Education

Education Policy
Score: 8

Built on the principle of lifelong learning, policy in Finland promotes and maintains a high educational standards. 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 20 universities and 30 polytechnics, and close to 70% of high-school graduates enter higher education. Nevertheless, the proportion of graduates from higher education (among 25- to 34-year-olds) 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 Finland has ranked at the top of the OECD's Program for International Student Assessment in recent years. However, Finland's ranking appears to be slipping as gender and regional disparities in student performance are growing significantly. The Education and Research Development Plan, revised every four years by the government, is the key document governing 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 has focused on the alleviation of poverty, inequality and exclusion.

On 1 August 2016, new curricula for compulsory basic education was introduced. The curricula are designed to increase equality in compulsory education, enhance pupil participation in goal-setting and evaluation, and integrate more technology in teaching. While the curricula reflect more thoroughly the growing needs of a knowledge society, it has been criticized for the short period of transition involved with implementing it and the lack of resources and training for teachers.

Additionally, restrictions on the right to day care for children whose parents are not participating in the labor market undermine equal access to early education, especially in socially vulnerable families. This change in education policy is likely to decrease the quality and diminish the successes of the Finnish educational system.

Citation:

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

"Education Policy Outlook Finland", oecd.org/edu/highlightsFinland.htm

“The new curricula in a nut shell”

http://www.oph.fi/english/curricula_and_qualifications/basic_education/curricula_2014

Social Inclusion

Social Inclusion
Policy
Score: 8

The Finnish constitution safeguards basic economic, social and educational rights for all people, with these rights guaranteed both by the state and by municipal authorities. However, reality does not completely measure up to this ideal. While social policy largely prevents poverty and the income-redistribution system has proven to be one of the most efficient in the European Union, pockets of relative poverty and social exclusion still prevail. In particular, poverty rates among elderly women are comparatively high due to the low pensions accrued within this population. Furthermore, inequalities in well-being exist between regions and municipalities, depending on demographic composition and economic strength. In general, the global economic crisis has exposed an increasing number of people to long-term unemployment and poverty.

In terms of life satisfaction and gender equality, Finland has embarked on a number of programs to improve its performance. The government has passed an Act on Equality between Women and Men, and gender discrimination is prohibited under additional legislation. Despite this legislation inequalities prevail between men and women, especially in the workplace. The government has placed a particular emphasis on programs for at-risk youth from 15 to 17 years old who experience social exclusion, as well as on programs to create equal opportunities for disabled individuals. Immigrants are another group that faces social exclusion, especially due to poor 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 over time led to improvements in public health such as a decrease in infant-mortality rates and the development of an effective health-insurance system. Finnish residents have access to extensive health services despite comparatively low per capita health costs. Yet criticisms are common regarding life expectancy, perceived health levels, the aging population and an inadequate provision of local health care resources. Finland’s old-age dependency ratio is increasing substantially, although not as

dramatically as in some other EU countries. Many clinics formerly run by municipal authorities have been privatized, which has led to increasingly attractive employment conditions for physicians.

Government planning documents outline preventive measures. For example, the 2015 Public Health Program is a central document that describes a broad framework to promote health across various sectors of the government and public administration. Similarly, the Socially Sustainable Finland 2020 strategy sets out the current aims of Finland's social and health policy. In November 2015, the government agreed on a major social and health care reform (SOTE) that will move responsibilities for social welfare and health care services from municipalities to 18 larger governmental entities from 2019 on. These services are presently managed by more than 150 municipal-level authorities; thus, the reform is expected to yield substantial public savings. At the same time, a planned reform envisions allowing greater freedom in choosing between public and private health care providers, though this reform's implementation is subject to considerable political conflict and debate.

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; "Socially Sustainable Finland 2020. Strategy for Social and Health Policy", Ministry of Social Affairs and Health, 2014.

<http://alueuudistus.fi/en/social-welfare-and-health-care-reform>

Families

Family Policy
Score: 9

Family policy in Finland adheres to the U.N. Convention on the Rights of the Child, as well as other international agreements. Finland's family-policy programs aim to create a secure environment for children and support parents' physical and mental resources. By and large, family policy has been successful. For example, child poverty has practically been eradicated. Support for families has three main elements: financial support for services and family leave, child benefits, and the provision of day care services. Access to public day care is guaranteed to all children under seven years of age, and allowances are paid for every child until they turn 17. However, the Sipilä government has implemented changes in the right to day care, with potentially far-reaching consequences. As of January 2016, the right to day care is limited to part-time coverage, if one of the parents is unemployed or on parental leave taking care of a younger sibling. This increases inequalities in early-childhood education and weakens the position of children in socially marginalized families.

Family policy also remains problematic with regard to gender equality. Although the employment rate among women is among the highest in the

European Union and the fertility rate has somewhat increased, family policies have not been able to fully solve the challenge of combining parenting and employment. In practice, although the number of fathers that take paternity leave has increased, child care responsibilities still fall predominately on women, and mothers are more likely to be in part-time employment than are fathers. Also, Finnish women tend to leave the labor market after having a child for a longer period than do women in other countries. Yet evidence has shown that family-centered thinking is increasing among Finnish adults and within Finnish culture. In short, the family has become more important for the individual.

Citation:
Katja Repo, "The Contradiction of Finnish Childcare Policies",
www.ungdata.no/reassessassets/20608/20608.ppt

Pensions

Pension Policy
Score: 9

The Finnish pension system has two pillars: a residence-based, national pension, and a mandatory employment-based, earnings-related pension. Voluntary occupational schemes and private pension savings are not well developed; still, about one-fifth of the citizens report saving for old-age either in specific private pension schemes, common saving accounts or other kinds of assets. Successfully managed by the social partners as well as by the government, the overall pension policy has been able to provide adequate pension provision, and Finland has by and large been able to avoid the classic problem of poverty in old age. However, among elderly women, old-age poverty rates are somewhat higher than for men due to short working careers in often low-paid jobs, and low earnings-related pensions as a consequence. The ongoing aging of Finland's population creates problems in terms of labor-force maintenance and fiscal sustainability, and the economic crisis in Europe has added considerably to these problems. Present strategies aim at encouraging later retirement in order to ensure that the state pension provides sufficient funding.

A major reform of the pension system in 2005 aimed at increasing pension-policy flexibility and creating more incentives for workers to stay in employment later in life. In 2011, a national guarantee pension was introduced. While these reforms were successful, a further major reform will come into effect in 2017. In September 2014, the social partners agreed on a further gradual raise of the lowest retirement age to 65, with adjustments for future cohorts based on changes in life expectancy, flexible part-time retirement and amendments to the accumulation rate. Exceptions are valid for those pursuing long careers of strenuous work, who will be able to retire at 63.

The reform ensures the financial sustainability of the pension systems and will provide incentives for longer working careers. At present, Finland ranks in the middle in the EU in terms of average exit age from the labor force, but the effective retirement age is expected to reach its target level of 62.4 years in 2025 as a result of the 2017 reforms.

Citation:

Nicholas Barr, “The Pension System in Finland: Adequacy, Sustainability and Systems Design”, Finnish Centre for Pensions, 2013.

“Earnings-related Pension System in Graphs and Figures”, Finnish Centre for Pensions, 2014.

“Vuoden 2017 työeläkeuudistus.”

http://www.etk.fi/fi/service/el%C3%A4keuudistus_2017/1628/el%C3%A4keuudistus_2017. Finnish Centre for Pensions 2014.

“The Finnish Pension System”, http://www.infopankki.fi/en/living-in-Finland/work_and_enterprise/pension
Susan Kuivalainen, Juha Rantala, Kati Ahonen, Kati Kuitto and Liisa-Maria Palomäki (eds.) 2017. *Eläkkeet ja eläkeläisten toimeentulo 1995–2015* [Pensions and livelihood of retirees 1995-2015]. Helsinki: Finnish Centre for Pensions.

Integration

Integration Policy
Score: 7

In a recent policy study on immigrant integration that compared EU countries, the United States, Canada and Switzerland, Finland was ranked fourth in terms of how well its legislation and policies help newcomers adopt to their new circumstances. However, the study did not fully measure 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 entering education or finding work, and the employment situation – when measured by indicators for employment rates among foreign-born workers, comparative employment rates between foreign-born and native-born workers, and generational concerns for foreign-born workers – is certainly troubling. There are also great differences in labor-market attachment relative to migrants’ countries of origin, with Estonians and Russians, for example, finding their way into employment much more easily than migrants from sub-Saharan Africa.

Boosting rates of labor-market participation is one of the key targets of the government’s Future of Migration 2020 Strategy and 2016 Action Plan. While the Finnish immigrant population has increased substantially, there are still only about 300,000 foreign-born residents or naturalized Finnish citizens out of a population of 5.4 million (5.5%). While Finland, in terms of a per capita ratio has received the fourth-largest share of asylum-seekers in the EU, Finland is not considered to be 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. For example,

the police-recruitment process requires a very high level of language proficiency. While sympathetic to work-related immigration, authorities' general attitude toward immigration is rather restrictive. Moreover, the Finns Party has used its cabinet platform to fan anti-immigrant resentments. Some demonstrations by radical anti-immigrant protesters against refugee accommodations have taken a violent turn. However, according to polls, the share of favorable attitudes toward immigration among the public is somewhat increasing, certainly in part due to the catastrophic refugee situation in Europe.

Citation:

Arno Tanner, "Finland's Balancing Act", <http://www.migrationpolicy.org/article/finlands-balancing-act-labor-market-humanitarian-relief-and-immigrant-integration>;

"Finland must develop its immigration and integration policies", <http://www.helsinkitimes.fi/>

Eve Kyntäjä, "Integration Policy in Finland", h24-files.s3.amazonaws.com/62061/837056/-audb.pdf

Henna Busk, Signe Jauhiainen, Antti Kekäläinen, Satu Nivalainen and Tuuli Tähtinen 2016. Maahanmuuttajat työmarkkinoilla: tutkimus eri vuosina Suomeen muuttaneiden työurista [Immigrants on the labour market – A study of the working lives of immigrants arriving in Finland in different years]. Finnish Centre for Pensions, Studies 06/2016. Helsinki: Finnish Centre for Pensions.

Safe Living

Safe Living
Conditions
Score: 9

According to the 2016 OSAC Report, Finland continues to be a safe and secure environment for business, tourism and living. And indeed, Finland is still among the safest countries in Europe and features a very low crime rate. Still, there has been a crime rate increase in recent years. According to polls, Finnish citizens regard the police as one of the most reliable public institutions. The government established the First Program on Internal Security in 2004, and later modified and expanded it. In June 2012, the government adopted the Third Internal Security Program, which aims to reduce citizen's daily security concerns and place an emphasis on measures that prevent social exclusion and social polarization. The program's overall implementation is 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. Involving a collaboration between municipalities, regions, organizations, business and public administration, preparations for a new national strategy outline were initiated in August 2016 that is scheduled to for completion in April 2017.

Citation:

"Turvallisempi huominen. Sisäisen turvallisuuden ohjelma." 26/2012. Ministry of Interior, Helsinki;

http://www.intermin.fi/download/34893_262012_STO_III_fi.pdf;

http://www.intermin.fi/fi/kehittamishankkeet/sisaisen_turvallisuuden_strategia

Global Inequalities

Global Social
Policy
Score: 7

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. In 2014, Finland provided a record amount of humanitarian aid at over €105 million. However, due to severe strains in the Finnish economy, the government has been forced to decide and implement considerable reductions in the amount of humanitarian aid. Finland emphasizes the primary role of the United Nations in coordinating the provision of aid, and in general 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. The Ministry for Foreign Affairs, in conjunction with external consultants, monitor the attainment of goals and the use of funds, and in June 2014 the ministry introduced an online service enabling anybody to report suspected misuse of development-cooperation funds. Generally, Finland is committed to promoting development, and surveys on the issue of development cooperation indicate that the Finnish people perceive humanitarian assistance as an important form of aid. Still, the overall efficiency of Finnish efforts is not high, and the country is not be counted as among the world's top aid initiators or agenda-setters. In terms of advancing global social inclusion, Finland is a committed partner rather than a leader.

Citation:

"Finland's Development Policy Programme 2012", Ministry for Foreign Affairs of Finland, 6/19/2012. Ministry for Foreign Affairs of Finland, <http://www.formin.fi/public/default.aspx?contentid=251855>

III. Environmental Policies

Environment

Environmental
Policy
Score: 8

Finland faces specific environmental challenges in terms of climate change and population growth; yet the country's contribution to larger efforts in combating climate change have to date been fairly modest. Still, in the Yale 2014 Environmental Protection Index, Finland was ranked 18th out of 178 countries overall, and was top-ranked in the categories of health impact along with water and sanitation. In 2016 Finland ranked at the top of the Environmental Performance Index, ahead of Iceland, Sweden and Denmark. Water pollution is indeed a large issue in Finland. While pollution emissions

from large industrial facilities have been to a large extent successfully curbed, and polluted lakes and rivers have been cleaned, waterborne nutrient emissions 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. The overall annual growth rate of trees in the forests exceeds the total timber harvest, a result of institutionalized protections. Separately, efforts to halt an ongoing decline in biodiversity have proved insufficient, though the government has created networks of protected areas. The environment and natural resources are among the responsibilities of 13 centers for economic development, transport and the environment. The Ministry of Employment and the Economy supervises the general administrative work of these centers.

Citation:

Jari Lyytimäki, "Environmental Protection in Finland", <http://finland.fi/public/default.aspx?contentid=160041>;
 "Finland's Environmental Administration", http://www.ymparisto.fi/en-US/Finlands_environmental_administration;
<http://archive.epi.yale.edu/epi/country-rankings>;
 Sebastian Frick and Luis Marin Morillas, "Environmental Policies in Finland", <https://prezi.com/x6yy6xidpwaj/environmental-policies-in-finland/>

Global Environmental Protection

Global
 Environmental
 Policy
 Score: 8

International regimes are often sector-specific. The core of each international regime is formed by international regulatory and administrative systems, which are created and implemented through formal agreements. While Finland is certainly committed to observing many multilateral and bilateral environmental agreements concerning climate change and air pollution, for example, Finland is still not among the agenda-setters with regard to the advancement of international regimes. However, the Arctic Environmental Protection Strategy, a multilateral agreement among Arctic states adopted in 1991, was a Finnish initiative. Furthermore, Finland has received ratings ranging from "good" to "satisfying" 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 country's constitution grants Finnish citizens the right to participate in national elections and referendums. Registered political parties have the right to nominate candidates, though all voters have the right to influence the nomination process. Electoral associations of at least 100 enfranchised citizens also have the right of nomination. However, the role of these associations has been 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 also be nominated by associations of at least 20,000 enfranchised citizens. Presidential candidates must be Finnish citizens by birth, while young people under guardianship and those in active military service cannot stand as 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 re-registered.

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 constraints, such as the duration and breadth of a program's coverage, restrict access for smaller parties and candidates to televised debates and other media appearances. Given the increased impact of such appearances on the electoral outcome, this bias is somewhat problematic from the point of view of fairness and justice. However, the restrictions reflect practical considerations rather than ideological agendas. 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. However, candidates are required to report on the sources of their campaign funds. Social media play an increasing role in candidates' electoral campaigns, as these outlets now attract a growing share of voters.

Voting and
Registrations
Rights
Score: 10

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.

Electoral provisions stipulate universal suffrage for all adult Finnish citizens, a secret-ballot voting method, a minimum voting age of 18, non-compulsory voting, an entitlement to vote for expatriated Finnish citizens, and the exclusion of non-Finnish nationals resident in Finland from national elections. However, non-Finnish permanent residents may vote in municipal elections. The population registration center maintains a register of persons eligible to vote, and sends a notification to those included in the register. Citizens do not need to register separately to be able to vote. A system of advance voting has been in place for several decades now, and the proportion of ballots cast in advance has risen significantly. Electronic voting was tested during the municipal elections of 2008, but has not been adopted in subsequent elections. However, the government declared internet-based voting methods as a target and set up a working group to examine technological solutions, costs and impact.

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

New campaign-finance legislation was implemented between 2008 and 2009, in the wake of political financing scandals. This legislation requires politicians to disclose funding sources, and has provided for independent and efficient monitoring. There are now bans on donations from foreign interests, corporations holding government contracts and anonymous donors. There are limits on the amount a donor can contribute over a time period or during an election. Candidates have to report on the sources of their campaign funds, and these reports are made public and filed with ministries and auditing agencies. Financing scandals involving parties and candidates continue to attract media coverage, and studies indicate that parties are likely to lose electoral support if they are involved in finance scandals. As a result of the new rules, the quality of party financing has improved, and polls indicate that public opinion of politicians' credibility has somewhat improved.

Citation:

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

Demokratiapuntari 2012: Yhteenveto. Ministry of Justice/MTV3/tnsGallup, 02/2012.

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.

Popular Decision-
Making

In 1987 government incorporated referendums into the Finnish constitution. The provision, laid down in the Law of Procedures in Advisory Referendums,

Score: 6

enable advisory referendums to be called by parliament by means of special laws that specify the date of voting and establish the alternatives to be presented to the voters. There are no minimum participation rates or required vote majorities specified. Since that time, only a single national referendum has taken place, in 1994. This addressed Finland's entry into the EU.

While this mechanism does not enable direct citizen participation in public policymaking, a constitutional amendment in 2012 introduced a popular-initiative system. This system requires parliament to consider any petition that receives 50,000 signatures or more within six months. However, citizens do not themselves have the opportunity to vote on the initiative issues, as the right of decision and agenda-setting remains with parliament. The first initiative to receive enough signatories to be submitted to parliament was on a prohibition of fur farming, and was subsequently rejected. A later initiative concerning same-sex marriage also received a sufficient amount of signatories, and was accepted by parliament after a heated debate. In 2016, an initiative concerning the indexation of pension benefits in payment was debated prominently and controversially in the media and public. As of the time of writing, 14 initiatives were to be considered by the parliament. The Ministry of Justice maintains an online platform for citizens' initiatives.

The Finnish system also allows for citizen-initiated municipal referendums. However, municipal authorities determine how such referendums are conducted and results are non-binding.

Citation:

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

Online platform for citizen initiatives; <https://www.kansalaisaloite.fi/fi>

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. A free and pluralist media is considered an important contributor to debate among citizens and the formation of public opinion. Finland has been ranked at or near the top of the Reporters without Borders' Worldwide Press Freedom Index since 2009; in 2016, Finland took first place, for the sixth year in a row. Several factors contribute to this rather unique success. Media consumption rates are high in Finland, and the high rate of media consumption guarantees a strong market and healthy competition, promoting high quality journalism. In addition, the Council for Mass Media in Finland has successfully managed a

Media Pluralism
Score: 10

system of self-regulation among media outlets. Furthermore, as Finland is one of the least corrupt societies in the world, the government has not sought to interfere with press freedom. However, at the end of 2016, prominent journalists at the national broadcaster YLE resigned following a dispute over Prime Minister Sipilä's email complaints about the broadcaster's coverage of a mining company in which Sipilä's relatives are stakeholders.

Finland's media landscape is pluralistic and includes a variety of newspapers and magazines. Moreover, the conditions in which Finland's journalists operate are said to be among the most favorable in the World. In addition, Finland still boasts an impressive newspaper readership, despite a definite decline in circulation numbers in recent years. However, newspapers do face the prospect of long-term decline due to the rise of the electronic media and increasing economic pressures due to a loss of advertising share and increasing costs. Indeed, during the last decade, user-generated content and online social-media platforms have revolutionized the media landscape. As a rule, newspapers are privately owned but publicly subsidized. The ownership structure is therefore fairly diverse. The position of regional newspapers remains comparatively strong, and they provide a 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 exceeds 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. 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 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.
http://www.stat.fi/tup/suoluk/suolu_k_kulttuuri_en.html#newspaper;
Ville Manninen & Heikki Kuutti, "Media Pluralism Monitor 2015 - Results - Finland", monitor.cmpf.eu.eu/mpm2015/results/finland

Access to
Government
Information
Score: 10

The public's access to government information is in principle unrestricted. In accordance with the Finnish constitution, every Finnish citizen has the right of access to public documents and recordings. This right includes 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, security services and military intelligence. Such documents are usually kept secret for a period of 25 years, unless otherwise

stated by law. Finland was also among the first countries to sign the Council of Europe Convention on Access to Official Documents in 2009. The 1999 act on the openness of government activities stipulates that persons asking for information are not required to provide reasons for their request, and that responses to requests must be made within 14 days. Appeals of any denial can be taken to a higher authority and thereafter 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. The country has received the highest possible rankings for civil rights in Freedom House's annual rankings since the early 1980s. 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, while workers have the right to organize, bargain collectively and strike. In November 2014, after long and contentious discussions, parliament voted to provide marriage rights for same-sex couples, and adoption-rights legislation for same-sex couples becomes effective in March 2017.

Political Liberties
Score: 10

Political liberties are effectively protected in Finland. The country has for decades received the highest scores concerning political 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, freedom of association and assembly, and the right to organize, bargain collectively and strike. A large majority of workers belong to trade unions, although the share of membership in trade unions has been decreasing. Women enjoy rights and liberties in Finland equal to those of men. The criminal code covers ethnic agitation and human trafficking. The constitution guarantees members of the indigenous Saami population, who comprise less than 1% of the population, cultural autonomy and the right to pursue their traditional livelihoods.

Non-discrimination
Score: 8

Rights of ethnic and religious minorities are as a rule well protected in Finland, and the criminal code provides penalties for anyone who incites violence on racial, national, ethnic or religious grounds. The rights of the Swedish-speaking minority in Finland are widely respected, with Swedish recognized as an official national language. However, reforms to public administration at the local level, which are still pending at the time of writing, may violate important rights of the Swedish-speaking population. In addition, some segments of the population, primarily represented by the so-called Finns Party, have turned hostile toward Finland's Swedish-speaking population. The Åland Islands, whose inhabitants speak Swedish, have historically maintained

an extensive autonomy and a home-rule parliament as well as one permanent seat in the national legislature. Finland has often been seen as a forerunner concerning its efforts to maintain an effective minority-protection policy. Still, although cases of discrimination are rather few, ethnic minorities and asylum-seekers report occasional police discrimination; an immigrant background additionally increases the risk of encountering discrimination. Roma individuals, who make up a small proportion of the population, are marginalized, and the Finns Party, which is a government party, encourages discrimination against ethnic minorities and asylum-seekers.

Rule of Law

Legal Certainty
Score: 10

The rule of law is a basic pillar of Finnish society. When Sweden ceded Finland 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 that prioritizes legal certainty, condemns any conflation of public and private interest, and prevents public officeholders from abusing their position for private interests.

Judicial Review
Score: 9

The predominance of the rule of law has been somewhat weakened by the lack of a Constitutional Court in Finland. The need for such a court has been discussed at times, but left-wing parties in particular have historically blocked proposals for the creation of such a court. Instead, the parliament's Constitutional Law Committee has assumed the position taken in other countries by a constitutional court. The implication of this is that parliament itself is controlled by a kind of inner-parliament, perhaps making the Constitutional Law Committee arrangement a less than convincing compensation for a regular constitutional court. In addition, although courts are independent in Finland, they do not decide on the constitutionality or the conformity with law of acts of government or the public administration. Instead, the supreme supervisor of legality in Finland is the Office of the Chancellor of Justice. Together with the Parliamentary Ombudsman, this office monitors authorities' compliance with the law and the legality of the official acts of the government, its members, and the President of the Republic. The Chancellor is also charged with supervising the legal behavior of courts, authorities and civil servants.

The Sipilä government has recently been criticized for not taking the concerns of the Chancellor of Justice into account when preparing bills. As a result, a large number of bills put forth by the Sipilä government have been subject to heavy review by the parliament's Constitutional Law Committee.

Citation:

"Hallituksen painostus jyräsi oikeuskanslerin pyrkimykset korjata ongelmallisia lakiesityksiä – oikeustieteen professorit tyrmistyivät"; <http://www.hs.fi/politiikka/art-2000005011266.html>

Appointment of
Justices
Score: 5

There are three levels of courts: local, appellate and supreme. The final court of appeal is the Supreme Court, and there is also a Supreme Administrative Court and 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 not subject to political influence. 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 receive much media coverage.

Corruption
Prevention
Score: 9

The overall level of corruption in Finland is low, with the country offering a solid example of how the consolidation of advanced democratic institutions may 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; legal provisions that criminalize the acceptance of bribes; full access by 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, and a 2014 European Commission report emphasized the need to make public-procurement decisions and election funding more transparent. It is also evident that positions in Finland are still filled through political appointment. Whereas only about 5% of citizens are party members, two-thirds of the state and municipal public servants are party members. Recently, several political-corruption charges dealing with bribery and campaign financing have been brought to light and have 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. The strategic goals contained in 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 its key objectives are met. Meanwhile, the preparation and monitoring of programs is delegated to ministerial groups. In addition, the Committee for the Future deals with future-related matters. As a former entrepreneur, Prime Minister Sipilä has given the government program an even more strategic turn. For some of its policy objectives, the government utilizes trial projects to assess reform impacts. The basic income trial project, which will be run with 2,000 participants nationwide in 2017 – 2018, is an example of this kind of new strategic evidence-based planning.

Citation:

Basic income experiment; <http://www.kela.fi/web/en/basic-income-experiment-2017-2018>

Scholarly Advice
Score: 7

The government predominately organizes the collection of scholarly advice 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, various 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 Research and Innovation Council. A government resolution on a comprehensive reform of state research institutes and research funding was adopted in 2013, and aims to make more efficient and focused use of sectoral research to support governmental decision-making. Implementation of this resolution is underway from 2014 – 2017. The Prime Minister’s Office makes a yearly plan for realizing strategic research objectives, and calls for the systemic use of research projects and data for decision-making, steering and operating procedures. Projects under the government’s strategic research goals are managed by the Strategic Research Council at the Academy of Finland.

Interministerial Coordination

GO Expertise
Score: 9

As a ministry in itself, the Prime Minister’s Office has the capacity to evaluate proposed policy. The primary function of the Prime Minister’s Office 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 Prime Minister’s Office monitors the implementation of the government program and coordinates Finland’s EU policy. In addition, the Prime Minister’s Office is tasked with coordinating communications between the government and various ministries, planning future-oriented social policies, and promoting cooperation between the government and the various branches of public administration. The Prime Minister’s Office has four departments: European Union Affairs, Government Administration, Government Ownership Steering, and Government Communications. Additionally, it has three units: the Government Session Unit, the Government Policy Analysis Unit and the Government External Economic Relations Unit. The Prime Minister’s Office has a secretary of state, a permanent undersecretary of state and some 550 employees arranged within several task-specific departments. In addition, the steering of the Team Finland network takes place within the Prime Minister’s Office. Team Finland is a network tasked with promoting international trade and relations, improving the efficiency of business cooperation abroad, and increasing the ease with which Finnish customers can access international business services.

Citation:
<http://vnk.fi/en/frontpage>
<http://team.finland.fi/en/frontpage>

GO Gatekeeping
Score: 7

The Prime Minister’s Office can return items envisaged for cabinet meetings on policy grounds. As the Prime Minister’s Office coordinates the drafting of proposals, and also arranges the agenda for cabinet meetings, there is rarely reason for it to return items. The rule is that 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 minister represent different parties, and perhaps differing political interests which need to be reconciled. Yet controversial items are often discussed in informal meetings beforehand. In previous times, an institutionalized unofficial meeting of the cabinet led by the prime minister, called the *Iitakoulu*, played an important function in consensual decision-making; for reasons that are not entirely clear, this arrangement is no longer used.

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 the administration. Given this framework, rather than line ministries involving the Prime Minister's Office in policy preparation, the expectation is that the Prime Minister's Office involves ministries in its own policy preparations. In practice, of course, the patterns of interaction are not fixed. For one thing, policy programs and other intersectoral subject matters in the cabinet program are a concern for the Prime Minister's Office as well as for the ministries, and efforts must be coordinated. The government's analysis, assessment and research activities that support policymaking across the ministries are coordinated by the Prime Minister's Office (PMO). In addition, because decision-making is collective and consensual in nature, ministry attempts to place items on the cabinet's agenda without involving the Prime Minister's Office will fail. Finland has a recent tradition of fairly broad-based coalition governments; this tradition amalgamates ideological antagonisms and thereby mitigates against 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: the Committee on Foreign and Security Policy (which meets with the president when pressing business issues arise), 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. 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 Board. In addition, there are several ministerial working groups. The primary task of these committees and groups is to prepare cabinet meetings by helping to create consensus between relevant ministries and interests. In all, a large majority of issues are reviewed first by cabinet committees and working groups.

Ministerial
Bureaucracy
Score: 10

Cabinet meetings are prepared by ministry officials and civil servants. Findings from a large-scale analysis several years ago into the internal politics and practices of the cabinet and ministries emphasized the existence of a cyclical culture of dependence between ministers and senior officials. One expression of this mutual dependence, according to the same analysis, was that ministers put greater trust in the advice of their subordinate civil servants than in the advice of ministerial colleagues. This pattern extends to all aspects of the cabinet's agenda. With regard to policy programs and similar intersectoral issues, coordination between civil servants of separate ministries happens as a matter of course. In specific matters, coordination may even be dictated. For instance, statements from the Ministry of Finance on economic and financial matters must be obtained by other ministries. On the whole, given the decision-making culture, civil servants in different ministries are expected to engage in coordination. An unwritten code of behavior prescribes harmonious and smooth activity, and ministers or ministries are expected to subject projects that are burdensome or sensitive to a collective examination and analysis.

Citation:

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

Informal
Coordination
Score: 10

Intersectoral coordination has generally been perceived as an important issue in Finnish politics, but rather few institutional mechanisms have in fact been introduced. One of these, the Iltakoulu (which translates as evening session), was previously an important unofficial negotiation session for the cabinet, but this system is no longer systematically used. To a considerable extent, then, coordination proceeds effectively through informal mechanisms. Recent large-scale policy programs have enhanced intersectoral policymaking; additionally, Finland's membership in the European Union has of course necessitated increased interministerial coordination. Recent research in Finland has only focused tangentially on informal mechanisms, but various case studies suggest that the system of coordination by advisory councils has performed well.

Evidence-based Instruments

RIA Application
Score: 9

Systematic impact assessment is today a routine part of the Finnish legislative drafting process. Regulatory impact assessment activities comprise, for instance, a series of evaluation reports by the Ministry of Foreign Affairs that deal with principles of development policy, partner countries and geographic regions. An empirical study showed that in 2009, the government most often assessed impacts relating to public finances and the economy, with 59% of all government proposals including this form of evaluation. Potential impacts on the public administration were assessed in 55% of all cases. Furthermore, assessments have investigated the activities of the Ministry of Social Affairs and

Health, and an international evaluation of the Finnish national innovation system, commissioned by the Ministry of Education and Culture and the Ministry of Employment and the Economy, has been performed. The Ministry of Education and Culture has prepared a plan for third-party evaluations and a process for monitoring the lessons learned from such assessments; since 2014, the Education Evaluation Center has been responsible for evaluating educational services. The general framework for regulatory impact assessments is grounded in a program-management system governing intersectoral policy programs. This framework was initiated in 2007 and is still valid as a guide to impact assessment. An independent Council of Regulatory Impact Analysis was established in December 2015 at the Prime Minister's Office as part of the Sipiläs government program. The Council is responsible for issuing statements on government proposals and on their regulatory impact assessments. In April 2016 the government appointed the Council for its first term running from April 2016 to April 2019.

Citation:

"Impact Assessment in Legislative Drafting. Guidelines", Ministry of Justice, Finland. Publication 2008:4.
 Auri Pakarinen, Jyrki Tala & Laura Hämynen, "Regulatory Impact Assessment in the Finnish Government's Proposals in 2009", National Research Institute of Legal Policy, Research Communications no. 104.
 "Better Regulation", Helsinki, Ministry of Justice, 2014.
<http://oikeusministerio.fi/en/index/basicprovisions/legislation/parempisaantely.html>
 Prime Minister's Office, Finland: "Finnish Council of Regulatory Impact Analysis", <http://vnk.fi/en/council-of-regulatory-impact-analysis>

Quality of RIA
 Process
 Score: 8

Impact assessment guidelines adopted in 2007 still provide a framework for the process of regulatory impact assessment. The revision bureau of the Ministry of Justice's Law Drafting Department monitors compliance with these impact assessment guidelines. Impact assessments cover the economic, administrative, environmental and social impacts of proposed legislation. The guidelines describe what impact may be involved, how the impact may be assessed, and what methods and information sources are available. The guidelines also specify that this information must be provided in the assessments. For instance, assessments deal with proposals' potential economic impact on households, businesses and public finances, as well as 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 regulatory impact assessment process is well-structured and of a high quality.

Citation:

Ministry of Justice (2008): "Impact Assessment in Legislative Drafting - Guidelines". Helsinki, Publication 2008:4.
<http://oikeusministerio.fi/fi/index/toimintajavoitteet/lakiensaataminen/parempisaantely/vaikutustenarviointi/saadosehdotustenvaikutustenarviointiohjeet.html>

Sustainability
Check
Score: 9

Finland's government understands that regular and complete assessments of regulations are fundamental to the governing of complex, open societies and economies. In consequence, the country has a comprehensive regulatory impact assessment program in place, and has formally adopted a regulatory impact assessment strategy that contains instructions to be carried out when drafting legislative proposals, and is complemented by separate instructions issued by ministries. Assessments involve the use of multiple indicator sets, various interests are consulted and different techniques used. As a rule, aspects of sustainability form an integral part of the assessment process, and variations between forecasts and actual outcomes are monitored over time.

Societal Consultation

Negotiating
Public Support
Score: 8

In Finland's consensus-oriented political system, interest organizations and associations are regularly consulted. Although the corporatist system adopted in the 1960s has now declined, the exchange of views and information with a variety of social interests is still part and parcel of the everyday activities of the Finnish government. Through various mechanisms such as committee hearings, joint-council memberships and expert testimony, bills and drafts are circulated to interested parties who are then invited to critique the draft legislation. 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 reasonably well. 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 rather than to gather support or assess impact. However, in the long run, this helps to generate public support for government policies. Still, recent developments indicate a weakening in the role played by the tripartite negotiation of labor-market agreements between the government, employers groups and employee organizations.

Policy Communication

Coherent
Communication
Score: 9

Since the prime minister's position is one of *primus inter pares* (first among equals), rather than one of absolute leadership, it is natural that the government's policy positions are advanced through discussion and consultation rather than through directives and commands. Furthermore, as directives and commands would challenge 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 has a tradition of broad-based umbrella coalitions that accommodate diverse interests and ideological shadings serves to diversify communication. This has been true of communications from the Sipilä government, which have been notably vague and often undecided, reflecting

tensions or even conflicts between the Finns Party and the other two government parties. The existence of an agreed-upon and fairly detailed government plan in principle serves to streamline communications; however, the present government has demonstrated that different interpretations of the plan can certainly arise.

Implementation

Government
Efficiency
Score: 9

Given that Finland has lately been governed by broad or fairly broad coalition governments, the political conditions for a satisfactory implementation of government plans have been good. A February 2013 session reviewing the implementation record under former Prime Minister Katainen (2011 – 2014) concluded that approximately 80% of the measures outlined in the government program had at that point been undertaken successfully or were about to be accomplished. However, the review also indicated shortcomings in several interrelated areas. In fact, according to the review, the largest and most difficult program issues remained unsolved. The global economic crisis of course hampered the cabinet's efforts regarding the economy, but the difficulties were also partly because of internal tensions in government. Following a cabinet reshuffle, the government program under Prime Minister Stubb (2014 – 2015) was submitted to parliament in June 2014 and was fairly well received. Given the circumstances, this program in the main carried forward the policies introduced by the previous government. The present Sipilä government announced its program at the end of May 2015; in comparison with earlier programs, which resembled a telephone directory in size, the Sipilä program is much shorter and more strategic and focused. The program announced five strategic priorities that are manifest in 26 key projects, the primary goal being to bring the Finnish economy onto a path of sustainable growth. An action plan for implementation was published in February 2016, and a Legislation Assessment Council was appointed in April 2016. At the time of writing, this government's likelihood of success in implementing its objectives still remains an open question. However, the government has already been forced to back away from several of its proposals.

Citation:

Ville Pitkänen, "Kenen ääni kuuluu hallitusohjelmassa?", Kanava, 2015, Nr 6, 40-42.
valtioneuvosto.fi/implementation-of-the-government-programme

Ministerial
Compliance
Score: 8

A number of mechanisms are in place that serve to bind ministers to the government's program. Government programs result from negotiations between the political parties forming the government; in consequence, the coalition partners and ministries closely monitor implementation. Cabinet agenda issues are generally prepared, discussed and coordinated in cabinet committees as well

as in informal groups and meetings. On the whole, ministers are closely watched, and are expected to be integral parts of cooperative units. They would no doubt find it difficult as well as unrewarding to pursue narrow self-interests. Nevertheless, individual figures' profile-raising attempts have been discernible in the Sipilä cabinet, largely within the so-called Finns Party.

Monitoring
Ministries
Score: 8

The government monitoring of ministries is 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 as well as other formal and informal meetings. In general, the various forms of interministerial coordination also fulfill monitoring functions. However, these forms are characterized by cooperative and consultative interactions rather than critical interactions. While the Prime Minister's Office does monitor ministries, the monitoring is implicit rather than explicit.

Monitoring
Agencies,
Bureaucracies
Score: 8

All ministries use results-management practices to monitor agencies in their various task areas. In many cases, a balanced score system is used. However, not all agencies are monitored to the same extent. Some agencies, such as the National Funding Agency for Technology and Innovation (Tekes), which operates under the Ministry of Economic Affairs and Employment have a high degree of autonomy, with monitoring taking place only on a general level. Other agencies are accorded a somewhat lesser degree of autonomy. However, as a rule, they do have autonomy with respect to day-to-day operations. Monitoring takes many forms and a system of political undersecretaries of state has been designed to support the individual ministers in their monitoring activities.

Task Funding
Score: 8

Municipal governments have a right to assess taxes, collecting more than twice as much as the central government in income taxes. A government grant system additionally enables local governments to continue to provide public services even when experiencing a funding gap. In essence, a portion of locally collected taxes is put into a common pool, from which transfers are made to financially weak local governments. The central government establishes strict standards and service-provision requirements intended to cover all citizens. However, local governments are tasked with providing these services, which means 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 of municipalities and services, started in 2006 and yet unfinished, has led to a reduction in the number of municipalities from 415 to 348 in 2009. Among other goals, the reform aims to secure sufficient financing and an efficient provision of services across the country. The government has also introduced a further and much contested reform project to create larger entities tasked with providing social and health services in a more efficient way (SOTE). However, according to expert assessments, the final compromise solution of 18 social services and health care entities is less satisfactory in terms of efficient funding

and democratic organization than was an original proposal for a maximum of nine to 12 SOTE regions.

Citation:

Government press release on “Government decision on next steps in reform package on health care, social welfare and autonomous regions”, http://vm.fi/en/article/-/asset_publisher/10616/hallitus-paatti-sote-uudistuksen-jatkosta-ja-itsehallintoalueista
<http://alueuudistus.fi/en/frontpage>

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 infrastructural services. Municipalities may not be burdened with new functions or with 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 state right to intervene. Control may be exercised only in accordance with specific legal provisions. Thus, subnational autonomy is guaranteed and protected by law. Still, the autonomy of local government may be curtailed in practice by financial pressures. The SOTE reform of November 2015, with its resulting 18 autonomous regions for the organization of social-welfare and health care tasks will lead to greater complexity in terms of financing structures, accountability and responsibilities.

National
Standards
Score: 7

Since local authorities have the constitutional right to use their own discretion, the central government has limited capacity to ensure that national standards are consistently met. Local governments are separate from the central government, with municipal authorities recognized as existing independently of the state. Still, appeals to administrative courts regarding 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, such as environmental or social-care issues, local government decisions must be confirmed by state authorities. The reform of municipalities and services now ongoing for years aims to increase the effectiveness of public-services provision in peripheral regions and improve local governments’ fiscal sustainability. The extent to which these reforms can meet the stated goals remains an open and much-debated question

Adaptability

Domestic
Adaptability
Score: 9

Most recent adaptations have resulted from Finland’s membership in the European Union. Finland was among the first EU member states to adopt the euro, and government structures have in several instances adopted EU norms. The Parliamentary Grand Committee is tasked with preparing and adopting EU legislation. Furthermore, oversight of the EU secretariat, responsible for the

International
Coordination
Score: 8

coordination of EU affairs, has been transferred from the Ministry for Foreign Affairs to the Prime Minister's Office. A coordination system exists to ensure that Finland maintains positions in line with its overall EU policy with regard to issues under consideration at the EU level. This system involves relevant ministries, a cabinet committee on EU affairs and various EU subcommittees. These subcommittees are sector-specific governmental organs, and constitute the foundation for the promotion of EU affairs within the state's structures.

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 contributes actively to the implementation of global frameworks. Finland is committed to the United Nations Framework Convention on Climate Change, the Kyoto Protocol, and EU legislation in its climate policy. The Ministry of the Environment is responsible for coordinating climate negotiations, and specifically, within the framework of the EU, Finland is committed to bringing down its national annual average carbon emissions. While the EU has set the obligation of a 10% share of renewable energy in transport fuels for 2020, Finland has set a higher national target of 20% and has employed legislation to ensure the achievement of this goal. Additionally, the Sipilä government program sets a goal of 40% by 2030.

In 2012, the government signed a Memorandum of Understanding in which Finland and the United States agreed to continue their cooperation in preventing the proliferation of weapons of mass destruction. Yet Finland cannot be regarded as a dominant actor concerning the protection of global public goals. Given its relatively high level of knowledge, research capacities, and the existence of frameworks for policy coordination and monitoring, Finland does have the institutional capacities to participate in global governance. However, the capacities are not utilized to their fullest extent.

Citation:

www.motiva.fi/en/energy_in_finland/national_climate_and_energy_strategy
http://valtioneuvosto.fi/documents/10184/1427398/Ratkaisujen+Suomi_EN_YHDISTETTY_netti.pdf/8d2e1a66-e24a-4073-8303-ee3127fbfcac

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. Earlier attempts to improve the proportionality of the electoral system and alter constituency sizes are examples of how evaluation and monitoring processes in Finland mainly focus on administrative and steering issues. A system of program management has been implemented that includes monitoring of the

government program. In an implementation plan adopted several years ago (2011), the Katainen cabinet introduced new measures for monitoring the government's plan, with elements including a statement of the program's main objectives; a definition of responsibilities for policy preparation and other key measures and projects; and a process for turning these into a strategic intersectoral policy framework. This monitoring system has been adopted by subsequent governments, and the Stubb cabinet (2014 – 2015) even made monitoring data publicly available. The Secretariat for Government Strategy Work assists the government and ministries in implementing and monitoring the present Sipilä cabinet's five strategic key projects.

Citation:

<http://valtioneuvosto.fi/en/implementation-of-the-government-programme/information>;

"Government Programme Monitoring Data", <https://www.avoindata.fi/data/fi/dataset/hallitusohjelman-seurantadata>;

Valtioneuvoston kanslia, "Jyrki Kataisen ja Alexander Stubbin hallitusohjelmien loppuseuranta 2015", <http://valtioneuvosto.fi/documents/10184/321857/Hallitusohjelmien+loppuseuranta+032015.pdf/44d7de02-958c-4b1c-8633-201038a0f2f5>

Institutional
Reform
Score: 7

While institutional arrangements have not changed much, the Sipilä government has continuously considered plans to promote and implement strategic aims within government and to reduce costs. These plans have included merging ministries and re-allocating ministerial responsibilities, but the outcome of these efforts are less than successful. Plans to merge the Ministry of Environment and the Ministry of Agriculture and Forestry were heavily opposed, and re-allocation efforts have had, inter alia, the improbable consequence that Finland's Ministry of Justice and Employment is overstrained. Several factors, including the fairly high degree of independence accorded to Finnish ministries and the quite broad nature of recent cabinets, tend to undermine policy coordination across government bodies, and thereby highlight the need for reforms that improve coordination efforts. The Sipilä government's strategic goals are now discussed regularly in evening strategy sessions which have partly replaced the traditional earlier "Evening School" as an informal meeting between ministry staffers and heads of the parliamentary groups. The sessions serve as a venue for in-depth consultation and consensus-building.

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,

though not perfect. Information on government 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 still high in Finland. A weak spot, however, is the public's evaluative and participatory competencies. Surveys on the extent to which citizens are informed of government policymaking indicate that the public's interest in politics has increased, and that young people in particular are more interested in politics today as compared to the early 2000s. Trust in political institutions has somewhat increased, and the social media have had a marked impact on younger citizens' rates of participation in politics. Yet the degree of interest and participation probably varies significantly across policy issues. Whereas some issues are widely debated in the media and attract general attention, other less media-friendly or stimulating issues pass largely unnoticed.

Legislative Actors' Resources

Parliamentary
Resources
Score: 9

Parliamentarians' resources for obtaining information were greatly improved in the 1990s through the creation of a parliamentary assistant system. Currently, some 165 assistants work in a parliament of 200 sitting legislators. Additionally the office of the parliament employs a staff of about 440 people. However, critics have recently argued that this system has become too comprehensive and expensive. The assistants perform a variety of tasks, some of which relate closely to the procurement of information and general expertise. Members of parliament are also assisted by the Information and Communication Department, which includes the Library of Parliament, the Research Service, and the Parliament Information Office. The Library of Parliament has about 40 employees 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 legislators each serve on an average of two parliamentary committees, they also benefit from the information and knowledge provided by the various experts regularly consulted in committee hearings.

Citation:

<http://lib.eduskunta.fi/Resource.phx/library/organization/people.htm>

<https://www.eduskunta.fi/FI/tietoaeduskunnasta/Organisaatio/eduskunta-tyonantajana/Sivut/default.aspx>

Obtaining
Documents
Score: 10

Reports drafted by committees provide the basis for legislative 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:

<https://www.eduskunta.fi/EN/lakiensaataminen/valiokunnat/Pages/default.aspx>

Summoning
Experts
Score: 10

Parliamentary committees are able to summon experts for committee meetings, and do so regularly and even to an increasing extent. A committee starts its work with a recommendation by the committee's own experts on which additional experts to call. This may include ministerial representatives or other individuals who have either assisted in preparatory work or represent specific agencies, organizations or other interested parties. 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 shows that committees in 1938 consulted advisers in 59% of all cases on which they prepared reports. The corresponding figure for 1960 was 94% and 100% in 1983. The number of experts consulted has likewise been increasing.

Citation:

<https://www.eduskunta.fi/EN/lakiensaataminen/valiokunnat/Pages/default.aspx>

Dag Anckar, "Finland: Dualism and Consensual Rule", in Erik Damgaard, ed.: *Parliamentary Change in the Nordic Countries*, Oslo: Scandinavian University Press, 1992, pp. 182-186.

Task Area
Congruence
Score: 10

A total of 15 permanent special parliamentary committees along with the Grand Committee prepare government bills, legislative initiatives, government reports and other matters for plenary sessions. Reforms of the committee system in the early 1990s aimed to improve parliamentary committees' alignment with ministry responsibilities. These reforms have been highly successful, and committees are thematically bound within the scope of a corresponding ministry. The Grand Committee is in practice a committee for the handling of EU-related matters.

Audit Office
Score: 10

Legislative accountability is advanced by the audit office, which is accountable to 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 tasks performed by the 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 affiliated to parliament. Its task is to audit the legality and propriety of the state's financial arrangements and review compliance with the state budget. Specifically, the office is expected to promote the exercise of parliament's budgetary power and the effectiveness of the body's administration. 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 is made up of a financial-audit unit, a performance-audit unit, an executive management support unit, and the administration and information units. Covering long-term objectives, operational emphasis and strategic policies, the current audit strategy covers the period 2013-2020.

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

"The Audit Committee"

<https://www.eduskunta.fi/EN/lakiensaataminen/valiokunnat/tarkastusvaliokunta/Pages/default.asp>

Ombuds Office
Score: 10

Parliament has an ombudsman office consisting of one ombudsman and two deputy ombudsmen. Established in 1920, it is the second-oldest ombuds office in the world and employs 59 people. The officeholders are appointed by parliament, but the office is expected to be impartial and independent of parliament. The office reports to parliament once a year. Citizens may bring complaints to the office regarding decisions by public authorities, public officials and others who perform public duties. The number of complaints decided on by the ombudsman increased from 4,543 cases in 2011 to 4,975 in 2013, but decreased again to 4,558 in 2014, and increased again to 4,727 in 2015. A considerable number of matters have been investigated and resolved on the initiative of the ombudsman himself.

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

<http://www.oikeusasiamies.fi/dman/Document.phx?documentId=dg29116163758950&cmd=download>

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 of television and radio programming is dedicated to governmental issues. Daily newspaper circulation numbers remain reasonably high, with

newspapers often providing high-quality political reporting.

Parties and Interest Associations

Intra-party
Democracy
Score: 8

At the time of writing, four major parties hold seats in the Finnish parliament (Eduskunta). Although empirical research on intra-party democracy has so far mainly dealt with the Center Party (Kesk), there is little doubt that the findings of this research can be assumed to apply to the other major parties as well. Generally, the structure of internal decision-making systems within political parties has developed in two directions. While active party members operate in voluntary, subnational organizational units, national policy functions are decided by career politicians who constitute the party elite. This dualism places power in the hands of party elites, and most particularly the party chairs. This has led to a marginalization of party members from the executive functions within each party. As intra-party meetings are the highest decision-making institutions within political parties, the average party member participates in party meetings only indirectly by helping to elect delegates.

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

Employers' and employees' organizations became involved in a series of comprehensive income-policy agreements in 1968 concerning wages, working conditions, and social-welfare programs and legislation. While this institutional arrangement for cooperation between government and associations has since eroded, it created a framework for advancing responsible, considered and expert-based policy proposals on the part of the large economic-interest associations. Other mechanisms, including associations' participation 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 has led to reasonable policies with a fairly broad support.

Association
Competence
(Others)
Score: 8

Most associations' policy-relevant positions are based on expert knowledge and feasibility analyses. In this sense, associations clearly contribute to the general quality of decision-making. True, exaggeration and one-sided arguments are in the very nature of interest organizations and the ensuing negotiation process, but the prevailing style of policymaking grants access to various and often competing interests. The contribution of interest associations' expert knowledge is therefore on the whole a valuable asset that enhances the quality of policymaking. Interest associations also have a high profile in public discourse, and often help shape public opinion. The fact remains, however, that the function of interest associations is to promote certain interests at the potential expense of others.

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