

Regional Outlook 2019

FINLAND

Regional Development Policy in Finland



General policy approach

Finland's regional policy targets are set for each government's term of office. They fit within the broad objectives of the Act on Regional Development. Currently a high priority is placed on competitiveness and addressing industrial and demographic resilience as supported by several programmes (such as Proactive Structural Change) and the business services units of the ELY centres, a national network of multi-sector agencies.

The Ministry of Economic Affairs and Employment takes the lead for co-ordination, while sectoral ministries each prepare regional strategies. National urban policy is channelled through growth agreements with cities, along with co-ordination support from the Urban Policy Council. The inter-ministerial Rural Policy Council, in existence since 1988, prepares the national rural policy and the rural policy system with a wide range of actions. A National Rural Network promotes stakeholder participation in rural development.

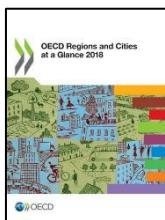
Recent policy changes

- As part of a broad reform of regional government, health and social services, the regional development system will be modernised towards more interactive co-operation and dialogue between the state and the new counties. The reform will enter into force in 2021.
- The government's regional development priorities for 2016-19 are: growth through renewal, vitality through regional networks and well-being through partnerships. The priorities will be renewed based on the next Government Programme in 2019.
- The Regional Innovations and Experimentations (AIKO) programme was launched in 2016 to support regional business structures and includes: measures for anticipated structural change, growth agreements with selected cities and the establishment of nationally important growth zones.
- At the national level, regional development has mainly focused on strengthening the resilience of regions in order to tackle the effects of abrupt negative or positive structural changes, and on the innovativeness and competitiveness of cities. For instance, Proactive Structural Change is a new tool to help regions anticipate and tackle sudden structural changes and firm closures.
- In 2018, three government strategic urban programmes were prepared, contributing to a multifaceted urban policy: 1) the Regional Cities Programme; 2) Urban Policy Programme; and 3) Action Plan for Sustainable Urban Development.
- An inter-ministerial Rural Policy Council was appointed for the 2016-20 period. The minister responsible for rural policy chairs the council, and the minister responsible for regional policy is the vice-chair. Among the tasks of the Rural Policy Council is to improve the structures and practices of rural policy and rural development on the basis of networks and partnerships in a way that supports a place-based policy approach.
- A parliamentary group for sparsely populated areas was appointed for the 2017-19 period. The chair of the group is a member of parliament.

Institutional arrangements to prepare for global megatrends

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<https://oe.cd/pub/2n9>

The Government Strategy Department, housed within the Prime Minister's Office, undertakes long-term social policy foresight, planning and work on the future. A key competency of the department is the development of the *Government Report on the Future*, which is produced once during each electoral period. Each report is restricted to key long-term strategic issues (e.g. the transformation of work) relative to policy decisions to be taken in a 10-20-year period.

Other institutional arrangements include the National Foresight Network, co-ordinated by the Prime Minister's Office and Sitra, the Finnish Innovation Fund. The network brings together Finnish data producers and is a discussion and co-ordination forum for national foresight actors. Its aim is to promote the use of information and perspectives on the future in decision making.

At the national level, several development plans are used for regional development. Regional development priorities set out the central government's objectives that the ministries are committed to and that are taken into account in the steering of each administrative branch. National Land-Use Guidelines are also produced. Additionally, "Renewable and enabling Finland: Development overview of the regional structure traffic system 2050" is a forward-looking national vision of the regional structure that sets out targets for Finland's traffic system.

At the regional level, regional councils have their own strategic plans. Such plans have a medium- to long-term perspective, and seek to promote local and regional interests (e.g. including through forecasts on education and training needs).

OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas

The 2019 edition of the *OECD Regional Outlook* examines the regional dimensions of global megatrends and their implications for the well-being of people living in different places. It discusses how place-based policies, public investment and multi-level governance reforms can respond to these megatrends to revive productivity growth, reduce inequalities, improve quality of life and increase sustainability.

Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vg>.

