



EU Policy Guidelines of the Association of Finnish Local and Regional Authorities

Local authorities working towards a
competitive and socially equitable Europe

The Board of the Association
of Finnish Local and Regional
Authorities, 27 October 2011

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FINNISH LOCAL AUTHORITIES IN AN INTEGRATING EUROPE

The European Charter of Local Self-Government, adopted by Finland in 1991, provides a general European model for systems of local self-government. Since all European Union Member States are members of the Council of Europe as well, the principles of the European Charter of Local Self-Government are, in practice, also recognised by the EU, although neither the Charter nor its principles are included in EU law. Based on these principles, each Member State must find its own way of striking a balance between regional and local democracy on the one hand, and the demands of economic efficiency on the other.

Local government plays a very prominent role in the Nordic countries. This is largely explained by the fact that local authorities have a very wide scope of operation in these countries: they bear the main responsibility for welfare services and basic public technical services. The right to levy local income tax, almost exclusively limited to the Nordic countries, guarantees that local authorities have a strong economic basis. Nordic local authorities account for a larger proportion of public spending than local authorities in other European countries. In addition, they are relatively large compared to their counterparts in Central and Southern Europe. In Finland, the local authorities' scope of functions is exceptionally wide. They shoulder the main responsibility for the provision of social and healthcare services and education and cultural services as well as for ensuring the technical infrastructure.

Finland has developed a unique system of regional government based on cooperation between local authorities. Finland's membership of the European Union and the Union's development impose new demands at the regional level, which Finnish regions too must be able to meet. The pressure of Europeanisation is already evident in that Finland has established regional councils as the basic units of regional government, and other administrative division must adapt to this. Regional councils have been given the responsibility for regional strategies and regional land-use planning, and they also play a pivotal role in drafting and implementing the EU's Structural Fund programmes.

Fiscal austerity and increased responsibilities require that all local authorities seek ways to increase the efficiency of their operations. Improved efficiency is usually sought through larger municipalities or intermunicipal cooperation. Another much debated topic in Europe is the relationship between public administration and the market.

While a Member State may independently decide how to organise regional and local government, all Member States are obliged to ensure that local authorities are able to enforce EU law efficiently. A substantial number of EU laws and programmes are implemented at regional and local levels. In countries such as Finland, where municipalities and cities have a wide scope of functions, EU legislation has a particularly great impact on local authorities. The special features of the Finnish local-government system determine our position on European policy.

INTERNATIONAL ACTIVITIES OF MUNICIPALITIES AND CITIES

Finnish municipalities and cities are increasingly involved in international cooperation. Aside from the municipalities and cities' own objectives, local internationalisation strategies encompass the international cooperation goals of other actors, especially higher education institutes and the business world. The main goal of international activities is to gain insight into the development of municipal sectors in other countries. This work is supported by several EU-funded projects.

Twinning has become more goal-oriented and it provides a good frame for thematic cooperation. Twinning projects often have participants from universities, polytechnics, chambers of commerce, and industry and trade. Cooperation is important for local authorities in the Nordic countries because their competencies are very similar. Relations with the neighbouring regions play a prominent role; most of the local authorities in border

regions build twinning links and engage in other forms of cross-border cooperation.

Owing to the multiple impacts of globalisation and the reverberations of immigration, municipalities and cities increasingly engage in international activities and they constantly face new challenges in these activities. The provision of basic public services, good governance and residents' participation in local affairs are challenges faced by local authorities the world over.

The international activities of municipalities and cities help Finland to maintain the country's attractiveness as cooperation partner. Owing to tax competition, the mobility of businesses and employees, immigration and the value given to various social systems in EU decision-making, defending the Nordic model of society requires efforts.



TRENDS IN THE DEVELOPMENT OF THE EUROPEAN UNION



Local and regional authorities in the Treaty on European Union

The role of local and regional authorities is given much greater consideration in the Lisbon Treaty than in the treaties preceding it. The Lisbon Treaty provides that the Union should respect the national identities of the Member States, inherent in their fundamental structures, political and constitutional, inclusive of regional and local self-government. Under the principle of subsidiarity, the Union does not take action, except in the areas which fall within its exclusive competence, unless the Member States fail to adequately achieve the objectives of planned action at national, regional or local level. The subsidiarity principle emphasises that all decisions should be taken as openly as possible and as closely as possible to the citizen.

The Union has included territorial cohesion in its policy objectives. The role of the Committee of the Regions has been reinforced by granting it the right to file claims before the European Court of Justice if it believes that EU legislation infringes the subsidiarity principle in matters related to local authorities or regions. From the perspective of local and regional authorities, a key reform is the obligation of the Commission to consult the associations representing local and regional governments in EU legislative drafting.

Challenges facing the European economy

There has been a fall in confidence in the Eurozone and in the survival of the single currency, the euro. Economic problems in Europe and worldwide have multiple effects on Finnish municipalities. The financial crisis has

caused a decrease in municipal tax income. At the same time, expenses are likely to increase with rising unemployment rates and residents' deteriorating economic situation. Frozen bank lending and subsequent contractions in trade, the labour market downturn and business bankruptcies are especially damaging for local economy and for society in general.

Even though the EU's measures to control economic and employment policy have been mostly political in nature, in practice they started to have an increasing influence on decision-making in Member States even before the financial crisis. As a result, control over municipal development policies, too, has shifted over the past few years from the national level to the European Union.

It is difficult to evaluate the long-term effects of the crisis, since experts have varying opinions on its handling and the effectiveness of measures taken. The EU will probably tighten

its regulation of the financial industry and public debt, which can impact on the debt management costs of local authorities. Measures such as common evaluations of Member States' budgets and Eurobonds appear to be steps towards a tighter Union. This poses further challenges for the development of the Finnish municipal system and the protection of its interests in the future.

A competitive, innovative and socially equitable Europe

Finland's competitiveness in industry, trade and services is largely based on innovation. Regional and local actors have a key responsibility for building innovative operating environments. The public sector plays a pivotal role in creating the conditions for companies' growth and competitiveness. The role of the public sector in achieving the Union's competitiveness objectives should be analysed more closely.

A central issue in the current European political debate concerns the question of how to reach the competitiveness objectives while also maintaining the high level of social protection characteristic of the European social model. Competition policy is an area of legislation where the EU has had a substantial impact on the operation of local authorities. The demands of competition are no longer solely restricted to the economic activities of local authorities; competition rules are increasingly extending to the provision of welfare services as well. From the perspective of local authorities, one of the greatest changes in EU policy is that the Union has broadened the scope of its activities to include local public service sectors, i.e. social welfare, health care and education.

In Finland as well as in other Nordic countries, local and regional authorities play a key role in providing welfare services. European competitiveness rankings have shown that the Nordic countries have succeeded in implementing structural reforms without having to give up their high-quality welfare services.



Europe 2020 Strategy

In June 2010, the European Council decided on a new economic and employment strategy, as a follow-up to what is known as the Lisbon strategy. The vision of the Europe 2020 Strategy is smart, sustainable and inclusive growth. The goals of the strategy relate to employment, research and development investments, climate, education and poverty reduction. The strategy will be put into effect through special flagship initiatives. On the EU level, cohesion policy and its structural funds are becoming an important instrument in the implementation of the Europe 2020 Strategy.

The Member States set national targets for the implementation of the strategy. The Finnish national programme outlines the country's medium-term prospects in concordance with the stability programme. Finland has set the following goals: to raise the employment rate to 78%; to maintain R&D investments at 4% of the GDP; to achieve the climate and energy targets agreed by the EU; to increase

the number of higher education graduates to 42%; to keep school dropout rates below 8%; and to reduce the number of people living in or at risk of poverty and social exclusion. Finland's national targets exceed those set at EU level. The programme also examines the requirements for and obstacles to growth and employment. The goals are to ensure the long-term sustainability of public finances, reduce centralisation of the production structure, utilise labour potential to the full and to boost competition.

In Finland in particular, local authorities play a crucial role in achieving the Europe 2020 objectives, especially in areas such as local government and service restructuring, the innovative development of business environments and public services, building high-speed broadband connections, raising the employment rate and keeping the standards of education on an internationally high level.

Multilevel governance

In all European Union Member States, local and regional authorities are an integral part of a country's democratic structure and the level at which citizens encounter the Union and its legislation. From a citizen's perspective, it is crucial that the Union functions rationally and effectively, and does not act on matters that should be dealt with on a national or local level.

One characteristic of good governance is that all levels of government participate in the preparation of legislation affecting them. Cooperation and mutual trust are requirements for success. The active participation of local and regional authorities in the preparatory processes brings citizens much closer to the Union. The Committee of the Regions, in particular, promotes multilevel governance, i.e., the coordinated cooperation between the Union, its Member States and local and regional authorities in the drafting and implementation of EU policies.



OBJECTIVES OF THE ASSOCIATION'S EU POLICY

The Association's EU policy sets out to secure and improve the conditions for local government in Finland by influencing EU policy-

making and by using to good advantage the opportunities for international cooperation offered by membership of the EU.

Key EU policy objectives of the Association of Finnish Local and Regional Authorities

- The views of local and regional authorities are taken into account in decision-making within the EU.
- A prior assessment is made of the administrative and economic impacts of EU legislation on the operation of local and regional authorities.
- EU legislation is lessened and simplified.
- The special features of the local authority based Nordic welfare model – equality, universality and financing through taxation – are taken into account in the preparation of EU decisions.
- Competitiveness objectives are set in a way that promotes social justice and well-being.
- Local authorities are given a central role in the implementation of the Europe 2020 Strategy.
- Multilevel governance is promoted based on the subsidiarity principle.
- The role of the Committee of the Regions as a channel of influence for local authorities and regions is strengthened.
- Local authorities are given more opportunities to influence the preparation of EU issues at the national level.



THE ASSOCIATION'S VIEWS ON EU POLICIES

Viable municipalities, cities and regions

Cohesion policy

The EU's cohesion policy delivers European added value to regional development, which is primarily implemented through financing from national funds. In the current programming period for 2007–2013, the cohesion policy accounts for over a third of the whole EU budget. Structural Funds are the most important EU-level instrument for financing the objectives related to growth, competitiveness and employment within the European Union. During the current programming period,

Finland will receive some 1.7 billion euros of Structural Fund resources. In addition, the EU programmes will incorporate around 2.01 billion euros of national public funding, 25% of which, or over 500 million euros, will be derived from municipalities and cities. They have provided substantial funding especially for projects developing business environments and various services and for promoting tourism.

Cohesion policy will be a central means of promoting regionally balanced development throughout Europe also in the future. In Finland, the EU's Structural Funds have played an important role in structural economic change, and they have been used to improve competitiveness, build competencies, increase employment and promote territorial cooperation both at EU's internal borders and with Russia. Decisions on the next Structural Fund programming period will be taken within a year. Cohesion policy will be pursued in all regions, and the funding will increasingly be tied to the objectives of the Europe 2020 Strategy. Performance, simplification, conditionality and promotion of investments are the key words for the future.

Local authorities, to an increasing degree, will bear overall responsibility for the themes selected by national governments as priorities for the European Social Funds (ESF). Such themes include vocational competence, management of employment, and people with low employability. Further, the increased emphasis on the local development perspective in the ESF and other activities integrates programme work more firmly than before into regional and local levels and closer to clients. The development of socially cohesive urban regions is one example of a priority



where activities funded by the ESF should play a pivotal role.

The cohesion policy must be continued in all regions, and the special circumstances of sparsely populated areas in the North must be taken into account in the allocation of funds. The most serious demographic challenge, the biased age structure, should also be considered as one determining factor in the allocation of Structural Funds. The programmes designed to implement the objectives of Structural Funds must – to the degree possible – be directly linked to regional strategies. Regions should have the power to decide on the contents and implementation of structural programmes, whereas the responsibility for programme coordination should lie with regional councils. Structural Fund programmes must be regional and supported by several different funds. The administration of Structural Funds programming should be simplified at both the EU and the national level. As a general rule, pressures to increase national co-financing should be targeted at central rather than local government. Should EU Structural Fund resources substantially decline from their current level, there will be pressure to increase national regional development activities.

Urban policy

In many European countries, urbanisation began earlier than in Finland. In these countries, urban policy has focused on addressing the problems of cities and improving the living conditions of residents. Because of the URBAN Community Initiative, for a long time they were also the areas of emphasis of the EU's urban policy. Along with residents' improved living conditions, the Nordic countries and particularly Finland have stressed the role of cities as engines of growth.

The EU's urban policy has subsequently been renewed and is now seen as an instru-

ment of regional development. Accordingly, specific urban policy measures have been mainstreamed in the European Regional Development Fund programmes, in science and technology and innovation policy. From the Finnish point of view, recognition of the important role that cities play in growth is welcome, since social problems are not as prominent in Finnish cities as is the case in many other European countries. At the Union level, however, this approach presents the risk that the scope of urban policy will become narrower and will no longer entail comprehensive development of cities, such as tackling social, environmental and traffic challenges with the help of partnerships between cities and the central government. This mainstreaming has also marked the end of the URBAN initiative, which strove to target the welfare problems of people living in cities and to improve socially and environmentally challenging urban areas.

The Association of Finnish Local and Regional Authorities supports the objective of taking the role and importance of cities better into account within the EU Structural Fund programmes. Urban policy should be viewed holistically so that it covers the development of cities both as innovative environments and as socially and environmentally cohesive urban areas. Well-functioning public transport and competitiveness should be emphasised. Well-functioning urban areas experience a natural revitalisation of industry and business, thanks to the vibrant urban culture. Joint funding from the European Regional Development Fund and the European Social Fund can promote these objectives. National governments and the EU must provide better conditions for cities to design and implement their own development strategies. The Association of Finnish Local and Regional Authorities supports the adoption of a comprehensive urban development policy that takes account of the experiences of the URBAN programme.

Rural development

It is in Finland's interest to have economically viable and thriving countryside as, relatively speaking, Finland is and will remain one of the most rural countries in the European Union. Membership of the EU has meant many benefits to Finland's rural areas, such as free movement and increasing internationalisation. The EU's Regional development policy has boosted the least developed areas, particularly in the rural areas of Eastern and Northern Finland.

The Common Agricultural Policy (CAP) accounts for about 40% of the EU's annual budget expenditure. Rural development is one aspect of the CAP, and thus an agricultural policy measure. Reform of the Common Agricultural Policy is currently in progress, and the associated changes will have significant indirect effects on the Finnish countryside. The new CAP will be oriented towards more results-based funding, broader entities, greening of direct payments, risk management and increased streamlining with other funds. Prioritising the environmental perspective and redressing the biased support system are at the core of the negotiations.

From the perspective of Finland's rural areas, it is particularly challenging that 80% of the EU's present policy is still geared towards support for agriculture while measures aiming to achieve rural development – which Finland would need – are scarce. Rural development has many points of contact with cohesion policy, and these policies cannot be analysed independent of each other. The regional objectives of these policies should be coordinated even more strongly, especially at the Union level. Local and regional authorities should be more involved in the decision-making of these policy areas. Common Agricultural Policy measures should be developed in a way that would enable their application in implementing the EU's Baltic Sea Strategy, which aims to protect the environment.

Employment policy

Across the EU, 23 million people, or 10% of the working-age population, are currently unemployed. Such large-scale unemployment has grave consequences for European growth





and social security systems. To address these problems, the Commission has launched a flagship initiative, known as An agenda for new skills and jobs, within the Europe 2020 Strategy, the Commission's intention being to help Member States achieve the EU employment rate target of 75% among women and men 20 to 64 years of age by 2020. A further objective is to reduce the number of people living in or at risk of poverty and social exclusion by 20 million throughout Europe by 2020.

The Commission has adopted country-specific recommendations to help Member States intensify their economic and social policies. Finland should continue fiscal consolidation and implement structural changes to achieve productivity gains and cost savings in public service provision. Active labour market measures should be targeted better at long-term unemployed and young people; moreover, the employability of older workers and their participation in lifelong learning should be improved. Finland should open up further the service sector by redesigning the regulatory framework in order to facilitate new entry into service sector markets, especially in the retail sector.

The Association considers the Commission's recommendations for a common programme to be a solid foundation for the implementation of employment policies and for the structural changes required in Member States. The Association also welcomes the proposals of the Growth Survey and Joint Report on Employment, which address the key challenges to the functioning of the labour market, including the matching of supply and demand with regard to competence, managing structural change, quality of work, and incentives. Measures boosting the incentives of tax and benefit schemes, shifting the emphasis of taxation away from taxes on work and reducing undeclared work are also good policies that spur increased employment. Finland stresses support for pensions systems by prolonging working careers; this can be achieved by reducing incapacity for work. The Association emphasises that working careers can also be prolonged by integrating persons with reduced working capacity and long absence from work into the labour market.

Labour market policy

Local and regional government represents a major employer in the European Union. Local government and service structures are, however, very different from one country to

the next. In many EU Member States, local government sector negotiations as well as collective agreements and cooperation between employers and employees are not well developed. The European Commission supports the development of labour-market structures and social dialogue in Member States, and gives social partners at European level a key role in the promotion and regulation of sustainable growth, employment and working life conditions.

KT Local Government Employers, a Finnish interest organisation, consider it important that the EU promotes the development of labour-market structures in its Member States. KT represents the interests of Finnish local government employers in the EU by ensuring that their needs are taken into account in the preparation of work regulations and employment policy. By cooperating with European local government employers, KT contributes to the development of EU-level employer policy, good labour market relations and the adoption of best practices. KT highlights the importance of cooperation between Nordic local government employers in EU-level interest representation. The general objective of KT's interest representation is to ensure that working lives are improved through European-level measures in a way that makes municipal services more efficient. KT fulfils its social responsibility towards other Member States and shares the best practices of the Finnish local government sector relating to human resource management, equitable recruitment, innovative working hours arrangements and flexicurity.

Immigration policy and the integration of immigrants

As stated in the Treaty on European Union, the Union shall develop a common immigration policy that aims to ensure the effective management of migration flows and the just



treatment of third-country nationals residing lawfully on the territory of the Member States, as well as prevent illegal immigration and human trafficking. The EU encourages and supports Member States in their integration efforts; however, it does not harmonise integration legislation in the Member States. Member States have the right to determine the number of third-country nationals they allow to enter the country seeking employment.

The European Council approved the multiannual programme for the area of justice, freedom and security – the so-called Stockholm Programme – for the years 2010–2014. In the area of immigration, the goal is to promote the development of countries outside the EU, thus ensuring the availability of labour in the Member States. The EU aims to set up a Common European Asylum System by 2012. In 2004, the EU approved the European framework for integration. The primary points of the framework – integration as a two-way process and upholding the rights and obligations of immigrants – are included in the

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Finnish Act for the Integration of Immigrants. Moreover, the European Commission has published three handbooks on integration and a European Agenda for the Integration of Third-Country Nationals. The EU has set up a fund for solidarity and migration flow management, which supports national integration efforts.

The EU's immigration and asylum policy is relevant to local authorities in terms of the promotion of employment-related immigration, EU support for local integration initiatives and the exchange of best practices.

The Association of Finnish Local and Regional Authorities supports in principle the joint European measures to promote employment-related immigration. The evaluation of the need for third-country national work permits should be left to national consideration. The recruitment of foreign labour force should be employer-led and based on a concrete need for labour. Recruitment should be ethical and open. The Association of Finnish Local and Regional Authorities stresses that integration issues should continue to be a matter of national competence. Possible future common indicators and evaluations should be based on existing monitoring systems. Finnish authorities have developed a monitoring system for integration and ethnic relations, as well as a so-called Immigration Barometer, which gathers information about immigrants' own experiences. These systems can provide a good foundation for the development of European integration monitoring systems.

Information society

The Digital Agenda for Europe is one of the seven flagship initiatives of the Europe 2020 Strategy, and it is a pivotal factor in reaching the goals of the strategy. One priority of the strategy is sustainable growth, which at a practical level means that economic growth in Europe should not be built on increasing

the production of consumer goods. Digital economy presents the greatest potential for creating sustainable growth. Commodities and services that can be produced and offered digitally can create growth with the least burden on natural resources. The Digital Agenda includes seven goals to promote a digital single market, improve ICT standard-setting and interoperability, enhance trust and security and increase access to fast internet. Other main development targets are research and innovation, digital literacy, e-skills, e-inclusion and unleashing the potential of ICT to benefit society. The most important areas for local and regional authorities are the digital market as an engine of sustainable growth on the one hand, and developing e-government to curb expenditure on the other hand. Both of these require high-speed broadband connections that are widely available.

The EU should actively abolish legislative barriers hindering the development of the Single Market. It should promote cross-border electronic commerce by simplifying electronic identification and payments. Representatives of local and regional authorities should be able to participate actively in extensive cooperation to improve the interoperability of European public services and boost public service production, particularly within the ISA Programme (Interoperability solutions for European public administrations). Support mechanisms for broadband connections should focus primarily on areas where markets are not functioning well; typically these are remote and sparsely populated areas. Fibre networks should be constructed according to the so-called Open Access model, in which the owner of the network (for example, a district cooperative) allows all interested operators to offer their services to the end consumer. The PSI Directive (Directive on the re-use of public sector information) should be revised in a way that encourages Member States to be more transparent and open in their data policy.

Local authorities, basic public services and citizens' well-being

Preparation for demographic changes

Increased life expectancy is among the greatest achievements of European societies. However, it poses significant challenges to the economies and social security systems of Member States. Demographic changes are taking place throughout the European Union, and this is seen as one of the most serious challenges facing the EU. The proportion of the elderly population is growing rapidly while the number of young and working-age people is declining appreciably in all EU countries. Finland's old-age dependency ratio (the ratio of people over 65 to people aged 15-64) is, at present, typical compared against that for other EU countries. By the year 2020, however, the increase in the dependency ratio will be the greatest in Finland.

The long-term objectives relating to demographic change in the EU are the following: 1) Promoting demographic renewal in Europe: better living conditions for families; 2) Promoting employment in Europe: more jobs and longer working lives of better quality; 3) A more productive and competitive Europe; 4) Receiving and integrating immigrants in Europe; 5) Sustainable public finances in Europe: guaranteeing adequate social security and equality between the generations. The EU has set up an innovation partnership on active and healthy ageing with the aim of boosting EU competitiveness, responding to social challenges and promoting healthy and active ageing among Europeans. The goal of this pilot partnership is to achieve a two-year increase in the average healthy lifespan by 2020.



Finland is among the first EU Member States to be greatly affected by ageing of the population. In Finland, the number of working-age people is beginning to decrease now that the baby boomer generation is reaching retirement age. The challenges related to ageing of the population are particularly serious in terms of the sustainability of public finances and the labour market. Finland has responded to the challenge by improving the working conditions of aging employees and by creating pension policy incentives to extend careers. The Association of Finnish Local and Regional Authorities stresses that the local and central governments should continue their cooperation with a view to ensuring the sustainability of service financing.

Social policy

The social policy objectives defined in the Treaty on European Union are the promotion of employment, improved living and working conditions, proper social protection, dialogue between management and labour, the development of human resources and the combating of exclusion. The European laws do not affect the right of Member States to define the fundamental principles of their social security systems and must not significantly affect the financial equilibrium of such systems. Besides labour market issues that are central to social policy, a social policy based on the Nordic welfare model offers a much wider range of forms of assistance for residents.

EU social policy emphasises the combating of poverty and social exclusion, and adequate social protection. The goal is to achieve a reduction of at least 20 million people in the number of the poor and the socially excluded by 2020. The EU also aims to promote innovation in social policy through pilot projects, the goal being to improve the quality of social services of general interest in all Member States. The social services of general interest encompass social security, employment and

training services, social housing, child care, long-term care services and social assistance services. The EU encourages Member States to cooperate in the development and modernisation of social services.

The EU provisions on the coordination of social security schemes have existed for the past 50 years. The new legislative package has been in force since 1 May 2010. The principle rule is that a person is subject to the legislation of the Member State in which he or she resides, is employed or is self-employed.

If the EU aims at extending the concept of social policy, the proposals for coordinating the social policies pursued by Member States must be assessed with regard to whether they can lead to a limitation of national decision-making powers on public services. Finland considers it important to ensure that the features specific to the Nordic model of a welfare state are taken into account when evaluating the impacts of EU regulations. The central means of poverty reduction are raising the employment rate, improving basic public services and promoting workers' capacity to work. Enhancing the quality of social services is a common challenge, and it is important to take account of the differences in the social service systems between the Member States. The national practices for financing the provision of services of general interest must be safeguarded.

Healthcare services

The European Union cooperates with Member States to improve public health, prevent physical and mental illness and diseases, and obviate sources of danger to physical and mental health. However, the overall responsibility for the organisation and implementation of health and medical care lies with Member States.

The second Health Programme (2009-2013) aims at improving citizens' health security

and reducing health inequalities. The Commission has also set a goal to promote cooperation on electronic health services between Member States. Following the Health in all policies principle, the health impacts of the most important proposals should be assessed. In 2012, the Commission will publish an action plan on healthcare personnel and a joint action project supporting it. The objective is to assist Member States in ensuring the right set of skills for healthcare personnel and improving the retention and recruitment of healthcare professionals. The EU has put forward a set of initiatives to address patient safety issues, including measures to prevent and control healthcare associated infections.

The directive on the application of patients' rights in cross-border healthcare adopted in spring 2011 gives patients more rights to seek healthcare abroad and to be reimbursed up to the level they would have received in their home country. However, Member States retain the right to determine which treatment costs are covered, and they have the right to ask the patient to procure advance authorisation before seeking treatment in another Member State.

While the EU's competence in public healthcare has closely defined limits, the Union's influence on national health policies and healthcare has increased steadily in recent years. Member States need more comparable data in order to meet the challenges posed by new technologies and demographic trends. In the development of a common healthcare policy for the EU, it is important to take into account the fact that increasing numbers of health professionals work in another Member State. When the directive on the application of patients' rights in cross-border healthcare is implemented at national level, it is important to define carefully which healthcare services are covered and how the costs are divided between the central and local governments on the one hand, and the patient on the other.

Gender equality

Equality between men and women is one of the fundamental principles of Community law. The European Union's objectives on gender equality are to ensure equal opportunities and equal treatment for men and women, and to combat any form of discrimination that takes place on the grounds of gender. The EU has adopted a two-pronged approach to this issue, combining specific measures with gender mainstreaming.

The EU's objectives concerning gender equality are presented in the Strategy for Equality between Women and Men 2010-2015. The Strategy's primary goals are the economic independence of women, equal pay, equality in decision-making, dignity, integrity and an end to gender-based violence and gender equality in external actions. The Strategy also highlights the fact that women are at a greater risk for poverty than men. The aim is to promote equality both as part of the Europe 2020 flagship initiatives and in current and next generation programmes.

The EU's equality directives are incorporated into the Finnish Act on equality between men and women. Some parts of the law are more comprehensive than the EU legislation, as it encompasses a quota provision and the obligation for employers to practise gender equality planning. Equality between women and men is also included in many special enactments concerning municipal services. In their role as democratic decision-makers, service-providers and employers, local authorities can promote gender equality and prevent gender-based violence. The active promotion of equality in municipalities and cities boosts vitality and sustainable development.

The Association of Finnish Local and Regional Authorities aims to influence the national equality policy and legislation in order to incorporate EU directives into national legislation. The Association also supports local authorities in their efforts to promote equality and obtain development resources to this end. Together with the CEMR (The Council of European Municipalities and Regions) and its member organisations, the Association of Finnish Local and Regional Authorities engages in a European dialogue on gender equality at the local level, disseminates best practices and seeks to influence the EU's equality policy. The Association supports The European Charter for Equality of Women and Men in Local Life, drafted under the coordination of the CEMR, and encourages local authorities to implement the commitments set out in the Charter at both the political and the practical level. Moreover, gender equality is a cross-cutting theme in the Finnish-African Local Government Cooperation Programme, which is coordinated by the Association.

Non-discrimination

The EU's strategy for non-discrimination and equal opportunities sets out both to improve legislative protection against discrimination and to actively promote non-discrimination and equal opportunities especially in education, employment and services. This can be achieved by adopting a cross-cutting approach to non-discrimination and equality, by raising public awareness and by taking positive action. In addition to a general non-discrimination strategy, the EU has several specific strategies in place which relate to disability issues, social and economic integration of the Roma population and to other, similar issues. PROGRESS 2007–2013, the European Union's employment and social solidarity programme, is the instrument used to finance the strategy. A programme with similar content has also been planned for the

next funding period. Human rights are a core policy area in the EU's external relations.

The EU directives on non-discrimination and discrimination in the field of employment and occupation are, for the most part, incorporated in the Finnish Non-Discrimination Act. The act provides that nobody may be discriminated against on the basis of age, ethnic or national origin, nationality, language, religion, belief, opinion, health, disability, sexual orientation or other personal characteristics.

Local authorities take account of non-discrimination in their role as service-providers and employers. Non-discrimination is also an intrinsic element of many special enactments relating to municipal services. The current Non-Discrimination Act provides that local authorities shall have a general duty and a special duty to foster ethnic equality. Local authorities also implement most of the EU's special strategies. The Finnish Ministry of the Interior has issued recommendations to local authorities, urging them to draw up equality plans in a way that covers the grounds for discrimination extensively.

The Association of Finnish Local and Regional Authorities seeks to influence the national legislation and programmes so as to ensure a balance between local authorities' general duty to promote non-discrimination and their special duties related to services. The Association highlights the importance of the dissemination of best practices at the EU level and of sufficient resources for better promotion and implementation of non-discrimination. Multiple discrimination and addressing the issue of disadvantage are included in the European Charter for Equality of Women and Men in Local Life, which the Association recommends to local authorities and regional councils.

A competent Europe

Education policy

The EU contributes to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action. The Union seeks to develop the European dimension in education through teaching of the languages of the Member States, mobility of students and teachers and cooperation between educational establishments. Responsibility for the content of teaching and educational systems rests with Member States.

The strategic objectives of European cooperation in education are: promotion of lifelong learning and mobility; improvement of the quality and efficiency of education and training; strengthening of equity, social cohesion and active citizenship; and cultivation of creativity, innovation and entrepreneurship. These objectives support the EU's strategy for growth and jobs. Two of the flagship initiatives of the Europe 2020 Strategy have

particular relevance for education. The Youth on the Move project encourages young people to make use of the education and training available and thereby to boost their employment opportunities. The number of young school dropouts must be reduced. The Agenda for new skills and jobs highlights skills development and the fostering of employment. Attainment of these goals requires that the authorities, education providers and employers cooperate closely and form partnerships nationally as well as at regional and local levels.

As part of the Europe 2020 Strategy, the EU has adopted a set of quantitative benchmarks in the education sector. The proportion of dropouts from education and training between 18 and 24 years of age should be cut to under 10% by 2010. The Finnish national target is not more than 8%. The EU target for higher education is that at least 40% of 30–34 year-olds complete third-level education. The Finnish national target is at least



42%. The EU has also adopted a benchmark stating that at least 95% of children between 4 years old and the age for starting compulsory primary education should participate in early childhood education, day-care centres included. With 98% of 6-year-olds participating in early childhood education, Finland has already reached this benchmark.

The Association of Finnish Local and Regional Authorities welcomes the benchmarks and will further their achievement, but points out that the resources of local authorities should be borne in mind. Competitiveness rankings and good learning results have proved the excellence of the Nordic model of a strong local government in the provision of education. The Association seeks to influence the EU's education and training policy so as to ensure that the opinions of local and regional authorities are taken into account in decision-making affecting the regional and local levels of Member States. More emphasis must be placed on the views of local authorities regarding EU education policy from early childhood education to higher education.

Research and innovation policy

In order to boost international competitiveness, Finland and its regions must strengthen research and education in institutes of higher education in order to meet international standards. The provision of higher education attracts business, offices and investments to cities. Multidisciplinary universities and polytechnics cultivate dynamic and creative environments. The EU's research funding and innovation policies are very important for urban and regional development. A common principle in science policy is that a research unit can only function effectively and innovatively when it has reached critical mass, that is to say, a sufficient size, and EU funding should only be targeted at such units. When interpreted too mechanically, however, this model can be harmful overall. Even a small

discipline, when part of a multidisciplinary research institute or university, can boost innovation throughout the whole campus, city or region – even if this discipline is not at top level internationally at that particular point in time. Inspection of urban economics shows that the inclusion of many disciplines has a high value for university campuses and research units.

The EU's research funding and innovation policy flagships (technology platforms) represent top-down thinking. In the last few years, the right balance between a top-down competitive programme funding and core funding given directly to higher education and research institutes has sparked constant debate. Core funding secures the preconditions for research arising from the research units' own initiative. It tends both to have fewer risks and to generate innovation more efficiently than large projects coordinated from the top.

Education and research are key elements in boosting competitiveness, growth and well-being, and in enhancing business environments. The possibilities for Finnish innovation policy, higher education and research institutes to make use of EU research funding must be increased. Better consideration must be given to the effects of research and innovation policy on regions and urban economy. The criterion of critical mass, which often comes up in EU research funding and innovation policies, should not be implemented in practice too mechanically. The Association of Finnish Local and Regional Authorities is of the opinion that the EU should focus on increasing core funding instead of the competitive programme funding which favours large units. In this way, institutes of higher education and research units themselves, within the framework of their autonomy, could weigh the significance of their research initiatives and parts in relation to the whole.

Cultural policy

Culture is a fundamental part of Europe's integration, contributing to the establishment and viability of the European Social Model. In the European Union's official papers, culture is regarded as an instrument of favourable development: culture builds identities, increases tolerance and creativity, is a tool for the development of regions and urban areas, and promotes employment. There are no uniform objectives for EU cultural policy; instead, the EU emphasises that cultural policy reflects the objectives and strategies of Member States. While the EU does not seek to harmonise the cultural legislation of its Member States, harmonisation may, nevertheless, take place to some degree. For example, the joint activities of various expert networks make it necessary to have agreements, practices, statistics and indicators that are introduced in different countries and harmonise working cultures throughout the EU.

Culture is, to an increasing degree, considered part of the EU's general strategies. Cultural and creative fields have been brought to the fore as one means of achieving the goals of the Europe 2020 Strategy. The Union's cultural activities have been implemented

primarily through cultural programmes. These programmes have supported cooperation projects in many countries and they encompass all forms of art and cultural heritage with the exception of cinema and television, which are supported through a separate programme. Cultural programmes enable municipalities and cities to participate in European cooperation projects. A considerable part of the financial support allocated to various cultural projects comes from the EU's Structural Funds.

The Association of Finnish Local and Regional Authorities is in favour of the broad interpretation and use of the concept 'culture' in EU policies. The emphasis should be on improving welfare, strengthening local identity and supporting creative sectors in line with the principles of sustainable development. Regional cooperation, local cultural activities and networking should be enhanced. A wider spectrum of cultural actors, for instance from the education sector, the third sector and businesses, should be involved. It is important that cultural projects are supported from EU Structural Funds.



European digital library Europeana

The EU's digital library Europeana is a common multilingual portal for national digital libraries. It strives to make all Europe's cultural resources and scientific records accessible online to everyone. It contains digitised material from European museums, libraries, archives and multimedia collections. The actual content of the service is located in national digital libraries. The material from Finnish libraries, archives and museums is transmitted to Europeana via the Finnish national digital library, which operates under the Ministry of Education and Culture. Finnish published cultural heritage is fairly young in comparison to many European countries that have long cultural histories, and it is therefore not freely transferable to an open web publication without special agreements and possible fees.

Europe's Digital Library Europeana is an important project from the perspective of municipal library services. A balanced development of Europeana's contents faces many challenges. The collection should be geographically representative and include material in all European languages. Various materials, such as books, photographs, audio-visual material and museum artefacts, should be equally represented. Another decisive requirement for building Europeana is a sustainable model for long-term financing and administration.

Youth and sports policy

The EU promotes youth exchanges and exchange programmes for social pedagogues, and encourages young people to participate in European democracy. The EU also contributes to sports promotion in Europe. However, the primary responsibility for youth and sports affairs still rests with Member States.

The EU's youth programmes have operated for over 20 years, and they have provided continuity to international relations in the



Finnish youth field. The objective of the EU's current programme, Youth in Action 2007–2013, is to promote young people's active citizenship and facilitate European cooperation in the youth field. The Youth on the Move initiative, which is part of the Europe 2020 Strategy, aims to help young people acquire the knowledge, skills and experience that they need to get their first job.

Previously, the Union focused mostly on top-level sports. By 2009, however, the Commission already supported 18 sports pilot projects, with themes such as health-enhancing physical activity, education and training in sport, sport for people with disabilities and gender equality in sport. As the new budget period starts in 2014, the aim is to establish a specific EU programme for sports.

Increasingly active participation in the EU youth programmes is in the interests of Finnish young people, youth workers and municipalities. With the introduction of the Youth on the Move initiative of the Europe 2020 Strategy, youth affairs have gained more importance. This initiative is now the political and strategic framework for youth affairs. Cooperation and thorough coordination are needed to determine which measures are necessary at the EU level and in Member States. The Lisbon Treaty provides a good basis for a broad consideration of the special characteristics of physical exercise and sports, such as the social and educational functions of sport.

Local authorities and the European Single Market

The purpose of Single Market regulation is to ensure and promote the free movement of people, goods, services and capital. As a general rule, administrative organisation at local, regional or national level is not subject to Single Market regulation. Nevertheless, Finnish local authorities use the potential of the market in carrying out many of their duties or are able to influence the market through their actions. Local authorities purchase services, provide services and are actors in the field of economic policy. In these roles, they must take account of the Single Market and competition law regulations.

The Association of Finnish Local and Regional Authorities recognises the importance of a well-functioning Single Market. A market that works well is also to the benefit of municipalities and cities. Tension and conflicts build up easily between the Nordic system based on an extensive public service provision and strong local authorities, on the one hand, and Single Market and competition law regulations, on the other. The real impact of these conflicts on local government has not been considered sufficiently in the Single Market and competition policies or in case law.

The European Commission has begun the process of drafting new public procurement directives and concurrent preparation of a separate Concessions Directive. Concessions do not fall within the scope of the current procurement directives. There is an increase in EU regulation that obligates contracting entities to procure certain types of products, particularly in the field of energy efficiency. However, this new regulation does not usually affect procurement procedures as such, but rather prescribes what public authorities should procure.

The Association of Finnish Local and Regional Authorities is of the opinion that the scope of the regulation based on procurement directives should not be extended further. The Association has reservations concerning new regulation, and it has paid particular attention to how procurement legislation relates to cooperation between local authorities. However, the Association has supported some amendments that facilitate certain routine procurement procedures. It suggests that procurement directives and concessions should be regarded as one entity.

Public procurement

Public procurement has great economic significance nationally and in the EU. The value of public procurement in the EU countries is estimated at about 17% of the combined GDP of the Member States. Public procurement is regulated by procurement directives which entered into force in 2004. The principal rule is tendering. The procurement directives form a framework for regulation which is completed by provisions concerning specific sectors or product groups.

State aid

Over the past decade, state aid has been at the centre of the Commission's competition policy. In principle, the Treaty on European Union takes a negative stand towards supporting economic activity. Yet, exceptions enabling limited support for various reasons have been made in many sectors. Moreover, Member States can obtain approval for special support programmes.

State aid is defined as all forms of aid granted to enterprises by Member States, local au-



thorities and other similar public bodies. Thus, all aid granted to enterprises by local authorities is interpreted as state aid as referred to in EU competition law.

In recent years, efforts have been made to improve the legal protection of competing undertakings in cases where an enterprise has been granted illegal state aid. Especially the role of national courts has been highlighted. Although initiatives concerning state aid have been less of a priority in the economic recession, state aid will probably be high on the Commission's agenda also in the future. There are no concrete projects in process except for a review of regulations on services of general interest.

In Finland, opposition to state aid legislation has become more frequently cited as grounds for an appeal against a decision taken by a local authority. State aid legislation also limits the options of local authorities in market competition.

The interpretation of state aid legislation must allow for local authorities to perform tasks falling within the scope of their responsibility at their own discretion unless this clearly has a distorting effect on the market.

Services of general interest

Services of general interest (SGI) and Services of general economic interest (SGEI) are services that have a special status in competition policy and legislation. 'Services of general interest' is a superordinate concept which covers both economic and non-economic services. Non-economic services of general interest include services such as the judicial system, law enforcement, primary education and statutory social security. Economic services are subject to EU competition rules. However, the competition rules are not applicable to non-economic services.

In practice, services of general economic interest in particular are important in terms of the Single Market and competition policies. SGEIs are commercial services with a general interest nature, and thus public authorities have imposed a special public service obligation on SGEI providers.

Member States have a wide margin of discretion in defining a given service as an SGEI. The Commission can intervene if it considers that a Member State has made a manifest error when defining the service as an SGEI. Public service obligations and compensations should comply with the Commission's SGEI Decision and SGEI Framework. The regulation is closely connected to state aid, since the regulation predominantly applies to public service compensation. The Commission plans to examine the need to revise the Decision and the Framework.

The Association of Finnish Local and Regional Authorities has reservations concerning the proposal of defining SGEIs at the EU level. The concept of services of general economic interest is not well known in Finland, and it does not fully correspond to the Finnish notion of what constitutes general interest. The Association has proposed a national review on local authorities' possibilities to define services as SGEIs and to impose public service obligations on service-providers.



Climate change and sustainable development

Climate and energy policy

The Europe 2020 package and the Union's internal greenhouse gas emissions trading are the cornerstones of the European climate policy. Through the package, Member States commit themselves to reduce greenhouse gas emissions by at least 20%, improve energy efficiency and increase the share of energy consumption provided by renewable resources. Moreover, the share of renewable energy replacing petrol and diesel in transport should be raised to at least 10%. The revenues generated from the auctioning of emissions allowances should be used to fund large-scale energy and climate projects, such as carbon capture and investments in renewable energy source processing. The EU's Energy 2020 Strategy focuses on improving energy efficiency, building a pan-European integrated energy market, ensuring the security of energy procurement and production, and developing energy technology. In the Communication 'Renewable Energy: Progressing towards the 2020 target' the Commission encourages Member States and the EU to make more long-term investments in the funding of renewable energy.

In March 2011, the Commission published its Action Plan for Energy Efficiency and a Roadmap for transforming the European Union into a low carbon economy by 2050. In June 2011, it published a proposal for an energy efficiency directive. Reaching the targets by the year 2020 looks difficult. The plan does not set out binding country-specific energy efficiency targets in percentages. Rather, it focuses strongly on the public sector.

The Action Plan and proposal for a directive on energy efficiency would obligate public authorities to become pioneers with regard to energy efficiency in buildings. The Commission proposes that, each year, 3% of the public sector building stock should be refurbished to reach the highest energy efficiency class. Energy refurbishments are often cost-efficient only if they are carried out in connection with restorations. This would imply annual costs of over one billion euros for local economy, which is unrealistic in Finland. The Commission should present this target as a guideline. The Association of Finnish Local and Regional Authorities promotes equal treatment of local authorities and the private sector, and the use of cost-efficient measures. It also calls for realism when setting targets and imposing possible new obligations.



The environment

The principle of sustainable development, a high standard of environmental protection, and improvement of the quality of the environment are the European Union's declared environmental objectives. The means for attaining them include directives and regulations on the quality of the environment, emissions, lines of action and products, together with action programmes for environmental protection and various financing programmes.

Directives on environmental protection, which number approximately 200, include provisions on water protection, control of air pollution, chemicals, nature conservation, noise control and waste management. An important document that lays down the Union's environmental policy is the Sixth Environment Action Programme of the European Community 2002–2012, which is currently being evaluated. Revised in 2006, the European Union Strategy for Sustainable Development aims at integrating the objectives of the economy, the environment and social sustainability in the following policy areas: climate and energy; transport, consumption and production; natural resources; public health; social cohesion; and global reduction of poverty. The EU has also shown interest in the quality of the urban environment and in biological diversity. In recent years, the aim of EU environmental policy has been to streamline regulation and improve implementation.

The efforts towards lighter environmental regulation have led to fewer provisions and a slower pace of drafting. Sustainable development priorities are more visible in the EU than before. This can be explained by the international climate and energy policies, but it also reflects attempts to combat unemployment and the slowing economy through what is known as green growth, competitive and materials-efficient production, and sustainable consumption.

The EU has a major impact on the way local authorities carry out their responsibilities related to environmental protection. The directives lay down much of the content of the national environmental legislation and thereby govern the operation of local authorities. EU regulation has shifted the emphasis of Finland's environmental policy from objectives concerning total emissions to environmental quality standards (quality of air, noise level, quality of water) and technical standards (specific emissions, noise emission values, chemical composition). Some of the most important goals of the Association of Finnish Local and Regional Authorities in terms of EU environmental policy are increased opportunities for local authorities to contribute to national and supra-national legislative drafting and deeper integration of environmental aspects in regional development programmes and projects. The special circumstances of Finnish municipalities and regions must be taken into account in the drafting of environmental regulations. Matters related to the urban environment should remain within national competence.

Waste management

The objective of EU waste management policy is to promote sustainable use of natural resources and to prevent and limit the detrimental effects of waste on the environment and human health. In line with the founding principles of the EU, the aim is to achieve a high level of environmental protection without disturbing the functioning of the Single Market.

The goal of the EU Waste Framework Directive is prevention of waste production and the recovery of waste by means of reuse and recycling. The directive includes a five-step waste management hierarchy as a priority order: waste prevention; preparation for reuse; recycling; other recovery; and disposal. Member States must promote material re-

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cycling of waste and must take measures to achieve the target of recycling 50% of paper, metal, plastic and glass waste and 70% of construction and demolition waste by 2020. The EU Landfill Directive aims at reducing the greenhouse gas emissions of landfills and other adverse effects of landfilling on the environment and to human health, and promoting recycling and reuse of biodegradable waste. The Waste Incineration Directive sets out to prevent or to limit negative effects on the environment and the resulting risks to human health from the incineration and co-incineration of waste. Based on the EU directives incorporating provisions on producer responsibility, in the case of many products the waste management obligation has, under national law, been assigned to producers and importers.

In Finland, the EU directive on waste will be transposed by the revised Waste Act. In the new Waste Act, most of the responsibilities of local authorities associated with municipal solid waste management will remain unchanged. The responsibility for and costs of the management of consumer packaging waste and recycling will, in principle, be shifted to the packaging industry. Local authorities organise supplementary separate collection of packaging waste in properties and area collection points.

It is important that, consistent with EC law, municipal solid waste management is organised as a service of general interest to which a local authority has exclusive or special right. In this way, it will be possible to assure services and reduce environmental and health hazards at all times, in all circumstances and in all regions. The EU's binding targets for waste recycling must be realistic and must allow sufficient flexibility for national implementation. Reporting to the EU should not cause an unreasonable amount of additional work. As a general rule, biodegradable waste should be banned from landfills, but it should be possible to apply flexibility to the national ban in remote regions, on the grounds of local conditions. The recycling targets for biowaste should be set by national governments, taking into account the country's specific characteristics, such as the properties of biowaste, housing structure, population density, transport distances, climate and soil.

Transport policy

The European Union's transport policy derives from the White Book "The Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system", adopted by the Commission in spring 2011. EU transport policy sets out to improve the competitiveness of the Union by improving mobility while ensuring the sustainability of transport. The aim is to reduce greenhouse gas emissions by 60% from 1990 levels by 2050.

It is important for Finnish municipalities and regions that the trans-European transport network is developed in a way that takes account of Nordic connections. Finland must play an active role in ensuring that both the 'Nordic Triangle' and the Bothnia Corridor, which goes around the Gulf of Bothnia, are included in the definition of the network. In the case of urban transport, the proposed means include urban transport plans and audits. In Finland, urban regions have a long history of designing transport system plans. They can be further developed to better promote sustainable urban transport. While the contents of the plans should not be regulated in too much detail at European level, it is important to develop and disseminate common practices and models.

The EU has identified a need to restructure transport charges and taxes in order to support sustainable development and other targets. The effects of the different alternatives on municipal finances must be taken into account in the process.

Most of the EU transport objectives are acceptable to Finland. However, not all methods are applicable in a country with a sparse population and long transport distances. For this reason, the EU's transport policy should recognise regional differences within the Union, such as geography, long distances, climate, and the different structures of the transport market. In developing a transport network and improving mobility, attention should be paid not only to emission targets but also to preparation for climate change and minimisation of the risks to the environment. The White Book on Transport lays down many objectives for EU-wide common standards, rules and guidelines. Most of them merit support. In the course of preparing these, the opinions of Finnish municipalities and regions should be considered. Overly strict regulation should be avoided.



LOCAL AUTHORITIES IN FINLAND

In Finland, local authorities have a broad responsibility for the provision of basic services to citizens. Local authorities have strong self-government based on local democracy and decision making, and the right to levy taxes.

Every four years, residents elect a local council in free and democratic elections. The council is responsible for the operations and finances of the local authority.

There are 336 municipalities in Finland (2011). Finnish local and joint authorities employ over 430,000 persons, which is approximately 20 per cent of Finland's workforce. The annual expenditure of local authorities is 40 billion euros in 2011.

High-quality welfare services to all residents

In Finland, local authorities are responsible for providing welfare services to their residents. Studies show that residents value municipal services and like to use them.

Local authorities

- are responsible for the provision of primary care, specialist care and dental care,
- provide child day-care, welfare for the aged and the disabled, and a wide range of other social services,
- run the country's comprehensive and upper secondary schools, vocational institutes and polytechnics,
- provide adult education, art classes, cultural and recreational services, and run libraries,
- are responsible for water and energy supply, waste management, street and road maintenance and environmental protection,
- develop and support public transport,
- seek to promote commerce and employment in their area,

- supervise land use and construction in their area, and
- promote a healthy living environment.

The operating environment of local government is in transition and municipal finances face great challenges. The average age of Finns is rising, and there will be a growing demand for caring services among the elderly.

The Association of Finnish Local and Regional Authorities

The Association of Finnish Local and Regional Authorities (AFLRA) is a forward-looking interest and development organization for local authorities. Together with its companies the association provides support to local authorities in their restructuring efforts and change implementation.

AFRLA looks after the interests of the local authorities, helps them improve their operations and provides high-quality expert services. The focus is on restructuring local government service provision, striking a balance between obligations and financing, promoting economic development and employment, and improving democracy and opportunities of local residents to participate and contribute.

The services of AFLRA and its group of companies span all areas of municipal operation: social welfare and healthcare services; education and culture; community, infrastructure and the environment; regional and industrial development; municipal finance; legal affairs; local government development and research; communications; and international affairs. KT Local Government Employers, the employer organisation in the local government sector and a labour market confederation, is also part of AFLRA.



Local and Regional
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