



Programme of Prime Minister Antti Rinne's Government 6 June 2019

INCLUSIVE AND COMPETENT FINLAND

– a socially, economically and ecologically sustainable society



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1 Introduction

Climate change, globalisation, urbanisation, the ageing of the population and technological development are all transforming Finland and the world perhaps faster than ever before. This transformation offers great opportunities for the development of our country, but it also creates insecurity and concerns about what lies ahead. In the midst of this transformation, we need policy measures that offer people a sense of security and hope for a better future.

Uncertainties in the workplace and in business activities, concerns about the fate of the globe and how our children will live, and growing tensions between people with different backgrounds have created an unsettled atmosphere in society.

We no longer live and think in the same way as before, nor do we have to. However, finding solutions in our changing world means we must be prepared to narrow any divisions we have. Finland must find a common course of action. This Government pledges to do everything possible to achieve this.

The fundamentals in our society are firmly in place. In recent years, we have seen strong positive trends in the economy and employment. Our Nordic welfare society is a sustainable, fair and just model that enables us to respond to future challenges. Income security, well-functioning health and social services and solid education lay a foundation that guarantees all people equal opportunities to pursue their dreams.

However, the changing world and future challenges mean we must reform and further strengthen the Nordic model as we enter the 2020s. Our aim is to transform Finland into a socially, economically and ecologically sustainable society by 2030. In a Nordic welfare state, the economy is managed for the people, not the other way round.

Social sustainability means we take responsibility for each other and our common future; there is equality between people, and this is felt to be fair and just. A high standard of health and social services creates wellbeing – and a sense of trust that we will all be looked after when we are no longer able to do this ourselves. We will build a Finland that is child-friendly, a country where families and their opportunities to make choices are supported and where parents contribute equally to caring for their children. Not a single young person should be at risk of exclusion, and not a single senior citizen should be afraid of getting old. A socially sustainable welfare state pays attention to the participation of people with disabilities and the opportunity for them to lead an independent life, receive an education and be part of working life. We want to make sure that everyone is on board.

In the 2020s, wellbeing and prosperity will continue to be based on knowledge and skills and on work and entrepreneurship. Amid the transformation of working life, strong basic

skills and people's ability and potential to learn new things and update their competences throughout their lives and careers are of key importance. We aim to have the best working life in the world; to be a nation with happy and competent professionals and experts, where every individual's knowledge and skills are put to good use.

New jobs are being created especially in small and medium-sized enterprises. We are aiming for an even more business-friendly and competitive Finland where companies have good conditions to succeed, hiring staff is easy and taxation offers incentives to work and do business. Decision-making by public authorities is flexible and makes it easier to do business.

Trust among individuals and also among different players in society is a key condition for building a socially sustainable society. Fair rules in working life and a culture of reaching agreements help to secure the position and livelihood of employees. This also guarantees a stable, encouraging and predictable environment for companies, which in turn makes it possible for them to make new investments and create new jobs.

Social sustainability also means taking care of the whole country and ensuring that Finland develops equitably. We want people to have a genuine opportunity to build their own life paths regardless of where they live. This means well-functioning infrastructure, smooth transport connections, jobs, opportunities for education, training and entrepreneurship and access to welfare services in all parts of the country. It is important to ensure that agriculture can be practised in a way that is sustainable and profitable in all of Finland.

A dynamic, thriving and socially strong Finland will be built on the combined successes of the Greater Helsinki region, growing city regions, sub-regions and rural areas alike.

Towns and cities are highly significant for Finland's vitality. As rapid urbanisation continues, fast-growing urban areas play a key role in promoting sustainable growth and employment, combating climate change and preventing exclusion.

Sustainable economic growth draws not only on a higher employment rate but also on more robust work productivity. Our success depends on our ability to take advantage of the opportunities offered by change and to further develop the strengths we already have. We must keep Finland's level of education and competence at the top of the world league.

Public and private research, development and innovation activities must be placed on an upward path in order to create new growth and find solutions to global megatrends. In addition to the traditional sectors where we have been successful, emerging areas,

such as carbon neutrality, ecological investments, cleantech, the bioeconomy and circular economy and scarcity of raw materials, can create new growth stories in Finland's manufacturing industry, the building blocks for our wellbeing and prosperity.

The economy thrives when society and businesses invest in the sources of growth. A highly educated, skilled population, a research-oriented and enterprise-friendly atmosphere and open-minded use of new technologies will be the key to success in the 2020s. We must work to secure these in future as well.

The Nordic welfare model, combined with responsible and reduced use of natural resources, is a model that will guarantee the future competitiveness of our country. We are drawing a roadmap for an emissions-free Finland. It will guarantee the right to a viable environment and sustainable economy for the young generations.

The world of the 2020s needs trailblazers. An ecologically sustainable Finland will show the way in mitigating climate change and protecting biodiversity. Taking the lead, Finland can play a bigger role than the size of the nation would suggest in finding solutions to humanity's common challenge. This will open new doors for Finnish research, competence, innovation and businesses. We must make sure that our use of natural resources is proportionate to the goals of sustainable development. Our solutions in the manufacturing industry and forestry and agriculture will serve as an example for others. Finland's forests and their sustainable use are an important part of the work to combat climate change, not the source of problems.

Finland can also be globally influential if we do our part to strengthen rules-based international cooperation. Everyone must adhere to the decisions made together. The commitment to limiting the rise in the global average temperature is particularly important. We aim for peace, respect for human rights and cooperation between states, both near and far.

Finland is an open, international country. As a western democracy, Finland promotes the rule of law and human rights. Thanks to our two national languages, Finnish and Swedish, Finland is a strong part of the Nordic countries. Finland is a constructive player that is ready to take the initiative in the European Union and in international communities.

Being in the middle of changes is not always easy, and we know that we will also face difficulties. We can succeed when we all take part in the transformation and in meeting the objectives.

1.1 Our pledges to citizens on policy reforms

We want to reform our political culture and decision-making. Reforming society and increasing equality can succeed only if we strengthen people's trust in the ability of our democratic system to function.

This is why we are making the following pledges on policy reforms to our citizens:

1. **Pledge for continuous learning in government**

Amid constant changes, we do not imagine we know in advance what will work and what will not. Instead, we will seek out information and conduct experiments so that we can act in ways that will benefit our citizens.

2. **Pledge for a new kind of interaction**

We need a more cross-sectoral approach to the preparation of matters and decision-making. We will develop ways to engage a broader group of stakeholders in reforming society. A new kind of interaction means both involving people much more strongly in public administration activities and searching for and testing new ways of interacting.

3. **Pledge for long-term policy-making**

We commit to taking account of long-term objectives and to engaging in systematic parliamentary cooperation between the Government and Parliament. We can reach our long-term objectives by introducing new practices for cooperation between Parliament and the Government.

4. **Pledge for knowledge-based policy-making**

Legislative preparation of a high quality is a key condition for the credibility and legitimacy of policy-making. We commit to knowledge-based policy-making and systematic impact assessment in all legislative preparation. We will engage in deeper cooperation with the scientific community.

5. **Pledge for non-discrimination**

Human rights and human dignity belong to us all. We pledge to build a Finland that is tolerant and respects and promotes everyone's human rights. Our country has zero tolerance for bullying and racism. We want to build a nation that is equal, accessible and supportive.

6. Pledge for fair and equal treatment across generations

Older people are worried about the availability and quality of services and how they will be able to cope. Young people are worried about the conditions for life on earth as the climate is changing, but also about their opportunities for education, training and employment amid growing uncertainty in the labour market. We want to build a child-friendly Finland that is a good place to go to school, work and have a family. We want to make sure that every young person has the opportunity to study, participate and pursue their dreams. At the same time, we want to guarantee a dignified old age for everyone so that nobody is left alone. We do not want to live at the expense of future generations, either, which is why we are committed to achieving an employment rate of 75 per cent and to balancing general government finances by 2023.

By fulfilling these pledges, we can achieve bold policy objectives and a socially, economically and ecologically sustainable Finland.

2 Finland as a sustainable economy

Table 1 General government budgetary position and debt if the direct budgetary measures are implemented in full and the target employment rate of 75 per cent and the objective set for the productivity project are met

	2023
Employment rate, %	75.0
Unemployment rate, %	4.8
General government net lending, % GDP	0.0
General government debt, % GDP*	57.1

*The debt ratio assessment is based on the assumption that the measures will be implemented evenly during the government term.

The key economic policy objectives for the government term:

- The employment rate will be raised to 75 per cent and the number of people in employment will increase by a minimum of 60,000 by the end of 2023
- Given normal global economic circumstances, Finland's general government finances will be in balance in 2023
- The Government's decisions will decrease inequality and narrow the income gaps
- The Government's decisions will put Finland on a path towards achieving carbon neutrality by 2035

The aim of economic policy is to increase wellbeing and prosperity. This means ecologically and socially sustainable economic growth, high employment and sustainable public finances, as well as a level of stability in the economy would enable unforeseen impacts on people's wellbeing to be avoided.

The Government will pay particular attention to the effects of decisions in the long term. Indicators that describe economic, ecological and social wellbeing will be used as an aid in decision-making preparations, alongside and in support of conventional economic indicators.

In economic policy decision-making, account will be taken of the target for carbon neutral Finland and Finland's objectives and commitments with respect to EU and global climate policy. An ambitious, consistent and predictable climate policy will create a stable investment environment, which will present opportunities for Finnish business and employment.

Economic growth in Finland is derived principally from productivity growth, and the key factors in this are skills and innovation. A successfully operating welfare state, effective infrastructure, education, training, research and close integration with the world economy together form the foundation for Finland's economic success and growth. These factors

reinforce each other. The Government's economic policy aims at strengthening this foundation.

It is essential that the employment rate is higher in the 2020s and beyond if we are to secure sustainable public finances as the population ages. To achieve the target, employment-boosting reforms will be introduced. These will be implemented in ways that increase trust and inclusion and reduce people's uncertainty about their jobs and income security, across all parts of the country. The reforms aim to boost equal opportunities and thus promote social mobility.

Increased exports provide room for sustainable growth in domestic demand and employment. The Government's objectives are to safeguard real competitiveness and cost-competitiveness, to ensure the stability and predictability of decision-making, to broaden the export base to include new enterprises, sectors and markets, and to boost added value.

Particular attention will be given to ensuring that the investment environment in Finland is attractive. The possibilities brought by climate technology and low-carbon production will be fully utilised. Sustainable economic growth and new kinds of exports will emerge as a result of Finland's involvement in developing solutions to global issues and megatrends. We will pay careful attention to industrial competitiveness.

The Government will encourage self-employment and entrepreneurship. Society must ensure that there are incentives for this as well as for businesses to provide employment.

Sustainability of public finances

Protecting decent, high-quality services and ensuring everyone has the means to get by requires that public finances are on a solid foundation and managed in a sustainable manner.

The Government is committed to strengthening the long-term sustainability of public finances consistently so that we are not driven onto an unsustainable path of mounting debt, which would force us in future to cut spending or increase taxes.

The growth in age-related expenditure will continue throughout the 2020s and onwards. The size of the sustainability gap is estimated to be three to four per cent of GDP. The sustainability gap estimate is a 'pressure projection' by nature which involves considerable uncertainty as it is difficult to anticipate economic and demographic developments.

The decreasing number of people of working age weakens the economic dependency ratio and poses challenges for labour availability. The most sustainable means to strengthen general government finances in the long term is employment growth, including labour migration, in a way that also bolsters general government finances.

In addition to employment growth, sustainability can be strengthened most effectively by enhancing the productivity of publicly funded service provision. Productivity growth in health and social services and other public administration will be reinforced by organisational and technological measures. Efficiency will be improved in public procurement and facility management. Preventive measures in competence, health and social policy in particular will be used to curb growth in costs.

The Government will devise productivity measures that will be prepared and monitored as part of a negotiation procedure between the regions and the central government, implemented in the context of the General Government Fiscal Plan.

The Government is committed to continuing the implementation of the 2017 pension reform in cooperation with labour market organisations.

Decisions on expenditure and tax will be planned on the basis that, given normal global economic circumstances, Finland's general government finances will be in balance in 2023 and the public debt-to-GDP ratio will decrease. In addition, the balance in the general government finances can be maintained by using the cumulative productivity gains to finance any increase in spending after the end of this government term as a result of the policies being determined now.

The decisions made will follow the principle that examination of the on-budget activities is based on figures that are adjusted for fighter aircraft acquisitions.

Employment and labour market policy

The objective of the Government's economic and employment policy is that the employment rate will reach a level of 75 per cent in the 15–64 age group in 2023, given normal global and related domestic economic circumstances. In the longer term, the sustainability of general government finances requires an even higher employment rate than this, which is why attention will be paid to measures whose employment impact will be visible only after some delay.

The trend in employment will be monitored using more detailed indicators. Analysis of the employment rate will also examine in parallel the employment rate for those aged 20–69. In assessing the employment trend, we will also review the number of hours worked,

the full-time equivalent employment rate, and the type and nature of employment relationships. The aim is that the jobs created will be of high quality and will secure people's ability to get by.

High employment also necessitates a well-functioning labour market and an active employment policy, and particularly support for those with poor employment prospects in regard to their accessing the labour market.

The greatest potential for employment growth lies in those groups where employment is now low either due to unemployment or being outside the labour market. These groups include older people, those with only basic education, people with partial work capacity, disabled people and some of those with an immigrant background.

The number of people employed could be increased by raising the employment rate of those having already migrated to Finland and by improving their educational opportunities, and by boosting labour migration particularly by skilled workers. Reinforcing labour migration requires well-functioning and equal rules on the labour market and efficient and comprehensive supervision of this.

In measures strengthening employment, particular attention will be paid to their cost-effectiveness, impact and social justice.

In order to ensure the coordination of economic and labour market policy, the Government will act in collaboration with labour market organisations and also in consultation with business organisations. In addition, company-level agreements will be encouraged within the extended tripartite arrangement. The aims of this collaboration are a stable labour market and growth in employment, balanced development of working life, a positive trend in household purchasing power and real competitiveness and cost-competitiveness. In addition, due consideration will also be given to preparedness for and reacting to cyclical fluctuations and structural adjustments. Reaching climate targets also requires sectoral evaluation in particular, and cooperation from the social partners as well.

Commitment to the employment goal

The Government is strongly committed to an employment goal of 75 per cent under normal international and related domestic economic circumstances. In comparison with the Ministry of Finance's spring 2019 forecast, this means an estimated further 60,000 people employed in 2023. This higher employment rate is the most important individual element in the revenue base of the Government Programme.

The Government will continuously evaluate the employment trend and the attainment of this goal. This will include evaluation in every General Government Fiscal Plan session and government budget session and in the Government's mid-term policy review. If it looks as if the goal will not be reached, the Government will take determined action to ensure its attainment. The Government will not exclude any employment-enhancing measures from the review.

Attaining the employment goal requires measures that support the supply of and demand for labour and alleviate the labour market mismatch:

- Employment of older people and others with poor employment prospects will be increased.
- Unemployment security will be reformed and active labour market policy measures increased, with the aim of shortening unemployment periods and preventing prolonged employment. The use of the pay subsidies will be expanded substantially.
- The labour market skills of those having already migrated to Finland will be improved and labour migration, particularly involving skilled labour, will be increased.
- Company-level agreements will be encouraged.
- Steps will be taken to accelerate the labour market entry of those with tertiary education.

The aim is that, under the normal economic circumstances described above, the combined effect of these and other measures will be at least an additional 60,000 people employed. Of the measures referred to above, half will be in place by the government budget session in August 2020. If this is not the case, the government budget session will assess the expenditure increases previously decided, which were made relative to the technical General Government Fiscal Plan. The Government will not take employment policy measures that have a negative employment impact without simultaneously taking more effective measures to improve employment.

The Government will start tripartite preparatory work to draw up proposals on measures that support the attainment of the Government's employment goal. The tripartite preparation will include at least reforming the unemployment security system and the related labour market policy measures, improving employment of groups with poor employment prospects and company-level agreements. Of these measures, the company-level agreements will be discussed within the extended tripartite arrangement.

The preparation will progress in two stages, with the first part being completed by the government budget session in autumn 2019 and the proposals for the second part being available in connection with the discussion of the General Government Fiscal Plan in spring 2020. The labour market organisations will conduct sectoral pay and other collective bargaining negotiations in a manner and to a timetable agreed by them.

Fiscal policy

The Government will implement an active and responsible fiscal policy that is scaled in accordance with the economic conditions.

The Government's discretionary permanent additional expenditure will be primarily covered by discretionary permanent additional revenue. By decisions of the Government, permanent expenditure at the level of 2023 will be EUR 1.230 billion higher than in the spring 2019 technical General Government Fiscal Plan. Permanent new expenditure will be allocated to, for example, strengthening competence and social justice and to climate policy measures. A list of expenditure changes is in Annex 1.

The Government is committed to the spending limits system concerning central government expenditure. The spending limits rule is described in Annex 3.

The discretionary additional decision-based expenditure of EUR 1.230 billion will be funded in such a way that tax revenue will increase by EUR 730 million and EUR 200 million of on-budget revenue and expenditure will be reallocated, including EUR 100 million in business subsidies. In addition, attaining the 75 per cent employment goal will strengthen general government finances to the extent that part of this strengthened level can be allocated to additional expenditure, thus reaching the goal of balancing general government finances.

During the parliamentary term, the Government will implement a one-off programme of future-oriented investment that supports the attainment of the Government Programme's objectives and long-term sustainability of general government finances. Within this investment programme, up to EUR 3 billion will be targeted at one-off investments and socially important experimental schemes. The measures are non-recurrent and they will not increase central government expenditure in 2023. The measures will be funded for the most part through property income so that they will not lead to an increase in the debt burden in 2023. The Government plenary session will decide on the use of these funds based on the preparations of the Ministerial Committee on Economic Policy. A list of the content of the investment programme and procedures is given in Annex 2.

Scaling fiscal policy to accord with the economic conditions means above all that general government revenue and expenditure can be adjusted automatically according to the economic conditions. The resources for active labour market policy will be scaled as required by the economic situation.

Where necessary, demand will also be supported by discretionary measures. Discretionary cyclical adjustment tools include extra-budgetary funds, financial investments, tax measures and phased infrastructure projects. As part of the spending limits rule, a

mechanism will be introduced for dealing with an exceptional economic situation. The mechanism will help safeguard the ability of economic policy to respond in the manner required by the economic situation, and it can be deployed in the case of an exceptionally serious economic downturn.

With this mechanism, up to EUR 1 billion, but not more than EUR 500 million per year, can be allocated to one-off expenditure in a situation where the requirements for using the mechanism are fulfilled. The use of the mechanism will not be automatic but based on discretion regarding the nature of the economic situation and the efficiency of various measures to balance the cyclical situation. The Ministerial Committee on Economic Policy will decide whether the definition for an exceptional economic situation is met and will make a recommendation to the Government on the use of the mechanism. The scale of the mechanism and the principles for its use are set out in the spending limits rule in Annex 3 and the definition of an exceptional economic situation is specified in the minutes in Annex 6.

Better adjustment of the unemployment security system to economic circumstances will be examined together with the labour market organisations, in addition to looking at other aspects of the system. One way to prepare for threats to the international economy is to strengthen the cyclical buffers of the Employment Fund.

Economic policy decision-making

The Government will monitor the economic situation and implementation of the employment and balancing goals and react as required by the economic situation. The measures set out in the Government Programme and elsewhere will be implemented within the spending limits established for the electoral term while paying due attention to the Government's goal for the general government finances (balance in general government finances in 2023). The Government is committed to reviewing the measures set out in the Government Programme should their implementation jeopardise the objectives for the general government finances.

The economic policy package will be reviewed yearly in the General Government Fiscal Plan session and government budget sessions. A review will be made of the policies half way through the Government's term of office, when decisions will be taken on any extensive further measures required.

The goals related to employment and to the balance in general government finances will not prevent a policy of balancing cyclical fluctuations. The goals are structural in nature. A weakening of growth, employment and general government finances as a result of poorer than expected performance in the global economy need not be interpreted as a deviation

from the goals. In contrast, such a situation caused by domestic circumstances would be interpreted as this kind of deviation and would lead to a review of the policy.

To ensure high-quality decision-making, decisions will be prepared with care and based on research data. For this reason some of the economic policy outlines require further preparation to establish the most appropriate means and details for achieving the agreed goals. Detailed decision-making may then take place, for example in connection with the first General Government Fiscal Plan session and after Finland's Presidency of the Council of the European Union at the beginning of 2020.

Phenomenon-based budgeting and particularly sustainable development budgeting will be developed on the basis of the proposals of the working group report published by the Ministry of Finance. They will be used as a practical and helpful tool.

Financial market

Preventing excessive household indebtedness

The household sector's fast growing indebtedness makes it vulnerable to a fall in incomes and a rise in the level of interest rates. Based on the preparations of a working group, decisions will be taken on the measures required to curb growing direct and indirect indebtedness of households and to secure financial stability.

Fight against money laundering and terrorist financing

Sufficient resources will be secured for the authorities, exchange of information will be improved and surveillance intensified to combat money laundering and terrorist financing.

Preparedness for serious incidents in the financial market

Preparedness for serious incidents and emergencies in the financial sector will be improved by developing the regulation of national backup arrangements in a cost-effective manner.

Strategic-level management in government will be made more effective and measures outlined concerning information, information networks and information systems critical for securing the functioning of society in a digital operating environment.

2.1 Taxation in a changing world

Current situation

Two major pressures are currently influencing the Finnish and global economy: climate change and technological progress, including robotisation, digitalisation, the platform economy and artificial intelligence. Taxation should accordingly take better account of development that is socially, economically and ecologically sustainable.

The globalised economy and technological progress are threatening the traditional main function of taxation: financing the services and benefits of societies. The main problem with the current tax system is that regulation remains largely national, even as capital moves freely across borders and enterprises operate internationally.

Finland must promote national and international solutions that secure and strengthen its tax base in a globally sustainable manner. The tax base of mobile capital is leaky. The longer-term theoretical objective should be taxation of corporate groups as a single entity. We must first tackle aggressive tax planning by strengthening the tax base and by preventing tax evasion connected with international investment activity. Both national and international measures must be taken to combat the grey economy.

Finland must participate in ending harmful competition over tax bases with a commitment to common and fair rules within the framework of the OECD, the UN and the European Union. This will benefit Finland, which has refrained from such competition and therefore consistently supports cooperation.

Sustainable financing of public services requires a strengthening of the tax base both nationally and internationally, with a view to reducing the burden on Finnish employees and businesses, and boosting conditions for growth. The public may then also find taxation to be equitable, and in the business community genuine competition will be furthered.

Another function of taxation is income redistribution for the benefit of people on low and medium incomes, which is possible by taking into account the ability to pay in the bases of taxation. Taxation must also allow for the growing wealth gap.

Equitable taxation of digital services also requires an enlargement of the Finnish tax base, and the work of the Finnish Tax Administration on taxing the platform economy should be supported.

Taxation must reinforce sustainable development and work to mitigate climate change both nationally and internationally in ways that are socially just and secure the tax base. Taxation must encourage more sustainable choices in manufacturing and consumption.

Taxation must support the assigned objectives of economic and employment policy, as well as international competitiveness and the vitality of Finland as a whole. The focus of tax subsidies must move systematically and predictably towards economic reform and measures that boost research and innovation.

We should also bear in mind that taxation is not always the most effective solution to social challenges. We also need systematic regulation and other guidance instruments.

Objective

1

International taxation

The Government is seeking to secure the financing base for an affluent society in a rapidly evolving global digital economy.

Measures

Finland will actively and proactively promote international cooperation within the European Union, the OECD and the UN with due consideration for its national interests.

Finland will support solutions for combating and hindering the operation of tax havens, both within the European Union and throughout the world, to ensure that corporate profits and other income are taxed once in a transparent manner. The aim is broader and more robust tax bases that combat both the aggressive tax planning and tax evasion schemes of international businesses and harmful tax competition between states. The Government is also willing to renegotiate bilateral tax treaties if this is necessary for preventing tax avoidance.

Tax incentives that distort competition and other harmful tax competition must be identified and addressed effectively. Finland must play an active role in international cooperation for confirming the taxation of platform and digital economy businesses. Companies in which the state has a controlling interest will show an example of corporate responsibility by reporting their tax footprint in each country in accordance with ownership steering guidelines. Aggressive tax planning will not be tolerated.

A national collaborative body will be set up in Finland (e.g. a broad-based parliamentary advisory board) to maintain awareness of the prevailing situation on international taxation issues and to monitor developments in international taxation and assess the impact of different proposals on Finland.

In reforms concerning the financing of EU activities, Finland must ensure that its national interests are taken sufficiently into account. Decisions on financing the EU will continue to be the domain of Member States.

It will be appropriate to collect any new European Union own resources from sources that are better suited to broad-based international taxation than to the national taxation of any individual country. When reforming European Union financing we must assess how a European Union funding model can be linked to other ongoing reforms, such as combating climate change.

Objective

2

Strengthening the tax base

Strengthening the tax base is particularly important in a global economy where cash flows across international borders. A robust tax base also enables low tax rates and equitable taxation, promoting free enterprise, employment, growth, wellbeing and prosperity.

Measures

Withholding tax on dividends

The Government will study the prospects for introducing a 5 per cent withholding tax on dividends payable to foreign funds (and other corporations that are exempt from dividend tax) by the year 2022 in order to strengthen the tax base.

Besides conducting an international comparison, the study will also assess the impact of the withholding tax on various operators in Finland, and especially on non-profit organisations. The overall level of science, art, culture and sports funding will not fall as a result of any dividend tax. A review will also be conducted of tax treaties with a view to ensuring that their renegotiation does not limit the scope of the withholding tax.

Other measures to strengthen the tax base

The Government will continue the policy of previous administrations in phasing out the tax deductibility of interest payments on home loans. The remaining tax deduction will be completely eliminated during the Government's term of office.

An investigation will study the prospects for reforming taxation of housing investment by limiting the right to deduct housing company loan premium repayments from rental income. The debt ratio has risen to over 80 per cent in many new housing companies due to this tax benefit.

The prospects for collecting a reasonable tax on profits derived from the real estate investments of foreign funds and other tax-exempt corporations will be investigated by 2022.

The domestic help credit will be reduced to 40 per cent of the payment for labour or service and 15 per cent of wages, with the maximum annual credit allowance reduced to EUR 2250. This will increase annual tax revenues by an estimated EUR 95 million.

A study will examine the requirements for introducing a parallel subsidy system that would also enable low-income households to benefit from a scheme corresponding to the domestic help credit.

Combating the grey economy and aggressive tax planning, and digitalising financial administration

Society loses substantial annual tax revenues due to the grey economy and tax evasion. This not only undermines the status of lawful and ethically sound business operations and their staff by subjecting them to unfair competition, but also causes a shortfall in tax revenues that increases the burden of taxes and charges collected from others in order to finance public spending.

To reduce this shortfall, the Government will broaden and step up its countermeasures to the grey economy with a comprehensive programme backed by additional funding of EUR 20 million allocated over the electoral term. A previous separate appropriation for police operations to combat the grey economy will be placed on a permanent footing, with continued additional funding of EUR 1.3 million for the enforcement authorities and the Office of the Bankruptcy Ombudsman to combat financial crime. Substantial measures will be taken at the same time to promote digitalisation and the real-time economy of administration and society at large. The administrative obligations of businesses and the general public will also be eased in the long term. Finland is also actively involved in international cooperation to combat the grey economy.

Further steps will be taken towards full automation of enterprise financial administration by bringing structured electronic receipts and invoices into use. The tax authority will be given the necessary statutory powers and technological instruments to support optimally automated information gathering related to the taxation of operators in the digital platform economy. The prospects for gathering more information from VAT returns will be studied. Some EUR 30 million will be set aside over the electoral term for R&D projects required by the Tax Administration concerning the digitalisation of administration and promotion of greater transparency.

The tax number system that has worked well and prevented the grey economy in the construction industry will be introduced in shipbuilding. The need to introduce the tax number system in other high-risk sectors such as the tourism and restaurant sectors will be assessed. The PRH-Tax Administration Business Information System (YTJ) could be expanded to include more comprehensive details for managing key business obligations. A more detailed list of government measures to combat the grey economy is attached as Annex 4 to the Government Programme.

Finland will continue national efforts to combat international tax evasion and aggressive tax planning with a special action programme to broaden the Finnish tax base and improve transparency. The programme measures are set out in Annex 5. The Government will monitor the effectiveness of national and international measures to prevent tax evasion.

Objective

3

Tax reform for sustainable development

Measures

A sustainable taxation roadmap will be drawn up to serve the Government's climate goal. The first stage of this roadmap will be completed in time for the 2020 government discussion on spending limits. The preparations will seek solutions that promote the Government's climate objectives in the most economically effective way, accelerating the shift away from fossil fuels while meeting the requirements of social justice. The Government will also promote the realisation of climate targets in tax reforms at EU level.

The package will include a reform of energy taxation, a reform of transport taxation, promotion of the circular economy, and a study of emissions-based consumption taxation.

Reform of energy taxation

Emissions guidance in energy production will be increased by abolishing the industrial energy tax rebate system and reducing category II electricity tax towards the minimum rate allowed by the European Union. The overhaul will be carried out with cost neutrality over a transition period. Heat pumps and data centres generating heat for district heating networks will be transferred to category II electricity tax.

Reduced tax subsidies for combined heat and power production and higher heating fuel taxation will increase tax revenues by a total of EUR 100 million over the electoral term. Demand flexibility incentives will be promoted, for example through dynamic electricity taxation. Double taxation on electricity storage for pumped storage facilities and smaller batteries will be removed.

Reform of transport taxation

The emission reductions required for transport are substantial, as are the associated rapid changes in transport motive power, the ongoing technological breakthrough related to automation, and the spread of mobility as a service. Work will be launched in relation to these changes, seeking to secure the fiscal base of transport taxation over a period extending beyond the term of the present Government, and having regard to social justice and regional equality as emission targets become more severe.

Taxation of fossil fuels will be increased by EUR 250 million over the electoral term in line with the forecast rise in consumer prices. Changes in income taxation and benefits will allow for the impact on low-income individuals.

It will be ensured that conversions of vehicle propulsion technologies allowing low-emission mobility will be considered in car, vehicle and power source taxation.

A reform of employment-related motoring benefits will substantially favour the choice of low-emission vehicles. Electric vehicle charging benefits will no longer be taxable. A concurrent reform of the taxation of other employment-related benefits will also provide more equitable support for non-motorised modes and public transport, and for the use of mobility services (Mobility as a Service, MaaS). Legislation will be introduced enabling traffic congestion charging to be introduced in city regions, with the aim of managing traffic.

Finland is in favour of expanding emissions trading to all aviation emissions with a climate impact. Introducing a tax on aviation fuel or a flight levy throughout the European Union or globally is another option that may be studied.

The VAT exemption for products valued at less than EUR 22 imported from outside the European Union will be abolished from the start of 2021 at the latest. This will increase VAT revenues by an estimated EUR 40 million. In addition to reducing emissions from transport, this reform will shrink the grey economy and improve the competitiveness of domestic retailing.

Promoting a circular economy

By the spring 2020 government discussion on spending limits, the Government will comprehensively investigate the conditions for using taxation policy to promote a circular economy, for example through a broadly based tax on packaging made from non-renewable natural resources, a tax on energy and carbon dioxide emissions from waste incineration, and an increase in the waste tax levied on landfill waste. The objective is to implement the taxation changes from the beginning of 2021.

Emission-based consumption tax

Life cycle emission assessments of food and other consumer products will be developed with a view to directing consumption taxation in ways that allow for impacts on climate and the environment.

Mining taxation

Mines will be transferred to category I electricity tax and removed from the scope of the industrial energy tax rebate system. The prospects for introducing a new mine tax will be studied in order to ensure that society is reasonably compensated for mineral wealth extraction. The possibility of taxing profits on the sale of mining rights in Finland even when foreign corporations hold these rights will be investigated.

Objective

4

Taxation incentives for employment and private enterprise

Measures

Taxation of earned income

While the Government does not consider it appropriate to reduce earnings taxation in general when the economy is growing normally, it will nevertheless set aside EUR 200

million for a modest reduction in income tax to compensate for increases in indirect taxes affecting employees, pensioners, entrepreneurs and the self-employed in the low and middle-income bands. The solidarity tax will continue until the end of the Government's term of office. Taxation of earned income will be adjusted annually in line with the rise in earnings and inflation.

Earned income subsidy and promotion of labour mobility

The prospects for introducing an earned income subsidy implemented in respect of state income tax will be investigated by the year 2022. This would mean that taxation of earned income could be negative for those employees, pensioners, entrepreneurs and self-employed people who are in the low-income band. The earned income subsidy would provide an employment incentive in such areas as part-time and gig work, and would also extend the progression of income taxation to lower earning levels where no tax is payable on earned income. The preparation work will study how earned income subsidy can be appropriately combined with other benefits.

Mobility of labour both within Finland and into Finland will be promoted by adjusting the taxable component of compensation paid by an employer for removal costs.

Support for small and growth enterprises

Finland is seeking a derogation from the European Union permitting an increase in the VAT threshold for enterprises to EUR 15,000 with a view to easing the administrative burden on small businesses.

The problems that have arisen in introducing the Incomes Register will be studied, with corrections made to facilitate the operations of small businesses and civil society organisations. Support will be offered to newly established small-scale entrepreneurs by introducing more flexible payment schedules for tax prepayment.

The Government will introduce new legislation concerning the remuneration of personnel in unlisted growth companies, using the model devised in preparatory work during the previous government term. EUR 10 million will be reserved for the purpose on an annual basis.

The tax concession for key personnel moving to Finland from abroad will be made permanent.

Objective

5

Promoting health through taxation

Measures

Tobacco tax

The Government will continue the policy of gradually increasing taxation of tobacco and nicotine products by a total of EUR 200 million over its forthcoming term of office. This tax guidance promotes public health.

Alcohol tax

The Government will continue the policy of moderately increasing alcohol tax by EUR 50 million, having regard to changes in the operating environment by monitoring the impact on passenger imports.

Tax on soft drinks

The Government will raise a further EUR 25 million in soft drink taxes, focusing the increase on sugar-rich drinks to reinforce the guiding effect of the tax in the field of public health. The Government will investigate whether the tax could be restructured to exclude fruit and berry juices. The prospects for increasing the tax exemption threshold for small-scale producers will also be studied.

Study of health promotion tax

The Government will study the prospects for introducing a public health promotion tax on such products as sugar. It will also present its views actively at EU level regarding the scope for introducing new kinds of health promotion taxes.

Objective

6

Real estate taxation

Measures

The reform of real estate tax seeks to ensure a better overall match between real estate tax values and the fair value of properties. Preparation of the reform must pay closer attention to the true market value of both land and buildings.

The real estate tax reform must not cause unreasonable changes in anyone's property tax, and will be assessed from the perspective of reasonable change before it is introduced.

The reform will be accompanied by an investigation into ways of allowing for the reduced solvency of a taxpayer.

The reform of real estate taxation will consider environmental aspects, with reduced real estate tax payable on offshore wind farms. Areas protected under the Nature Conservation Act will be exempt from real estate tax. Land used for agriculture and forestry will continue to fall outside the scope of real estate taxation.

Objective

7

Counties

Measures

The introduction of any county income tax will not seek to increase taxation levels.

3 Strategic themes

Finland's first Government for the new decade has identified the following strategic goals with which we will set about building a socially, economically and ecologically sustainable Finland.



3.1 Carbon neutral Finland that protects biodiversity



Current situation

Climate change, declining biodiversity and the overconsumption of natural resources are among the most critical issues facing humanity. Solving the sustainability crisis will require prompt, systemic changes in society. Finland has an excellent opportunity to rebuild itself in line with the principles of sustainable development, as a nation with a sustainable social structure, a well-educated population and a high level of technological expertise.

It is possible to mitigate climate change and safeguard biodiversity. People's concerns about the state of the environment mean we must act quickly. When it comes to tackling climate and sustainability challenges, Finland can play a greater role than its size would suggest – we can leave a small footprint while making a big impression.

According to the Intergovernmental Panel on Climate Change, any increase in the temperature beyond 1.5 degrees Celsius will significantly accelerate the extinction of species, render more and more areas of the world uninhabitable and pose substantial risks for food production, access to water and the functioning of the ecosystem. An upheaval in the basic conditions for life for hundreds of millions of people would lead to social and political instability, conflicts and forced migration. We only have a few years left to reverse the trend in global emission levels permanently.

As part of the European Union, Finland is committed to the Paris Agreement on climate change. According to the joint position of the parliamentary parties, achieving the goals of the Agreement will require long-term climate measures designed to achieve carbon neutrality in the European Union before 2050.

Finland has reduced its emissions to more than 21 per cent below the 1990s level and it will reach the EU's climate targets for 2020 ahead of schedule. However, the 1.5 degree target also means tightening Finland's emissions reduction requirements.

Finland's biodiversity is continuing to decline. According to the most recent estimates, nearly half of Finland's habitats and just over one in ten species are endangered. According to the Intergovernmental Science–Policy Platform on Biodiversity and Ecosystem Services (IPBES), global biodiversity is declining at an unprecedented rate due to human activities. Finland is committed to doing its part to halt the decline of biodiversity. This will require quick and comprehensive actions.

Achieving the sustainable development goals will only be possible if we are able to stop the warming of the climate and the decline of biodiversity.



Objective

1

Finland will achieve carbon neutrality by 2035

The Government will work to ensure that Finland is carbon neutral by 2035 and carbon negative soon after that. We will do this by accelerating emissions reduction measures and strengthening carbon sinks.

The Government is committed to reforming the climate policies of the European Union and Finland so that we can do our part to limit the global mean temperature increase to 1.5 degrees Celsius. Finland aims to develop the EU's long-term climate measures so that the EU can achieve carbon neutrality before 2050. This means tightening the emissions reduction obligation for 2030 to at least 55 per cent below the 1990 emissions level.

We will continue our Nordic climate and energy cooperation in order to achieve carbon neutrality and will work to strengthen the position of the Nordic countries as leaders in international climate policy.

Measures

New climate policy objectives

The Government will decide on the additional actions needed to bring Finland's emissions reduction path in line with the goal of achieving carbon neutrality by 2035.

We will strengthen the role of the Climate Change Act as a guiding instrument. We will amend the Act in a way that will enable us to achieve the target of carbon neutrality by 2035. We will also update the target for 2050 in the Climate Change Act. We will add emissions reduction targets for 2030 and 2040 to the Act in line with our path to carbon neutrality. We will also include the land use sector in the Act and set a target for strengthening carbon sinks.

We will carry out an assessment of our carbon neutrality target in 2025. The assessment will take into account factors including new scientific data, technological development and the emissions commitments of other countries, along with the possibility of adopting international flexibility in meeting the targets.

We will update our medium-term climate change policy plan and national climate and energy strategy so we can reach the 2030 emissions reduction level required to achieve carbon neutrality. We will evaluate our solutions based on their efficiency and

cost-effectiveness while also taking into account regional differences and impacts on employment.

A fair transition – guiding climate policy over the government term

Emissions reduction measures will be carried out in a way that is fair from a social and regional perspective and that involves all sectors of society.

The Government will establish a ministerial working group on climate and energy issues, which will be in charge of preparing climate policy as a whole. Assessing climate impacts will become a part of the normal process of drafting legislation.

Work to combat climate change requires contributions from all sectors of society. The Government will establish a round table on climate policy in connection with the sustainable development committee. By bringing together a variety of operators in society, we can ensure that our climate actions are in the best interests of society and have broad approval from the public.

The Government will assist local and regional authorities in preparing their own carbon neutrality plans and implementing climate actions.

We will strengthen the role of the Finnish Climate Panel as an independent, scientific expert body and allocate sufficient resources for it.

Objective

2

Finland aims to be the world's first fossil-free welfare society

Electricity and heat production in Finland must be made nearly emissions-free by the end of the 2030s while also taking into account the perspectives of security of supply and servicing.

Measures

As part of the sustainable development tax reform, the Government will carry out a complete overhaul of energy taxation by the 2020 government budget session (August 2020). This transformation, together with the emissions trading scheme, will support our progress towards a carbon neutral circular economy.



In the first phase, we will make the following changes to the taxation scheme:

- Emissions guidance in energy production will be increased by abolishing the industrial energy tax rebate system and reducing category II electricity tax towards the minimum rate allowed by the European Union. The overhaul will be carried out with cost neutrality over a transition period. Heat pumps and data centres generating heat for district heating networks will be transferred to category II electricity tax.
- We will provide property tax relief for offshore wind power plants.
- We will remove the double taxation on electricity storage for pumped storage facilities and smaller batteries.

We will develop the energy aid scheme, shifting the focus from production aid to grants supporting investments in new energy technologies and product demonstrations.

We will phase out the energy use of coal in line with existing decisions by May 2029 at the latest. We will support energy companies in transitioning away from coal by 2025 by providing incentives for investments to replace coal.

We will support the adoption and piloting of new methods for producing district heating and heat storage without burning fuel.

According to the current forecasts, the use of peat primarily as an energy source will be discontinued during the 2030s as the cost of the emissions allowance rises, although it will remain in use to ensure security of supply. We will decrease the use of peat for energy by at least half by 2030. As part of the overhaul of energy taxation, we will assess the necessary changes to the taxation of peat so that we can achieve our 2030 peat targets. We must ensure that timber material does not end up incinerated.

We will establish a broad-based peat industry working group to explore how we can direct the use of peat away from incineration and increase its use in innovative, high added-value products. The working group will present means to ensure that the change occurs in a way that is fair at the regional and social levels and that does not jeopardise the security of electricity and heat in Finland.

We will phase out the use of fossil fuel oil in heating by the start of the 2030s. Oil heating will no longer be used in properties owned by the central and local governments by 2024. We will adopt a separate action plan to encourage properties using oil heating to switch to other forms of heating during the 2020s.

Increasing electrification in society and connecting energy systems (electricity, heat and transport) to one another will require significant growth in renewable electricity

production. We will increase the proportion of energy produced using wind power in Finland. We estimate that the amount of wind power produced on land will rise according to market conditions. We will improve the conditions for the construction of offshore wind power plants. We will remove the administrative, zoning-related and other barriers to wind power construction. We will explore the possibilities to loosen the restrictions on wind power due to radars.

We view extended permits for existing nuclear power plants positively, provided that the Radiation and Nuclear Safety Authority is in favour of them.

In order to manage energy transmission prices, we will implement the findings of studies on the cost of energy transmission, such as extending the balancing period for underproduction. We will develop flexibility in the electricity network, along with alternative ways to ensure the security of the electricity supply, particularly in sparsely populated areas. We will explore the possibility to restrict the annual raises to the electricity transmission charges.

In cooperation with industry operators, we will create sector-specific low-carbon roadmaps that will be brought in line with our new climate actions.

The transition to a low-carbon economy will require additional investments, particularly in bioeconomy, circular economy, clean energy solutions, energy efficiency, emissions-free forms of energy production, energy storage solutions, carbon recovery and energy utilisation, along with research, development and innovation activities and measures to bring these solutions to the market.

We will develop the Nordic electricity market and the integration of energy systems, and joint research activities to support these through EU research programmes.

Decision-making in society will guide and encourage public and private cash flows to support the shift towards a climate-friendly circular economy.

We will improve the security of energy supply together with Finnish industry operators by developing a smarter electricity and district heating network, improving transmission connections and utilising new possibilities for energy storage.

We must utilise the potential of smart electricity networks and demand response to its fullest. We will develop regulations and taxation in a way that facilitates the utilisation of small-scale energy production for all parties involved, including housing companies, single-family houses and farms.



In connection with implementing the amendments to the Energy Performance of Buildings Directive, we will ensure that heating systems based on heat pumps do not cause spikes in electricity consumption.

Objective

3

We will strengthen carbon sinks and stocks in the short and long term

Measures

As part of planning for the climate and energy policy system, the Government will create a comprehensive climate programme for the land use sector. The purpose of the programme is to identify means to decrease emissions from the land use sector and strengthen Finland's carbon sinks in the long and short term. The goal is to increase Finland's net carbon sink. Policies on carbon sinks will be added to the Climate Change Act and Finland's strategy towards carbon neutrality. The development of carbon sinks and the effectiveness of the related measures will be assessed as part of the annual reporting required by the Climate Change Act.

The measures of the climate programme for the land use sector will be assessed from the perspective of efficiency and cost-effectiveness. The programme's measures include, but are not limited to, the following:

- Safeguarding the management, growth capacity and health of forests
- Advancing afforestation
- Reducing deforestation
- Means to reduce the emissions of swamps and peatlands
- Climate-sustainable management of swamp forests
- Reducing the emissions and strengthening the carbon sequestration properties of agricultural land

We will develop guidance instruments and incentives for strengthening the carbon sinks and stores of forests and soil.

We will promote the use of diverse forestry and forest management methods, including continuous cover forestry, while taking into account climate targets and financial aspects.

We will assess our forest management recommendations and, if necessary, update them based on research and monitoring data and practical experiences.

We will update Metsähallitus' ownership policies in a way that better reconciles the priorities of sustainable forestry, the availability of timber, biodiversity, recreational use of forests, climate policy targets and the various forms of land use.

The annual entry of revenues requirements for Metsähallitus will take better account of the impacts on carbon sinks and biodiversity, in addition to forestry and the timber needs of industry. We will also set a carbon-sink target for Metsähallitus.

We will advance research and product development concerning wood products with a high processing value and long carbon storage period, along with the sustainable utilisation of industry side streams. We will work to ensure transparency and effectiveness in the timber market so that wood material is targeted appropriately.

We will explore the possibility of adopting climate impact assessments as part of the environmental permit procedure.

We will mitigate clear-cutting of forests for construction purposes by, for example, adopting charges for changes to land use.

We will assess the effectiveness of the Forest Act. We will reform the sustainable forestry financing system to focus more on active, well-timed forest management and nature management measures, increasing carbon sequestration and improving biodiversity. The system also covers maintenance of the forest road network.

We will implement a set of measures focusing on nutrient recycling, which will increase the production and consumption of biogas and create a market for recycled fertilisers, thereby significantly reducing the need to clear new fields for manure application and decreasing the nutrient load on waterways.

We will continue to focus on researching carbon sinks, measuring carbon sequestration and developing calculation models.

We will implement pilots for carbon sequestration and storage markets in Finland, albeit not as a replacement for emissions reductions.

Finland will advance the international 4/1000 initiative to increase carbon sequestration in agriculture. We will develop research on new farming methods and advance the adoption of these.



Objective

4

Reducing the carbon footprint of construction and housing

Measures

We will implement a set of measures to decrease the carbon footprint of housing, improve the energy efficiency of the existing building stock and support the transition to emissions-free heat generation.

- We will adopt an energy subsidy scheme designed especially for housing companies with the goal of supporting improvements in energy efficiency and measures aiming toward smart, flexible energy consumption. The principle of the subsidy scheme is that the assistance will be paid in proportion to the energy efficiency benefits achieved. The projects must be cost-effective and appropriately designed.
- We will continue to offer subsidies for building charging infrastructure for electric cars and increase the amount of the subsidies granted.
- We will explore the possibility of bringing the costs of planning energy renovations under the scope of the domestic help credit, making the credit available to shareholders in housing companies and applying a higher credit percentage for renovation work that aims to increase the energy efficiency of buildings or to transition away from fossil fuel-based heating systems.

We will increase the availability of continuing education in the construction sector in order to raise the level of energy efficiency expertise. We will invest in independent construction-sector research.

When developing building regulations, we will ensure the possibility of using natural ventilation without compromising on energy efficiency targets.

We will promote wide-ranging renovation and energy efficiency projects aiming to improve the energy efficiency of entire blocks, areas or cities.

Together with industry operators, we will create a sector-specific plan to achieve carbon neutrality in the construction sector. We will continue to implement the low-carbon construction roadmap and develop a legislative framework based on the carbon footprint of buildings throughout their lifecycle. We will enhance the efficiency of the circular economy and the recycling of materials in the construction sector.

We will promote wood construction, as wooden buildings also function as carbon stores. We will develop material neutrality in fire regulations to reduce the need for double fire protection (technical and structural) of wood buildings. We will also investigate whether to ease the fire regulations on wood construction.

We will set minimum requirements for building charging infrastructure for electric vehicles at properties in connection with major renovations. We will remove administrative barriers to building charging infrastructure for electric vehicles, particularly in housing companies.

Objective

5

We will halt the decline of biodiversity in Finland

Finland will achieve the goals of the UN Convention on Biological Diversity.

Measures

We will increase the total amount of funding for nature conservation by EUR 100 million at the annual level.

We will implement an action plan to improve the condition of habitats in decline.

We will continue and renew the METSO programme and increase its funding. We will explore the possibility of broadening the scope of the programme to cover new habitats, such as swamps. We will continue to implement the complementary marshlands protection programme.

The repair debt of Mestähallitus nature sites will be reduced systematically through a programme extending throughout the parliamentary term, and the core funding for Natural Heritage Services (NHS) will be increased. We will improve the conditions for nature tourism business throughout Finland.

We will expand the national parks network.

We will continue to implement the principle of the Nature Gift to Finland campaign according to which, when a private land owner protects a valuable nature area, Metsähallitus will protect an area of corresponding size from its areas of highest nature value.



We will safeguard the self-financing share of Life financing.

We will explore innovative means to finance nature conservation.

Areas protected under the Nature Conservation Act will be exempt from real estate tax.

We will continue to conduct inventories of species and habitats.

We will amend the legislation on nature conservation based on assessments.

We will ensure that the Nature Panel has the conditions required for its operations.

We will carry out pilots on the use of ecological compensation in major infrastructure projects, for example, and evaluate the need to amend legislation based on experiences gained from the pilots. Ecological compensation means a principle according to which activities that cause adverse effects on biodiversity are compensated by restoring degraded habitats and providing new values in another area, however in such a way that compensation is the last step after minimising natural damage. Before it is possible to use compensation, however, the negative environmental effects of the original project must be minimised.

We will promote nature management of commercial forests through measures such as leaving rotting wood and stumps, prescribed burning, standing rotting trees, game cover, protection zones and actions to decrease the impact on waterways. We will advance the use of continuous growth methods on Metsähallitus land as well.

We will tackle the issue of invasive alien species more effectively through legislation and greater funding for preventive measures.

We will safeguard the conditions for sustainable recreational fishing, hunting, gathering of natural products and right of access to private land.

We will update the Water Act to extend the fisheries obligations to plants with a “zero obligation”. We will launch a national programme to restore migratory fish stocks.

- Restoring a natural cycle in waters with built structures will continue on the basis of the National Fish Passage Strategy.
- Migration barriers will be removed and fish breeding grounds restored. Solutions will be introduced to help fish get past the barriers.
- Migratory fish projects will be implemented through broad cooperation. Fisheries obligations will be updated by the public authorities.

We will increase resources for environmental research and environmental administration.

We will develop the secondary environmental liability systems (TOVA).

We will advance education concerning nature and the environment.

Protection of the Baltic Sea

The Government will strengthen international environmental cooperation in the Arctic and the Baltic Sea region. The Government will ensure sufficient resources for updating the Baltic Sea strategy during Finland's Presidency of the Council of the EU and for updating the Baltic Sea protection plan during Finland's HELCOM Presidency.

We will strengthen the participation of European and Nordic financial institutions in projects aiming to improve the environment and climate of the Baltic Sea region.

We will continue the intensified Baltic Sea and water protection programme within at least the current scope during the parliamentary term in order to achieve a good ecological state of the water areas.

We will broaden the use of gypsum, structural lime and nutrient fibre in fields, either as part of the environmental support programme for agriculture or through separate measures.

We will promote the use of fish species native to Finland and the use of Baltic Blend feed in fish farming.

We will improve our oil and chemical spill response capabilities and increase the level of cooperation in dealing with oil spills as part of the EU's Baltic Sea strategy.



Objective

6

We will strengthen Finland's role as a leader in the circular economy

Measures

Circular economy as the foundation for the new economy

We will intensify circular economy activities to mitigate the overconsumption of natural resources and curb climate change, safeguard biodiversity, create new employment opportunities and strengthen the competitiveness of our economy.

We will promote the development of services to replace products and strengthen the market for recycled raw materials to replace virgin materials.

We will work systematically to increase the proportion of recycled raw materials in material loops.

We will strengthen Finland's role as a leader in the circular economy. We will adopt a horizontal, strategic circular economy programme and the related indicators over the government term. The programme will set targets, define the necessary measures and allocate the resources needed to promote the circular economy in Finland.

We will use administrative, legislative and economic instruments to guide the promotion of the circular economy and remove barriers to its implementation in Finland and the European Union.

We will also strengthen Finland's profile as a leader in circular economy in international forums (including in various UN processes and the World Trade Organization).

We will develop exports of Finnish circular economy expertise and create good conditions for international circular economy cooperation in a variety of sectors.

Finland will work on behalf of amending the Ecodesign Directive to better advance the circular economy.

Our work to strengthen the circular economy will also take into account nutrient recycling.

To boost investments in circular economy, we will adopt fixed-term investment aid for projects promoting the circular economy.

Waste recycling

We will create a vision for the waste management sector that supports recycling and circular economy targets and that extends into the 2030s. Our goal is to increase the recycling rate to at least the level of the EU's recycling targets.

In connection with the amendments to the Waste Act currently in progress, we will ensure that municipalities comply with the provisions of the Act also in cases when property holders are responsible for organising waste transport. We will keep the limit on external sales for waste management operators at 10 per cent (starting from 1 January 2030).

We will ensure sufficient resources for developing monitoring and measurement systems.

We will also explore the possibility of adopting separate collection of textiles before the 2025 deadline set by the Waste Directive.

We will enhance the efficiency of plastics recycling and implement the proposals of the Plastics Roadmap for Finland.

Public and private consumption

The central government and local authorities must act as leaders in the adoption of environmentally friendly solutions.

We will increase procurement expertise and the obligations of the Act on Public Procurement and Concession Contracts concerning procurements and quality assessment. We will amend the Act on Public Procurement and Concession Contracts so that carbon and environmental footprints will be included as criteria for procurements with significant environmental impacts.

We will adopt a tool for the division of risks of innovative procurements. We will accelerate the widespread adoption of good practices for sustainable and innovative procurements.

We will strengthen consumers' ability to obtain information about the climate and environmental impacts of services and commodities. We will advance the use of the existing criteria to support sustainable consumption and create new criteria. We will reform the taxation system to support sustainable consumption and the sustainable development goals. The objective of the reform is to make climate and environmental effects more visible in the prices of products and services.



Objective

7

Climate-friendly food policy

Measures

Public procurement and public food and catering services play a key role in improving the sustainability of the food system.

A national 'climate food' programme will be prepared with the goal of minimising the climate footprint of the food consumed and improving understanding of how food is produced.

We will increase the share of vegetable-rich in public procurement and in public food and catering services. With respect to meat, eggs and milk, local governments will be guided to give preference to Finnish local and organic production.

We will halve the amount of food loss and food waste by 2030, and we will draw up a roadmap to reduce loss and waste at every stage of the food chain.

Objective

8

Improving the environmental protection of mines

Measures

We will renew the legislation on mining. The purpose of the reform is to improve the level of environmental protection and ensure the operating conditions of mines, while also improving local acceptability and influencing opportunities.

Provisions will be made to give municipal authorities the right to decide through land use planning whether it is possible to carry out mining activities in the municipality.

We will improve the position and right to information of property owners and landowners in the area affected by mines.

When undertaking significant mining projects, the rights of indigenous peoples will be taken into account as required by the current legislation.

We will improve the compatibility of mining permits and environmental permits.

We will take into account the environmental impacts of planned mines at the earliest stage possible.

We will develop the ability to take into account the uranium content of ore when assessing the environmental impacts of mines.

We will develop the regulation on securities so that environmental responsibilities are dealt with in all situations.

Mining activities targeting minerals in the sea bed will also be included within the scope of the legislation.

We will explore the permit processes, practices and possible need for restriction concerning mineral prospecting rights in nature conservation areas.

Objective

9

Improving the welfare of animals

Measures

The proposal for an Act on the Welfare of Animals that was under consideration during the previous parliamentary term will be elaborated so that the rationale for the Act recognises the inherent value of animals and allows for the expression of their natural behaviours.

We will establish an expert working group to determine how we can support the pig husbandry industry's goal of discontinuing the use of farrowing crates. We will discontinue the construction of new stanchion-tied stables.

In connection with work to assess the profitability of agriculture, we will also look into the possibilities to strengthen the transition through incentives.

We will look into the possibility of discontinuing the castration of pigs and will ensure sufficient pain relief in painful procedures.



We will develop an aid scheme for investments that improve the welfare of animals beyond the requirements of the Act or that implement the requirements of the act before the statutory transition period.

We will look into the possibility of adopting an antibiotic tax for animal products, for instance, with the goal of advancing sustainable production methods and reducing the overuse of antibiotics.

We will advance the criteria for animal welfare in Nordic and EU standards and legislation.

We will develop regulations for trade in animals, particularly as concerns online trade, and will look into the identification and registration of dogs and cats.

We will lay down provisions on veterinarians' duty to report procedures carried out on pets due to hereditary defects.

We will increase the amount of funding for adopting methods to replace animal testing.

We will improve the supervision of compliance with legislation on animal welfare and enhance the effectiveness of video surveillance of slaughterhouses.

We will establish the post of Animal Welfare Ombudsman in Seinäjoki.

3.1.1 Housing policy

Current situation

More than a third of the greenhouse gas emissions generated in Finland are caused by construction and buildings, while around a fifth come from transport. Finland must reduce these emissions in order to achieve its national and international climate objectives.

In the Greater Helsinki region and other growing urban areas, high housing costs and a housing shortage hamper labour supply and business growth. People suffer as a result of high housing prices, as many have to spend too large a proportion of their income on housing. Rented housing has become more common, while rents have increased faster than living costs.

There is a need for diverse, market-driven housing construction and for state-subsidised, affordable housing production to supplement it. The student housing situation in some

cities and towns is poor, and there are not nearly enough student flats for all applicants. Homelessness is concentrated to the Greater Helsinki region and other major growth centres.

At the same time, dwellings in regions of net out-migration are left vacant, leading to deterioration of the housing stock. As the population ages, there is an increased need for accessible housing. In addition to older people, accessible housing benefits other population groups as well.

Renovations are needed to ensure the technical condition of the building stock. We have not been able to significantly reduce the negative effects of indoor air problems. There are issues with the quality of construction, the division of responsibilities and the housing solutions available to people suffering from indoor air problems and the resulting illnesses.

Objective

1

Building a carbon neutral society and improving the quality of construction

The Government will build a carbon neutral society by reducing the carbon footprint of construction, land use and transport and by supporting a sustainable community structure. We will improve the quality of construction and reduce the rate of indoor air problems and the resulting adverse effects on health.

We will make the existing building stock more energy-efficient and implement low-carbon solutions. We will double the use of wood in construction during the Government term. The use of wood will have a positive impact on both the climate and Finnish labour.

We will resolve and prevent indoor air problems in buildings and work to improve the lives of those suffering from their adverse health effects. We will develop the legislation and national support schemes in order to achieve a significant decrease in indoor air problems and the resulting health issues and illnesses. We will improve the quality and monitoring of construction and clarify the responsibilities related to construction.

Measures

Reform of the Land Use and Building Act

We will finalise the reform of the Land Use and Building Act in the parliamentary preparations. The main objectives of the reform are to create a carbon neutral society,



strengthen biodiversity, improve the quality of construction and advance digitalisation. It is also important to take into account the economic and social sustainability of community structures. We will preserve municipalities' monopoly on land use and the land use planning hierarchy, advance the simplification of the land use planning process and strengthen municipalities' land policies. Land use planning must be based on comprehensive impact assessments. The oversight of the legality of land use will continue to be carried out by authorities and at least at the current level.

We will take the mitigation of climate change into account in land use planning, construction and the maintenance of the building stock. Community structures must support adaptation to climate change and motivate people to choose walking, cycling or public transport, particularly in urban areas. We will safeguard cultural environments and strengthen biodiversity, including in urban environments. We will improve people's opportunities to participate in society. We will establish a national digital register and data platform for the built environment to be utilised in the decision-making and processes related to land use and building. We will promote the use of electronic services for municipal building permits and notifications according to the one-stop-shop principle.

Advancing wood building and low-carbon construction

We will accelerate the implementation of the low-carbon construction roadmap and promote the circular economy in construction. We will continue the wood building action plan until the end of 2022. We will set goals for wood usage in public construction.

We will advance wood construction expertise and continuing education in the construction sector and promote research, product development and exports related to wood construction.

We will promote the use of wood in the construction of housing financed by the State Housing Fund (ARA housing) in land use, housing and transport (MAL) regions by offering increased startup grants.

Support for repairs and renovations

We will promote renovation of the ARA housing stock and improvements to its energy efficiency by implementing renovation startup grants tied to interest subsidy loans and granted for renovations that make buildings more energy-efficient. The maximum grant per flat will be EUR 4,000.

We will continue to develop the electronic residential and commercial property information system. We will look into the possibility of including a calculation of the repair

debt of a property in the property manager's certificate in order to improve the consumer protection of the buyers of homes in limited liability housing companies.

The guarantee scheme for renovations of limited liability housing companies will be revamped into a well-functioning support model. We will introduce grants for carrying out building inspections and drafting renovation plans.

We will investigate the possibility of making the residential building provision tax-neutral to enable limited liability housing companies to better prepare for necessary renovations, particularly those that reduce emissions.

Addressing indoor air problems

We will continue the 'Healthy Premises 2028' programme. We will make the programme more ambitious and examine its target-setting and scope so it can solve indoor air problems more effectively. We will ensure that the programme leads to the necessary actions and amendments to legislation during this government term. As part of the Healthy Premises 2028 programme, we will look into establishing a centre of expertise specialising in renovations.

We will review the position previously approved by Parliament concerning mould and moisture issues in buildings and ensure that they are carried through to completion.

We will improve the quality and supervision of construction and clarify the related responsibilities, particularly in connection with the overall reform of the Land Use and Building Act. The new Act will assign the main responsibility for construction to the main contractors. This will include liability for any building defects and for repairing them.

We will improve guidance on how to prevent and repair indoor air quality problems based on research. We will increase the level of renovation expertise through continuing education where necessary. We will focus on studying indoor air problems and finding solutions.

We will expand the powers of health inspectors and occupational safety and health authorities to require renovations. We will include condition inspections in the scope of legislation and set qualification requirements for inspectors.

Helping people affected by indoor air problems

We will investigate what kind of help and support people need to break the cycle of mould-related problems. We will explore whether the state can provide support for fixing



indoor air problems in buildings and for building new, clean buildings for people suffering from illnesses due to poor indoor air quality.

We will examine whether there is a need to strengthen the legal protection of buyers of homes with indoor air problems through binding legislation. We will investigate the need for and conditions of renovation grants for privately owned residential buildings. The building must have a confirmed indoor air quality problem in order for the owner to be eligible for investment grants.

Objective

2

We will support sustainable urban development and increase housing construction in growing urban areas

We will support sustainable urban development and increase the volume of housing construction in urban areas to respond to the growing demand for housing, bring housing prices down to a more reasonable level and facilitate the mobility of the labour force.

Meeting the needs of growing areas will require a wide range of measures to increase the volume of housing construction and lower construction costs. We will increase the volume of state-subsidised, affordable housing to supplement the market-driven and private housing supply and to balance fluctuations in the market. We will take into account the significance and special needs of the Greater Helsinki region. The emphasis in urban policy will be on preventing segregation and developing suburban areas.

It is important to recognise the very different housing markets that exist within this country and to respond to the needs brought on by sudden changes. The goal of ecologically, socially and economically sustainable long-term housing policy is to increase the supply of a wide range of housing in growing areas. At the same time, the majority of Finland consists of areas with shrinking populations, where the needs of the ageing population are becoming more significant. We will make sure that living conditions are developed throughout Finland.

We will take into account the diverse housing needs of different age groups and population groups. We will ensure that there is sufficient state support for housing for special groups. We will develop communal housing.

Measures

Long-term development of housing policy

We will prepare a comprehensive, goal-oriented housing policy development programme extending over eight years. The programme will be based on a comprehensive report investigating the most important areas of improvement in housing policy. The programme will be submitted as a government report to Parliament by the end of 2020.

We will implement the ten measures listed in the 'Areas for development in housing policy' study carried out by the Audit Committee and approved by Parliament in 2018.

MAL agreement procedures

We will continue the urban development partnerships between the central government and large urban regions through 'Land use, housing and transport' (MAL) agreements and make the agreements more binding. We will build carbon neutral urban regions, boost the volume of housing production and increase the proportion of sustainable means of transport.

We will work to combat segregation and homelessness and diversify the resident structure of neighbourhoods. The state will ensure sufficient investments in public transport and grants for municipal engineering construction and will allocate its land property especially to produce affordable housing and to build sustainable transport links.

MAL agreements will ensure that municipalities have sufficient land use volume to allow for diverse housing production in the long term. MAL agreements will promote infill development and the transition to market-driven parking solutions.

The agreement procedure can be broadened to include new regions, with the state increasing its participation accordingly. The term of MAL agreements will be extended to 12 years and the agreements will be converted to rolling agreements.

We will increase the volume of state-subsidised, affordable ARA housing to supplement the market-driven and private housing supply and to balance fluctuations in the market. We will expand startup grants for long-term interest subsidies to include all areas with MAL agreements. The amount of the grants is EUR 10,000 per dwelling in the Greater Helsinki region and EUR 3,000–5,000 per dwelling in other MAL regions. We will introduce startup grants with a bonus of 20 per cent for wood construction. The goal is to increase the proportion of affordable ARA housing production to at least 35 per cent, however in such a way that does not lead to areas with only one mode of housing possession.



The MAL agreement for the Greater Helsinki region will take into account the growth challenges of the region and include measures to combat segregation.

State-subsidised housing production

When it comes to state-subsidised housing, the Housing Fund of Finland will retain its position as an extra-budgetary fund and we will seek new sources of income for the fund. We will ensure that the state support system promotes innovative, environmentally friendly housing solutions.

We will reform the long-term interest subsidy programme for affordable housing to create better incentives and improve transparency. We will increase the amount of state support and retain the current 40-year restriction period. The reform will take into account new housing solutions and the increasing trend towards housing as a service. The tenant selection criteria for ARA rental flats will remain unchanged.

We will renew the right-of-occupancy housing system in a way that ensures reasonable housing prices, improves transparency and strengthens residents' ability to have their voices heard. We will renew the tenant selection process.

We will safeguard the position of A-Kruunu Oy as a producer of affordable rental housing.

We will increase the operating appropriations to be allocated to the Housing Finance and Development Centre of Finland (ARA) because of its increased duties.

Measures in growing urban regions

We will increase the volume of affordable ARA housing production in growing urban regions and carry out more renovations on the existing housing stock. We will set a target of producing at least 10,000 newbuild flats with long-term state interest subsidies per year, more than half of which will be located in the Greater Helsinki region. As a general rule, interest subsidy lending for newbuilds will be targeted at areas where the demand for housing will continue in the long term. Areas undergoing positive structural change will also be taken into account.

We will promote the construction of affordable housing in growing urban regions by adopting grants for changes in the purpose of use of buildings, through which the existing building stock, such as offices, can be converted into ARA housing.

Measures in areas with shrinking populations

Rental housing corporations built with state support in areas with shrinking populations require special support to develop living conditions and reduce the financial risk for the state.

We will assist municipalities and communities in adapting their property stock to the decrease in demand and in renovating their existing ARA housing stocks to meet the needs of the ageing population. To further adapt the property stock, we will, for a fixed period, raise the amount of the demolition subsidy and increase the authorisation to grant demolition subsidies and the authorisation to make arrangements with creditors. Conversion loans will make it easier for rental housing corporations to merge their loans.

Housing for special groups

We will improve the housing situation of special groups by ensuring that investment grants to develop ARA housing for special groups are at a sufficient level. We will increase the volume of youth and student housing construction and raise the lowest support category of the ARA investment grant for housing for special groups from 10 per cent to 15 per cent.

As part of the new programme on ageing for the Government term, we will implement a separate action plan on housing for older people. Together with municipalities, we will develop good housing solutions for older people, such as communal living and the construction of community homes. We will promote accessibility by offering grants for installing lifts and improving the accessibility of housing, which will benefit many other population groups in addition to older people. We will take into account the special needs of people with memory disorders and the safety and security of the ageing population at home.

We will complete the dismantling of inpatient care for persons with intellectual disabilities and enable young people and adults with intellectual disabilities and on the autism spectrum to become independent by supporting them in finding housing to suit their individual needs and by building housing for people with special needs in ordinary residential areas.

We will improve the housing situation of mental health and substance abuse rehabilitees.

Development of suburbs and sustainable urban development

We will continue to develop suburban areas comprehensively while also advancing local democracy. We will promote social inclusion and curb the polarisation of residential



areas. We will also work to create sustainable transport solutions, promote infill development, combat segregation and increase the appeal, community spirit and safety of neighbourhoods. We will ensure that sufficient resources are allocated for this. Carbon neutrality and green areas will be a top priority when developing neighbourhoods.

We will launch a horizontal programme for suburban areas, which will aim to promote residents' wellbeing and participation opportunities, increase the vitality of neighbourhoods and prevent segregation. We will continue to implement the national sustainable urban development programme.

New forms and costs of owner-occupied housing

We will promote and support joint building ventures and cooperative construction. We will continue the ongoing cooperative housing pilots and draft legislation on cooperative housing. We will advance joint building ventures by passing legislation on guarantees for the building period.

We will investigate factors that affect construction costs, such as regulations on parking places and civil defence shelters, in order to promote more affordable construction. Any deregulation measures we adopt must not have a negative impact on the quality of construction or on the health or safety aspects of buildings.

We will explore the possibilities for the state to promote affordable owner-occupied housing, such as through state-subsidised housing loans.

Strengthening the position of tenants

In order to strengthen the position of tenants, we will draw attention to measures that can prevent disproportionate rent increases within the limits of the current legislation. We will strengthen the position of tenants by amending the Act on Joint Administration in Rental Buildings, which regulates the decision-making power of residents in state-subsidised rental and right-of-occupancy housing companies.

We will conduct an international comparison of housing support, legislation and rental markets as part of our eight-year housing policy development programme.

Objective

3

Eradicating homelessness within two government terms

We will halve homelessness during the government term and eradicate homelessness within two government terms, in other words, by 2027. We will continue to operate according to the 'Housing First' principle, which has proved to be effective. We will focus especially on making housing advice more readily available and on preventing homelessness, particularly among young people and migrants.

Measures

We will launch a programme to cooperate with the main urban regions, service providers and organisations with the goal of halving homelessness by 2023 and eradicating it by 2027. We will integrate the goal of eradicating homelessness into the national MAL agreement and the agreements of urban regions.

To improve access to housing advice, we will make it a statutory service and allocate sufficient resources for it. We will work with the local authorities to ensure sufficient housing advice services. Housing advice services must be available to all, irrespective of the form of housing.

We will develop the collection of statistics on homelessness. We can do this, for instance, by building a system for collecting statistics on homelessness based on national databases, such as the Kanta service, which, in addition to producing real-time statistical information, would also produce information on individuals' paths to homelessness and the factors that lead to homelessness.

3.2 Globally influential Finland



Current situation

Awareness of problems affecting the entire globe is increasing. Extensive, broad-based cooperation and swift measures are needed to address issues with the most far-reaching impacts, such as climate change, demographic trends, reduction of the loss of biological diversity, and preservation of a viable environment. The Paris Agreement and the 2030 Agenda, which lays down the sustainable development goals (SDGs), provide the foundation for international cooperation and Finland's actions in the coming years.

The structures for international cooperation, including the UN system, are being adversely affected by various confrontational positions. These polarisations make it more difficult than before to defend the principles of the rules-based international system and international law and to develop these to meet new needs. The World Trade Organization (WTO) and the multilateral trading system are facing huge challenges. Rising protectionism and critical attitudes towards a multilateral trade policy have hampered the WTO's activities.

In a multipolar world, the global influence of both Europe and the United States is changing. China has become more prosperous and is trying to increase its global significance in many different ways. Other countries too, such as Russia, are seeking a more powerful position.

Commitment to universal human rights, democracy and the rule of law has weakened. Extreme poverty has declined around the world but remains considerable. Sub-Saharan Africa in particular lags behind.

The geopolitical, environmental and economic significance of the Arctic region is growing. The Nordic countries continue to be Finland's closest international partners. In recent years, security cooperation with the Nordic countries has advanced further because of increasing tensions in the Baltic Sea region.

Foreign and security policy

The promotion of human rights, the rule of law, democracy, peace, freedom, tolerance and equality in all international activities forms the central element of the value base on which Finland's foreign and security policy rests. Finland's foreign and security policy is based on good bilateral relations, an active role within the European Union, and effective multilateral cooperation based on respect for and strengthening of international law. Finland will work actively towards strengthening the position of the UN and its ability to operate effectively, and towards implementation of the sustainable development goals of the 2030 Agenda.



Finland's foreign and security policy aims at strengthening Finland's international position, safeguarding its independence and territorial integrity, improving the security and wellbeing of Finland and its people, and ensuring that Finnish society functions efficiently. The main goal of our foreign and security policy is to avoid becoming involved in a military conflict. Finland will pursue an active policy of stability to deter military threats and reduce tensions also more widely, and will not allow its territory to be used for hostilities against other countries.

In its foreign and security policy, Finland will also make arrangements for dealing with climate change, natural disasters, growth in inequality, hybrid and cyber activities, and other non-military threats. Finland's security of supply will be safeguarded in all circumstances.

Finland will pursue a human rights-based foreign and security policy. The central aim of this policy is to systematically promote gender equality and the full materialisation of girls' and women's rights.

Finland is a militarily non-allied state and maintains its own credible defence capability. To strengthen its defence, Finland will participate in security and defence policy cooperation in the European Union and through its NATO partnership and Nordic cooperation. Bilateral cooperation also forms part of the picture. Closer defence cooperation between Finland and Sweden, which are militarily non-allied states, offers special opportunities for strengthening the two countries' defence. Finland's defence capability must support its general foreign and security policy line.

Finland's security and defence policy is built on safeguarding the nation's room for manoeuvre and on keeping different options open. This means the option of Finland applying for NATO membership is retained. Options will always be examined in a real-time context, taking into account changes in the international security environment.

Finland will continue its wide-ranging cooperation with NATO based on its NATO partnership. We will participate in training and exercises based on our own circumstances. Efficient cooperation between the EU and NATO is in Finland's interests.

In terms of our external relations, the European Union is Finland's most important frame of reference and channel of influence, and a security community. It is in Finland's interests to strengthen the EU's unity and external ability to act. In the changing operating environment, it is important for Europe to develop its transatlantic relationship, too. As a Member State of the European Union, Finland could not stand as an outsider if security were threatened in its vicinity or elsewhere in Europe.

Finland will maintain good and constructive relations with China, Russia and the United States and seek to act in such a way that the tensions visible in the relations between the big powers would not undermine rules-based multilateral international cooperation and respect for international law.

At the beginning of its term, the Government will prepare a report on Finnish foreign and security policy. The report's account of the current situation and its analysis of the operating environment will provide guidance for the preparation of a defence policy report. In connection with the preparation of these security reports, a parliamentary monitoring procedure with representation from all parties in Parliament will be organised in a manner laid down by Parliament.

The work of Finland's diplomatic and consular missions abroad helps shape the conditions in which our security and wellbeing can be maintained. With this in mind, the network of Finland's missions abroad will be expanded, for example in Africa and South and Southeast Asia. The Ministry for Foreign Affairs and its network of missions abroad will focus more strongly on managing foreign and security policy, economic relations, exports, development policy and matters concerning entry into the country, as well as information security.

Objective

1

Finland will strengthen multilateral cooperation

Global problems can be resolved only in the context of an efficient and effective rules-based international system. Finland's security and economic success will also be built on this same foundation. For this reason, Finland is one of the countries that defends the multilateral system and international law.

Measures

The United Nations serves as the bedrock of the multilateral system, and within this framework international treaties and conventions have been concluded to protect human rights and the environment and to control the arms race. Finland is committed to observing the UN's universal values and works to strengthen international law, democracy and human rights.



Fair treatment and gender equality are strongly visible in all our activities. We will establish new partnerships for promoting these matters, especially with African, Asian and Latin American countries.

Finland will work to strengthen and reform the UN system. Finland supports the UN reform process, which was initiated by the Secretary-General. This concerns changes in the UN's management, peace and security, and in its development sector. The position of the Security Council as a guarantor of international peace and security must be strengthened both by enlarging the Council and by restructuring its working methods with the aim of a more limited use of the power of veto. Finland is a candidate for membership of the UN Human Rights Council for 2022–2024 and a candidate for non-permanent membership of the Security Council for 2029–2030.

Finland will support, strengthen and develop international law and a multilateral treaty system. It is important that the implementation and supervision of international human rights agreements be promoted and strengthened, including the Council of Europe Convention on preventing and combating violence against women and domestic violence (Istanbul Convention).

Finland will work to combat and adapt to climate change in all foreign and security policy sectors, including trade and development policy.

Finland will show initiative in the strengthening of global governance not only intergovernmentally but also in cooperation with civil society, businesses and other non-state actors.

The principles governing the work of the Organization for Security and Co-operation in Europe (OSCE) form the basic pillar of Europe's security, which is why it is essential that they be respected and reinforced. It is important to ensure that the Council of Europe is able act in political, economic and legal terms.

We will promote the recruitment of Finnish specialists to international positions in the UN and other multilateral organisations.

Objective

2

Finland will build peace

In Finland's foreign policy, a stronger priority will be placed on conflict prevention, mediation and peacebuilding. Finland will maintain and develop its capacity to take part in international civilian and military crisis management tasks in cooperation with other international actors. Finland's participation is seen as a means for it both to assume a share of the responsibility for maintaining international peace and security and to develop the capabilities and preparedness of the Defence Forces.

In the changing security environment, the importance of arms control will be emphasised.

Measures

Finland will increase its participation in the UN's mediation and dialogue processes and in other similar processes.

Networking with Finnish mediation providers will be stepped up and this approach developed further on the basis of our strengths.

In line with UN Security Council Resolution 1325 on Women, Peace and Security, Finland will promote women's participation in peace talks and peacebuilding, with an emphasis on safeguarding women's and girls' rights in peace processes. Sustainable peace cannot be built on structures that maintain inequality.

Finland will continue to support activities related to the Youth, Peace and Security theme, and will prepare a national action plan on the implementation of UN Resolution 2250.

The aim is to raise the strength of Finland's civilian crisis management force to at least 150 specialists. To further develop Finland's crisis management policy, a comprehensive document will be drawn up setting out the objectives for crisis management across parliamentary terms. The aim will be to improve effectiveness and the careful planning of resource use, and to ensure sufficient participation.

If protracted crises are to be dealt with effectively, there has to be good coordination between peacebuilding, humanitarian assistance and development cooperation. This will be enhanced through more flexible funding of humanitarian assistance and development cooperation and by enabling multiannual funding arrangements.



Finland will work to prevent the proliferation of weapons of mass destruction (WMD) and will use its extensive expertise in arms control matters. Finland will support the status of the Nuclear Non-Proliferation Treaty in nuclear disarmament. Finland will continue to analyse the content of the Treaty on the Prohibition of Nuclear Weapons (TPNW) and compare it with other key initiatives in the sector and actively follow the progress made in bringing the treaty into force. As the process moves forward, Finland will study the possibility of joining to the TPNW. Finland seeks the prohibition and disposal of all weapons of mass destruction.

In international negotiations, Finland will aim to advance the global regulation of autonomous weapons systems, the goal being to prohibit the development and production of weapons systems based on artificial intelligence (AI).

Finland will promote universal adherence to and implementation of the Arms Trade Treaty (ATT). Finland will not export defence materiel to countries that are engaged in war or are violating human rights. Defence materiel exports that are in compliance with international obligations will help support Finland's military security of supply. In the export of defence materiel, Finland will act in accordance with international agreements and the commitments it has made, and in accordance with its national legislation.

Objective

3

Finland will shoulder its global responsibility

Development policy is a central part of Finland's foreign and security policy and is based on the 2030 Agenda. Finland aims at poverty eradication and reduction of inequalities.

Measures

In line with its commitment to the UN, Finland aims to direct 0.7 per cent of GNI to development cooperation and 0.2 per cent of GNI to the least developed countries. Finland aims to strengthen the gender perspective in its development cooperation in order to gradually reach the EU's target of gender-targeted and mainstreamed actions across 85 per cent of its new programmes.

Finland will prepare a roadmap and timetable for attaining the UN goals.

Finland will scale up climate finance as a part of its development finance, taking due account of its contribution based on the Paris Agreement. The aim is to direct half the climate finance to climate change adaptation, for example through international funds and civil society organisations. Investment-based and loan-based finance will be continued, especially for the purpose of boosting climate finance.

Achieving the sustainable development goals (SDGs) requires not only public measures but also substantial private investments in developing countries' climate actions and in their promotion of equality and creation of decent jobs. In its own development policy and in its actions within the EU, Finland will support an increase in both private funding and corporate involvement in regard to investments that promote sustainable development in the developing world. We will ensure that sufficient resources are budgeted for Finnfund, and will continue the use of development policy investments.

Finland will contribute to improvements in the taxation systems of developing countries.

Finland will engage in development cooperation in its priority areas on a long-term basis, covering the position and rights of women and girls; democracy and well-functioning societies; high-quality education and training; jobs and strengthening the economic base in developing countries; mitigating climate change and adapting to it; food security; water; renewable energy; and sustainable use of natural resources, including afforestation. Additional funding for development cooperation will be channelled to the priority areas referred to above.

In preparing development policy, Finland will pay special attention to implementing the rights of minorities and people in a vulnerable position and to their inclusion. In this process, Finland will make use of the expertise and skills of those who belong to these groups.

Finland will increase its funding to those UN agencies and other areas of multilateral development cooperation that have proved to be efficient and effective, focusing on our priority areas.

The level of funding for humanitarian assistance will be raised.

The Government will carry out reforms that will improve the results and effectiveness of development cooperation. To promote policy coherence and effectiveness, guidelines applicable across parliamentary terms will be drafted for Finland's development policy.

Companies that receive development cooperation funds will be obligated to meet tax responsibility and transparency criteria, promote human rights and advance Finland's development policy goals.



Systematic measures will be taken to strengthen the civic space and facilitate civil society participation in Finland and globally. Funding for development cooperation projects aimed at civil society organisations will be stepped up.

The Foreign Ministry's administrative resources will be strengthened.

Objective

4

Finland will increase partnerships with African countries

Africa's significance as an EU neighbour and strategic partner is growing. Finland firmly supports to moving forward on the partnership negotiations between the African Union (AU) and the EU.

Measures

Finland will prepare a comprehensive Africa strategy, which will be based on the 2030 Agenda and will ensure coherence in Finland's Africa policy. Finland will expand its political and economic interaction with African countries.

The geographical focus of Finland's development cooperation activities will be on Africa. Finland will direct its development cooperation funding towards tackling the root causes of migration.

Objective

5

Finland will promote open and fair trade

Finland will work actively to strengthen rules-based governance in the global economy, to increase equal treatment of countries, and to achieve the goals of the 2030 Agenda. Finland will encourage efforts to reform the World Trade Organization (WTO) system and will seek constructive solutions to end the crisis related to it.

Measures

Finland will work to strengthen the multilateral trade system built around the WTO and to expand the EU's network of bilateral trade agreements in Asia, Africa and Latin America.

Together with other Member States, Finland will actively call for an EU that remains open to international trade. Work will be done to help remove barriers to trade.

Finland will aim to ensure that trade agreements concluded by the EU take sufficient account of their impact on the environment, sustainable development, equality, and the rights of women, girls and employees.

Finland will use its external relations to promote exports, looking especially at the expansion of SMEs into international markets, the integration of developing countries into the world economy, and attracting investments to Finland.

Finland will work to develop a multilaterally regulated, fair and balanced system of investment agreements which supports the channelling of foreign direct investments (FDI) on the basis of sustainable development principles.

In cooperation with the business sector, Finland will develop a binding regulatory framework on corporate responsibility as a part of the reform work under way in the UN and the OECD.

Eradicating aggressive tax planning, tax evasion and harmful tax competition will require cooperation both at the EU level and on a wider scale. Harmful tax incentives and other harmful tax competition must be identified and addressed effectively. Finland will play an active role in the EU, the OECD and the UN to counter aggressive tax planning, tax evasion and harmful tax competition.

Asia's significance in the global economy and in world politics is growing. Due consideration will be given to this at both at the national and EU level.

Objective

6

Finland will strengthen Arctic cooperation

The importance of the Arctic region has grown as a result of climate change, the increasing level of economic activity, the opening up of new transport connections, and the region's growing geopolitical significance.



Measures

The Government will prepare a new strategy on Arctic policy, which will set out Finland's long-term goals in the region and address the associated resource needs. Finland will assume a central role in building up the EU's Arctic policy.

In its Arctic cooperation, Finland will seek a stronger role for the Arctic Council and will support the work of the Arctic Economic Council. All activity in the Arctic region must be tied in with the capacity of nature to withstand it, the need to protect the climate, the importance of sustainable development principles, and respect for the rights of indigenous peoples.

Finland will promote the stability of the Arctic region and work to help keep the Arctic region free from military tensions.

Objective

7

Finland will bolster Nordic cohesion and Baltic cooperation

The Nordic countries are Finland's most natural partners. The Nordic countries share similar values of democracy and openness and values concerning the welfare state. Finland supports the work of the Nordic Council and the Nordic Council of Ministers.

Measures

The Nordic countries must become the world's best integrated area. Finland will aim to further facilitate the movement of citizens between the Nordic countries. Finland will work actively to remove existing cross-border barriers and will seek to ensure that whenever new legislation is drafted this will not create new cross-border barriers between the Nordic countries.

Finland will also promote Nordic cooperation in the EU, the UN and other international forums.

Nordic cooperation will focus on achieving practical results in areas such as leading the fight against climate change and in digitalisation and cultural and defence matters.

Foreign and security policy cooperation with Sweden will be strengthened.

Finland will promote security policy stability in the Baltic Sea region and will strengthen Baltic cooperation together with the Nordic countries, Russia and the Baltic countries. The Council of the Baltic Sea States (CBSS) and HELCOM are important forums in Baltic cooperation.

For Finland, the main element of regional cooperation concerning the Baltic Sea is the EU Strategy for the Baltic Sea Region and the collaboration performed within the strategy framework. Finland's aim is that the Baltic Sea should be clean and constitute a robust marine environment that is used sustainably. The aim is that the Baltic Sea region will take the lead in sustainable development and in the bioeconomy and circular economy.

Regional and cross-border cooperation, including the EU Strategy for the Baltic Sea Region, will be taken into account in the process of planning the EU's financing instruments for the 2021–2027 programming period.

3.2.1 Policy on Europe

Current situation

Support for the European Union among citizens has increased across Europe. The EU has been able to emerge from crises, and it is now expected to assume leadership to solve global problems. The EU is committed to implementing the Paris Agreement, especially to limiting climate warming to 1.5 degrees Celsius, and putting the 2030 Agenda for Sustainable Development into effect.

The EU is facing both internal and external pressures that put its unity and ability to function to the test. The United Kingdom is in the process of leaving the EU. The EU has been challenged by the weak commitment of certain Member States to the Union's basic values and to the rule of law in particular. Uncertainty has increased due to insecurity and economic and social inequality, and this situation has been exploited by populist and nationalist movements. In its external relations, the EU is challenged by growing tensions between big powers, regional conflicts in its neighbouring areas and difficulties in presenting itself as a strong advocate for human rights.

To safeguard the favourable economic growth of recent years, we need EU reforms that can boost competitiveness, consistency in trade policy, single market development, a stronger social pillar, and the ability to undertake investments that promote sustainable growth. To prepare for future crises, the EU has created mechanisms for fiscal consolidation and systems for improved crisis preparedness. Moreover, there is mounting pressure to reduce harmful tax competition and prevent tax evasion.



Enlargement and neighbourhood policy have a significant role in promoting peace, wellbeing, security and stability within Europe.

Objective

1

A strong, united and well-functioning EU with a capacity to respond to global challenges

The global environment in which the European Union operates has become increasingly complex and unpredictable. In its external relations, the EU has failed to act in a way that is sufficiently unified and swift.

Membership of the EU entails commitment to the EU's basic values.

Measures

Finland is strongly committed to EU membership and to further develop the EU, as well as to the pursuit of policies that accord with the EU's basic values. A Government report on EU policy will be submitted to Parliament at the end of Finland's Presidency of the Council of the European Union.

In a more closely united EU, decision-making will primarily be based on the Community method. Finland must be at the forefront of the EU to be able to secure its own interests. It must assume an active role in shaping the EU's future and help to build a stronger Europe. In decision-making at EU level, attention will be drawn to Finland's special circumstances. Our European cooperation will focus on a number of core tasks that bring European added value, including climate policy, trade policy, the single market, social rights, and internal and external security.

The EU follows the principles of subsidiarity and proportionality. Decisions are made as openly and as democratically as feasible and as closely as possible to citizens. Finland is willing to examine, on a case-by-case basis, the feasibility of expanding the use of qualified majority decision-making in the Council. The EU pays attention to gender equality and the diversity of the Union across its activities, especially when filling management positions.

The EU defends the international rules-based multilateral system. The EU promotes peace, stability and a responsible market economy.

The rule of law is to be reinforced. The role of the European Court of Justice and national courts is being strengthened to reinforce the rule of law. An effective mechanism to address breaches of the rule of law is also under preparation in the EU. Civil society will be given support in an effort to consolidate rule of law. Access to EU funding can be made conditional on compliance with rule of law.

The future relationship between the United Kingdom and the EU will be built on the premise that cooperation in different policy areas should continue to be as close as possible. The unity of the EU, the interests of all parties and the rules of fair play will be defended.

A growth strategy will be drawn up for the EU with the aim of building it into the world's most competitive and socially inclusive low-carbon economy. In this transformation, social justice should be highlighted as a cross-cutting feature in all climate action. At the same time, it is important to realise that an ambitious climate policy, consisting of cleantech, circular economy and resource wisdom, will generate sustainable growth and create jobs.

One of the core responsibilities of the EU is to create wellbeing for its citizens. The EU will deliver on this by creating wellbeing and prosperity that is socially, economically and ecologically sustainable.

The EU should be equipped with an appropriate budget to secure its current activities and enable the establishment of new priorities in a flexible way. Finland's contribution will be maintained at reasonable levels and the money spent is expected to yield returns both nationally and as European added value. An adequate level of funding for agriculture and rural development will be secured. A further goal is to secure the level of regional development funding needed and safeguard the special status of the sparsely populated Eastern and Northern Finland. Investing in research, development and innovation (RDI) is important for Finland.

The goals of the Paris Agreement will be furthered through the multiannual financial framework (MFF) and the programmes funded under it. EU funding will facilitate a socially just transition towards carbon neutrality. Finland supports the idea of raising the importance of climate-related action to a level of 25 per cent of the EU budget in the next MFF period. Gender equality will be promoted within the EU budget, and the mechanisms for monitoring funding will be made more effective.

Finland is ready to take a look at how the EU's own resources system can be further developed. When developing the system, the best interests of countries like Finland will be taken into account and efforts will be taken to avoid disproportionate cost impacts for these countries. Decisions concerning revenue-raising will be made by the Member States.



EU asylum and migration policies are grounded in common rules, jointly agreed burden sharing and principles of action at EU level, such as a revised Dublin system and cooperation with the UNHCR. The human rights-based asylum and migration policies are rooted in international treaties and conventions, cooperation between public authorities, effective control of the EU's external borders and appropriate asylum processes that are swift and of high quality in terms of legal protection. The EU is determined to eradicate migrant smuggling and other criminality. A system of legal entry routes is being developed.

Finland will promote the EU's Global Strategy, which will strengthen the Union's role as a global leader. Coordination between the EU and its Member States will be enhanced in regard to the EU's external influence. Decision-making by qualified majority can be increased in limited areas, which is one way of enabling rapid action in the external relations of the Union.

Within the EU, Finland will promote a policy that respects the need to protect the Arctic region's stability and its particularly sensitive nature and secure economic opportunities and employment in that region. Mitigation of climate change must be at the heart of our Arctic policy. Northern livelihoods and the rights of indigenous peoples living in the north must be ensured, and all major projects regarding the Arctic region will be subject to detailed impact assessments. We will advance the connection of Finland's transport network to the core network corridors of the Trans-European Transport Network (TEN-T). The objective of the Trans-European Transport Network is to establish a safe and sustainable transport system that boosts economic vitality.

The EU strategy for the Baltic Sea Region (EUSBSR) will be renewed, and adequate resources will be provided for its implementation.

Partnerships and cooperation between the EU and African countries will be intensified. The ties between the EU and Africa will be grounded in equality, with the goal of bringing about ecologically, economically and socially sustainable changes by focusing on areas such as education and training, sustainable economic growth and dignified work.

The EU's enlargement is based on jointly agreed criteria. Countries aspiring to become members of the EU will be supported in their efforts to fulfil the criteria.

Objective

2

An ecologically sustainable EU as a global climate leader

Measures

The EU's climate policy will be updated to make it more ambitious, through agreeing on the 2050 carbon neutrality target and raising the 2030 emissions reduction target to at least 55 per cent.

Further measures to tighten the EU's emissions reduction targets will be focused on the emissions trading sector to enable energy production and industry to progress towards a low-carbon goal in all Member States. Finland will work actively to develop the EU emissions trading scheme in such a way that the price of emission allowances rises and guides operators towards emissions reduction quickly and efficiently. At the same time, the competitiveness of European industry must remain a top priority.

Emission allowances on the market will be reduced on an annual basis from the current 2.2 per cent decrease to a significantly larger level. Unused emission allowances will be cancelled and emissions trading expanded to cover property-specific heating and cooling costs, for instance. EU emissions trading will be developed in the longer term by adapting the quantity of emission allowances to the EU's share of the remaining 1.5-degree carbon budget.

Finland is in favour of expanding emissions trading to all aviation emissions with a climate impact. Alternatively, a Europe-wide introduction of a tax on aviation fuel or an aviation fee could be examined.

To improve emissions trading, agreement will be sought on a common EU or Nordic carbon price floor for emission allowances. This will help to ensure that the price does not sink to a level at which its impact becomes significantly weaker.

With a view to enhancing climate impact and economic efficiency, the Government is in favour of a harmonisation of the emissions trading schemes currently in operation in the world. Finland and the EU should strive for an effective implementation of the Paris Agreement and promote the pricing of carbon dioxide emissions and carbon footprint accounting globally. Climate funding will be increased in the field of development policy for reducing greenhouse gas emissions, adapting to climate change and strengthening carbon sinks.



The feasibility of building additional mechanisms, such as border carbon adjustments (BCA), for the trade between the EU and third countries will be examined to ensure that the price for carbon dioxide emissions will apply equally to products manufactured both within and outside the EU.

Higher EU funding allocations for R&D will be supported to further the development of climate solutions.

The EU is strongly committed to implementing the UN Convention on Biological Diversity. The EU is combating biodiversity loss, and is also giving careful attention to the condition of waters. Initiatives such as the European Commission's Action Plan against Antimicrobial Resistance (AMR) will be worked on to respond to wide-ranging challenges.

The need to further and attain the objectives of the Paris Agreement is also apparent in the MFF and the programmes funded under it. EU funding will facilitate a socially just transition towards carbon neutrality. Finland supports the idea of raising the importance of climate-related action to a level of 25 per cent of the EU budget in the next MFF period.

Objective

3

A socially sustainable and egalitarian EU

Measures

Reducing inequalities is essential in all EU cooperation. The social dimension is a key area for the EU. An up-to-date minimum regulation of social rights and working life, together with more effective implementation, is vital for strengthening the social dimension of the EU. Regional equality in Europe will be respected, and so too will the particular characteristics of Finland's social and employment policies, including a labour market system based on collective agreements.

The EU budget will promote gender equality.

The EU will step up its work to counter all violence against women. The Istanbul Convention, or the Council of Europe Convention on preventing and combating violence against women and domestic violence, will be fully implemented in all the activities of the European Union. The Finnish Government will enhance its equality work at EU level. A gender equality strategy will be drawn up within the EU.

Decision-making within the EU will underscore the importance of measures against age discrimination and promote greater inclusiveness among older people and the notion of dignified old age. Accessibility in the living environment, in services and in digitalisation, as well as lifelong learning and age-friendly work will be promoted within the EU.

The EU Youth Strategy will be taken into account in EU decision-making. Young people must genuinely be able to participate in the discussion on matters concerning them. The EU action for youth will be advanced in cooperation with the Council of Europe, which reaches out to all young people across Europe. The youth guarantee will be promoted in all the Member States, and it will also contribute to preventing youth unemployment.

Objective

4

An economically sustainable EU as the world's most competitive economic area

Measures

The EU pays close attention to both its internal and external competitiveness. A well-functioning internal market benefits the EU as a whole and serves the interests of an export-driven country like Finland in particular. European industrial and competition policy will be taken forward in a way that secures equal opportunities for Finnish companies in both the internal and external market of the EU. It is essential to ensure a predictable business environment. The potential for growth in the single market will be supported by facilitating the free movement of goods and especially of services and by creating better opportunities for SMEs to operate in the single market.

Regulation at EU level should be appropriate and of a high standard. When drafting new legislation, existing regulatory measures should be reviewed critically and simplified where necessary. Unnecessary administrative burden will be avoided.

Finland will remain committed to its membership of the euro area and to the Stability and Growth Pact (SGP). Finland will participate actively and with an open mind in the development of the EMU. It underlines, however, that each Member State must bear primary responsibility for its own economy. Coordination of the economic policies of euro area countries will be improved and the functioning of the European Semester will be enhanced. The European Semester for economic policy coordination is the main tool for evening out disparities between Member States and for promoting social cohesion and maintaining stability in the euro area.



Finland considers it important that the EU countries pursue a responsible economic and financial policy that respects the Stability and Growth Pact. The regulatory framework must enable the Member States to pursue a judicious counter-cyclical economic policy.

Finland will work actively towards the completion of the banking union, with due regard to the risk levels of banks.

The EU fosters a rules-based multilateral trade policy. Rules-based free trade is in the interests of an export-driven country like Finland. The binding nature of the sustainable development goals (SDGs) contained in the trade agreements signed by the EU will be reinforced and their implementation will be monitored. Trade and investment agreements must not undermine the right of Member States to enact, on a non-discriminatory basis, legislation on e.g. health protection, consumer protection, social protection, labour protection or environmental protection.

Finland will promote a digitalisation policy for the EU that will regulate transnational platform services on a sustainable basis, consolidate the digital single market, bolster competitiveness within the Union, improve the data protection of citizens and businesses and ensure them a level digital playing field. Finland will contribute to the drafting of an ethically, economically and socially sustainable regulatory framework for data and AI policy. The opportunity of establishing a European regulatory agency with a mandate to address decision-making based on AI and algorithms will be investigated.

The EU should set itself the strategic goal that European education and research will rank number one in the world. The EU invests in research, development and innovations to maintain its global competitiveness. Finland is in favour of a considerable increase in the level of funding for the Horizon Europe and Erasmus+ programmes to enhance and consolidate them. SMEs will be afforded better opportunities for involvement in RDI programmes. The possibility of establishing a European networking super-university will be investigated.

Close cooperation at EU level will help to eradicate aggressive tax planning, fight tax evasion and reduce harmful tax competition. Finland actively promotes the updating of the EU list of tax havens. The EU will introduce public country-by-country reporting.

Clearly defined joint measures against aggressive tax planning and tax evasion are in everyone's interests and will also improve the operating environment for businesses. The measures under this chapter will be discussed in the forthcoming Government report on EU policy, if not before.

The possibility to legislate at European level on corporate social responsibility based on due diligence, which takes into account companies of different sizes and international value chains, will be investigated.

Objective

5

Safe and secure EU

Measures

Finland will contribute actively to the development of defence cooperation within the EU. Permanent structured cooperation (PESCO) will be a key project for the defence dimension of the EU. Participation in individual projects under PESCO will be based on case-by-case consideration. Account will be taken of the specific development needs of Finland's own defence capability, among other things. PESCO will also facilitate regional cooperation. Cooperation within the framework of the European Defence Fund (EDF) will serve to improve national capabilities and support development of the national defence industry and defence technologies.

There will be an emphasis on the strengthening of EU capabilities for countering hybrid threats at EU level and in Member States. To increase crisis resilience, focus will also be placed on cooperation between the EU and the European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE).

When improving the EU's external border control, attention should be given to its effectiveness, humanitarian aspects and particular national characteristics. The efficiency and effectiveness of Frontex will be promoted. Freedom of movement within the Schengen area will be secured.



3.3

Safe and secure
Finland built on
the rule of law



Current situation

Finland is the safest country in the world and we want to stay that way. Many international comparisons also rank Finland as the world's freest and most stable country; one that safeguards fundamental rights in the best possible way, and has good governance and an independent judiciary. These are not things that we should take for granted. Changes challenge us to better anticipate and prepare for the future. Finland must ensure internal and external security, respect for the rule of law, and people's everyday safety and security.

The safety and security of citizens, and perceptions of security, are at the heart of Finnish democracy and Finland's prosperous society. Common values, wellbeing, equality, democracy, reliable governance, the rule of law and effective institutions lay the foundation for social stability and internal security.

Finnish democracy is based on the rule of law, with the Constitution giving every individual strong protection for human dignity, personal integrity and other fundamental rights. Finland is committed to complying with international human rights treaties and EU provisions on fundamental rights. The rule of law rests on high-quality legislation that safeguards fundamental and human rights, and is applied in independent courts. In a state governed by the rule of law, individuals have not only rights but also responsibilities towards each other and society. Our fundamental rights include the language and cultural rights of the Saami indigenous people that the state has undertaken to respect and promote.

The key challenges for the upcoming government term from the perspective of the rule of law are as follows: changes in the security situation and diversification of threats; increases in inequality and social exclusion; problems with the equal implementation of rights; maintenance of a sense of security; trust in society in general and good relations between population groups; and the operational capacity of the security authorities.

Objective

1

Equality, non-discrimination and equal implementation of rights to be strengthened

Measures

The Government will guarantee a clear judicial system, legal protection and consistent legislative solutions.



We will improve the accessibility of e-services. Special attention will be paid to the language used by the authorities. We will increase the use of plain language to ensure that services are available to everyone. The services of public authorities will be developed for those who cannot access e-services.

We will combat racism and discrimination in all sectors of society. The Government will draw up an action plan against racism and discrimination. Determined action will be taken to tackle discrimination in recruitment and the competence and awareness of the authorities in minority issues will be increased.

An action plan will be drawn up for gender equality. The Government is committed to promoting gender equality, for example in the Budget process and in all key reforms.

The Government will ensure the implementation of linguistic rights in all actions of public authorities, public administration and the drafting of legislation. Training and recruitment of staff will help to ensure that the actual ability of security authorities (particularly the police and emergency response centres) to provide services in Finnish and Swedish is ensured.

We will make older persons and persons with disabilities more aware of their rights, and support the effective exercise of these rights in practice.

Objective

2

Sense of security to be strengthened and operational capacity of the security authorities to be ensured

Measures

Comprehensive security of society

The Government will safeguard the implementation of fundamental and human rights and tackle violations of people's rights. Particular attention will be paid to improving the safety and security of people, preparing for new security threats, and fostering a sense of security.

Government policymaking will also take into account the functioning of critical infrastructure, the functional capacity and income security of the population,

psychological crisis resilience, security of supply, and Finland's role as a member of international organisations.

The Government will submit a comprehensive cross-sectoral report on internal security to Parliament by the end of 2021.

We will ensure effective and appropriate application of the new intelligence legislation, ensuring that the powers of intelligence authorities, and in particular the resources of authorities overseeing intelligence gathering, are up-to-date and sufficient. The Government will submit a comprehensive report on intelligence legislation to Parliament by the end of 2021.

Operational capacity of the security authorities

A variety of measures will be taken to prevent crime and recidivism. The police, prosecutors, courts or enforcement authorities will also refer persons whom they have encountered to other necessary services, for example from enforcement services to financial and debt counselling services; from the police to substance abuse rehabilitation, or to programmes to end violence; from prisons and community sanctions to health and social services, and to crime-prevention rehabilitation programmes. Funding will be allocated to the Ministry of Justice for a three-year project to enhance crime prevention.

The Government will pay particular attention to physical integrity and to reducing offences against life or health, in particular offences against children and intimate partner violence. Low-threshold channels for reporting crime will be improved and the related practices of public authorities will be strengthened to help particularly vulnerable victims. We will promote an expansion of the Child Advocacy Centre model to help children subjected to sexual abuse and violence. The status of victims of human trafficking will be improved, regardless of the progress of criminal proceedings in the human trafficking case.

To determine criminal liability and accelerate the processing of criminal cases, the resources of the police, prosecutors and courts will be increased with a view to shortening processing times across the entire legal process (criminal investigation, prosecution and court proceedings leading to the legally final judgment).

Radicalisation will be prevented through cooperation between authorities and organisations and by supporting the work of organisations. We will ensure sufficient financing and guidance of organisations to enable them to operate nationwide and on a long-term basis. Details of services will be provided to various authorities so that they can refer persons in need of assistance to the appropriate support services.



The number of the police officers will be increased to 7,500 person-years by 2022. This will be supported by increasing the intake for police training. Increased resources will be allocated to operational police work. Efforts will be made to encourage people from various ethnic backgrounds to apply for police training. Attention will be paid to the language skills of police officers.

The Government will strengthen the presence and visibility of the authorities, particularly in areas with a lower level of service. Maximum response times will be specified for the police throughout the country.

We will strengthen community policing, control of heavy-vehicle traffic and resources for preventive work. The Action Plan against the Grey Economy and Economic Crime will be continued and the temporary special funding allocated to the Ministry of the Interior for ensuring the capacity of financial investigations will be made permanent as of 2021. Prevention and investigation of online crime will be reinforced. A team will be established for detecting and investigating human trafficking offences.

The capacity of the Border Guard will be secured in a changing environment. The technical surveillance systems and two aircraft of the Border Guard will be replaced by 2022.

Cooperation will be continued between the Police, Customs and Border Guard (PCB cooperation). Administrative cooperation between the security authorities will be further developed and deepened.

The Government will continue measures to ensure that the security authorities have safe, secure and functional premises.

Broad-based cooperation between authorities will help to prevent and combat undocumented migration.

The action plan for preventing illegal entry and residence will be updated.

The capacity and resources of the rescue services and emergency response centres will be ensured, taking into account national and regional service needs. Research and development activities of the rescue services and civil emergency preparedness will be reinforced. The command and situation centres of the rescue authorities will be harmonised and their links with the command and situation centres of other authorities will be ensured.

We will strengthen the role of contract fire brigades as partners of rescue departments, also recognising their current and future challenges and special characteristics. The Rescue

Act will be amended on the basis of a comprehensive analysis. The Government will safeguard a network of fire stations covering the whole country.

Critical communications and cooperation between the authorities and other security operators will be ensured throughout the country. The capacity of the future broadband public authority network (Virve) will be safeguarded, taking the vulnerabilities and risk factors into account.

The Government will revise and commence implementation of Finland's Cyber Security Strategy. We will develop the strategic management of cyber security. We will increase funding for cyber security and reinforce the capacity of the National Cyber Security Centre to support the cyber security of businesses in various sectors, the administration and citizens. The cyber skills of citizens will be improved.

We will reduce the vulnerability of society by reinforcing the capacity of critical infrastructure also in crisis situations. We will support the operations of the European Centre of Excellence for Countering Hybrid Threats located in Finland.

Sufficient resources will be ensured for the authorities, exchange of information will be improved and supervision will be intensified to combat money laundering and financing of terrorism.

The ability of businesses to manage the risks involved in the increasing use of information technology will be strengthened. Legislation on preparations in the financial sector will be clarified so that continuity of the financial market services that are vital to society can also be ensured during serious incidents and emergencies using national backup arrangements.

We will support cooperation between the internal security agencies and crisis management operations of EU countries to prevent such phenomena as uncontrolled migration, terrorism and international crime.



Objective

3

Democracy, participation and trust in the institutions of society to be strengthened

Measures

The Government will ensure favourable conditions for inclusive practices and diverse civic activities locally, regionally and nationally.

The operating conditions of the civil society will be improved. Inequality will be tackled by using measures that promote inclusion. The Government will ensure that everyone has equal opportunities to participate in meaningful civic activities, and we will ensure the autonomy of civil society organisations.

The Government will chart the risk factors of social exclusion prevailing in various population groups and potential measures for addressing them. Participation of minority groups in education will be improved. Realisation of participation rights and active involvement, and good relations between population groups will be strengthened.

Access to assistance of those who are socially excluded and those at risk of social exclusion will be improved by developing and better coordinating the practices of various authorities when referring people to services. The ability to identify people at risk of social exclusion will be improved and application of an early intervention model will be enabled when several indicators of social exclusion are present.

We will improve consultation practices and impact assessments and increase civil society-related expertise in public administration.

The Government will reduce the administrative burden that hampers civic activities and simplify permit procedures. This includes clarifying and urgently eliminating the needless administrative burden caused by the Incomes Register, which hampers the operations of small associations.

The Government will harmonise procedures for granting permits and licences for firearms without tightening firearms legislation.

Communications and journalism

The Government will support freedom of expression and the functioning of democracy by ensuring the operating conditions and competitiveness of responsible media, and will ensure that everyone has equal access to reliable information and self-education.

The independence of the Finnish Broadcasting Company (YLE) will be ensured and its important role as a public medium serving all Finnish people will be strengthened.

We will prevent the dissemination of disinformation and fake news by promoting media literacy in such fields as teacher training, schools and youth work. The Government will raise awareness of hybrid influencing.

Favourable conditions for responsible journalism will be ensured, especially in relation to online media platforms favoured by young people.

The Government will monitor the social equality impacts of artificial intelligence. We will ensure that directly or indirectly discriminatory models are not applied in artificial intelligence systems.

The preservation and reliability of information stored in digital format will be ensured. The Government will ensure that Finland has an authenticated and permanent digital history.

Support services promoting the ability of older people to use e-services and helping children to avoid and manage online problems will be strengthened.

Over-indebtedness issues

The Government will take efficient measures to reduce over-indebtedness and related problems. The availability of financial and debt counselling services and referral to these services will be improved across the country within the limits of an additional appropriation to be allocated to the Ministry of Justice. The Government will examine whether it might be possible to expand the availability of social lending to all parts of Finland, and on the basis of this, social lending can be made available throughout the country during the Government's term of office.

The financial literacy and ability of citizens to manage their personal finances will be enhanced in all age groups, with improved access to assistance for the over-indebted. The Government will invest in horizontal measures seeking to prevent debt spirals. We will organise more instruction in financial literacy at all levels of education to prevent debt problems. Professional competence in financial social work will be strengthened as part of the education of social workers.



The effectiveness of regulation of consumer credits and payday loans that was adopted during the 2015–2019 government term will be monitored. The Government will take measures to improve the effectiveness of the regulation and issue new provisions to curb the marketing of consumer credits if any shortcomings are detected. The attractiveness of consumer credits will be reduced by continuing work that aims to curb aggressive marketing. Supervision of payday lenders will be centralised in the Financial Supervisory Authority.

Provisions will be enacted to govern the maximum absolute debt collection costs chargeable to those subject debt collection efforts. These provisions will also apply when the debtor is someone other than a private individual acting in the capacity of a consumer. The Government will take measures to strengthen the ability of authorities to intervene in debt collection operations that are contrary to law or good debt collection practice.

As soon as possible at the beginning of its term of office, the Government will explore the need to amend the Enforcement Code, including the provisions on the debtor's protected portion, and will make the necessary legislative amendments. The objective is to increase the protected portion in debt enforcement to match, at its minimum, the guarantee pension.

A positive credit register will be introduced during the Government's term of office, with shortened retention periods for bad credit records.

The Government will study the need to amend the Act on Debt Restructuring in Companies and the Act on the Adjustment of the Debts of a Private Individual with the aim of improving debt adjustment procedures and their scope.

Gambling policy, the status of Veikkaus Oy and lottery revenues

To curb the harmful effects of gambling, gambling policy will help to secure the fund-channelling monopoly of Veikkaus Oy and ensure its operating conditions in a rapidly changing environment.

We will effectively combat the harmful effects of gambling. Gambling will be guided towards a range of games that are legal, responsible and supervised.

The Government will implement the second phase of the reform of the Lotteries Act at the beginning of its term of office to ensure that gambling policy objectives are met.

Effective measures will be taken to combat marketing that infringes the Lotteries Act. We will explore ways of restricting gambling on the websites of operators outside the monopoly system.

Practices governing statutory state aid to organisations

The adequacy of discretionary government transfers and other funding granted to organisations will be monitored in the changing operating environment.

The practices for granting discretionary government transfers and other government aid to organisations in various administrative branches will be examined by the Ministry of Justice and the ministries distributing the proceeds, and will be harmonised where appropriate. The reform work will be based on respect for the autonomy of civil society organisations with a view to reducing bureaucracy and securing long-term sustainability and predictability, equal treatment of organisations, and openness and transparency.

A strong partnership will be built between organisations and central government with a view to reducing inequality.

Asylum and refugee policy

Responding to the global refugee situation calls for common European solutions. Finland will continue Nordic cooperation in asylum and refugee policy by promoting common policy lines and practices. We will promote the formulation of common European solutions for asylum and refugee policy that respect human rights, with the aim of achieving a fair and sustainable division of responsibility between European countries.

As part of international cooperation, Finland will foster a wider use of the refugee quota system. We will continue cooperating with the UN Refugee Agency (UNHCR) to enable the provision of protection to the most vulnerable.

The quota refugee system has enabled us to target residence permits granted due to a need for international protection particularly on the most vulnerable. This system is an effective and safe way of implementing humanitarian migration. When selecting quota refugees, emphasis will be placed on vulnerability and attention will also be paid to the potential for successful integration, such as keeping families together.

The number of quota refugees will be increased to a minimum of 850 in 2020. This number will thereafter be assessed annually and set at 850–1,050, taking into account the number of asylum seekers.

We will ensure a smooth asylum process and implementation of fundamental rights, and an assessment will be made of a reasonable standard of proof. Asylum applications will be considered without undue delays in an individual procedure that guarantees legal protection. The aim will be to process applications within six months.



We will examine the combined impact on legal protection of the numerous separate amendments made to the Aliens Act and of practices of applying the Act.

We will further develop the system of voluntary return as the primary option for securing the departure of unsuccessful applicants while supporting sustainable return. Returns will be effectively enforced while fully respecting the principle of non-refoulement under the Constitution and international human rights treaties.

The Government will seek to conclude return agreements with all key third countries whose citizens Finland can safely return. We will continue cooperation to ensure that the policies of the authorities on the situation of key countries of origin and internal protection are in line with the recommendations of the UN Refugee Agency, also considering the reports of the European Asylum Support Office (EASO).

We will initiate a process of amending the Aliens Act to lay down provisions on technical monitoring of persons whose applications have been refused. This will be an alternative to detention and the residence obligation, constituting a less restrictive and more appropriate precautionary measure from the point of view of society.

An assessment will be made of alternatives to the detention of children over 15 years of age.

The Government will further develop legislation and practices to provide more flexible opportunities to secure a residence permit based on employment for those whose applications have been refused but who have found work.

We will examine problems relating to family reunification and the reasonable income limits applied to family reunification sponsors who have been granted international protection, having regard to respect for family life, the best interests of children, and the standards and practices governing the requirement for sufficient financial resources that are applied in other Nordic countries. We will discontinue application of a requirement for sufficient financial resources to minor family reunification sponsors who have been granted a residence permit due to a need for international protection.

3.3.1 Strengthening the rule of law

Current situation

To make sure that Finland can continue to be a safe and secure state governed by the rule of law, we must ensure that fundamental and human rights and legal protection

are implemented equitably. Furthermore, we must strengthen good relations between population groups, social inclusion, and participatory rights. This way we can maintain civil peace and retain the trust of citizens. Special attention must be paid to the rights of people in the most vulnerable position. There are still serious shortcomings in the position of certain groups of people, such as victims of intimate partner violence, elderly people, people with a disability, gender minorities, ethnic minorities, and asylum seekers. Shortcomings also exist in the recognition of human rights problems and in human rights reporting.

To improve the current situation, we must enhance everyday safety, reduce inequalities, and ensure a well-functioning civil society where social exclusion and hate speech are duly addressed. Furthermore, we must take determined and systematic measures to ensure that everyone has equal opportunities to participate in society and access education and employment.

An increasing number of people take a passive approach to societal issues, of which one indication is the low voter turnout in comparison with the other Nordic countries. Too many people feel they have no power to influence matters and decisions concerning them or the way in which society develops. The degree of participation and inclusion in society differs considerably from one socio-economic group and region to another.

Objective

1

Well-functioning democracy and high-quality legislation that promotes the realisation of fundamental and human rights

Measures

The competence of law drafters in fundamental and human rights issues will be systematically improved. Inter-ministerial support will be increased to ensure that the impacts of legislation on people's income security, the environment, equality, human rights, and operating conditions for businesses can be thoroughly assessed. The status of the Constitution and its independent interpretation will be respected and strengthened, while the assessment of the constitutionality and impacts of legislative proposals will be enhanced and the scope of the assessment expanded.

The Government will prepare a third National Action Plan on Fundamental and Human Rights. Shortcomings related to the recognition of human rights problems and to human rights reporting will be systematically addressed by securing the activities



of ombudspersons and other relevant authorities and by guaranteeing a favourable operating environment for civil society organisations and international actors. The Non-Discrimination Act will be partially reformed.

The role of the Finnish Council of Regulatory Impact Analysis will be strengthened, and a government-level system for ex post regulatory impact analysis will be introduced in Finland. The Government will start preparing this as soon as possible. The Government will also draw up a comprehensive action plan for better regulation.

Finland will promote the realisation of the EU's fundamental values by demanding that the payment of subsidies to Member States, such as structural fund payments, be tied to compliance with the fundamental values. Nordic cooperation will be emphasised and enhanced in the field of law drafting, especially in the implementation of EU directives, to ensure that new legislative barriers will not be created within Europe. Finland will take the initiative to establish a Nordic digital statute book.

The Government will launch a cross-administrative democracy programme extending until 2025. One of the key priorities and objectives of the democracy programme will be to develop school teaching and other school practices. The programme will also aim to support children's and young people's ability to have a say in their local environment and society, to improve the social inclusion of those who feel they are outsiders, to secure the autonomy and operating conditions of civil society organisations, and to strengthen local democracy.

The Government will actively promote versatile opportunities for participation and effective means of direct democracy. These include user democracy, citizens' juries, resident interviews, youth councils, online councils, and participatory budgeting. Furthermore, the Government will seek ways to make participation in politics and political debate lighter and easier, for instance through pop-up events.

The Government will intensify anti-corruption measures by enacting provisions on the protection of persons reporting suspected cases of corruption (the 'Whistleblower Directive') and by increasing transparency in all decision-making.

An act on a transparency register will be enacted based on parliamentary preparation and consultation of the civil society. The purpose of the act is to improve the transparency of decision-making and, through this, to prevent inappropriate influence and to reinforce public confidence.

The Government will examine the need to update the Act on the Openness of Government Activities so that it would apply not only to documents but also to data and

information in a more general sense. The Government will assess whether the scope of application of the Act should be broadened to cover legal entities owned or controlled by the public sector.

Compliance with the Act on the Openness of Government Activities will be strengthened by setting a stricter obligation for authorities to comply with the Act and the related legal practice and case law in a manner that promotes transparency and by clarifying the sanctions that can be imposed for violations of the Act.

The Government will draw up a revised Strategy for the National Languages of Finland to ensure that everyone has the right to receive services in the national languages and to improve the language climate. The Strategy will address the concern expressed by the Institute for the Languages of Finland about the status of the national languages in the changing language environment.

All government-level guidelines and provisions will also be issued in Swedish in so far as they concern Åland. Furthermore, the Government will draw up a language policy programme that takes account of the other languages spoken in Finland, especially the Saami languages, the Romani language, the Karelian language and sign languages.

The provisions of the Tort Liability Act governing the liability of public corporations will be reformed.

The protection of personal data will be systematically developed. Finland will promote the Nordic Council's project on Nordic e-IDs.

The autonomy of Åland will be developed and fostered in cooperation with Åland. The reform of the autonomy of Åland will be continued. Reconciliation of Åland-related questions will be pursued. The Government will ensure that the communications in Swedish between the central government and the autonomy authorities in Åland continue to work well. Åland will retain its opportunities to influence EU affairs.

The Government will draw up a strategy for Åland issues during this government term. The strategy will contain concrete proposals for strengthening and developing competence in Åland-related matters within the central government and for ensuring sufficient resources.

During the centenary year of the autonomy of Åland, the success of Åland's self-government will be highlighted in international connections as an example of how such autonomy works in practice.



Objective

2

Well-functioning judicial proceedings and legal protection (including access to justice irrespective of socio-economic status, length of judicial proceedings)

Measures

The Government will ensure sufficient resources for the administration of justice and will take measures to shorten the total length of judicial proceedings. The costs of judicial proceedings will be reduced and the proceedings will be made smoother, for example by utilising digitalisation and by enhancing the special expertise of judges in the different branches of law. Criminal proceedings will be expedited by ensuring better cooperation between prosecutors and the police. Education, prevention of social exclusion, and improvements in the detection rate will be the most important measures for preventing crime.

We will examine the criteria for determining legal costs, for example with a view to reducing the risk that a party may incur excessive expenses during judicial proceedings. We will look into the possibility to raise income limits in legal aid and to provide legal aid to medium-income people and examine the regulation related to legal expenses insurance.

The taking of evidence in judicial proceedings will be centralised into district courts so that testimonies given in district courts will be recorded and used in proceedings in courts of appeal.

The Government will launch a project to assess trends in the administration of justice by courts and the appropriateness of the current court structure and to reform court practices.

The court network and the network of enforcement offices will be preserved in their present form. The prison network will be developed, while the prisons currently operating will be maintained.

The system of lay judges will be preserved, and the Government will examine possibilities for reforming the procedure for appointing lay judges in a manner that would strengthen the independence and impartiality of the courts.

The Government will examine possibilities for reforming the legislation concerning payment times and insolvency, especially with the aim of reinforcing the operating conditions for small and medium-sized enterprises.

The Government will explore the need to enact legislation to secure the position of small enterprises in the market. Unfair competitive practices will be addressed by allocating more resources to the Competition and Consumer Authority and the Market Court.

Consumer protection will be updated especially in respect of services. Furthermore, compliance with consumer protection legislation will be improved by reforming the provisions governing the powers of consumer authorities.

To better protect consumers, the Government will introduce new restrictions and other provisions governing telephone and door-to-door sales.

The Government will promote the use of mediation in order to reduce the number of trials. Mediation will not be used in situations where it could compromise the legal protection of the victim. The possibility to continue mediation in cases of intimate partner violence will be assessed. Furthermore, the possibility to introduce mediation-like procedures in certain administrative judicial procedures and the possibility to resolve minor disputes between private individuals and companies under less formal procedures, such as by a board, will be examined. We will also look into the possibility of balancing out the caseload between courts more flexibly.

The Government will reinforce the legal protection of asylum seekers by enabling the use of a counsel at asylum interviews. In addition, hourly rates for the counsels will be introduced and the general appeal periods applicable in the administrative courts will be taken into use in the asylum procedure. The provision of general legal advice to asylum seekers will be improved, the quality of the asylum procedure and the pursuit of the best interests of the child will be assessed, and the competence and diligence of lawyers assisting asylum seekers will be ensured.

The Government will work harder to tackle the grey economy and economic crime by continuing to allocate additional financing to the enforcement service and to the Office of the Bankruptcy Ombudsman.

The Government will examine new means, such as administrative sanctions, to intervene in intentional or grossly negligent underpayment.



Objective

3

Strengthening the integrity of society (social inclusion, good ethnic relations, prevention of discrimination, breaking the cycle of cumulative social exclusion and inequality)

Measures

The Government will take measures to support equal opportunities for alternating parenting and we will make it possible for children to have two official addresses.

An act on the legal recognition of gender that respects people's right to self-determination will be enacted. The requirement of infertility will be removed from the act, and medical treatments will be separated from the change of legal gender.

Gender can be changed, upon application, by an adult who presents a reasoned account of his or her permanent experience of representing the other gender. A period of reflection for those who wish to change their gender will be introduced.

As part of the reform of personal identity codes, to be carried out based on a study by the Ministry of Finance, gender will no longer be specified in the personal identity code.

Intersex children's right to self-determination will be strengthened, and cosmetic, non-medical surgeries on young children's genitals will no longer be performed.

We will enact a new act on parenthood to replace the Maternity Act and the Paternity Act.

The Government will examine the possibility for non-commercial surrogacy in certain cases, which will be separately defined in the legislation.

The Government will respect and promote the realisation of the linguistic and cultural rights of all Saami people and Saami groups in a way that takes the relevant international conventions into account. As part of this work, the Government will examine the possible ratification of the ILO Convention No. 169. The work on reforming the Act on the Saami Parliament will be continued. The work of the Truth and Reconciliation Commission will be continued. The Government will resolve as swiftly as possible the question of the point in time for the elections to the Saami Parliament.

The Government will draw up a broad-based action plan for promoting good relations between population groups during the government term to supplement the Government

Integration Programme. We will assess the need to address the most serious forms of organised racism through legislation.

The Government will launch a reconciliation process concerning the violations of the rights of the deaf throughout Finland's history.

Objective

4

Safe and secure Finland built on the rule of law (reliable criminal sanctions system, criminal law, and improvements in the position of crime victims)

Criminal policy aims to reduce the total crime rate and recidivism, strengthen effective rehabilitative activities, and increase cooperation between the authorities responsible for criminal sanctions and other sectors. Work to prevent violence will be targeted especially at people of all genders who recognise violent tendencies in themselves.

Measures

Crime victims and persons close to homicide victims will be provided with better support and better opportunities to receive compensation from the State Treasury. Low-threshold channels for reporting crime and the related practices of the public authorities will be strengthened. The legislation concerning a restraining order will be reformed to better protect the rights of the victim. Gender will be added among the motives that constitute grounds for increasing the punishment as specified in chapter 6, section 5 of the Criminal Code.

The Government will draw up an action plan for combating violence against women. The action plan will bring the support services for victims, the number of places in shelters, and the resources allocated to shelters into line with the level required by the Council of Europe. The Government will establish a post for an independent rapporteur on violence against women and ensure the implementation of the Istanbul Treaty. Violence against men will also be prevented in all its forms.

The Government will ensure sufficient resources for the work against genital mutilation. Annulment of forced marriages will be enabled and the possibility to criminalise forced marriage will be examined.

We will enact an act on assistance to victims of human trafficking so that local authorities can assist the victims. A reference to victims of human trafficking will be added to the acts



that concern healthcare and social welfare. The Act on the Reception of Persons Applying for International Protection and on Identifying and Assisting Victims of Trafficking in Human Beings will be updated so that it will no longer be so closely connected to the criminal procedure, as required by international obligations.

Provisions on safe and supported housing services for victims of human trafficking will be enacted and the services will be provided in the manner required by EU law. The responsibility for supervising and overseeing the services will be assigned to the National Institute for Health and Welfare.

We will carry out a comprehensive reform of legislation governing sexual offences based on the principle of physical integrity and the right to sexual self-determination. The definition of rape in the Criminal Code will be amended so that it will be based on the absence of consent while simultaneously ensuring appropriate legal safeguards. The range of services offered at support centres for victims of sexual violence will be extended and their availability across Finland will be improved. To prevent sexual violence against children, the Government will draw up a plan for the national implementation of the Lanzarote Convention in Finland in cooperation with the relevant organisations. We will ensure all necessary services for victims of such offences.

The Government will assess the punishments for the most aggravated violent and sexual offences in order to ensure that they are proportional both to the degree of harmfulness of the offence and to the punishments imposed for other offences. The minimum punishments for aggravated sexual offences against children will be increased. The prerequisites for releasing the most dangerous offenders sentenced for violent crime will be thoroughly assessed.

During the government term, we will take horizontal measures to more effectively address systematic harassment, threats and targeting that pose a threat to the freedom of expression, official activities, research, and media freedom. The Government will ensure sufficient resources and competence for the prevention and detection of the offences mentioned above. Systematic monitoring of the situation in relation to discrimination and hate crime will be promoted both at national and international level.

We will examine the applicability of the provisions concerning invasion of domestic and public premises to harassment directed against business activities, entrepreneurs and production facilities and, if necessary, specify the provisions.

The Government will examine possibilities for strengthening the prevention of environmental crime and making the sanction system for such crime more effective.

A comprehensive reform of the Act on the Redemption of Immovable Property and Special Rights will be carried out to improve the legal protection of landowners and to secure the land use policy of municipalities.

3.3.2 Defence policy

Current situation

Finland's security environment has become more unstable, and the change is expected to be long-lasting. The strategic significance of the Baltic Sea region in military terms has grown and military activities have intensified. The development of new means to exert influence has also made it more difficult to recognise threats and to respond to them. The significance of the cyber environment and hybrid threats is growing and we cannot rule out the possibility that they could be used to achieve political and military goals. Changes in the security environment have placed greater demands especially on situation awareness, early-warning capability and readiness. While there is no direct threat against Finland at the moment, sudden changes in the security environment are possible.

Apart from the changes in the military environment, ageing materiel is another challenge. Finland's defence will face an extraordinary situation in the 2020s when the main weapon systems of two Services will be phased out almost simultaneously.

The defence budget was cut by about 10 per cent during the Defence Forces Reform implemented between 2012 and 2014; this was mainly due to the economic situation at the time. The savings targets were reached.

Objective

1

Credible defence

Finland will secure a credible national defence and ensure that sufficient resources are available. Finland's defence capability is based on general conscription, a trained reserve, the defence of the entire country and a strong will for national defence. Our foreign and security policy aim is to prevent Finland from becoming party to a military conflict.



Finland will pursue an active policy of stability to prevent military threats and will not allow its territory to be used for hostilities against other countries. International defence cooperation, international training and exercises and participation in international crisis management play an important role in Finland's foreign, security and defence policy.

Measures

We will maintain a defence capability that is abreast of the changes in the operating environment and we will secure the required conditions for development by ensuring sufficient resources for the defence administration. Securing resources for defence will be in line with the Defence Policy Report of 2017.

Finland's military defence capability is an entity that will be developed in a balanced manner across all Services. The prerequisites for the Army to operate will be secured, and equipment and materiel will be developed systematically.

During this term of government, the tasks of the Defence Forces personnel will increase by about 100 new tasks. Changes in the security situation require the maintenance of a high level of readiness and continuous development of capabilities. Legislation and tasks have changed and the scope of international activities has increased. Special attention will be placed on the personnel's wellbeing.

We will develop the property system of the defence administration so that it caters for the administration's needs better than before. To this end, a subsidiary public utility called 'Puolustuskiinteistö' will be set up under Senate Properties. The utility's task is to meet the specific needs of the defence administration in the changed security situation. Obligations imposed on defence and security properties are governed by law. The aim is to decrease costs of premises.

International defence cooperation is part of Finland's defence capability. Defence cooperation that includes international exercises and international defence materiel cooperation strengthens Finland's national defence and improves the statutory basis for providing and receiving military assistance, when necessary.

Finland will continue to take actively in Nordic cooperation within the framework of Nordefco. The focus in Nordefco cooperation is on situation awareness cooperation, and on training and exercises.

We will expand bilateral and regional defence cooperation with Sweden, develop transatlantic cooperation and step up regional cooperation with Norway during this term of government. We will also develop cooperation with other partner countries.

While participation in demanding international exercises is an integral part of defence cooperation, decisions to participate are made on a case-by-case basis, taking into consideration the benefits for national defence, Finland's own interests and the usefulness of the exercises. Together with the Ministry for Foreign Affairs, the Ministry of Defence will assess the foreign and security policy significance of training and exercises, case by case, in line with the criteria set by the President of the Republic and the Ministerial Committee on Foreign and Security Policy. The President and the Ministerial Committee set the policy on international exercises. Participation in international training and exercises is essential also for the capacity to provide and receive international assistance, as governed by legislation, and for the military capabilities required by military crisis management. Finland takes part in NATO's Article 5 exercises as a partner country.

Parliamentary committees are informed regularly and in a timely manner of international exercises.

Participation in international crisis management is based on focal points in foreign and security policy governing Finland's foreign and security policy. Finland's participation is seen as a means for it both to assume a share of the responsibility for maintaining international peace and security and to develop the capabilities and preparedness of the Defence Forces.

Finland implements and promotes a comprehensive approach to crisis management. The key objective in crisis management is to bolster security and stability in conflict areas and to boost the competence and capacity of countries affected by conflict. Finland's ability to offer crisis management capabilities will be strengthened and a consistent package from crisis management through to peace mediation and reconstruction will be built.

To further develop Finland's crisis management policy, a parliamentary committee will be set up to draft a comprehensive policy outline, extending over government terms, to systematically make activities more effective and to ensure better use of resources, and to make sure that participation volumes are sufficient. During this government term, Finland will aim at strengthening participation in international crisis management.

General conscription will be maintained to meet the needs of military national defence. Conscription contributes to social cohesion and builds a foundation for the will to defend the country. At the beginning of its term, Finland's new Government will set up a broad-based parliamentary committee to look into ways to develop general conscription and to meet national defence obligations. The aim is to maintain a high level of defence will and to strengthen social equity among citizens.



The training of conscripts and reservists will be developed, paying attention to changes in society and in the operating environment. For those in military service, better opportunities will be created for reconciling civilian life and service time. Opportunities for women to carry out voluntary military service and to serve in the Defence Forces will be improved, for example, by means of equality work and by increasing awareness of military service for women.

With the human resources in the Defence Forces increasing, the volume of refresher training will be raised gradually, with a view to reaching an increase of approximately 20 per cent by the end of the Government term.

To be submitted at the beginning of the term, a Defence Report will follow the policy established in the Report on Foreign and Security Policy. This will make it possible to review the tasks and resources of the Defence Forces sustainably and on a long-term basis.

Resource needs stemming from the statutes on civilian and military intelligence will be addressed together with the administrative branch of the Ministry of the Interior. The Government will submit a report on these laws to Parliament.

Voluntary defence training organisations play an important role in the context of comprehensive security of society. Their active role in maintaining combat readiness and the will to defend the country are very important for national defence capability. Sufficient resources for national defence organisations and prerequisites for shooting practice will be secured throughout the country. The Act on Voluntary National Defence will be implemented. The defence administration provides guidelines for and monitors voluntary national defence activities as appropriate.

The role of the Finnish defence industry is instrumental in safeguarding security of supply. Moreover, exporting defence materiel plays a part in supporting Finland's military security of supply. When exporting defence materiel, Finland complies with binding international agreements and commitments and with its national legislation. Finland develops its domestic defence industry nationally and in cooperation with the European Union and other regular partners.

The wartime capabilities of the Defence Forces are largely based on resources available from elsewhere in society. Military security of supply safeguards the functioning of critical systems in the Defence Forces during incidents in society. Technical expertise will be advanced to ensure the functioning of these systems. For this purpose, there is close cooperation with authorities and domestic and foreign defence industries. To ensure security of supply, the Defence Forces itself arranges the life cycle management of explosives as a rule.

Objective

2

Finland will fully replace the strategic capabilities being decommissioned

We will secure our defence capability by means of strategic projects. Maritime and air defences are a prerequisite for the overall functioning of the defence system and for the Defence Forces to perform their tasks in normal conditions, for surveillance of territorial integrity and securing territorial integrity, and for preventing and repelling a possible attack.

Measures

The Hornet fleet capabilities will be fully replaced, and a procurement contract is scheduled to be concluded in 2021.

At the beginning of its term, the new Government will make a procurement decision on the Squadron 2020 project.

Objective

3

Finland is prepared for increasingly diversified threats

In addition to traditional military threats, Finland is preparing to meet more multifaceted threats, which combine military and non-military means. Both external and internal security are much more closely interlinked and this means that the measures taken require cross-sectoral leadership and coordination. Preparedness will be carried out in line with the comprehensive approach to security and by developing the statutory basis. We are following technological, social and environmental developments that impact security very closely and in a proactive manner.

Since international cooperation is vital for Finland's cyber security, it benefits Finland to closely cooperate with international actors multilaterally, regionally and bilaterally. This is true for cooperation and dialogue on both technical and political levels. To solve challenges in international cyber security, Finland plays an active role in the European Union and in key international organisations.



Measures

To promote national cyber security, we will update Finland's Cyber Security Strategy and draft a development programme for cyber security. Cyber security coordination will be intensified under the responsibility of the Prime Minister's Office. Round-the-clock centralised situation awareness will also be ensured to support government agencies, critical infrastructure actors and partners.

The Defence Forces will develop preparedness to respond to multifaceted threats. Preparedness to respond to hybrid threats and other disruptions in society requires deeper cooperation on the international level and throughout the whole of public administration as well as with the private sector and civil society organisations. To ensure a high competence level internationally, Finland will continue to increase its expertise related to hybrid and cyber threats. The Defence Forces will continue to develop its cyber defence capabilities and take part in implementing the Finland's Cyber Security Strategy.



3.4

Dynamic and thriving Finland





Current situation

Finland, by drawing on its many strengths, is well positioned to succeed as a global leader in skills and innovation. Global megatrends such as climate change, digitalisation and urbanisation will be the drivers of change. The key to our success as a dynamic and thriving Finland will lie in the ability to tap into the opportunities that this change provides. Finland's key strengths also include an operating environment that is stable and predictable by comparison with many other countries.

Connecting with international demand-driven ecosystems provides companies, research institutes, higher education institutions and other educational institutions an opportunity to together create new business and world-class innovations. This will allow us to significantly boost export growth. Furthermore, by investing in programmes that drive international growth and in a strong entrepreneurship policy Finland can diversify its business structures and create opportunities for sustainable growth for companies of all sizes.

The Government will support growth by investments in RDI, by developing new operating models in public-private partnerships, and by attracting more top international talent to Finland.

A viable and socially strong Finland will be built on the success of the Greater Helsinki region, growing urban districts and rural areas alike.

Another key issue concerning Finland's future development includes greater demographic concentration in growth centres and the consequences of this. We must foster vitality and the ability to function effectively in all parts of the country. The Greater Helsinki region competes with other metropolitan areas. Cities are crucial for the country's vitality both in terms of creating growth and in mitigating climate change. It is important for Finland's vitality that we have sufficient resources to respond to these challenges. Areas all across the country have a major role in the use of renewable natural resources, and the position of the regions is vital in this.

In terms of our transport infrastructure network, it is time to adopt a more systematic approach to long-term planning and development, and to address the problem of prolonged under-funding of investments. Accessibility must be ensured in all parts of the country.

In the long-term, climate change may weaken the production conditions in important food production regions in different parts of the world. This is why we must secure the profitability of agriculture, national food security and a competitive domestic food system

as part of the bioeconomy and circular economy package. Domestic food production is important for the security of supply and for employment and the regional structure.

Objective

1

Finland, relying on its value-centric image, will provide solutions to global development challenges

A strategy of sustainable growth will be created for Finland, aiming for a more diverse industrial structure, better productivity, export growth, business renewal and a stronger business environment. The strategy also envisages the creation of international billion-euro ecosystems that will generate positive impacts across Finland. The growth strategy and employment will be supported through an increasingly high level of education and training, world-class competence and strong domestic markets.

Finland will see significant improvements in its research and innovation environment, and rising levels of both tangible and intangible investments.

Climate change mitigation, the bioeconomy and circular economy, technological advances and urbanisation will be the major drivers of change in all activities.

Measures

Ecosystems will be the engines of sustainable growth; new billion-euro ecosystems will be created in Finland, and the existing ones strengthened

Finland's RDI investments will be put on a growth track. A roadmap will be drawn up to raise RDI investments to 4 per cent of GDP and to make Finland the world's best environment for innovation and experiments.

Steps will be taken to build a stronger model for public-private partnership in innovation. Overarching management of innovation and research policy, along with growth policy coordination, will be strengthened across central government.

A cross-sectoral programme will be prepared and sufficient resources allocated for promoting efforts to attract and retain international talent and to speed up the processing of granting residence permits. The key personnel act is to be made permanent.

A national intellectual property rights strategy will be created to boost competence and governance, and to make improvements to the current situation.



A cross-sectoral programme to promote exports and international growth to 2030 will be prepared with key players by the end of 2019

The programme will cover key cross-sectoral policy areas for exports and international growth. It will emphasise expertise in international business, measures to raise productivity and added value, and the transition to a low-carbon bioeconomy and circular economy.

Programme implementation will be monitored annually (in connection with the discussions on general government finances) and new decisions will be made as necessary to support the programme objectives.

Additional investments will be made in internationalisation services that are linked to the emerging ecosystems. A programme will be introduced to build the internationalisation capabilities of SMEs. The availability of services will be improved regionally, nationally and internationally; more resources will be provided for international services, and cooperation with players such as Team Finland will be strengthened.

At EU level, Finland will support an active industrial policy, calling for an industrial policy strategy that includes a plan for the sustainable development of European business and industry amid the global shifts that are taking place. In addition, active trade policy based on openness, a rules-based multilateral trading system and the promotion of free trade will be pursued, and will take into account the principles of sustainable development.

The international growth programme will include sectoral roadmaps to a low-carbon future.

Actions on business-driven strategic research and development will be coordinated nationally and internationally. Efforts will be made to contribute to the development programmes on competence areas and European ecosystems currently being prepared in the EU, and to new innovative solutions such as initiatives on energy storage and the battery industry. Preparations will be made for potential additional investment needs.

Solutions to global challenges based on national strengths will be provided on a public-private partnership (PPP model) basis.

Nordic cooperation will be strengthened to build a stronger common value-based brand. Cooperation with neighbouring regions will be pursued to drive growth.

Attention will be focused on accelerating growth-oriented initiatives in different industries, along with bold renewal projects to meet the challenges of the future

A report will be prepared on the future of the retail industry, to allow strategic long-term development of the sector.

A national programme covering the tourism sector will be launched to support continuous growth and to encourage entrepreneurship in the sector.

Implementation of measures in accordance with the health sector growth strategy will continue. Flexible and extensive use of healthcare and social welfare data will be encouraged, all the while guaranteeing data protection rights.

A service package for the creative industries will be introduced.

Added value creation will be boosted in wood product processing. Wood construction and exports will be promoted.

In the sustainable food industry, added value creation will be expanded in the domestic market and in exports. Steps will also be taken to improve the sector's general operating conditions.

A national biogas programme will be drawn up to improve Finland's vitality and to achieve our climate targets.

Opportunities will be provided for business growth and renewal, with attention paid to the needs of different types of companies.

An entrepreneurship strategy will be created that takes into account companies of different sizes and young growth companies. This will include measures to improve the position of sole entrepreneurs, to facilitate employment by micro-enterprises, to develop value creation and business models in the creative industries, to drive growth and internationalisation in SMEs and mid-cap companies, as well as measures to promote exports together with industry leaders.

The threshold for starting and growing a business will be lowered by fostering an atmosphere that promotes entrepreneurship, and by building skills for working life. This could be achieved by promoting understanding of entrepreneurship and working life and the skills they require, at various levels of education and in public services. Appropriate training will be provided to strengthen world-class business competence.

The readiness of entrepreneurs to take risks will be improved through better opportunities for making a new start in particular situations, such as bankruptcy. In this regard,



implementation of the EU Insolvency Directive will be taken into account, and the overall effectiveness of insolvency legislation will be assessed.

The need for legislative action regarding payment defaults, debt collection expenses and payment periods will also be assessed. A positive credit register will be introduced during the Government's term, and the periods for bad credit records.

Models to support the coping strategies of entrepreneurs will be adopted as part of the business service ecosystem development.

Business continuity will be ensured in cases of ownership change. This will also take into account situations where business operations are continued by members of the personnel.

A new operating model will be introduced that supports the growth, recruitment and ownership expansion of startup companies.

Support will be offered to newly established small-scale entrepreneurs by introducing more flexible payment schedules for tax prepayment.

The formation of business cooperatives will be promoted.

Action will be taken to improve the growth, employment and investment capacity of SMEs by ensuring equal business conditions and predictable taxation and market competition.

The EU will be asked for a derogation to raise the VAT threshold for businesses to EUR 15,000.

A model supporting the way companies hire their first outside employee will be created, and a related pilot project will be conducted.

Information policy and efforts to further the use of digital services and technologies will also take into account the scope for SMEs to seize new opportunities via open interfaces.

Steps will be taken to ensure that internationalisation services and business services are customer-oriented, seamless and easily accessible regionally, nationally and globally.

In decision-making, impacts will always be assessed from the perspective of company growth, employment and investment.

Measures to effectively coordinate entrepreneurs' social security with other forms of income and to improve their pension cover will be explored.

Well-functioning corporate financing markets will be fostered, solutions will be sought to eliminate any bottlenecks in financing, and domestic ownership will be strengthened

Steps will be taken to offer a wide range of financing options to startups and SMEs.

Finnish capital investment markets will be developed, and investments in funds and direct investments through various entities operating under the Ministry of Economic Affairs and Employment will be increased.

Finnvera will be provided with a level of authorisations that is sufficient in relation to its risk management needs.

A domestic ownership programme will be formulated that will support growth by providing means for building a stronger, more diversified and more equal Finnish ownership base.

Objective

2

Finland's success will be built collaboratively around the strengths and special features of its regions and cities

Regional and urban development will be socially just, environmentally sustainable and economically responsible. Multi-regional and multi-sectoral ecosystems and a pro-business environment together with good accessibility and services will enable all parts of Finland to engage in growth.

Municipalities will have adequate resources to boost vitality and to organise services.

Measures

A diversity of policies for all corners of a dynamic and thriving Finland

Action will be taken to strengthen the vitality of regions, municipalities and cities in all the diverse aspects as part of the sustainable growth strategy.

Regional strengths will be at the core of development work. The objective is to increase vitality, to encourage a cross-sectoral approach, and to pool regional resources to promote the jointly set objectives.

The conditions for living and entrepreneurship must be secured in all parts of Finland in a diversity of ways, taking into account the different needs of regions and cities:



metropolitan area; large cities with a population of more than 100,000, also university towns; medium-sized urban areas in regional centres; regional cities; and sparsely populated areas.

Particularly the metropolitan area and large cities will be identified as strategically important areas of growth and sustainable development.

The objective of regional policy is to reduce the level of divergence between regions and within municipalities.

In order to boost regional growth, the process of strategic land use planning and efforts to increase vitality can be carried out across municipal and regional boundaries and may be taken jointly with many different parties through extensive and committed cooperation.

A regional and/or thematic operating model (for regional development) that takes account of the special characteristics of each region will be created on the basis of agreements and partnerships. Regional agreement packages will be part of Finland's ecosystem policy and growth programme. The operating model will be specified in more detail in connection with the regional development decision in 2019.

Regional councils will continue to act as the regional development authorities. They will continue to play a central role in promoting regional development and collaboration. Regional development financing will be allocated to regional councils for quick and flexible use (former regional development funds).

Regional councils (18) - together with the Centres for Economic Development, Transport and the Environment - will maintain their role as the intermediaries for EU Structural Funds and other EU programmes in the funding decisions based on programme funding.

Various forms of EU funding will be used as effectively as possible for regional development. The objective of EU cohesion policy is to safeguard the level of regional development financing, and to ensure the special status of the sparsely populated areas in Eastern and Northern Finland and the continuity of regional aid.

Action will be taken to ensure balanced regional distribution of various components of vitality. Special attention will be paid to ensuring accessibility (functioning transport infrastructure and services, including data connections); distribution of higher education institutions, upper secondary education and R&D activities in various parts of the country; the availability of skilled labour; and land use planning and services to support business.

The results of the preparatory work conducted for the regional government, health and social services reform will be used as extensively as possible. Collaborative experiments between the state, regional councils, municipalities and private entities and organisations will be promoted on a voluntary basis, and new financing models for these will be explored.

Effective utilisation of modern technology will be promoted to enable flexible arrangements for living, working and doing business regardless of location. Government tasks should be organised in a way that enables multi-local living and full utilisation of the opportunities provided by smart technology to work in any location. A reform of legislation on regionalisation must be completed by the end of 2019 within the framework of the strategy to be devised.

Central and local government will focus strongly on the availability of skilled workers, labour migration and integration. Central government, together with municipalities willing to participate, will provide resources for a permanent action plan to attract international talent.

A national urban strategy will be prepared to respond to the opportunities and challenges of urbanisation, taking into account the broad-based objectives of the UN New Urban Agenda.

Steps will be taken to strengthen the ability of the metropolitan area, comprised of the Greater Helsinki region, to compete with other European metropolitan areas for skilled labour, businesses and cultural experiences that attract tourists.

The duration of the MAL agreements of the metropolitan areas and large cities will be extended to 12 years. The MAL agreements can also be expanded to cover new urban centres of more than 100,000 inhabitants. Details will be specified as part of the overall housing policy.

The Government will enable the development of special solutions required to ensure balanced development of the metropolitan area.

Separate programmes/agreements will be drafted with university towns regarding the strategic allocation of public and private RDI funding to strengthen the globally competitive ecosystems.

Measures will be taken to bolster growth around regional cities and towns. These include promoting joint strategic land use planning for multiple municipalities and strengthening the well-functioning public transport services and flexible services for the local residents.



Development work will be based on agreements and will focus on priorities arising from the collaboration between cities and regions and from the needs identified. The objective will be to promote positive structural change (in the economy, employment and investment).

Development of higher education in each county will be safeguarded. This will drive regional specialisation and linkage with global ecosystems. Furthermore, an extensive network of upper secondary education and training must be in place to ensure the availability of skilled labour in all parts of the country.

A programme will be prepared for regional cities, and action will be taken to help regional cities prepare joint development strategies and build networks.

It is acknowledged that the vitality of an entire regional city can often be crucially dependent on individual decisions. The social impacts of such decisions on the region and its flagship companies will be studied and taken into account.

An impact assessment will be carried out on the proposal of the parliamentary working group on sparsely populated areas, and an action plan including experiments to boost vitality and wellbeing will be drafted for areas with a declining population.

Feasible cross-sectoral methods for supporting multi-local living will be explored, and initiatives for legislative reform and new practices to that end will be made.

Opportunities will be taken for the sustainable use of natural resources and tourism and adventure services to open new avenues of development.

Rights to basic public services of people living in sparsely populated areas and in the archipelago will be safeguarded by supporting regional collaboration, by introducing new practices and by guaranteeing sufficient resources (availability of services, social safety, transport).

The continuity of funding under the EU Leader programme will be secured.

Solutions will be sought to personal hardships associated with the dilapidating and devaluing

housing stock. The conditions on which state-guaranteed renovation loans could be granted to housing companies that are located in, for instance, areas of population loss and that are not likely to be granted bank loans for renovation work will be explored.

The position of municipalities

Based on the most recent data, a comprehensive assessment of the current situation in municipalities will be prepared in autumn 2019.

The services to be provided by municipalities will be sustainably financed with municipal tax revenue and with fair and sufficient central government support.

The temporary cuts in central government transfers to municipalities will be discontinued in 2020.

The system of central government transfers to municipalities will be revised as necessary to make it more adaptable to the needs and special characteristics of different regions.

Any measures that will result in an increase or decrease in the number of tasks or obligations for municipalities, and any changes in the tax basis that will affect local government finances will be compensated in net terms with a 100 per cent modification of the central government transfers and/or the corresponding fixed appropriation, or by removing other tasks or obligations.

Municipal collaboration to boost vitality and to organise services will be supported.

Financial obstacles will be removed to encourage municipalities to engage in voluntary structural reorganisation.

Provisions of the Local Government Act on competition neutrality in municipal economic and industrial policy will be examined to ensure reasonable treatment from the municipalities' perspective.

Objective

3

Finland will be known as a front runner in technological advances, innovative procurement and the culture of experimentation

Finland will be recognised as a front runner that develops and introduces new solutions enabled by digitalisation and technological advances, doing so across administrative and sectoral boundaries.

Public procurement can help in making technological advances, and can also serve more broadly to drive sustainable development, innovation and life-cycle thinking.



Finland will modify its legislative environment and administration to facilitate advances in digitalisation, sustainable development and a large-scale culture of experimentation.

Measures

Steps will be taken to ensure the proper functioning of competition and consumer policy in order to boost growth and the wellbeing of citizens, and to create a more competitive domestic market

Competition and consumer authorities will be given more powers and resources, and the sanctions available to them will be increased.

Non-governmental organisations will be provided more funding in order to improve the availability of unbiased and independent consumer information.

Opportunities to increase competition in sectors with inadequate competition will be explored.

More extensive obligations will be introduced in legislation for producers of goods and packaging to provide information to consumers regarding the environmental impact of the goods and packaging they sell.

The possibilities for restricting aggressive and inappropriate direct marketing will be examined. To better protect consumers, the Government will introduce new restrictions and other provisions concerning telephone and door-to-door sales.

The technology and digitalisation capabilities of the public sector will be improved, and cooperation between the public and the private sector will be enhanced

A programme will be put together for promoting digitalisation, and a requirement put in place for public services to be available digitally to individuals and businesses by 2023.

A joint high-level advisory board, including a secretariat, will be appointed for the public and private sector to act as an advisory body in technology.

A strategy and an action plan will be prepared for opening up and utilising public sector data, taking into account the impact of data protection regulations and any legislative needs. The aim will be that public sector organisations will open interfaces unless there is a special reason for not doing so.

Data sharing between companies and entrepreneurs within ecosystems will be promoted.

The use of e-invoices and receipts will be widely adopted to drive the real-time economy.

Licence and permit systems will be developed to build a one-stop-shop for digital licences and permits.

Secure and ethically sustainable development of the AuroraAI network will be continued, as permitted by the overall spending limits, in order to make everyday life and business easier.

The development of effective identification solutions enabling the use of various devices will be promoted.

The scope for individuals to manage personal information on themselves held in public services will be secured in accordance with the MyData principles.

Digital systems will be developed together with partner countries such as the other Nordic countries and Estonia.

Measures will be taken to improve the accessibility of electronic public services and to ensure sufficient support services. This will allow us to ensure the equal treatment of all citizens.

In carrying out large-scale digitalisation projects, it must be ensured that the language rights are fulfilled in practice.

The overall effectiveness of the laws on privacy protection, data protection and public access to information, within the framework of the General Data Protection Regulation, will be ensured.

Action will be taken to increase innovative procurement and thereby to improve services, generate growth and enable the creation of a reference market

Innovative procurement will account for 10 per cent of all public procurement by the end of the parliamentary term. The fulfilment of this objective will be monitored annually.

The Government's joint objectives and concrete policies will be agreed on, and ministries will increase their cooperation at the practical level.

Public procurement will be used as a means to drive the achievement of social, climate and sustainability targets.

Training and best practices will be used to build up skills in contracting entities.

Opportunities for spreading the risk involved in innovative procurement by measures such as setting up risk funds will be explored.



Any defects in the Act on Public Procurement and Concession Contracts will be corrected

The need to amend the existing Act on Public Procurement and Concession Contracts will be assessed in connection with the reform of healthcare and social welfare.

To increase the efficiency of public procurement, the Government will take action to have more emphasis placed on quality criteria in public tenders. The Act on Public Procurement and Concession Contracts will be modified to encourage contracting entities to consider the price-quality ratio and the overall cost as the primary criteria for the most economically advantageous solution, and to use the procurement price as the sole criterion in limited cases only.

Responsibility aspects of procurements will be emphasised. To promote this objective, the need to expand the exclusion criteria for environmental, social and labour law violations in the Act on Public Procurement and Concession Contracts, and the means for emphasising corporate and tax responsibility will be assessed. Based on this assessment, decisions on any necessary modifications will be made.

Bilingual procurement will be promoted, and any legislative problems will be addressed.

Finland will become a leader in social responsibility

A report will be prepared with the objective of enacting a corporate social responsibility act based on a duty of care imposed on companies regarding their operations in Finland and abroad. This report will be prepared together with confederations and organisations for industries, entrepreneurs and employees, paying special attention to the position of small and medium-sized enterprises. Similar goals will be promoted in the EU.

Measures will be taken to introduce a system of stricter control of quality and responsibility in health and social services.

All administrative branches will be encouraged to foster a cross-sectoral culture of experimentation

Legislative means will be used to support the sharing economy, taking into account the rights of employees and the rules of fair competition in companies.

The recommendations of the parliamentary advisory board for promoting new approaches will be implemented to bolster piloting and experimenting.

Experiments and test platforms will be consistently promoted in collaboration with municipalities.

Legislation will be developed by gradually expanding the One for One principle. Instead of quantity, emphasis should be placed on making sure the legislation is suitable for the purpose.

3.4.1 Transport network development

Current situation

The repairs needed in our transport network currently equate to a repair debt of EUR 2.5 billion, and the network is deteriorating year by year. Safe and seamless mobility of people and goods is being compromised in a growing number of areas. The current level of financing is inadequate, and this has repercussions for the safety and fluency and affects the accessibility of regions and competitiveness of businesses. Besides the need to develop the main rail network, achieve shorter travel times and improve transport network capacity, there are other significant new large-scale projects that demand financial resources too.

Transport emissions account for one fifth of Finland's greenhouse gas emissions. Finland is committed to reducing transport emissions by 50 per cent by 2030. Road transport offers the greatest potential in reducing greenhouse gas emissions.

The accessibility of high-speed communications connections is also a challenge. The current capacity of the networks fails to support client needs, digital services or automation to a sufficient degree. Networks are a platform for social services and they must be able to meet service needs in the whole country.

Objective

1

Efficient transport infrastructure

Finland's infrastructure network for land, maritime, inland waterway and air transport builds on and supports, in a balanced way, competitive, innovative, resource-wise and comprehensively sustainable development throughout the country ensuring the security of supply.



Finland will significantly increase the share of rail transport and infrastructure repair investments compared to their current level, paying attention to orbital and low-volume rail sections.

In the basic repairs of the transport infrastructure, the focus is on investments that improve the condition of the basic transport infrastructure, remove bottlenecks, reduce emissions and improve traffic safety as well as benefit the public transport development, regional accessibility and business and industry. The repair debt of the lower road network and private roads must also be reduced.

Measures

According to the proposal by a parliamentary working group, from 2020 onwards there will be an annual total increase of EUR 300 million in the management of the basic transport infrastructure. For winter maintenance, there will be a permanent increase of EUR 20 million within the total increase for the management of the basic transport infrastructure. Financing will be especially allocated to regions where the problems posed by winters are the most challenging.

A permanent increase in the financing level of the management of the basic transport infrastructure will ensure that the repair debt will no longer increase and that the existing debt can be reduced. The effectiveness of the additional funding allocated to reducing the repair debt will be assessed annually.

The basic transport infrastructure will be repaired, bottlenecks removed, and investments reducing emissions and improving traffic safety will be made, which will benefit the public transport development, regional accessibility and business and industry. The condition of the lower road network will also be improved.

The amount of rail investment will be increased from the current level. Measures to reduce travel times and improve safety on the railways will be taken within the limits of the total increase for the management of the basic transport infrastructure. Additional financing of EUR 22 million in 2020–2022 has been reserved for removing dangerous level crossings.

Appropriations for the basic repair of private roads will be ensured. In this work, consideration will be given to how the repairs will affect the quality of water. Permanent financing is justified, because the failure of the structures of private roads would be economically unsustainable.

In connection with the network development projects, an amount of EUR 10 million of the total funding will be allocated to meet the infrastructure needs of walking and cycling.

The total increase for the management of the basic transport infrastructure will be directed to reducing travel times in passenger transport, removing bottlenecks in freight transport, improving traffic safety, increasing the axle loads and investing in transport infrastructure pavements and bridges in such a way that the regional balance is observed and the needs of business and industry are taken into account before the government report on the 12-year plan for the transport system is completed.

The Kemi–Laurila–Haaparanta line will be electrified. The cost of this in the budget is EUR 10 million. The electrification will open up a connection via northern Sweden for freight and passenger transport to Europe and the Arctic Ocean. The rail line will provide a new transport route, serve the needs of industries and open up the potential for passenger transport across borders.

In June 2019, the Government will submit a supplementary budget, by which significant transport projects will be launched. The Government will specify the projects in connection with the preparation of the supplementary budget.

An overall picture of the transport infrastructure network will be formed and extensively assessed. The overall development will be laid down in the 12-year plan for the national transport system presented by the parliamentary working group.

The effectiveness of the Decree on the Arterial Roads and Railways and their Service Level, and any needs for amendments, will be assessed in connection with the 12-year transport system planning work in order to ensure that there will be a functional connection between close-by regional centres and that consideration will be given to export ports and border-crossing points.

Special infrastructure needs critical to business and industry will be considered, and railway terminals will be restored where possible.

Besides direct financing from the budget, separate funding will be provided for different projects

Projects especially concerning the rail network and rail transport and needing billions in investments will be subjected to extensive impact assessments. The basis for the planning and construction must be efficient integration with the current network in order to bring more passengers to rails and to facilitate wise spending. The projects support the development in Finland, the mobility of the labour force and the sustainable mobility goals in a functionally and regionally balanced manner and provide a competitive alternative to air transport.



In order to introduce the most cost-efficient solutions, the projects will not be separated from the overall development of the transport infrastructure network or the 12-year transport system planning work.

Preconditions for the project companies and the relation to infrastructure ownership will be set from the transport policy viewpoint:

- State owns the key infrastructure
- Publicly-owned qualified majority shareholdings in the companies
- Reference to financing must be included in the Act on the Municipal Guarantee Board
- Minimisation of the financing costs
- Company revenues are based on a realistic estimate
- Yield expectations must not unreasonably increase the railway infrastructure charge
- In order to ensure the application process for EU funding, the planning readiness of transport infrastructure projects will be promoted. The efficiency of the application processes will be improved, with the understanding that in some projects advances have been achieved in the capacity to deliver.

In terms of investments in the main infrastructure network, the opportunities to apply for financing within the EU guidelines on Military Mobility will also be examined.

The Government will provide capital to Nordic Railways Ltd where necessary and in order to launch the rail network development projects listed below, if they meet the criteria defined above. The capitalisation will be carried out within the general government financial balance and the spending limits.

- Main line and its extensions
- Rail line west from Helsinki (including the Espoo urban railway)
- Rail line east from Helsinki

Regarding the City Rail Loop (Pisara) and the Helsinki railway yard arrangements, the most efficient model in terms of transport development and national economy bringing the best overall benefits will be ensured.

Progress in large-scale rail projects calls for agreement between the central government, municipalities and other possible beneficiaries regarding the project implementation and financing.

In connection with the investments, it must be noted that also the rail control and safety system has to be updated.

Other measures

Improvement of traffic safety will again be included in the development of the transport system and services. The aim is to respond to the zero scenario of the European Union (zero traffic fatalities by 2050). A government resolution on traffic safety will be prepared as a guideline for achieving this goal. As measured at the 2016 price level, fatalities and serious accidents generated costs of EUR 1,370 million so the financial impacts of achieving the goal will also be significant.

In order to develop the system, reduce emissions and improve accessibility, opportunities provided by transport digitalisation, broader and more diverse offering of services and shared use will be taken into full use. Consideration will be given to the special characteristics of urban environments and rural areas, to different transport modes and to opportunities for intelligent solutions for transport infrastructure on land, the sea, and in inland waterways and air.

Information will be gathered on different ways to better ensure people's rights to administer their personal data according to the MyData principles. The objective will be promoted by both national and international regulation.

In carrying out large-scale digitalisation projects, it must be ensured that the language rights are fulfilled in practice.

Instructions will be issued for Finland on the ethical use of artificial intelligence.

The renewal of the ice-breaking capacity subject to security of supply will continue so that it will meet the needs of foreign trade well into the future.

Possibilities to cooperate with Sweden in icebreaking services and equipment procurement will be examined.

The renewal of the vessel fleet in archipelago traffic will continue. The provision of transport services in the archipelago free of charge will be maintained.

The current fairway due system in maritime transport will be maintained to ensure regular, year-round maritime transport to and from Finland.

The Act on Transport Services will be assessed.

In terms of taxi transport, the necessary amendments will be made with due consideration to the safety of the operations and to the combat against the grey economy. In the new situation, steps will be taken to find solutions for the problems that have emerged



(for example transparency of pricing and availability of taxis). The rules of competitive tendering for taxi transport services paid by the Social Insurance Institution of Finland call for reassessment.

Objective

2

Low-emission transport

The targets for reducing emissions from transport must be in line with Finland's carbon neutrality targets. By 2030, Finland will reduce transport emissions by at least 50 per cent compared to the 2005 level. This is a step towards carbon-free transport. In order to reduce transport emissions, measures will be taken to reduce transport performances, to promote the transition towards more sustainable mobility and to phase out fossil fuels.

The total performance of public transport, cycling and walking must clearly be improved. According to the Action Programme for Carbon-free Transport 2045, the travel performance must clearly be improved.

The aim of the Programme for Promoting Walking and Cycling adopted by the Government in 2018 is to increase the volumes of walking and cycling from the level of 2018 by 30 per cent by 2030.

The transition to sustainable biofuels in heavy goods vehicles and air transport will be promoted.

Measures

A reform of taxes and payments in sustainable transport will be initiated to reduce emissions. As a basis for the reform, an extensive impact assessment will be carried out to build a socially, societally and regionally sustainable operating framework to ensure that the differences in income and wealth will not widen. The reform will be implemented in stages so that the level of taxation will change systematically, taking into account the emission-reduction targets.

Preparations will be made to introduce a vignette charge for heavy goods vehicles, taking into account the impacts on the cost structure of the transport sector and the relation to the drafting of EU legislation.

If the taxation on transport, especially on diesel, is reformed, the opportunities to introduce biodiesel for professional use will be examined.

In accordance with the carbon neutrality target, a roadmap for fossil-free transport will be drafted, the indicators will be developed and a reform of propulsion technologies will be carried out:

- The reform of the vehicle propulsion technologies and the reaching of the zero-emissions level of the vehicle fleet in stages will be facilitated.
- Sustainably produced liquid biofuels will be provided particularly for the use of heavy goods vehicles and air transport.
- An assessment will be carried out on the adequacy of sustainably produced biofuels in road transport.
- A cooperation network will be initiated with responsibility to develop emissions indicators that would serve as a basis for taxation. The network will include specialists at the Ministries (Ministries of Finance, Economic Affairs and Employment, the Environment, Transport and Communications and Agriculture and Forestry), in the research sector, businesses and non-governmental organisations. The results of the work on the indicators will be considered in the national transport system planning.

Quick measures for reducing emissions and promoting a circular economy:

- A programme for promoting walking and cycling will be implemented. In 2020–2022, EUR 41 million will be reserved for the planning work and project promotion related to walking and cycling.
- Common quality standards for cycling paths will be drawn up.
- A climate-based overall increase will be provided to public transport subsidies and purchases, annually EUR 20 million.
- The introduction of a low-emission fleet in public transport will be accelerated (EU requirements: in service procurements, the amount of clean vehicles will be 41 per cent by 2025 and 59 per cent by 2030).
- The introduction of passenger and freight transport services on low-volume or discarded rail sections will be facilitated.
- In sparsely populated rural areas, mobility service innovations will be sought by investing in cross-administrative service pilots.
- Sustainably produced biogas will be included in the scope of the distribution obligation.
- Commuter cycling will be promoted.
- Conversion subsidies will continue at the current level. It will be ensured that conversions of vehicle propulsion technologies allowing low-emission mobility will be considered in car, vehicle and propulsion technology taxation.
- In order to promote the charging infrastructure, a national obligation will be set in accordance with the Energy Performance of Buildings Directive to build a charging



infrastructure for electric cars whenever a large-scale renovation is completed in a housing company or on business premises.

- An obligation will be set for petrol station chains to provide a certain number of charging points for electric cars.
- Tractors converted to biogas can be registered for road traffic use.
- Piloting of carbon neutral synthetic fuels and launching of their production in Finland will be promoted.
- The Government will promote the digitalisation and automation of transport and logistics by allocating funding for experiments and by influencing international and EU regulations in the sector.
- To meet the objectives of the End-of-life Vehicles Directive, a data platform for vehicles to be scrapped should be set up on the basis of the existing register of the Transport and Communications Agency.
- In air transport, the objective is to reach, with the help of the blending obligation, a level of 30 per cent in sustainable biofuels by 2030
- Finland will continue to play an active role in the EU-level and international organisations in promoting measures to reduce air transport and maritime emissions.
- Measures to extend the charging infrastructure and the distribution network for biogas by making use of the EU funding potential will be supported.
- A development programme for inland waterway transport will be drafted taking into account the best choices for businesses, industries and water protection.
- As part of reducing transport emissions, inland navigation will be promoted in accordance with EU objectives, for example by lengthening the locks in the Saimaa Canal by taking advantage of possible EU funding.
- To promote lake tourism and to improve the quality of waters, channel projects can be implemented in cooperation with regional operators.

Objective

3

Efficient communications and information exchange

Construction of an extensive optical fibre network will continue throughout Finland and the data transfer speed will be increased as a universal service obligation. The digital infrastructure strategy will be promoted. Sufficient funding for the Finnish Broadcasting Company will be ensured and fair accessibility of postal services throughout the country will be secured.

People's right to versatile, diverse and reliable information will be ensured.

Measures

Measures will be taken to achieve the goal set by the European Union and the Digital Infrastructure Strategy (2018) of the Ministry of Transport and Communications for 2025. According to the goal, everyone must have access to high-speed broadband connection. The level of the universal service obligation will be raised. Telecom operators will have to present their plans on how to reach the target set for the broadband network construction.

Broadband investment debt will be reduced by continuing the broadband programme. An act on broadband subsidies with better guidance will be drafted so that the problems of built-up areas will be taken into account. The programme will be targeted at areas where no broadband will be available before 2025.

The Government will complete the commitments of the Broadband for All project.

Cost-efficiency and shared construction of the infrastructure will be promoted by obliging the electric power companies and telecom operators to share their upcoming projects in a shared construction portal so that different actors can be involved and overlapping excavation work will be avoided.

Balanced construction of the fixed and wireless broadband networks will be promoted.

The construction of the optical fibre network will be primarily carried out on market terms, and secondarily through financing by the state, municipalities and the European Union.

The introduction of new cabling technologies (for example microtrenching) will be promoted.

Measures will be taken across administrative branches to ensure the network reliability, safety and security in the event of emergency or crisis.

In order to simplify and improve the services provided by society and the authorities, electronic solutions and e-Finland administration will be developed.

The possibility for electronic identification for all Finnish citizens and everyone residing in Finland will be promoted.

The Postal Act and its application will be examined while maintaining the universal service obligation. The postal services will be ensured in sparsely populated areas and in the archipelago in accordance with the Act on Promoting the Development of the



Archipelago. A free-of-charge poste restante service will be ensured for people who do not have access to any other ways to receive mail.

The sustainability of the right to dividends of the Posti Group Corporation will be examined.

In order to ensure diverse communication throughout the country, an overall examination of the alternatives for the distribution of postal items and newspapers will be examined. Introduction of a parcel point in each municipality will be promoted.

Objective

4

Status of state-owned companies in the transport sector

The role of state ownership steering will be strengthened. Public ownership in companies that are important for the security of supply and traffic safety will be maintained.

In state-owned companies, competitive tendering processes will be economically responsible and sustainable.

Measures

In order to meet the objectives, the role of state ownership steering will be strengthened.

In opening up the passenger rail services to competition, the results of the competitive tendering of commuter rail services of the Helsinki Region Transport will be monitored and in the next tendering processes, the Open Access model will be applied.

It will be examined, whether the use of the dividend income for raising the service level, purchasing transport services and updating the rolling stock would result in better gross revenue than allocating it to the state budget. In 2015–2019, as an owner, VR-Group Ltd paid to the state EUR 640 million in dividends and return of capital as well as EUR 1.4 billion in taxes and tax-like charges.

The service level of VR will be improved and open data interfaces will be provided to make the integration of travel chains possible (broader and more diverse offering of services).

In passenger transport, the requirements concerning the rolling stock must be attended to cost-efficiently paying attention to resource-wise use of the stock throughout its lifecycle.

The opportunity to introduce intelligent infrastructure solutions in maritime transport will be examined, such as remote pilotage by Finnpiilot Pilotage Ltd on certain routes. High-level competence and adequate professional skills in maritime areas will be ensured.

Finavia will ensure the implementation of the three-hour accessibility target for the airport infrastructure in those areas where the target cannot be ensured by rail transport. The most efficient way to ensure publicly supported air transport in these areas will be explored. The support for airports outside Finavia's airport network will be maintained.

3.4.2 Agriculture

Current situation

Agriculture has much potential in terms of finding solutions to environmental challenges. With the climate changing, food production is forced to prepare for different kinds of market, weather and animal disease risks. Good soil productivity, water economy and carbon sequestration capacity improve cultivation properties, crop security and adaptation of agriculture to changing natural conditions.

To ensure a sustainable food system, it is essential that the nation's agriculture, fisheries, reindeer husbandry and game management are sound, profitable and capable of renewal. These are part of a broader food system; their function is not only to produce food. The production standards of Finnish food are extremely high, and there is wide interest in our products around the world for reasons such as their purity and safety.

The declining trend in the profitability of agriculture has continued for a long time. Despite larger farm size, entrepreneurial income is falling. To achieve higher profitability, we need higher self-sufficiency in energy, fertilisers and protein feed. Export efforts that have got off to a good start will be continued.

Agricultural biomasses are instrumental for increasing biogas production. Finland needs a long-term programme on biogas that enables us to promote the production and use of biogas.



Objective

1

Climate- and environment-friendly food system

Measures

Climate emissions from agriculture will be reduced and carbon sinks increased while also developing the conditions for agricultural activities.

The need to clear peatlands will be reduced by increasing the processing and productisation of manure. Continuous plant cover and controlled subsurface drainage will be increased to promote carbon sequestration in agricultural lands. Support payments will be targeted towards active farming. Measures under the future environmental payment system will be carried out in a way that reduces emissions from agriculture.

Sufficient funding will be ensured for climate and environmental objectives in the EU's financial framework negotiations and nationally (CAP, ERDF, LIFE).

A strong focus will be placed on research, education and training, and advice. The main focus will be on carbon sequestration, low-carbon operations and competitiveness.

Market-driven mechanisms will be developed to compensate farmers for soil carbon sequestration based on results.

Protein self-sufficiency will be improved by promoting varietal breeding and expanding the range of commercial crops.

Consideration will be given to the reallocation of natural resources research funding between the Academy of Finland, the Prime Minister's Office and sectoral research institutes, with the aim of strengthening the funding of research activities.

The existing guidance and advisory services for farmers will be brought together into a new, network-based expertise and service centre.

An afforestation and wetland programme will be introduced for arable lands not suited to food production and for peat production areas that are no longer in use.

The introduction of cultivation techniques which either increase carbon sequestration or reduce climate emissions will be promoted (e.g. wetland cultivation, biocoal).

Food loss and food waste will be reduced by removing barriers, increasing incentives and multiplying best practices.

An action plan on a climate-sustainable food system to 2030 will be prepared through cross-sectoral cooperation.

Food raw materials and production practices used in public food procurement will be required to comply with national legislation. The relative share of domestic plant-based products and fish will be increased in line with the nutrition recommendations and low-carbon objectives.

Strengthening biodiversity through agricultural policy measures

Measures will include semi-natural grasslands, biodiversity fields, local breeds and varieties, and increasing pollination services. Invasive alien species will be tackled more effectively.

Biogas

A national biogas programme will be prepared to tap into the biogas production potential.

Biogas investments and new manure processing techniques will be supported.

Biogas production support based on the nutrient cycle will be introduced.

Regulation of biogas plants will be rationalised with respect to e.g. permit procedures and sale of energy from the plant.

Increasing the share of domestic organic products in food production, in food processing, in domestic consumption and in exports

The national strategy on organic production will be updated.

The funding for the Finnish Organic Research Institute will be strengthened and consolidated.

Reducing the impact of agriculture on waters

Investments that promote nutrient recycling will be supported.



The programme on more efficient water protection and the key project on nutrient recycling will be continued.

The functioning of the market for recycled fertilisers and regulation in support of nutrient recycling will be further developed on a cross-sectoral basis.

Flood protection and water management in agricultural soils will be promoted.

Measures related to waters will be targeted more effectively by increasing cooperation between farmers in solutions concerning water bodies.

Objective

2

Viable and profitable food economy

Measures

Improving the profitability of agriculture

Legislative measures will not lead to additional costs for farmers without compensating them for any such costs.

Support payments will be targeted at active and sustainable food production. The capitalisation of support payments to arable land markets will be curbed in the preparation of the new programming period.

The streamlining of regulation and controls will continue.

The obligation to harvest a crop will be reintroduced, provided that this is allowed by the EU legislation on control and the new control tools.

A development programme on the structure of arable lands will be implemented with the aim of facilitating the processes and boosting the development of the structure of holdings.

Securing sufficient levels of agricultural support

The gap in environmental payments in 2020 will be patched up.

The gap in natural handicap payments in 2020 will be patched up.

The funding of new commitments to organic production in 2020 will be secured.

The aim is that the level of the agricultural budget in the EU's financial frameworks will be about the same as now.

In the future programming period the focus of support payments will be on active production and on improving animal welfare and the state of the environment.

The CAP Strategic Plan will be implemented in such a way that the support levels and the way of making commitments will stay consistent all through the programming period.

The national aid for southern Finland will be continued.

Securing investments that promote competitiveness, environmental and climate sustainability and animal welfare, and securing generational renewal

Agricultural investments will be secured by an additional capital input into the Development Fund of Agriculture and Forestry.

In the context of preparing for the new programming period, the operations of the Development Fund of Agriculture and Forestry will be renewed to enable effective utilisation of the new funding and guarantee instruments. The openness of the Development Fund of Agriculture and Forestry's operations, the criteria it uses, the measurement of impacts, the reporting and the composition of the board will also be developed and evaluated.

The potential for introducing new tools to finance investments will be looked at, and the possibility that agriculture could make use of Finnvera's services will be examined.

The practicality of the Ministry of the Environment's building regulations will be examined from the perspective of the competitiveness of agriculture.

In the programming period preparations a tool will be created to promote generational renewal on farms.

Improving the food chain position of farmers and promoting dialogue within the chain

A 'Shared Food Table' will be established in line with the report 'A New Beginning'.



Grocery stores will be obliged to provide food consumption data while also ensuring consumers' data protection.

The overwhelming negotiating power of the grocery store chains will be kept in check through legislative measures, including private label products.

The conditions for community supported agriculture and direct sale of local food will be improved.

The creation of producer organisations will be supported by introducing start-up money for producer organisations at the beginning of the new programming period.

In education, training and advisory services for farmers the focus will be on economic skills, strengthening the market position and measures that support ownership steering.

Increasing the food economy's added value on the domestic market and in exports

A strong focus will be placed on food exports.

Use of domestically sourced food in public procurement will be promoted.

The development of new innovations relating to food, new production technologies and new plant-based products will be promoted.

The operating environment for the domestic food industry and food processing will be improved.

The scope of mandatory package labelling and country-of-origin labelling will be extended.

An overhaul of the Food Act will be conducted.

Strong focus on agricultural risk management

Work will continue on keeping the use of antibiotics at a low level and keeping Finland salmonella-free.

Measures will be taken to combat serious animal diseases.

A national animal disease fund will be established together with farmers and the food industry.

Insurance premium tax will be abolished in accordance with legislation adopted by the previous Parliament.

Securing the functioning of public services related to agriculture

The Finnish Food Authority's resources for developing new information systems will be secured in line with the needs of the new EU programming period.

Legislation on veterinary services will be amended so that the responsibility for organising 24-hour on-call duty in veterinary services continues to rest with the public sector.

A study will be commissioned on the agriculture-related environmental permit procedures, resources and good practices.

Creation of a long-term national vision for the Finnish food system

A national strategy will be prepared in cooperation between sectors on an economically, socially and ecologically sustainable food system to 2030, Ruokasali ('dining hall').

A development programme for school meals will be prepared.

More research will be done on children's and young people's nutrition in support of the nutrition policy.

The sale of energy drinks to under 16-year-olds will be prohibited.

Objective

3

Growth and employment from the gifts of nature

Measures

Preparation of a promotion programme on domestic fish to increase the supply of domestic fish and its share in consumption

Development measures concerning the environmental permit system for fish farming will be implemented, taking account of the level of protection of the aquatic environment.



Incentives will be created for fish farming solutions that reduce nutrient emissions and are based on the circular economy (e.g. recirculating aquaculture system, Baltic Sea feed).

Research and product development of fisheries and development of new technologies will be supported e.g. by allocating EMFF funding.

Increased use of domestic fish species will be encouraged in various ways.

Use of domestic fish in public procurement will be promoted.

Generational renewal and start-up of new entrepreneurs in the commercial fisheries sector will be promoted.

Fish processing will be treated in the same way as other food industry sectors with respect to investment aid.

Exports of fish products will be promoted.

New kinds of financial instruments will be devised to promote the development of the sector.

Practising fishing in a way that secures viable and sustainable fish stocks

Fishing quotas based on scientific advice will be promoted in the EU.

Effective measures will be taken to combat illegal fishing.

Science-based and reactive regulation of salmon fishing at sea and in rivers will be carried out to improve the status of Baltic wild salmon stocks. Fishing will be regulated in a way that does not compromise the genetic diversity of the stocks.

Stocks will be regulated and managed in cooperation between different actors, including local people, owners of water areas, organisations and business operators.

The National Salmon and Sea Trout Strategy to 2020 will be implemented. Implementation of the strategy will be evaluated and a decision made on whether it should continue or be updated.

A strong focus will be placed on research concerning fish stocks.

Ensuring conditions for commercial fishery and reducing damage

The Management Plan for the Finnish Seal Population in the Baltic Sea will be implemented. Techniques, equipment and practices that prevent damage will be developed and supported.

A compensation system will be introduced with respect to the costs of removing seals that cause damage.

A strategy for the great black cormorant will be prepared and implemented to control the population and prevent damage.

Procedures for obtaining derogations allowing the hunting of great black cormorants will be streamlined.

Recreational fishery as a popular and sustainable leisure activity Development of fishing tourism in a sustainable manner

The Development Strategy for Recreational Fishery will be implemented.

A reporting system for migratory fish catches will be introduced concerning all fish caught.

The development of fishing tourism will be promoted (especially in state-owned waters) and its impact on regional economies boosted. The Action Plan for Fishing Tourism will be revised.

Attention will be given to the good management of fishing waters by securing funding for water restoration projects and ensuring a sufficient amount of funds collected as fisheries management fees. The impact of fisheries management fees and the way they are directed towards maintaining fish stocks and fishing waters will be improved.

Developing hunting as a nature-based leisure activity that benefits society

Conditions for hunting will be ensured and attention given to attracting new enthusiasts.

Consideration will be given to the role of hunting in nature, game and wildlife management and in preventing invasive alien species.

Game animal populations will be managed sustainably and damage reduced. Conditions will be ensured for providing executive assistance in incidents involving large carnivores.



A diverse set of tools will be used in large carnivore policy, including hunting based on population estimates and management plans, derogations, prevention of damage and proactive communication. In large carnivore policy dialogue between different stakeholders will be increased and permanent funding secured for research and monitoring. Finland will be active in the EU in seeking to win recognition for our special national characteristics and allow for more flexibility and room to manoeuvre in large carnivore policy.

Promotion of active, sustainable and improved reindeer husbandry

The support system for reindeer husbandry will be developed and investment support for the sector ensured.

The development of reindeer husbandry as a profitable, sustainable and culturally significant sector will be promoted.

Conflicts between reindeer husbandry and other forms of land use will be reduced. Amendments will be made to the legislation concerning the assessment of and compensation for damage caused by reindeer.



3.5 Finland built
on trust and labour
market equality





Current situation

The employment rate has grown in recent years, with unemployment falling in all groups. However, comparing the situation across all Nordic countries, Finland has the lowest employment rate. Increasing Finland's employment rate to 75 per cent will be difficult, despite the improvement in employment. At the same time, difficulties in labour availability and recruitment have nevertheless become an increasingly serious problem in various parts of Finland.

The employment rate is currently 72.4 per cent. Labour productivity has also begun to increase. The principal factors improving productivity in economies like Finland are skills and technological progress. Climate change has an impact on the world of work and occupational structures. Improving competitiveness is essential for Finnish enterprises and their employees, so attention is paid to employee education and skills, product R&D and investment, and services that seek to boost employment and incentives for entrepreneurship and self-employment.

Economic development is expected to deteriorate. Ageing of the working-age population and a lower birth rate pose challenges for the Finnish labour market. Skills have declined, and a significant population segment even has deficiencies in basic skills. The changing character of work is also bringing new kinds of issues that present legislation does not yet recognise. There is still much to be done to improve the quality of the world of work and equality. A woman's euro is still 84 cents. Women do more part-time work, and they also work more often in low-income sectors.

Increasing the employment rate will be difficult. It is essential to increase the labour market participation of people with partial work capacity, of those with poor employment prospects, and of immigrants. Effective measures are needed to promote the employment of these people. Thus equipped, it is possible to strive for good growth in view of the sustainable economy, the environment and social justice and attain an employment rate of 75 per cent. Realisation of these three dimensions must be ensured in all policy measures.

Objective

1

Seeking high employment through active measures

The Government's employment rate target requires an increase in the labour market participation of people with partial work capacity, those with poor employment prospects,

the young and older people and those with an immigrant background. Effective measures are needed to promote the employment of these people.

Working careers will be prolonged at the beginning, middle and end.

The aim is to change the course of labour market policy from passive to active, as in other Nordic countries, and to target services more efficiently than at present.

Measures

Development of the employment services administration

National steering of employment services and cooperation across administrative sectors will be improved.

The role of municipalities as organisers of employment services will be strengthened. The organisation and implementation of employment services may be assigned by agreement to one or more municipalities based on agreements made with the municipalities. Provisions to support implementation will be laid down in separate legislation as required.

The public sector is the organiser of employment services, and may produce these services in partnership with the private and third sectors and with organisations.

Development of employment services

Employment services will be renewed to support rapid re-employment. Services particularly at the start of unemployment will be made more efficient and thus varying individual needs of unemployed persons can be considered better than before.

Routine operations will be replaced with a system providing better availability, quality, effectiveness and diversity of services.

The necessary staffing resources will be set aside to guarantee a personal service and service package for unemployed people.

The prospects for introducing personal budgeting in employment services will be investigated.

Career and guidance services will be improved not only for unemployed persons, but also particularly for those returning from extended family leave and for older employees. Working career guidance will also be increased for employees, entrepreneurs and the self-employed.



Reform of unemployment benefit and services for the unemployed

A reform of the unemployment benefit system and services for the unemployed will be prepared with a view to shortening periods of unemployment, making short-term employment more attractive, encouraging job seeking, and adjusting unemployment benefit sanctions (qualifying periods) to establish a more reasonable balance of rights and duties. The cuttings and obligations of the activation model will be dismantled, when measures with corresponding employment impacts have been decided.

An alternative scheme will be prepared in which the personal employment plan of the unemployed person will include a personal job search obligation and services such as training and rehabilitation. Resources will be ensured for personal service at Employment and Economic Development Offices.

The criteria governing sickness allowance, rehabilitation allowance and unemployment benefit will also be reviewed to ensure that people receive appropriate benefits. Measures will be taken to further develop the adjusted unemployment allowance. This will focus on making it easier to participate in work and will take into account changes in working life. The notion of combined unemployment insurance will guide the insuring of self-employed and wage income and the determination of per diem allowances in these circumstances.

Increase in the private sector pay subsidy

The Government aims to increase the use of the pay subsidy substantially in enterprises. The current pay subsidy will be reformed and simplified, reducing employer bureaucracy by giving the employer a binding pay subsidy decision in advance. An employment voucher will be introduced.

The pay subsidy scheme will be improved and its use will be expanded in partnership with labour market organisations to avoid jeopardising work done under collective agreements or distorting competition.

Pay subsidy financing will continue under the unemployment benefit budget item of the Ministry of Social Affairs and Health after 2020.

The prospects for introducing subjective pay subsidies for ageing or long-term unemployed people will be investigated.

Reform of the third sector pay subsidy

The third sector's pay subsidy will be reformed. The aim is that strong individual support, review of work capacity and other services are linked to the third sector's present pay subsidy so that the model will become new support for moving to the open labour market. The Government aims to increase the maximum pay subsidy for people with partial work capacity, the disabled, the long-term unemployed and immigrants who are difficult to employ. The 4,000 person-year limit preventing employment will be abolished in the third sector pay subsidy.

Recruitment subsidy trial for SMEs and lowering of the sole trader employment threshold

Growth of small and medium-sized enterprises will be supported by a recruitment subsidy trial to promote the matching of labour supply and demand and lower the threshold for SMEs to recruit unemployed people.

The risk of sole traders in hiring the first employee will be reduced by introducing a subsidy for such hiring with minimal administration.

Supporting employment of young people

All young people aged under 25 years of age and all graduates under 30 years of age will be guaranteed a job or work trial, traineeship, workshop, apprenticeship or rehabilitation placement no later than three months into the period of unemployment. The Government will promote the Youth Guarantee based on expert work.

Ohjaamo services and youth workshop activities will be consolidated.

People with partial work capacity and those in need of special support

A working capacity programme for people with partial work capacity will be implemented to ease access to employment. Pilot projects for the deployment of effective services and schemes will be launched as part of this programme. The rehabilitation system will be redesigned based on the proposals of the rehabilitation committee.

The intermediate labour market will be developed. Access to employment-promoting and individual services will be enhanced for those in need of special support (including people with partial work capacity, immigrants, people with disabilities, young people and older members of the workforce). The availability of work coaches in employment and social services will be improved. The availability of mental health services will be ensured.



The operating conditions of social enterprises will be improved by revising their funding and providing support to strengthen business expertise.

The Government's aim is that a condition is set for social employment in public procurement.

The system of rehabilitative work will be remodelled to incorporate social rehabilitation, allowing for the individual rehabilitation needs of people who are long-term unemployed or disadvantaged in the labour market with a view to strengthening their working life skills and ensuring their social participation.

Linear model for partial disability pension

The incentive traps that prevent people on disability pension from working will be abolished by introducing a linear model for partial disability pension.

Objective

2

Making Finland a global leader in gender equality

The Government's goal is to raise Finland into a leading country in gender equality. The Government aims to improve equality ambitiously in different sectors of society. Special attention will be given to enhancing gender equality in the world of work and in families.

Measures

Action Plan for Gender Equality

A broadly based Action Plan for Gender Equality will be drawn up to coordinate measures for achieving a gender equal society in various sectors.

A monitoring system covering all state administrative sectors will be created for monitoring equality. A gender impact assessment will be a compulsory part of public administrative functions in all government departments.

Pay transparency

The elimination of unjustified pay disparities and pay discrimination will be promoted through statutory measures to improve pay transparency. Unjustified disparities in pay between women and men will be addressed more rigorously than at present.

The Act on Equality between Women and Men will be amended to incorporate rights and meaningful opportunities for staff, staff representatives and individual employees to access pay information and address pay discrimination more effectively.

Equal Pay Programme

Pay equality will be promoted by continuing the Equal Pay Programme, which must be more ambitious and effective than before. The key aim of the programme is the commitment of the Government, employers and organisations representing employees to take measures to assess job requirements, to promote equal pay and pay transparency, and to abolish segregation in the world of work. The gender impacts of collective agreements will be assessed as part of the programme.

Preventing discrimination

Discrimination on the grounds of pregnancy will be prevented. Legislation will be clarified to ensure that pregnancy and use of family leave may not affect the continuation of temporary employment. The prospects for improving the job security of employees returning from family leave will be studied, with the findings applied in necessary legislative and other measures.

Discrimination will be prevented in recruitment. An investigation of the feasibility of anonymous job applications will be done.

Family leaves

An ambitious family leave reform supporting the wellbeing of families will be implemented together with the social partners. The aim is an equal division of family leaves and care responsibilities between both parents in families, stronger non-discrimination and equality in the world of work, and reduced pay disparities between the sexes. Families will have more opportunities for choice and flexibility in taking family leave. The reform will be implemented in a way that treats everybody equally, including diverse families, and allows for various forms of self-employment.

The reform should be implemented in a way that gives mothers and fathers an equal quota of months. Earnings-related leaves allocated to fathers will be prolonged without reducing the share currently available to mothers. Family leave must also include a freely chosen period of parental leave. An increased earnings-related component corresponding to the present share for mothers will be paid to both parents.

The reform must satisfy the requirements of the directive on the safety of pregnant workers and the directive on work-life balance.



Child home care allowance will continue in its present form. The prospects for paying the benefit directly to a grandparent caring for the child will be studied.

Objective

3

Stability and trust in the labour market through collective bargaining

The Government supports the Finnish contract society and strengthens the atmosphere of trust on the labour market. The policy of the Government is to prepare reforms in the working life on the tripartite principle and thus seek to develop the working life equally and to reform it effectively. The Government takes steps to protect the weaker parties in the labour market, in other words employees, paying attention to the competitiveness of the country and enterprises and thus securing the requirements for employment. This will enable stability and predictability in the labour market and minimise disruptions, which are key requirements for a stable business environment and new investment.

The Government promotes wellbeing in the working life, ensures equality, increases employees' participation opportunities, promotes company-level agreement and improves the position of the weaker parties in the labour market. The Government supports the generally binding collective agreement system.

Measures

Reform of the Act on Cooperation within Undertakings

The structure and content of legislation on industrial cooperation will be reformed to improve trust between the employer and staff.

An amendment of the Act on Cooperation within Undertakings will support better cooperation at workplaces and ensure meaningful, safe and productive working life. The reform will seek to give employees adequate rights to receive information and influence their work, to increase continuous dialogue, to promote wellbeing at work, and to improve skills.

To boost trust at work and cooperation at workplaces, the participation and status of employees will be improved both in cooperation procedures and in other aspects of enterprise policymaking. The provisions of the Act on Personnel Representation in the Administration of Undertakings governing staff representation will be transferred to the Act on Cooperation within Undertakings. The threshold governing the scope of the

present Act on Personnel Representation in the Administration of Undertakings will be reconsidered to allow for the special characteristics of SME operations.

Local collective bargaining

The Government will seek to increase local collective bargaining based on mutual trust between the parties. Bargaining at enterprise level will be enhanced by ensuring that staff are adequately informed and have opportunities to influence their work, which is a key element in creating the atmosphere of trust required for bargaining.

Local collective bargaining will be promoted through the system of collective agreements with a view to achieving a balanced combination of flexibility and security, and improving employment and competitiveness.

Guidance and support for small enterprises

More guidance and support will be provided to small enterprises and their employees in issues associated with regulation in the world of work.

The necessary measures will be clarified and implemented to enable swifter settlement of employment-related disputes, for example by promoting workplace mediation.

Working time flexibility

The prospects for increasing the flexibility of working time will be examined with a view to balancing the harmonisation of work and family and prolonging working careers. The aim in particular is to improve part-time working opportunities for parents of small children and for those who are caring for elderly relatives.

Restraint of trade agreements

The use of restraint of trade agreements and the prohibition of competing activities will be restricted by clarifying the legislation and enacting balanced provisions on sanctions for the use of prohibited terms and conditions.

Labour protection

Labour protection supervision resources will increase to improve the effectiveness of supervision related to occupational safety, combating the grey economy, monitoring the terms and conditions of service relationships and supervising the use of foreign labour. The flow of information between public authorities will be improved.



Annual holidays

The Annual Holidays Act will be amended. The prospects for greater flexibility in taking holidays and transferring them when changing jobs (for example, through annual leave day banking) will be studied to improve the equality of workers in short-term employment.

Zero-hours contracts

The status of individuals working in irregular casual employment and on zero-hours contracts will be improved. A study will focus on the working time agreed in employment contracts. Stabilisation of working time for persons with variable working hours will be confirmed in legislation.

Work-based immigration and foreign specialists

Finland needs active work-based immigration. The Government aims to increase work-based immigration of experts. The assigned priorities of work-based immigration concern sectors suffering from labour shortages, and the specialists, students and researchers who are essential for leading and growing fields of research, development and innovation. A wide-ranging action programme will be compiled to attain this target.

The administration of work-based immigration is transferred to the Ministry of Economic Affairs and Employment to improve the efficiency of handling.

The Talent operations of Business Finland will be continued and reinforced to support the placement of international talent in Finland and the use of expertise in enterprise growth, globalisation and renewal, and growth of investment.

An action plan will be compiled to improve the employment of international degree students. An investigation will be made on financial support modes to compensate for the tuition fees of non-EU/EEA students studying in Finland if they stay on to work in Finland after graduation. The post-graduation residence permit will be prolonged to two years and will allow the permit holder to take short-term work.

Processing times for work-based residence permits will be shortened by reinforcing the network of foreign missions and applying the recommendations of reports on eliminating processing bottlenecks. Swift and smooth processing of work-based residence permits will be ensured, with a view to achieving an average processing time of one month. Sufficiently rapid processing of work-based residence permits for seasonal workers will be confirmed to ensure that enterprises can satisfy their need for labour. Seasonal workers will have better opportunities to change employer.

Measures will be taken to ensure that people coming to work in Finland arrive with a permit that is intended for working (by such means as eliminating the use of tourist visas). The status of foreign seasonal workers working independently (e.g. berry pickers) will be protected by legislation.

A working life programme will be created to improve the recruitment and diversity skills of employers, and to recognise the skills of immigrants and their development at workplaces.

Reforms will give consideration to preventing the abuse of foreign labour. In accordance with the European mainstream, work-based immigration will comply with the requirement to determine home market labour availability applicable to labour from outside the EU and EEA.

The need for combining regional work permit policy procedures into a larger entity will be assessed with a view to ensuring labour mobility and matching of supply and demand in the labour market, and to greater flexibility in determining home market labour availability.

Immigrant integration

Active integration of immigrants into Finnish society will be reinforced, enhanced and accelerated. The Government will prepare a comprehensive action plan on the need to reform integration measures based on the report of the Audit Committee approved by Parliament.

The quality, binding character and effectiveness of integration services will be improved in both national languages. A format for integration work will be introduced to support the employment of immigrants and their integration into Finnish society. The role of municipalities and the third sector will be strengthened. Work must be accompanied by language instruction, and by vocational training for example.

Positive and active integration will be promoted by strengthening the language and vocational skills of immigrants, accelerating placement in employment, and fostering knowledge of society and social participation. Access to language instruction should be available within three months of receiving a favourable residence permit decision.

Integration of asylum seekers must commence at an earlier stage, even at reception centres. The access of immigrant women to integration and language instruction will be ensured. Multidisciplinary Centres of Expertise in Immigrant Integration will be established and the national dissemination of best practices will be promoted. Recognition of immigrant skills, guidance and the operations of centres of expertise will be strengthened.



Objective

4

Skills provide protection in the transformation of work

Digitalisation and the transformation of work will cause the disappearance of certain jobs but will also mean the creation of new, more productive industries, businesses and jobs. These new opportunities must be supported in all ways by promoting skills, reforms, deployment of new technologies and the dissemination of new ideas. A higher level of skills and competence will be required in most occupations. A new kind of joint effort for training and continuous learning will be needed in the world of work.

The downside of the transformation of work is increasing uncertainty in working life. There are shortcomings particularly in meeting the minimum terms of employment for employees in a weaker position.

Measures

New forms of working

The need for changes in legislation will be studied from the perspective of the transformation of work (entrepreneurs and self-employed persons, the sharing and platform economy, new forms of commissioning work and cooperatives). To reduce the uncertainty of working life, the concept of an employment contract in the Employment Contracts Act will be clarified to prevent employment from arising under the guise of other contractual relationships.

Anticipation and restructuring protection

Anticipation for structural change will be elaborated. Special attention is paid to fields that have pressures for change due to technological advances and climate change.

Restructuring protection will be developed to improve the skills and employment of workers.

Development programme for work and wellbeing at work

To support workplaces, a multiannual national development programme for work and wellbeing at work will be launched to accelerate the renewal of modes of operation and the use of new technology. The aim of the programme is to strengthen the work culture based on cooperation and trust as a competitive strength of Finland, to make Finland the

leading developer of working life innovations in the digital era, and to make Finland the world leader in wellbeing at work by 2030.

The target group of the programme includes employees, employers, working communities and their networks. The programme will be prepared and implemented on a tripartite basis, using the experiences of previous working life development programmes.

A research and development programme for work, health and work capacity will be carried out as part of the programme. The programme safeguards the research related to the work and functional capacity of people of working age essential for developing our service systems.

Skills development at work, and apprenticeships

Conversion, supplementary and further education will increase in working life. The aim is to promote continuous learning, improve employees' employment protection, strengthen adults' missing basic skills and respond to the labour need of different areas and sectors.

New cost-effective service forms will be developed based on the various needs of individuals. Individual training programmes, for example at upper secondary and liberal adult education educational institutions, will be provided by also enabling vocational competence-based qualifications. Special priority will be given to people with low skills, retrained unemployed persons, and those who are at risk of unemployment. Labour market training arranged as joint purchases with enterprises will also increase.

The use of apprenticeship training will grow with a view to securing the first job, and as a channel for retraining and adult education. The allowances paid for the apprenticeship training period will be revised and simplified to ease the administrative burden on employers.

On-the-job learning and the role of workplace counsellors will be strengthened.

The study leave system will be improved and a reform of the adult education allowance will enable its wider use. This reform will support harmonisation of work and studying.

Unemployed persons will have more opportunities to study part-time while looking for work.

The prospects for expanding the functions of the Employment Fund to provide broader support for skills development and maintenance of working capacity among adults will be studied.

Current situation

People in Finland largely share the principles and values that are the building blocks of our Nordic welfare model, created together over the years as a joint effort. The cornerstones of the model are non-discrimination and equality, services in health, wellbeing and education financed by means of tax revenue, high social mobility, and an active civil society. We have not invested in the wellbeing and inclusion of people solely because we have had the financial resources to do so; instead, we have also wanted to become a prosperous nation. The financing base of our welfare state is facing many challenges. Population ageing and low birth rate are leading to a weaker dependency ratio. The demographic changes together with cumulative disadvantage and slower economic growth warrant robust investment horizontally in preventive measures.

Working life is changing, and the present social security system is not responsive enough to all the changes in people's life situations or to the transformation of work. Poverty exposes people to social exclusion, and people who depend on social assistance for their income are also less likely to find work.

The aim of the Finnish service system is to promote and maintain the health, wellbeing, functional capacity, work ability and social protection of the population and to reduce inequalities in health and wellbeing. While these objectives have been achieved for some, others do not get all the services they need or the services at their disposal do not meet their needs. Most Finns are doing well, but there are still significant inequalities in health and wellbeing in our society. People can experience deprivation not only during their lifetime but it can also be passed down from generation to generation.

Finnish family policy is up against new challenges in the form of new kinds of needs and more complexity in families with children. Non-traditional nuclear families already account for around one third of all families in Finland, and the number of blended families and rainbow families is increasing. Existing practices and benefits do not always meet the real needs in families. Our society has so far failed to find sufficiently effective ways to promote the reconciliation of work and family and to ensure more balanced sharing of care responsibilities. Poverty among families with children is most common in single-parent families and in families where children are under the age of three. Access to services, such as couples counselling or divorce counselling, that foster the wellbeing of families and support them when they experience parenting or relationship problems is not systematic or equal across the country.

Social inequality affects people in many ways. It is manifested in poverty and prolonged need for social assistance. Inequality is also reflected in the differences in health and social inclusion between population groups and in the percentage of young people who are not in education, employment or training.



There is strong evidence showing how not only poor health and wellbeing of individual people but also the national economy are linked with social problems, such as unemployment, low levels of education, difficult living conditions, poverty and an intergenerational cycle of disadvantage. Multidisciplinary competence and support is available in the Finnish service system, but despite sustained reform efforts the system is chequered, fragmented and confusing to service users.

The biggest challenges to a fair and equal service system where costs are held in check are associated with the strengthening of basic-level health and social services and the provision of preventive and rehabilitation services. The performance of health centres and social work, services for older people and people with disabilities, child protection services, the securing of linguistic rights, and the promotion of health and wellbeing are being hampered by the fragmented organisation of services, inadequate resources, changing service needs and associated skills shortages in basic-level health and social services.

The content of services is not the only problem; the structures and financing of healthcare and social welfare no longer stretch to securing equal services for all. A restructuring of health and social services is essential especially in terms of financial carrying capacity of the municipalities. Municipalities do not have sufficiently broad resources to fund and organise health and social services.

The restructuring of the Finnish health and social services system has been a long-term ambition. Major obstacles for successful reform efforts have included constitutional requirements, regional differences and the scale and schedule of reform. A successful restructuring of services needs a stronger climate of dialogue and trust between state, regional and local actors.

Objective

1

Promoting wellbeing and reducing inequalities

Finland will be a more equal and equitable country where everyone is valuable and where trust in others and society augments. Inequalities in health, wellbeing and income will be reduced, and social inclusion will be increased. Finland will promote human rights, the economy of wellbeing and people's chances for a good life throughout their lifespan. People living in Finland will have the opportunity to make choices that foster their wellbeing.

Measures

Promoting non-discrimination

While the situation of persons with disabilities has improved in recent years, discrimination is still an issue. Services for persons with disabilities struggle to meet their clients' individual service needs on time. The Government will reform the Act on Disability Services and Assistance to ensure better consideration of individual needs of persons with disabilities. We will also pilot personal budgets for persons with intellectual disabilities, at the same time evaluating the needs for legislative amendments. Disability services will be secured for Swedish speakers.

The right to self-determination for users of healthcare and social welfare services will be strengthened by legislation. We will improve the system of patient ombudspersons and social services ombudspersons. Linguistic rights will be secured in practice, especially for Swedish speakers, Saami speakers and sign language users. Current Care guidelines will be translated into Swedish.

Reducing poverty and exclusion

More people are now at risk of poverty and exclusion. The Government will take decisive action to reduce poverty and exclusion especially among pensioners and families with children. We will also reduce poverty by developing benefits and services as a package. Our goal is to make sure that everyone in Finland enjoys the benefits of higher living standards and more equal distribution of income. We will focus more on risk factors for social disadvantage and the intergenerational cycle of disadvantage and target effective services at risk groups by revamping adult social work.

The Act on Client Charges in Health and Social Services will be reformed to remove barriers to treatment and to increase equality in health by introducing more free services and by making client charges more equitable.

Promoting health and wellbeing

The Government will boost the economy of wellbeing by investing in measures that foster people's health and wellbeing and reduce their need for services.

We will assess the health and wellbeing impacts of decisions comprehensively, and make prevention and treatment of chronic diseases more effective. New low-threshold services in lifestyle counselling and prevention will be introduced.

Addictions will be reduced. To foster preventive work and to harmonise substance abuse services, the Government will update the substance abuse strategy. We will continue



working systematically to reduce smoking and the overall consumption of alcoholic beverages. A cross-sectoral Government resolution on drug policy will be prepared to increase the efficiency of services for drug users and to reduce the harmful effects of drug use. Moreover, problem gambling will be tackled as part of an action plan on gambling.

Drawing on earlier work, the Government will prepare a mental health strategy with a focus on mental health as a resource. The strategy will secure people's mental health rights and mental health services, incorporating them into existing structures. It will also prevent suicides and strengthen the competence of mental health professionals. The legislation on mental health and substance abuse services will be reformed at the same time.

To foster prevention and strengthen public health, the Government will extend the scope of the national vaccination programme (e.g. HVP for boys) and the national screening programme (e.g. colorectal cancer) in controlled ways.

We will modernise the Farm Relief Services Act and ensure continued application of the 'Välitä viljelijästä' model for supporting the coping and wellbeing of farmers. Making the model a permanent practice will be reviewed at the end of the electoral term.

Adequate resources will be secured for prisoners' healthcare services.

We will reinforce the operating conditions of third-sector providers of health and social services, and they will be supported in their efforts to renew and diversify their work and services.

The criteria and practices regarding the funding granted by the Ministry of Social Affairs and Health from national lottery proceeds will be reformed so that the new system will be in force in 2021. The aim is to increase democracy in the allocation process, foster autonomy, reduce bureaucracy and transfer resources from administration to funding grants.

Linguistic rights will be secured in practice in the health and social services system.

Health and social services professionals will be given guidance on the special needs of members of minorities and on how to deal with them in a sensitive manner.

The Government will appoint a broad-based advisory board on sign language matters to assess the implementation of the Sign Language Act and the realisation of the fundamental rights and non-discrimination of sign language users (Ministry of Justice).

Objective

2

Promoting a child and family-friendly society

Finland will be a more child and family-friendly country that is also more inclusive and more equal. The wellbeing of children and young people is paramount. We will support people in their endeavours to reach the family size they aspire to, keeping in mind that there are different ways of forming families and that all family forms are equally valuable. Every child has the right to have a safe adult in their lives.

Measures

Strengthening wellbeing

Towards an equal and child and family-friendly Finland with a strategy for children

Our society is faced with the challenges of low birth rate, population ageing, poverty among families with children and the intergenerational cycle of social exclusion. To respond to these challenges, a parliamentary committee will be appointed to prepare a national strategy for children based on the UN Convention on the Rights of the Child. Its task will be to formulate a vision for a child and family-friendly Finland that spans government terms and crosses administrative boundaries.

The strategy will be based on information and research evidence, and it will promote the implementation of the Convention on the Rights of the Child. Common goals will be reached through cross-sectoral measures promoting child rights-based governance and decision-making and fostering a child and family-friendly society. The Government will pledge to assess the child impacts of its decisions, improve child budgeting, strengthen knowledge about child wellbeing and foster the inclusion of children and young people.

There will be broad-based commitment to the goals of the strategy, ranging from the central government to private and third-sector operators, the church, and other public operators, such as municipalities, joint municipal authorities, higher education institutions and education providers. Preparations for the strategy will utilise earlier work, including the report “Child’s Time – Towards a National Strategy for Children 2040”.

Most families are doing well, but every family needs some support from their social network or society. In our policy making, we will take into account the wide range of families and the complexity of circumstances. Involuntarily childless families will be offered different kinds of support in their aspirations to have children, and equal access



to infertility treatments will be ensured. The Government will advance the proposals for measures put forward by the working group on alternating residence.

Every child and young person has the right to physical integrity. The Government will strengthen sex education, and prepare an action plan against bullying and loneliness.

Improving services for families with children and securing their income

The Government will support families with children by introducing ways to foster families' wellbeing and measures to prevent and address problems. We will lower the threshold for mental health services for children and young people and improve the timing and availability of services within the scope of basic-level health and social services. We will reinforce the links between mental health services and existing services for children and families and other service structures. We will secure preventive substance abuse services for minors in both regional and linguistic terms. We will step up cooperation across administrative branches and ensure free flow of information.

The Government will continue the programme to address child and family services. We will bring the family centre model into wider use, and the role of maternity and child health clinics will be developed. We will reinforce couples counselling and parenting support services, and child guidance and family counselling services will be improved. Preventive services for families under the Social Welfare Act will be strengthened, and the eligibility criteria for families to qualify for home services will be eased.

While ensuring each child a good life is a broadly accepted social goal, services or support do not always reach children, young persons and families on time. Child protection services are under-resourced in our country in relation to demand. To secure the rights and wellbeing of the most vulnerable children, a gradually tightening minimum staffing level will be introduced in child protection services, starting from 35 clients per professional in 2022 and reaching 30 clients per professional in 2024. Child protection services alone will not be able to meet the needs of children, young people and families who need a lot of support. To this end, we will secure multidisciplinary services for people with special needs and distribute across the country the team model based on collaboration between professionals from different fields.

After-care services in child protection will be developed. Young people will be provided sufficient support on their road to adulthood.

The availability of shelter services for victims of domestic violence and intimate partner violence will be raised to the level provided in the Istanbul Convention. We will secure

sufficient services and rehabilitation for mothers and families with substance abuse problems. Finnish children do not get the recommended amount of physical activity, and wellbeing indicators show growing degrees of polarisation. We will promote on a broad basis physical activity, weight control, healthy diets and alcohol and drug-free lifestyles among children and young people.

Gender minority members and their families will be provided individualised services when they need them.

There will be a national experiment on free contraceptives to everyone under the age of 25. Making the experiment a permanent practices will be decided at the end of the electoral term, taking into account the outcomes of the experiment. Positive attitudes towards vaccination will be endorsed, and vaccination coverage will be improved.

Linguistic rights will be secured in practice.

Objective

3

Fostering an age-friendly society

Finland will be a more age-friendly society that recognises and prepares for the social effects of its ageing population. Older people are not only service users; they are also an important resource in society. The aim is to raise the number of healthy years, improve people's functional capacity and secure efficient and timely services.

Measures

Reinforcing wellbeing and functional capacity

The Government will prepare a horizontal programme on ageing in collaboration with ministries, municipalities, third sector organisations and other actors. We will bring the preventive measures against memory disorders in step with the prevention of other chronic diseases.

An office of an ombudsperson on older people's rights will be established. We will improve lifestyle counselling, guidance and support services. We will also introduce 'wellbeing checks' and better assistance to clients. Special attention will be paid to those who will be retiring soon. We will monitor and improve the quality and availability of nutrition services and the potential for social eating both for older people living at home and for those living in care units.



The versatility of service providers in the field will be taken into account, and different forms of care services, including family care and other intermediate solutions, will be further developed.

The number of war veterans and war invalids is diminishing. As they grow older, they and their families will need more support. The Government will secure the support and services for our war veterans and ensure quality services across the country.

Improving services

We will reinstate trust in the quality, timeliness and availability of services for older people. An evidence-based increase in resources and reorganisation of practices based on the roadmap will be implemented according to plan and in such a way that the correct allocation of resources and measures is ensured.

Longer life expectancy means that the number of pensioners will grow sharply. People will stay healthy and maintain their functional capacity longer, but the need for services will grow nevertheless. The Act on Care Services for Older Persons will be updated, and the scope, quality and effectiveness of services for older people will be improved.

We will enact a statutory minimum staffing level of 0.7 for care personnel in units providing 24-hour care. Care intensity will be used as the main criterion for determining appropriate staffing levels. We will review the division of work in support services, among others. The increase in staff levels will be implemented in stages by launching a goal-oriented development programme that will be used to finance the path towards a plausible staffing level securing sufficient care for older people.

Since most older people will live at home, the quality and resourcing of home care will be developed alongside 24-hour care provision. We will also develop informal care.

In addition to more resources and updated legislation, the service system must be developed as well. We will strive to find solutions to the challenges of today and tomorrow by bearing in mind the importance of competent and wellbeing staff and the possibilities of a goal-oriented human resources policy and integration of operating cultures.

New methods and technologies will be introduced in the field, and we will reinforce managerial skills in services for older people. Moreover, we will ensure the appeal of the sector, and secure the availability and skills of personnel.

We will also improve both self-supervision of service providers and local and national supervision. Linguistic rights will be secured in all services for older people. The Government will continue to promote rational pharmacotherapy.

Objective

4

Improving healthcare and social welfare services

Finland will be a country where everyone has equal access to care and treatment when they need them. Health and social services will be efficient and cost-effective, and will be based on people's needs and life situations in flexible and comprehensive ways. Better services will strengthen trust among service users and professionals.

Measures

Improving access to basic-level health and social services in health and social services centres of the future

Everyone will have access to quality primary healthcare and basic social services when they need them. The variety of service providers and the availability of locally accessible services will be taken into account. The Government will launch a development programme for health and social services centres of the future, and it will be closely linked to the preparations and implementation of the restructuring of health and social services. The purpose of the development programme is also to strengthen people's trust in public healthcare and social welfare services.

The maximum waiting times for access to primary healthcare will be shortened so that access to non-emergency care must be arranged within a week (7 days) of the assessment of need for care. The National Institute for Health and Welfare (THL) has estimated that in the present system the seven-day cap on waiting times would mean that health centres would have to recruit from 1,600 to 2,600 new doctors. However, a lot can be achieved by improving the system and the field in general through various broad-based measures.

We can bring down the maximum waiting times for access to primary healthcare by recruiting approximately 1,000 new general practitioners by creating multidisciplinary health and social services centres that harness the possibilities of digitalisation and modernise division of work to make better use of different professionals' skills and of specialist consultations. Of the estimated 1,000 new GPs, around 300 GPs can be recruited by the filling of long-term vacant posts and by hiring new in-house doctors to replace temporary outsourcing arrangements. This requires that the health and social services



centres across the country are made into more attractive workplaces than the current basic-level services.

With these measures, the focus of healthcare services will be shifted from specialised healthcare to primary healthcare.

Health and social services centres will provide both social services and primary healthcare services close to people, and their selection of services will include at least primary healthcare, oral health, social work and home care as locally accessible services, at-home hospital care, basic-level mental health and substance abuse services, outpatient rehabilitation services, chronic disease prevention, maternity and child health clinics and other preventive services.

We will reorganise the practices and division of work of professionals in the field of healthcare and social welfare. Tasks will be divided among a larger group of different professionals. Multidisciplinary teams and better division of work will guarantee the continuity and effectiveness of care, smoothly running services, and effective cost management. The Government will prepare a development programme for social welfare and make social welfare services better available in the health and social services centres of the future.

The health and social services centres of the future will provide client-centred services and foster good management and safeguard skills development and wellbeing at work for all personnel. Research and development activities will become a broader extension of basic work. Services will be made more client-centred by increasing the availability of services during weekends and evenings and by establishing new low-threshold service points. We will also introduce digital and mobile service solutions. Moreover, we will ensure more efficient use of information resources and further develop information systems.

Additionally, better availability and quality of oral health services and mental health services play a central role in the overall restructuring of health and social services. Prevention and effective treatment of chronic diseases will be improved.

All undocumented migrants will be secured necessary care and treatment.

Vaasa Central Hospital will be turned into a hospital providing extensive emergency care services.

In addition to the focus on primary healthcare, the Government will review the overall system of healthcare and social welfare services. We will safeguard the provision of emergency care services in central hospitals and secure the availability of skilled labour

without jeopardising patient safety or the functioning of the service system. If there are special reasons, we can decide to depart from the provisions on the division and centralisation of tasks in specialised healthcare. The Government will decide how tasks will be divided and collaboration developed, taking into account the common position of catchment areas for highly specialised healthcare.

We will restructure the service system.

Developing the service system and launching new reform projects

We will redesign rehabilitation services based on the work of the rehabilitation committee. The system of rehabilitation services will function seamlessly and it will improve and support people's functional capacity.

By means of legislative provisions, we will implement a development programme to secure end-of-life care, palliative care and pain relief that respect human dignity for all. The effectiveness of cancer treatments will be improved.

Registers on the quality of treatment will be created, client satisfaction will be enhanced, and care and treatment practices will be improved in cooperation with service users.

We will ensure long-term resources for research and development in healthcare and social services (including nursing care and the central government funding for university-level research in healthcare units). We will create a research and development structure for social welfare. The Government will continue and tighten the temporary restrictions on legal transactions by municipalities with regard to investments and outsourcing, designed to secure equal access to services pending the health and social services reform. The Government will secure cost-effective availability of emergency medical helicopter services across the country.

The governance of the Social Insurance Institution of Finland (Kela) and the functioning of its services will be reviewed. We will examine the possibilities of introducing a registration procedure for some of Kela's services subject to competitive tendering. We will make an ex post review of the functioning of the transport services provided by Kela and local authorities since the entry into force of the new Act on Transport Services and propose amendments where necessary.

The ownership steering of Alko Inc. will be retained at the Ministry of Social Affairs and Health, and its current exclusive right to retail trade will be safeguarded.



We will examine the possibilities to regulate complementary and alternative medicine.

Based on a unanimous report of the Social Affairs and Health Committee in 2018, flaws in the system of authorised doctors specialised in insurance policies will be remedied.

Active collaboration across ministries will be continued to develop a research and development ecosystem in the health and social services sector. We will ensure that the measures proposed in the Health Sector Growth Strategy for Research and Innovation Activities from 2014 are implemented without delay. The Government will promote the establishment and start of operations of new national centres of excellence.

New legislation on genomic databases and biobanks will be enacted. We will review the possibilities to deploy healthcare and social welfare data in health R&D, while guaranteeing a high level of data protection.

The Government will examine the necessity of reimbursement for foods for special dietary use.

Pharmaceutical services will be reformed on a long-term basis, taking into account the roadmap presented by the Ministry of Social Affairs and Health in 2019. The objectives are to make pharmaceutical services more cost-effective, safeguard pharmaceutical safety and guidance, and secure the availability, accessibility and smooth running of services.

The Government will finalise the government proposals to reform the pharmacies sector, which lapsed during the previous government term after prolonged preparations, and re-submit them to Parliament as soon as possible. A review will be carried early on during the government term to establish comprehensive picture of retail distribution and formation of retail prices of medicines. This will serve as a foundation for overhauling the pharmacies sector. The Government will use the review as a basis when examining the possibilities of expanding the ownership base of pharmacies.

3.6.1 Restructuring of health and social services

The central objectives of the health and social services reform will be to reduce inequalities in health and wellbeing, safeguard equal and quality health and social services for all, improve the availability and accessibility of services, ensure the availability

of skilled labour, respond to the challenges of changes in society, and curb the growth of costs.

The challenges in the service system vary across the country. Areas affected by population decline and ageing are experiencing problems in the availability of health and social services. In other areas, such as the Greater Helsinki region, health and social services are dealing with pressure from population growth and a growing number of migrants.

The Government will start preparations for restructuring health and social services, taking into account the work done during previous electoral terms and making sure that relevant constitutional requirements are met. The restructuring will be carried out in a controlled manner and in stages.

The focus of the healthcare and social welfare system will be shifted towards basic-level services and prevention. Services will be integrated, care chains will run smoothly and people will get sufficient and effective services when they need them.

The health and social services reform will transfer the responsibility for organising health and social services to self-governing regions (counties) that are larger than municipalities. The responsibility for organising rescue services, too, will be transferred to the counties. There will be altogether 18 autonomous counties. Separate legislation will be enacted on the functioning, finances and governance of the counties. Decision-making power in the regions will rest with directly elected councillors, and we will strengthen participation of county residents and reinforce user democracy.

People will be allowed to use services across county boundaries. Counties will carry out some of their tasks in cooperation with other counties. Five collaboration areas for specialised services will be created. They will be based on the existing catchment areas for highly specialised healthcare.

The public sector will be the primary service provider in the counties, with the private and third sectors serving as supplementary service providers. The role of municipalities as service providers will be resolved on the basis of a separate analysis by the end of 2019. Third-sector organisations will be given a stronger role in the promotion of health and wellbeing and their possibilities to provide services will be safeguarded.

The Government aims to secure equal access to smoothly running services and reinforce service users' right to self-determination. With this objective in mind, we will prepare an amendment of the Service Voucher Act and draw up guidelines to introduce personal budgets as part of the health and social services reform.



We will make health and social services more effective and better performing, and growth in costs will be curbed and the service system will be made more open and transparent.

The counties will receive most of their funding from the central government. We will reform the system for financing health and social services so that it is structured on needs-based criteria. The Government will immediately start preparations to introduce county income taxation. On their entry into force, the changes to the tax structure must not result in tax increases. The counties will be able to collect client fees stipulated in legislation.

Separate from other preparations, a parliamentary committee will conduct preparatory work on the right of counties to collect taxes and the dismantling of multisource financing by the end of 2020.

We will enhance real estate management in health and social services and in rescue services to create a comprehensive real-estate specialist and owner, either by making use of regional real-estate managers or by creating a national operator co-owned by the counties. The Government will assess the need for further measures in the early stages of preparations. It should be possible for the counties to genuinely have a say in the administration and use of the facilities in their use.

We will need well-functioning information systems and data management systems, comprehensive knowledge-base and a uniform reporting system for the restructuring of health and social services. During the transition phase, we will safeguard the integration of information systems, preparations of ICT solutions and funding of other work to develop health and social services.

The health and social services reform and the future organisation of services will take into account regional characteristics where possible. The Government will conduct a study by the end of the year on special arrangements for Uusimaa, the Greater Helsinki region or Helsinki, in cooperation with the cities and municipalities located in the area.

Synergies from the close links between rescue services and prehospital emergency medical services will be secured in the restructuring of health and social services. As part of the restructuring, the Government will review the organisation of environmental healthcare.

The health and social services reform will safeguard quality, client-oriented services on an equal basis for Finnish speakers and Swedish speakers. In practice this may involve special arrangements for language reasons.

To develop services and management in healthcare and social welfare, we need evidence-based information and knowledge-based management. Healthcare and social welfare professionals will be closely involved in preparing the reform and in developing services.

Full service integration in terms of healthcare and social services and basic-level and specialised services and seamless cooperation between different professions will ensure that services are not fragmented and that all counties have the conditions and incentives to plan their services as packages. The aim of service integration is to create coherent service chains and ensure better care and treatment for people who are frequent users of services.

Basic-level health and social services will be provided close to people. To increase the supply of home-delivered services and to make services more readily accessible, we will develop new digital and remote services. Moreover, to develop and improve the quality of services, we will harmonise the knowledge-base in healthcare and social welfare.

We will foster the wellbeing of children, young people, older people, vulnerable people and people who need multiple services by means of collaboration between counties and municipalities. Services will be designed to strengthen the abilities of people of all ages to look after their own health and wellbeing.

We will raise separate central government funding to reinforce research and competence in social work. Research into service integration in healthcare and social welfare will be boosted with more funding.

A parliamentary study will review the tasks of the National Supervisory Authority for Welfare and Health (Valvira) and the regional state administrative agencies with regard to the supervision, licensing and guidance of health and social services as well as the reorganisation of other tasks of regional state administration.

The autonomous regions will enable a gradual transition to multi-sectoral counties. This will be prepared in a parliamentary process by the end of 2020. A study will examine which duties of municipalities, joint municipal authorities and the state are to be transferred to counties. The Government will prepare the necessary legislation once the parliamentary work has been completed.

3.6.2 Reforming social security

Social security is an investment for the future. It allows people to lead fuller lives and brings freedom and inclusion in ways that also benefit the whole of society. The focus in reforming social security should be on securing social justice and on protecting income security for people who are faced with social risks. Essentially, we need to make the system more reliable, comprehensive and easier to understand.



There are many reasons why our social security system needs reforming.

- The ongoing transformation of work challenges the functioning of the existing system and its concepts and definitions.
- Over the years, services and benefits have been developed separately and at different speeds. They must be made more interoperable so that people's needs in today's society can be met.
- At the moment, people do not always get support when they need it the most, or they do not always have access to the services or benefits they need. At worst, they do not receive any support at all.
- Since the level of basic social security is low and the benefit system is very complex, the role of social assistance has grown. Originally, social assistance was designed as a last-resort, short-term benefit, but it has evolved into a long-term supplement to basic social security.
- Our present social security system is complicated and hard to understand. When people who undergo life changes and experience a range of life situations and when sector borders are crossed, the fragmented nature and unpredictability of the system is highlighted.
- We need a high rate of employment to secure a sustainable welfare state.

The Government will launch a reform of the social security system, which will build on the work carried out in connection with the Toimi project. A parliamentary committee will be set up to prepare the reform based on research information. Preparations will be carried out horizontally on a broad basis, drawing on expertise from various sectors.

The committee will address questions related to basic social security, earnings-based benefits and social assistance. The committee will also examine the financing and connections between these forms of support. Attention will also be given to ways to better integrate services with benefits. The work must focus in particular on special groups that currently fall between the systems. The committee will not discuss old-age pensions. The committee's work aims to achieve a long-term perspective in developing the structure and operation of social security. To this end, a roadmap extending over the next two parliamentary periods will be drafted, with milestones to which the present Government can react.

The reform aims at a clearer and more streamlined system, where people can balance work and social security in changing life situations. Social security must respond to people's need for a meaningful life and sense of inclusion and help create opportunities for employment, entrepreneurship, active individual initiative, participation and lifelong learning in all situations. The aim is to make work pay and to ensure that people can clearly anticipate their take-home pay. Social security must guarantee people dependable

security in different life stages and life situations without unnecessary breaks and administrative obstacles.

The committee will examine and prepare the necessary measures to harmonise legislation on basic social security benefits that are hierarchically equal. In the same connection, the reform will also examine benefits relating to studying, for example. Provisions on the basis of which earnings-based benefits are granted will be harmonised. The reform will ensure that the benefits and services covered by social security (employment, education and health services, rehabilitation, debt counselling and social work) are better integrated with flexible and timely links to the other forms of social security. Access to the right services must be available irrespective of benefits. The reform will support the balance between the rights and obligations of individuals in a way that is also compatible with general government finances and measures to improve employment. Discretionary benefits will be needed in addition to basic social security.

Social security must respond to the constitutional obligation of providing essential income support and assistance. We will carry out the reform without jeopardising the level of basic social security and we aim to diminish the need for long-term social assistance. Digitalisation will help make social security simpler and easier to understand. Linguistic rights and accessibility will also be ensured.

General housing allowances will be developed so that they better respond to the specific needs of individual people, and the knock-on effects of the allowances on other benefits will be taken into account. As part of the basic social security, general housing allowances should make it possible for everyone to find reasonably good accommodation at a moderate price. We need to remodel the support in a way that brings better incentives for work. The committee will explore how general housing allowances should be revamped independent of other benefits. It is worth bearing in mind that assistance for housing is strongly linked to housing policy.

Objective

1

Protecting income security and reducing poverty among older people

Measures

We will use EUR 183 million to increase the smallest pensions by around EUR 50 a month in net terms. According to our assessment, the increase would be targeted at those whose



pension is less than EUR 1,000 a month. The increase will be implemented through the national pension and guarantee pension systems.

We will start a tripartite review on how to improve the status of pensioners with the lowest earnings-based pensions within the employment pension system. The review will also examine ways to introduce a net increase of EUR 100 to pensions that are less than EUR 1,400 a month without increasing the level of pension insurance contributions.

The Government will prepare a merger of municipal and private sector pension systems based on the proposal put forward by the working group on separate pension systems.

The number of pensions available for artists and athletes will be increased.

The Government will examine the situation of people whose total pension is below the level of guarantee pensions.

The main objectives of employment pension policy are sustainable economic dependency ratio, sufficient level of pensions, sustainable financing, and just division of resources between generations. The Government will prepare amendments to the employee pension legislation on a tripartite basis.

Objective

2

Improving the position of families with children

The income security of single parents and families with many children.

Measures

The status of alternate parenting families will be enhanced with regard to general housing allowance and other forms of social security.

The Government will improve the income security of low-income families with children. It will monitor trends in the financial resources of families with children and take consistent action to reduce poverty among families with children throughout the government term. It will use child impact assessment in all decision-making.

The Government will increase the single-parent increment linked to child benefits so that families who live on social assistance will also benefit from the increase. Child benefits

for the fourth and fifth child will be increased. We will also increase child maintenance allowances and the family provider increment linked to study grants.

Objective

3

Reducing inequalities

Measures

Reducing poverty and inequalities will be a central objective guiding all decision-making in the Government. We will increase basic social security. Study grants will be tied to the cost-of-living index in 2020, first partially and later fully. In every government budget session the Government will review the possibilities, within the spending limits, of increasing funding to reduce poverty and inequalities.

Coordinating earned income and social security

We will make it easier to coordinate income from paid work, self-employment and other sources within the social security framework, particularly with regard to unemployment benefits.

Adjusted unemployment benefits will be reformed so that people whose working hours are not monitored are not excluded from the system, and so that people with different monthly working rhythms are treated equally. The aim is to compensate financial losses caused by unemployment, as the purpose is not to safeguard an earnings level.

We will continue the development work on combined unemployment insurance in the context of reforming social security.

Different models for improving the social security and pension security of entrepreneurs and the self-employed will be reviewed.

We will continue to develop the time-at-work requirement, which is a condition for receiving daily unemployment allowance, with the objective of better acknowledging labour market changes and the opportunities provided by digitalisation.

There will be a feasibility study to review the possibilities of extending the general earnings-based unemployment security system to all unemployed jobseekers who meet the time-at-work requirement.



Clarifying the social security system

Since the level of basic social security is low and the benefit system is very complex, the role of social assistance has grown. The complexity of the benefit system often relates to different benefits and/or other forms of income being combined or to transitions between them. Basic social security must be developed without jeopardising its level. The restructuring must also ensure the protection of personal data.

The Government will clarify the system by implementing a comprehensive social assistance reform to guarantee sufficient last-resort financial assistance and timely services for people in need of social support.

We will examine the reasons for having to depend on social assistance, especially among young people, and find ways to address the issue.

The buffer system in social assistance will be clarified and obstacles to work will be removed.

Legislation will be amended to promote the use of digitalisation and artificial intelligence when applying, handling and making decisions on social security benefits.

We will harmonise terminology and payment periods (for example, conditions for the applications process, terms relating to income and families, payment dates and times including public holidays). Discussions on earnings-based benefits as a whole require tripartite cooperation. We will ensure consistency in the concepts used between the systems of earnings-based security and basic social security.

Clients will be provided a system that is easier to understand and possibilities to apply for several benefits using a single application while improving the system's transparency.

The use of the National Incomes Register will be promoted in social security, particularly with regard to atypical employment relationships.

The information content of the National Incomes Register will be broadened, especially in view of the changing world of work (for example, more flexible payment of unemployment benefits). This requires a separate project to be financed through investments in the future.

The current unemployment benefit system includes people who are not capable of work. We will specify in more detail the conditions for qualifying for benefits to ensure that people receive the benefits they need. Attention will focus on sickness allowances,

rehabilitation support and unemployment allowances. Consideration will also be given to the possibility of linking benefits to functional capacity instead of diagnoses.

We will address the situation in regard to people who are suffering from illnesses due to poor indoor air quality to ensure that those among them who are incapable of working or unable to work in the workplace premises due to poor indoor air quality are not left without income security.

Problems relating to the housing allowance for students and the way cohabitation is interpreted will be addressed and solved.

Coordination of benefits and services will be improved as follows:

- Improving the timeliness of services. Implementing the proper targeting of services and resources as part of an effective restructuring of the social security system.
- Amending legislation and practices to improve cooperation between the Social Insurance Institution of Finland and local authorities so as to recognise the needs of social work and to provide customer guidance and personal services for those in the most vulnerable position.
- Developing the inclusive and preventive dimensions of services related to social income transfers. We will draw on multi-actor work practices, outreach work and cooperation. We will overhaul management and collaborative structures. We will boost the use of preventive social assistance as a tool in systematic social work, and especially in child protection, by creating national criteria for granting the benefit.
- Harnessing significantly the use of digitalisation in early support services and in supporting the effective caring of clients who use multiple services. Linguistic rights and accessibility will also be ensured.

Using trials and smaller experiments to restructure basic social security:

- We will ensure the scientific sustainability of the trials.
- We will pilot projects related to bureaucracy and information, for example (Government's analysis, assessment and research activities)

Index adjustments will be implemented in line with the National Pension Index and the consumer price index (as of the beginning of 2020).

There will be a trial on basic income, drawing on the outcomes of the basic income experiment of the previous government term.



3.7 Finland that promotes competence, education, culture and innovation



Current situation

Education and training provide the best safeguard against exclusion and lack of prospects. Having invested in education, research and innovation to foster economic growth, we paved the way for building a welfare state and for boosting productivity. An equal society seeks to provide opportunities for every citizen to study to their full potential. By the same token, we hold learning and educational achievement in high regard. Education and culture are an important part of our value system and are considered to be a means of guaranteeing individual freedom.

By international standards, we have a reputation for having created a top-performing system of comprehensive school education. However, inequality, exclusion and differences in learning outcomes are beginning to threaten the Finnish success story. Those born in the 1970s are likely to be the age cohort with the highest level of education in Finland, leaving all others behind. What is more, we have not been able to keep up with the trend towards more international systems of education in our increasingly globalised world.

Regional, socio-economic and gender disparities and the correlation between the level of parental education and the performance of children have all become more noticeable in learning and educational achievement. We also have marked gender segregation of education and work. The educational achievement and skills of first and second-generation immigrants, people with disabilities and other groups in a vulnerable position lag behind those of the rest of the population. Studies indicate that commitment to education during the early years has a major impact on educational achievement later in life. In Finland, the participation rate in early childhood education and care lags far behind that of the other Nordic countries. Meanwhile, problems with children's and young people's ability to cope and mental health have increased to an alarming extent.

Despite an upper secondary qualification having been recognised as the minimum level of education for anybody to find work and participate in a modern society, 16 per cent of the age cohort fails to complete this educational level. While the vocational education and training reform has rightly sought to increase workplace learning, so far it appears to have failed to deliver the desired skills.

To promote employment, we need a strong commitment to education and skills. The changing demands of work will significantly increase the need for upskilling and continuous learning. To respond to the rapidly developing needs of working life, education providers will have to become more agile. However, those who most need education and training are the ones with the lowest participation rates.



Finland's expenditure-to-GDP ratio for research, development and innovation is currently 2.8 per cent against a target of 4 per cent by 2030.

Objective

1

The level of education and competence among the population will rise at all levels of education, differences in learning outcomes will decrease, and educational equality will increase

Measures

By the end of 2020, the Government will draw up a roadmap for skills and learning in 2030, outlining the shared long-term measures to increase the level of education and competence in Finland, to increase equality in education, and to reduce the differences in learning outcomes. The Government will then begin to follow the roadmap and take appropriate action. The roadmap will examine the entire education system and its development in both national languages with a view to ensuring that education, culture and skills continue to build the foundation of our society, to create jobs and sustainable growth, and to provide tools for strengthening Finland's influence around the world.

We will carry out a comprehensive review of the special features, challenges and development needs of education provided in Swedish (from early childhood education and care to higher education), and we will create a long-term action plan to ensure parity.

We aim to draw up an accessibility plan for higher education that will include a review of how universities and universities of applied sciences realise equality in terms of social aspects, regions and languages. The review will also identify the obstacles minority groups are facing when seeking higher education. We will then take appropriate action on the basis of the review outcomes. We plan to introduce clear and measurable targets to facilitate access to education and boost the rate of completion among the underrepresented groups.

Each county will have a higher education institution. We will secure the operating conditions for the university centres.

The Vision for Higher Education and Research in 2030 includes a commitment to increasing the share of higher education graduates to 50 per cent of young adults by 2030. Over this government term, we will increase the number of available student places in tertiary education with a view to increasing the general level of education, reducing the backlog of applicants and addressing the lack of skilled workers across sectors and regions.

As part of this increase, we will ensure that the number of available student places at universities and universities of applied sciences meet the needs of society and that the number of places is based on employment foresight for each sector and region, while keeping in mind that higher education also creates new jobs.

Besides increasing the number available student places, to enable 50 per cent of the age cohort to complete a higher education degree by 2030 we will continue our efforts to allocate student places particularly to those applicants who will study for their first higher education degree. We also plan to develop alternative options for gaining admission to degree education for those who wish to retrain or gain further qualifications.

In order to improve learning outcomes and tackle inequality, we aim to introduce an action plan for quality and equality in comprehensive school education.

We will advocate the learning of basic skills during the early years by reconfiguring pre-primary education and the first two years of primary school into a more coherent system that allows pupils to move flexibly to the next level after they have gained the required basic skills.

As part of this approach, we will examine the possibility of providing pre-primary education over a two-year period.

We will support the development of management systems and competence at schools. We will commit to the long-term development and funding of comprehensive school education and to the implementation of the curriculum.

We must secure equal opportunities for pursuing individual learning pathways. We intend to do this by funding positive discrimination, encouraging more flexible teaching and providing adequate support. We will reinforce the position of schools as community hubs and advocates of wellbeing.

We will also examine the effectiveness of the legislation on special needs teaching, including the principle of inclusion contained in that legislation and the allocated resources. We aim to approach these subjects from various perspectives; for example, how equality of students is realised and how teachers are coping.

We will include teachers, researchers and families in the long-term development of comprehensive school education.



We must pay particular attention to the growing inequality recognised within and between schools, in larger towns, between regions, in learning outcomes between genders, and among first and second-generation immigrant children and young people.

We will draw up a specific programme that will ensure the learning conditions for first and second-generation children and young people and secure their transition to the next level of education. We will make the teaching of Finnish or Swedish as a second language compulsory in early childhood education and care and commit to efforts to supporting first and second-generation students during their transition to the next level of education.

In our horizontal efforts to reinforce educational equality, we will also take into account healthy premises, housing policy, regional development and, for example, development of suburban areas.

We will ensure that, having completed their comprehensive school education, every student gains an upper secondary qualification:

- We will improve student guidance and student welfare services, along with the capacity of comprehensive schools to provide everyone with the skills to complete upper secondary education.
- We will raise the minimum school leaving age to 18 years. With this in mind, we plan to introduce a range of study and support options for compulsory education, such as voluntary additional primary and lower secondary education, folk high schools, workshops, rehabilitation and preparatory education, which may be included in the range of upper secondary qualifications. However, compulsory education cannot be extended unless the fees for upper secondary education are abolished. As part of preparing for the extension, we will investigate the reasons why students discontinue their upper secondary education, and take the appropriate measures to address them. We will also carry out a study on non-fee-paying upper secondary education and a reduction in learning material costs and, based on that, take the appropriate measures to implement upper secondary education that is genuinely free of charge.
- In the context of compulsory education, we will develop preparatory education and guidance in transition phases to help students move on to the upper secondary level. The need for budget appropriations must be verified for each form of study and type of support. The providers of the various forms of education whose task it is to fulfil the compulsory education obligation will receive full compensation for the costs arising from this task. With regard to the statutory provisions on education and training for immigrants, this compensation is already in place.

We will implement a parliamentary reform of continuous learning, responding to the people's lifelong need for upskilling and reskilling. This comprehensive reform will apply

to each point of the educational pathway at which the educational system interfaces with the provision and funding of education, social security, relocation security, unemployment security, independent and labour market training, and recognition of prior learning. The reform of continuous learning will be implemented through tripartite cooperation with the education providers.

At each level of education, we will develop the activities, guidance and funding with a view to creating a comprehensive national system of diverse continuous education that focuses on meeting the needs arising in the world of work.

We will draw up national principles for recognising and acknowledging learning. The principles will seek to make visible the competence which individuals have gained by various means in working life and in the education system.

We will create comprehensive services for lifelong guidance in order to ensure equal opportunities for continuous learning, and to enable a strategic approach to guidance, both from the perspective of individuals and from the viewpoint of society. Guidance will also help those groups who are currently underrepresented in adult education to participate in continuous education. We recognise that the transformation of work and the digital shift create a special challenge in that they will have the biggest impact on jobs with low educational requirements. This highlights the importance of retraining population groups whose engagement in adult education is currently low.

We intend to implement near-term measures to respond to the shortage of skills and to train adults with a low level of basic skills.

Degree education will remain free of charge.

Objective

2

Children and young people will feel well

Measures

As part of early childhood education and care and primary and lower secondary education, and in line with the Child Strategy, we will promote low-threshold support services for children, young people and families, such as maternity and child health clinic activities, psychologists' services, home help services and family counselling, employment



services, and high-quality student welfare services. In addition, we will reinforce the language training provision for immigrant parents who are not in work.

We plan to improve student welfare services at all levels of education so that all children and young people receive the support they need. We will lay down provisions on binding levels of student welfare services at the upper secondary level. We aim to develop a three-tier model for early childhood education and care and strengthen the three-tier support in comprehensive schools by increasing the resources for collaborative team teaching, special needs teaching and study guidance.

We will strengthen the study guidance provided at different levels of education. As part of our preparations for raising the compulsory education age and introducing free upper secondary education, we plan to investigate the possibilities of instituting a binding number of guidance counsellors in upper secondary education, of extending the obligation to provide guidance for former students to vocational education and training, and of providing study guidance for the transition from comprehensive school to the upper secondary level. We will improve the capacity of first and second-generation immigrants to access further studies by providing more study guidance and multidisciplinary collaboration with their families.

We will guarantee every child and young people a genuine opportunity to pursue a leisure activity of their choice as part of the school day. We plan to create a Finnish version of the Icelandic model. We intend to reinforce and improve the quality of the schools' morning and afternoon activities, clubs and cooperation with the municipalities and third-sector providers. We will launch preparations for promoting free-of-charge leisure activities during the school day.

We will further develop our healthy, communal and ecological school meals and, as part of our work to reorganise the school day, explore the possibility of providing a snack.

We will reinforce a collaborative culture in schools and the role and influence of students in school communities. We will have a zero tolerance rule against bullying and will offer school staff and students training for recognising and tackling bullying. We will also pay attention to preventing and recognising discriminatory bullying. We aim to extend the identified best practices nationally and secure the continuation of effective projects. We will develop a programme for preventing bullying in early childhood education and care.

Objective

3

Education and training will enhance gender equality and non-discrimination in society

Measures

We will implement an action plan to improve the quality and equality of early childhood education and care and to increase the participation rate. As part of the action plan, we will extend the pilot of free part-time early childhood education and care for 5-year-olds, pilot a two-year pre-school, create a pathway from maternity and child health clinics to early childhood education and care, and develop a model of three-tier support for early childhood education and care. We will create a research project around the action plan to follow up the impact and outcomes of the measures.

We will develop the maternity and child health clinics into a pathway to early childhood education and care. We have decided to implement a multidisciplinary and universal research-based intervention project extending over several years for one age cohort, to be implemented at maternity and child health clinics with a view to increasing the long-term rate of participation in early childhood education and care.

We will implement a subjective right to full-time early childhood education and care, and we will reduce the group sizes for over 3-year-olds (1/7 ratio).

We aim to ensure the availability of early childhood education and care professionals throughout the country.

We will draw up quality criteria for early childhood education and care.

As part of developing early childhood education and care with the view to integrating it in every child's educational pathway, we will monitor and advocate the principle of local early education centres that is advancing in some towns.

In the long term, we seek to progress towards part-time free-of-charge early childhood education and care.

We will assess the staffing and additional training needs for all staff groups in early childhood education and care. In allocating available student places for teacher training, we will pay attention to the availability of teachers in early childhood education and care in terms of languages and regions. In this context, we will enable the staff currently working in early childhood education and care to update their skills.



Private early childhood education and care services must observe the same quality criteria as the public services. Private early childhood education and care providers cannot operate without a permit. We will explore the opportunity of limiting profit-seeking in early childhood education and care in the same way as in comprehensive school education.

We will carry out a study on how the right to early childhood education and care is realised for paperless children and children seeking asylum.

We will make obligatory the equality and non-discrimination plans according to the level of education. We will also lay down provisions on the equality and non-discrimination plans for early childhood education and care.

We will investigate the need to amend the legislation on early childhood education and care and on comprehensive school education to make them compatible with the Sign Language Act and the UN Convention on the Rights of Persons with Disabilities. We will continue the programme to revive the Finnish-Swedish sign language, for example by determining the body responsible for research in the language.

We will reinforce the support given to Saami language nest activities to meet their increased needs.

We will ensure the right of every young person, person who has had to discontinue their studies before arriving in Finland and paperless person to complete their comprehensive school education.

We will reinforce the implementation of the reform of vocational education and training, particularly supporting the provision of full hours of learning per day and per week, workplace learning and the development of apprenticeships. Together with the education providers, the Ministry must draw up a model to implement full school days, which may also be delivered by making use of workplace learning and by promoting innovative local solutions. We will increase the number of teachers.

To ensure quality, we will increase the level of funding for vocational education and training.

We will immediately address any issues observed in the quality of upper secondary education in order to implement evidence-based measures to improve the quality, teachers' working conditions and young people's wellbeing in all general upper secondary schools and vocational education and training institutes. In particular, we will take into account the appropriate level of resources for contact teaching and guidance in relation

to the changed requirements. The broad range and complexity of learning difficulties requires the reinforcement and updating of the pedagogical methods used in vocational education and training.

We will reinforce the general academic studies in vocational education and training (basic skills, critical thinking and learning to learn). In particular, we will improve the opportunities for vocational education and training graduates to apply to and successfully study in higher education institutions.

We will investigate how the actual opportunities of upper secondary students to complete study modules in both vocational education and training and in general upper secondary education are realised. We also plan to examine how all education providers would be able to offer this opportunity, for example by developing financial incentives and reinforcing cooperation between upper secondary education providers, including in sparsely populated areas, in order to increase the number of applicants for higher education.

We will improve the quality of general upper secondary education and facilitate the implementation of the new Act on General Upper Secondary Education.

We will take into account education in sustainable development and climate change, digital transformation, financial literacy and working life skills, and sexual and equality education as horizontal themes across the different levels of education.

We will investigate the possibility of improving integration training in order to cover all population groups equally across the levels of education and to enable integration training with the related language training also for those immigrants who are not able to access the labour market.

We will create a near-term programme to reinforce the learning of the second national language at school. The Government plans to reinstitute the second national language as a compulsory subject for the Matriculation Examination.



Objective

4

Finland will be an internationally attractive place to study, conduct research and invest

Measures

We will reinforce the role of foreseeable and long-term core funding for higher education. We will implement the full index increases over the entire term of government.

We will examine the challenges and opportunities concerning the foreseeability, long-term nature and usability of research funding. On the basis of the study, we will create an action plan for implementing research funding that fits the purpose.

We will create a long-term plan to bring about improvements in the research, development and innovation environment and through them reach an expenditure-to-GDP ratio for public and private investment and funding of 4 per cent.

On the basis of the current models, we will create conditions across Finland for successful clusters of excellence with higher education institutions, research institutes and businesses.

We plan to reinforce the vocational competence chains by highlighting how important universities of applied sciences, schools and SMEs are for the Finnish research, development and innovation system.

We must improve the overarching coordination and management of innovation and research policy across the central government.

We will promote Finland's attractiveness as an investment opportunity for the research and development activities of both foreign and domestic businesses.

We will reinforce the international competitiveness and attractiveness of the Finnish research and science community by investing in research environments and infrastructure.

We will facilitate the opportunities for foreign researchers, students and graduates and their families to stay in Finland by reforming the permit practices, streamlining the residence permit processes and reinforcing the connections between higher education and working life. Students will be granted a residence permit for the full period of their studies and after graduation it will be extended for a period of two years.

We will continue to assess how the tuition fees payable by the non-EU and non-EEA migrants affect international access and the funding base of higher education institutions.

We will reinforce the trust within the higher education system and the higher education communities. We plan to support the higher education institutions in their voluntary efforts to develop their activities, to find their strengths, to divide the responsibilities among themselves and to develop their mutual cooperation.

We will implement an assessment of the status of administrative autonomy and its relationship with the provisions laid down in the Constitution and how they differ in universities according to their administrative forms. The assessment will take into account the tripartite university democracy.

We will further strengthen the transparency and openness of strategic funding. We will not erode the autonomy of higher education institutions.

We will develop the higher education system with a view to providing a platform for learners and continuous learning. Our aim is that learners with different status – degree students, lifelong learners and those without a student place – could study flexibly, selecting courses from all Finnish higher education institutions irrespective of organisational boundaries or geographical location.

We will focus on the guidance and funding of universities so as to encourage higher education institutions to open their doors as much as possible to other degree students in addition to their own students and to provide tuition with other higher education institutions. We will develop information systems to support flexible studying across higher education institutions.

We will draw up a package of measures that focuses on the international dimension and global impact of education and that will reinforce the international aspirations of the entire system of education.

We will determine the level of national co-financing of EU programmes so as to make full use of the EU funding for Erasmus+ and Horizon.



3.7.1 Youth, culture and sport

Current situation

Key elements in a good society include being prepared to do things together, to interact, to be inclusive and to create parity. Our youth, culture and sport sectors are built on a strong and vibrant civil society.

A dynamic cultural life has intrinsic value and as such it creates the foundation for a society where education and culture are highly regarded, strengthens democracy and reinforces the freedom of speech. Furthermore, the production and service sectors in the arts, culture and creative industries are not only labour-intensive areas but they are also continually growing.

It is important that we adopt a physically active lifestyle and daily habits early in life. Currently only one in five of us engage in enough physical activity to keep healthy. This generates significant costs to society.

While most young people are doing fine, 10 to 15 per cent of young people are struggling. For example, exclusion among boys, mental health problems among girls and discrimination against minorities cause human suffering and are costly to society.

In modern societies, the ratio of intangible content to GNI is growing. Currently, creative industries account for less than 4 per cent of Finland's GDP, below the level of the other Nordic countries. Across the EU, the ratio of creative industries has increased on average to 7 per cent.

Tourism also holds great potential; currently we have one of the weakest travel accounts in Europe. However, the attractiveness of Finnish nature and cultural life will offer many new opportunities.

Objective

1

Creative industries will provide more jobs, their ratio to GDP will grow and the conditions for workers will improve

Measures

We will increase production aid to the film industry and the audiovisual sector and establish Creative Business Finland to support growth in the creative sectors.

We plan to implement a renovation and modernisation project at the National Theatre and a project for extending the exhibition spaces at the National Museum. We will explore the potential for establishing a new Architecture and Design Museum.

We will stimulate cultural tourism, for example by making better use of our World Heritage Sites, and, as a long-term investment, establish a fund to support the creative industries and cultural activities. The fund's operating principles will be examined.

We will make provision to help fund the European Capital of Culture in 2026.

Objective

2

Cultural services will become more accessible, and the conditions will improve to allow culture to flourish

Measures

In the long term, we will seek to increase the share of appropriations for arts and culture in stages to one per cent in the Budget.

We will raise the level of grants for artists.

We intend to promote collaboration between administrative branches to enhance the impact of culture on wellbeing. To harmonise remuneration practices, we will investigate how minimum fees are determined across the artistic fields. We will pursue the 'Lukuliike' project for promoting reading, and we aim to develop a feasible levy system for private copying.

We will implement a reform of the system of central government transfers to the performing arts in order to improve the conditions in which they are created. This applies to all those involved in the performing arts sector. We will ensure the position and funding of Svenska Teatern and the TTT-Theatre in their role as major national theatre companies.

By securing the levels of central government transfers, the grants for activities and the appropriations for national institutions, we will create the conditions for culture to flourish.

We will ensure the accessibility of libraries, availability of mobile libraries, and diversity of collections. Central government financial support to libraries must be sufficient to allow the purchase of cultural works with limited circulation or material in languages other than those spoken in Finland, for example. We plan to support the publication of scientific



literature written in the languages of Finland. We will improve the availability of works with literary merit that have a limited circulation. We will make sure that intangible cultural heritage is protected.

We aim to develop the 'one per cent for art and culture' scheme (one per cent of the building costs are donated for the arts and culture) and continue to implement it. We plan to support expansion to new artistic fields in addition to the visual arts.

We will increase the government grant provided in the Act on Svenska Finlands folkting Association (1331/2003) to an appropriate level.

We plan to promote children's culture. We will support the basic education in the arts and increase the general and project grants to children's culture.

We will develop our cultural services. We intend to draw up a cultural heritage strategy and implement the measures of the new Programme for Architectural Policy. We will update and develop the strategy for the national languages. We plan to launch a programme to promote more efficient use of cultural spaces with a view to exploring shared use of spaces, improving the conditions for touring, and strengthening the basis of cultural service providers.

Objective

3

Exclusion among young people will be reduced – every young person will stay on an education path and youth unemployment will decrease

Measures

Our main themes for the national programme for youth work and youth policy are to prevent social exclusion and bolster inclusion among young people. The programme will also incorporate the following measures: creating a model for assessing individually and reliably every child's ability to attend school, supporting minorities and preventing exclusion, promoting young people's employment and mental health, addressing substance use and game addiction among young people, ensuring equal opportunities for young people to access face-to-face support as part of the Ohjaamo activities, and taking into account financial literacy skills and working life skills as part of young people's wellbeing. We plan to improve the coordination of youth policy, to set up a ministerial working group for child and youth policy and to enhance cooperation between all those involved in youth policy. We aim to ensure the effectiveness of the services designed

for young people, including indicators, assessment and research. We plan to encourage budgeting with a focus on children and young people.

We will reinforce the operating conditions and financial resources for outreach youth work and workshops. We will develop a national digital system to facilitate the transfer of contact and identification data to outreach youth work.

Objective

4

Inclusion among young people will increase

Measures

We will reinforce the obligation to consult young people and introduce new tools to develop it.

We aim to improve the recognition and acknowledgment of prior work experience and learning gained from voluntary work. We plan to foster cooperation between civil society organisations and schools.

We will enhance democracy and human rights education and inclusivity at schools. We will facilitate the student union and student association activities. We aim to update the Action Plan on Democracy Policy and ensure young people's inclusion in the Action Plan. We will prepare the necessary proposals for amending the Youth Act, particularly with a view to streamlining the financial aid processes.

Objective

5

The appropriations for the beneficiaries of Veikkaus gaming funds will be secured

Measures

Over this government term, we will compensate the Veikkaus beneficiaries for any decrease in the appropriations to culture, sports and youth work that may result from the Lotteries Act. The compensation may be implemented, for example, by moving the central government transfers to municipal sports and youth work and to theatres, museums



and orchestras to on-budget finances in stages, and by reinstating in stages funding for outreach youth work under the youth work item in the Budget.

Objective

6

A physically more active lifestyle will be encouraged for all population groups

Measures

The physical activity programme and its evaluation unit will be primarily set up at the Prime Minister's Office. We also plan to establish a sports policy coordination body in accordance with the Report on Sports Policy and appointed by the Government.

We will launch a new 'Finland on the Move' programme and develop the evaluation process. We plan to expand the Schools on the Move programme to various life stages.

Objective

7

Conditions for outdoor and daily activity will improve

Measures

We will support the construction of outdoor sports facilities, reduce the maintenance backlog and improve energy efficiency. We also plan to renovate and increase the number of local outdoor sports facilities and trails. We aim to create more neighbourhood outdoor places, such as parks and green areas, which are important for everyday physical activity especially for children, older people and groups with special needs. We plan to create a national strategy for the recreational use of nature.

Objective

8

Conditions for club and elite sports will improve

Measures

We will step up efforts to promote gender equality and parity. We will promote sports for people with disabilities and for older people.

We will implement measures proposed in the Report on Sports Policy. We plan to increase financial support to sports clubs, boost funding for elite sports, increase the performance support allocated to various sports, and carry out a study on the need for a range of elite sports as outlined in the Report on Sports Policy. We aim to allocate additional resources for a sports academy and for coaching centres.

We will ensure equal opportunities for young people engaging in performance sports to attend vocational education and training, in addition to general upper secondary schools specialising in sports.

4 Governance

4.1 Management of the strategic Government Programme

The management of the Government's policy objectives seeks to coordinate the policy and resource processes, improve the efficiency of the coordination and implementation of government policy, and ensure policy preparation that extends across parliamentary terms. To support the implementation of the Government Programme, the Government's strategy process will be reinforced through organisational changes that might be necessary in the Prime Minister's Office. The necessary amendments to the Government Rules of Procedure will be prepared in 2019.

In the management of the strategic Government Programme, the key roles will be played by parliamentary committees that will be appointed to carry out the preparations extending across parliamentary terms, by strategic ministerial working groups, and by strategic agreements with the ministries concluded under the leadership of the Prime Minister's Office. Together with the other ministries, the Prime Minister's Office will prepare a policy guidance process to ensure that the available resources are used according to the agreed priorities. A government action plan will be drawn up for the parliamentary term, setting out how the objectives, reforms and prioritised sets of policies of the Government Programme will be implemented. The implementation of the projects outlined in the Government Programme and the realisation of the objectives will be monitored systematically. Research and foresight information will be used more effectively to underpin the Government's strategic policy-making.

The Government will hold regular joint government evening sessions. These sessions will keep the Government's shared idea of the current situation up to date and support the implementation of the Government's main objectives.

The Government will issue common policy guidelines for initiating each round of reviews. The Government's strategy and steering documents will be compiled into a single, easily managed hierarchical system, ensuring that the resource needs of the strategies are compatible with the General Government Fiscal Plan.

The Prime Minister's Office will be given a stronger role in the strategic steering of the Government Programme.

4.2 Parliamentary committees

The Government intends to reform the work of parliamentary committees. The parliamentary committees will be responsible for preparing both major structural reforms and other reforms over future electoral terms. The new model of committee work will make preparations more transparent and broaden the participation base and knowledge base.

Parliamentary committee work will have several phases, including formulation of the mandate, preliminary reviews, appointment, drafting of proposals and alternatives, impact assessments, and implementation follow-up. Successful implementation of major reforms requires that parliamentary committees be backed up by greater competence and capabilities in the public administration and by preparatory work based on liability for acts in office.

Matters of major importance for society will be prepared by central government institutions together with political parties, experts and researchers, local authorities, the private sector, the third sector and citizens. Effective preparation of reforms will be ensured by introducing new tools facilitating broader participation and knowledge base through the processing of available data into alternatives, impact assessments and arguments for policy-makers.

Parliamentary committee work will ensure a cross-sectoral approach, continuity across electoral terms, access to evaluation and impact assessment data in all phases of committee work, and deployment of digital tools and other instruments in consulting citizens.

The Prime Minister's Office will be responsible for the coordination of the committee work. The Prime Minister's Office will ensure smoothly running cooperation and flow of information between committees and relevant ministries. The Prime Minister's Office, together with other ministries, will provide committee secretariats with the necessary impact assessments and other support services.

When necessary, the Government will allocate resources for impact assessments of reforms, other reviews and scientific trials as part of the funding of the Prime Minister's Office.

When planning the organisation and work arrangements of committees, due consideration will be given to ensuring the continuity of preparations and implementation across electoral terms.

The appointment of a committee will also include:

- setting a timeframe for preparing proposals and implementing outcomes that promote the achievement of targets even in reforms spanning several electoral terms;
- listing the bodies and actors participating in the committee, defining their roles and determining their means of participation;
- outlining a common understanding of the objectives and knowledge base of the committee's work by utilising the Government's and ministries' analysis, assessment and research activities, internal and external experts, and different kinds of networks, such as research panels and citizens' feedback;
- integrating the committee's tasks, resources and schedules to allow better financial and operational planning;
- determining the secretariat's tasks, planning the commissioning of reviews and assessments and outlining other necessary support services.

The Government will appoint each committee and its chair. Representatives from all parliamentary parties and from central interest groups and non-governmental organisations will be invited as committee members.

The committees will deploy digital tools and other inclusive instruments to consult stakeholders and citizens.

A committee secretariat, consisting mainly of ministries' officials, will be appointed for each committee and a ministry official will be designated as its secretary-general. Committee secretariats may have as members also other key experts in relevant areas.

The appointment of a committee is preceded by a preliminary review phase, a description of the current situation and an agreement on a common position on the outcome sought. A common position on the reform outcomes will be outlined based on the current situation described at the stage of the committee's appointment.

Main responsibility for committee work lies with the ministry within whose mandate the matter for the most part belongs. Ministries together with the Prime Minister's Office will describe the current situation and carry out any impact assessments.

The purpose of parliamentary committees will be to produce proposals for solutions and policies within agreed timeframes in ways that guarantee commitment to them.

Parliamentary committees will make efficient use of modern practices, methods and tools especially in data collection and data analysis. The work will be constructed so that the knowledge base collected during the preliminary review phase will be updated as the work progresses.

4.3 Strategic ministerial working groups

A decision to appoint the Government's ministerial working groups will be made at a government plenary session. The ministerial group's chair, members, secretariat and other support services as well as its goals and responsibilities are presented in the decision.

The Government will appoint the necessary number of strategic ministerial working groups. Their maximum term in office will last throughout the parliamentary term. The new ministerial working groups, their aims, the responsible minister and ministries will be determined at the beginning of the parliamentary term.

The responsible minister will be in charge of the group. Key officials at each ministry and the designated officials at the Prime Minister's Office will take part in the group's work.

In the discharge of its duties, the strategic ministerial group will cooperate with the Government Session Unit of the Prime Minister's Office to draw up a description of the current situation, a specified assignment, impact assessments and indicators suitable for monitoring the measures. As part of the action plan process for the upcoming year, the current situation and effectiveness of the measures will be assessed in terms of the key strategic aims.

4.4 Ownership policy

The Government will continue with a long-term ownership policy that is dynamic and secures Finland's strategic interests. State ownership will be assessed from the perspectives of overall benefit to the national economy, development of the operations and value of state-owned companies, and the efficient allocation of resources. State ownership in different companies will be developed based on the objectives of each holding. Objectives can include strategic ownership, financial interests, or the advancement of growth, jobs and sustainable development by means of state ownership. Bioeconomy, cleantech, energy efficiency, environmental technology and health technology are among potential new targets for state investment.

All state-owned companies must base their operations on corporate social responsibility. Companies must take into account in their decision-making the economic factors and the social and environmental impacts of their activities.

The Government Resolution on State Ownership Policy will be updated, and the criteria for strategic ownership will re-evaluated.

The Government will launch several important infrastructure projects during the electoral term. Preparations will be made to recapitalise the companies or projects founded for these projects, if necessary. Depending on the needs of each project, this can be done by using budgetary funds, by transferring state shareholdings to the new companies or by recapitalising the companies with sales proceeds from state shareholdings.

Suomen Kuntarahoitus Oy will be transferred to the ownership steering of the Prime Minister's Office. As part of the preparations for updating the Government Resolution, the Government will also assess whether any restructuring of state ownership steering is necessary.

As an owner, the State should use its ownership as a means of creating active renewal in society. The State's capital assets in corporate ownership are so significant that the assets must be put to more efficient use to boost economic growth and employment. The use of capital will be stepped up by means of state ownership steering not only to activate current assets but also to generate new economic activity in Finland. The State Business Development Company (Vake) will play a key role in the efforts to achieve this objective. The tasks and targets of the State Business Development Company will be revised in autumn 2019 so that they support the objectives of the Government Programme.

4.5 Best public administration in the world

In the light of several indicators, the Finnish public administration is performing admirably in international comparisons. Finland is the most stable society in the world, the realisation of fundamental rights and human rights is at a high level, and we have a comprehensive system of public services. A strong public administration underpins the functioning of the rule of law while creating the foundation for the development of even more people-oriented public services.

With this in mind, the Government will prepare a public administration strategy that will have at its core a service pledge to the citizens. The strategy will seek to strengthen the presence of public administration in the daily life of the Finnish people across the country and in both national languages. It will strive to improve digital accessibility and encourage wider use of plain language in administration. As part of its strategy work, the Government will improve risk management in public administration and reinforce the public administration's ability to respond to crises that occur in normal conditions.

The measures outlined in the strategy will strengthen the realisation of fundamental rights, sustainability of public finances through improved productivity, coordination of information policy and use of new technologies. Better interactivity of the public administration along with improved quality, functioning and availability of the services provided for the citizens will be at the heart of the reform. During this government term, we will also reinforce horizontal cooperation and implementation capacity by appointing one body that will take overall responsibility for the development of administration. The Government will initiate measures that will tackle silo mentality and reduce duplicate work in central government administration.

The Government will add depth to the management of information policy. Openness of public information will become the overarching principle of information policy. The Government will advance the primacy of open source software in public information systems and in the related procurement. To this end, the Government will lay down provisions on an obligation to purchase open source software for public information systems, unless there are serious grounds for acting otherwise. The Government will continue resolutely the earlier efforts to open up public information resources, and it will draw up binding quality criteria that can facilitate the use of such resources. Furthermore, the principles of the Act on the Openness of Government and the requirement to open up information resources will be extended to publicly owned companies.

The Government seeks to advance the transition to real-time economy and make Finland a lead market in real-time economy. We will encourage the adoption of electronic invoices and receipts, and the public sector will take the lead in introducing these practices. The citizens' rights to their digital data and to privacy protection will be strengthened. We will provide an opportunity for individuals to manage their personal data in public information systems in accordance with the MyData principle and to give permission for their use in other services. A commitment to developing digital services in public administration will create a foundation for new private-sector innovation and at best reduce costs to the companies.

In order to deliver the service pledge and to develop digital services, public administration will have to gain new competencies. In the near term, the key challenges faced by the central government will include the large number of retirees and the need to recruit

new skilled workers owing to the transformation in digital technology. In order to secure success in the competition for skilled professionals, we will launch a programme of human resources management across the central government. The programme will improve the central government's competitiveness as an employer and pave the way for a major recruitment drive. The Government strives to tackle silo thinking in central government administration, to develop career paths and internal job rotation, and to continue to advance the harmonisation of pay. We will develop central government human resources policy and administration in collaboration with the main parties to the agreement and in compliance with good human resources policy.

4.6 Government's communications strategy

The Government will adopt a communications strategy and a related communications plan. The drawing up of both the strategy and the plan will be led by the Prime Minister's Office.

The strategy will inform the communications relating to the Government's projects on the future. It will pinpoint the main objectives and models for the Government's Government's joint communications and most important reforms involving several ministries.

The communications strategy will provide tools for political leadership and support the implementation of the Government's objectives.

Annexes

Annex 1. Summary of discretionary changes in permanent expenditure

Increases for strategic themes at the 2023 level compared with the spring 2019 technical General Government Fiscal Plan:

	EUR million
3.1 Carbon neutral Finland that protects biodiversity	98
3.1.1 Housing policy	12
3.2 Globally influential Finland	100
3.3 Safe and secure Finland built on the rule of law	40
3.3.1 Strengthening the rule of law	15
3.3.2 Defence policy	10
3.4 Dynamic and thriving Finland	125
3.4.1. Developing and maintaining the transport network	20
3.4.2 Agriculture	35
3.5 Finland built on trust and labour market equality	65
3.6 Fair, equal and inclusive Finland (incl. 3.6.1 health and social services)	270
3.6.2 Reform of social security	300
3.7 Finland that promotes competence, education, culture and innovation	201.5
3.7.1 Youth, culture and sport	22.5
of which from unallocated reserve	-84
Total	1 230

A table of expenditure allocation by measure at the 2023 level in the annex.

Deductions

A working group will be appointed to draw up, by the autumn budget session, a proposal for deductions of EUR 100 million at the 2023 level concerning business subsidies. If no agreement is reached on the deductions, all business subsidies will be decreased in relation to their costs. The aim is to examine this in as balanced a way as possible, also in regard to tax subsidies, taking into account the appropriateness of the outcome. At the same time, a decision will be made on the possible continuation of the emissions trading compensation.

The levels of the deferrable appropriation items will be permanently reduced by a total of EUR 50 million (at the 2023 level), the reductions being targeted at appropriations that have without cause been used significantly below their budgeted level in recent years (exceptionally large 'transferrable items').

The appropriation level of the EU membership contribution based on the Commission's proposal will be reduced by EUR 50 million (at the 2023 level) with respect to the technical General Government Fiscal Plan, giving due consideration to the current situation in the negotiations. If, however, the EU membership contribution turns out to be greater than this, the situation in regard to the planned additional expenditure will be reassessed.

Annex 2. One-off future-oriented investments

Within the framework of the one-off programme of future-oriented investments, up to EUR 3 billion will be targeted at one-off investments and socially important experimental schemes. The measures are non-recurrent and will not increase central government expenditure in 2023.

Financing and procedures

To cover the one-off expenditure referred to here, EUR 3 billion will be reserved of which EUR 2.5 billion can be raised from the state's direct shareholdings and the remaining EUR 500 million from other asset items.

These sums will be used for one-off investments and socially important experimental schemes that will be implemented through project capitalisation or direct allocation of budget appropriations.

The Government plenary session will decide on the use of these funds based on the preparatory work of the Ministerial Committee on Economic Policy.

Increases for strategic themes in total in 2020–2022 compared with the spring 2019 technical General Government Fiscal Plan

	EUR million
2.1 Carbon neutral Finland that protects biodiversity	507
3.1.1 Housing policy	43
3.2 Globally influential Finland	250.1
3.3 Safe and secure Finland built on the rule of law	92.6
3.3.1 Strengthening the rule of law	6.5
3.4 Dynamic and thriving Finland	522
3.4.1. Developing and maintaining the transport network	150
3.4.2 Agriculture	278
3.5 Finland built on trust and labour market equality	100
3.6 Fair, equal and inclusive Finland	180
3.6.2 Reform of social security	20
3.7 Finland that promotes competence, education, culture and innovation	730
3.7.1 Youth, culture and sport	120
Unallocated	50.8
Total	3 050

In addition, EUR 75 million will be allocated from the Housing Fund of Finland to theme 3.1 ('carbon neutral Finland that protects biodiversity') and EUR 176 million to theme 3.1.1 ('housing policy').

Annex 3. Spending limits rule

The Government is committed to observing the General Government Fiscal Plan and the first spending limits decision included in it. The General Government Fiscal Plan aims to ensure responsible, long-term fiscal policy that promotes economic stability.

The Government declares that the expenditure ceiling in central government finances will be increased in accordance with the policies detailed in this programme. The measures in the Government Programme and other measures will be implemented to the extent possible within the spending limits framework. In 2023, the expenditure ceiling will be EUR 1.4 billion higher than in the technical spending limits (4 April 2019) at the 2020 price level, including unallocated reserves of EUR 0.1 billion and a supplementary budget provision of EUR 0.1 billion, which were not included in the technical spending limits. In addition to structural adjustments, the overall spending limits level will be revised to reflect changes in price levels.

The expenditure ceiling in 2020–2022 will take into account a reserve of EUR 300 million for the purpose of supplementary budgets. If the level of expenditure falls below the spending limits even after supplementary budgets, the difference can be used the following year on one-off expenditure items without reference to the spending limits.

A mechanism will be introduced for dealing with an exceptional economic situation (the ‘exceptional situation mechanism’). The aim of the mechanism is to ensure that economic policy can respond as needed to deal with the economic situation. For the purposes of the mechanism and in view of the employment goal and the objective of balancing general government finances, the following constitute an exceptional situation:

- the global economy and especially the euro area experience a serious economic downturn and this pushes Finland’s economy into the same situation, or
- Finland’s economy experiences a serious economic downturn due to a temporary disturbance that is independent of the Government’s actions.

The Ministerial Committee on Economic Policy will decide when the definition of an exceptional situation is met and will decide about issuing a recommendation to the Government on the use of the exceptional situation mechanism, and will do so on the basis of preparatory work by the Economics Department of the Ministry of Finance and an assessment of the situation by the Bank of Finland and economic research institutes. Procedures for ascertaining whether there is an exceptional economic situation are described in further detail in a supplementary protocol to the Government Programme.

With the exceptional situation mechanism, up to EUR 1 billion, but not more than EUR 500 million per year, can be allocated to one-off expenditure altogether in 2020–2022 without reference to the spending limits.

The purpose of the spending limits in central government finances is to limit the total amount of expenditure to be met by taxpayers. When changes are made in the Budget that are neutral from this perspective, corresponding adjustments may be made in the spending limits of the parliamentary term. The spending limits system carries no restrictions on the re-budgeting of expenditure, on changes to the timing of expenditure items or on refunds or compensation of revenue collected during the parliamentary term that has turned out to be unjustifiably high, or other similar items. If spending arising from an expenditure item already under way is technically transferred to the next parliamentary term, the expenditure ceiling will be correspondingly reduced.

The Government will not use tax concessions or tax subsidies to circumvent the spending limits.

If fighter aircraft acquisitions and the energy tax refund scheme give rise to less expenditure than was reserved within the spending limits, the difference will not be used to increase other expenditure.

The following items will be excluded from the spending limits:

- cyclical expenditure i.e. unemployment security expenditure, social assistance expenditure, wage guarantee and housing allowance. Unemployment security expenditure will also be used to finance the pay subsidy. However, the expenditure effects generated by changes to the criteria for these items and by other discretionary decisions affecting their level will be included in the spending limits.
- Interest expenditure on central government debt.
- Compensation to other tax recipients for changes in taxation (including social security contributions) decided by central government.
- Expenditure corresponding to technically transmitted payments and external (including EU) funding contributions.
- Expenditure corresponding to the return on profits gained from gambling activities.
- Financial investments.
- Appropriations for VAT expenditure.
- Funding for the Finnish Broadcasting Company (“transfer to the State Television and Radio Fund”)

Annex 4. Work to combat the grey economy

1. Finland's strategy and Action Plan against the Shadow Economy and Economic Crime will continue, also after 2020.
2. Further steps will be taken towards full automation of financial administration in businesses by introducing structured electronic receipts and invoices. The needs of small and medium-sized enterprises will be assessed in this transition.
3. The tax authority will be given the necessary statutory powers and technological means to support optimally automated information gathering from operators in the digital platform economy for tax purposes.
4. The need to expand the data content of VAT returns will be investigated.
5. The tax number system that has worked well and prevented the grey economy in the construction industry will be introduced in shipbuilding. The need to introduce the tax number system in other high-risk sectors such as the tourism and restaurant sectors will be assessed along with the conditions required for this.
6. The PRH-Tax Administration Business Information System (YTJ) could be expanded to include more comprehensive details for managing key business obligations.
7. The powers of various authorities and the information exchange provisions they observe will be assessed with the objective of providing authorities with improved access to data on criminal backgrounds for the purpose of controlling the grey economy.
8. The scope for authorities to investigate failures to meet reporting obligations will be improved. In addition, the adequacy of the related sanctions will be assessed.
9. An obligation to keep accounts will be imposed on foreign companies with a fixed place of business in Finland.
10. The possibilities will be examined for making sure the Finnish Tax Administration can receive information about trading in the nominee-registered shares of Finnish listed companies and about the parties to the transactions.
11. The scope for placing information on the holders of nominee-registered shares of listed companies in a public register will also be investigated.
12. The possibilities for expanding the reporting duties of banks and insurance companies regarding economic crime will be explored.
13. Ways of ensuring that any secondary jobs and other similar financial interests of the research personnel of universities would be covered by a reporting duty and placed in the public realm will be explored.
14. Opportunities for expanding independent investigative activities on the grey economy to also cover aggressive tax planning and the activities of private persons will be explored, and sufficient resources will be ensured for this.

15. The legislation on the disclosure of tax information will be amended to ensure that any changes to tax information made after the close of the tax year will be made public.
16. In the European Union, Finland will work to extend the reporting obligation of beneficial owners to cover all beneficial owners whose ownership is at least 10 per cent.
17. New ways, such as administrative sanctions, will be examined for intervening in intentional or grossly negligent underpayment of wages.
18. The duties of the customer ordering transport services will be expanded to include the duty to report overloads. Customers who order, pay for and receive goods transport services in which there is overloading will also be held responsible for the overloading. In such instances the customers would have neglected their duty to check in regard to the transport service provider.
19. The customer's responsibility regarding any breaches of driving and rest times by the transport service provider will be examined. Similarly, persons scheduling deliveries or customers ordering transport services with a delivery time request that is not feasible without violating the provisions on driving and rest times will be made responsible for such violations.
20. Legislation and regulation on taxis and enforcement of such regulation will be revised with the objective of combating the grey economy, promoting effective competition and ensuring availability of taxi services everywhere in Finland.

Annex 5. Measures to combat international tax evasion and aggressive tax planning

Finland will continue national efforts to combat international tax evasion and aggressive tax planning with a special action plan to broaden the Finnish tax base and improve transparency. The Government will assess the effectiveness of international and national measures already in place to combat tax evasion, and will evaluate the need for new measures.

1. Opportunities will be examined for introducing a taxation model that would prevent tax avoidance relating to sales, gifts and inheritance of people who are living abroad but liable to pay taxes in Finland.
2. The possibility will be explored of excluding companies that operate under the so-called Mankala principle and publicly-owned companies involved in infrastructure projects from the limitation regarding deductions for interest expenses. An assessment will be conducted to determine whether the existing interest limitation and tax evasion regulations are effective enough to prevent the transfer of taxable income beyond the taxation powers of Finland, for instance in private equity structures.
3. The need to amend Controlled Foreign Companies legislation will be assessed from the perspective of aggressive tax planning.
4. A provision will be introduced stating that an entity or a benefit under joint administration is considered Finnish if it was established under the laws of Finland, if its domicile is in Finland, or if its place of effective management is Finland.
5. Regulations concerning profit equalisation in corporate groups will be revised and the deductibility of so-called final losses of foreign subsidiaries will be allowed.
6. Hidden dividends should be considered entirely taxable income.
7. The possibility of introducing a legal provision that defines beneficial owners will be investigated.
8. The legal provision on the adjustment of transfer pricing will be revised to permit its application within the scope of the OECD transfer pricing guidelines. In the same context, an examination will be made of whether the legislation needs to be clarified so that in profit allocation permanent establishments would be governed by the OECD guidelines.
9. The concept of 'economic employer' will be introduced to ensure that in Finland employees cannot evade taxes by working for a seemingly foreign employer.

Annexes and entries in meeting minutes

Annex 6. Entries in meeting minutes

Finland as a sustainable economy

- Mechanical annual targets will not be set for the selling of assets. They will be carried out in a manner and schedule that fit the purpose.
- The Government will swiftly submit a supplementary budget in order to launch infrastructure projects, for example, to strengthen competitiveness and accessibility across country, speed up rail transport, and reduce the volume of repair backlog.
- If necessary, the reduction in the share of EU funding allocated to Finland in the new EU programming period for 2021–2027 of the EU's common agricultural policy will be compensated from an unallocated reserve.

Identifying exceptional cyclical downturns

- From the point of view of the use of the exceptional situation mechanism and the objective of the consolidation of general government finances, exceptional circumstances prevail should Finland's economy drift into an exceptional recession caused by a cyclical downturn in the world economy and especially by a deep recession in the euro area or by some other serious disturbance of a temporary nature in demand that is not dependent of the Government's actions.
- The Ministerial Committee on Economic Policy will decide when the definition of an exceptional economic situation is met, relying on an analysis of the Economics Department of the Ministry of Finance and on assessments of the current situation requested from the Bank of Finland and economic research institutions (Research Institute of the Finnish Economy, Etlä; Labour Institute for Economic Research, PT; Pellervo Economic Research PTT).
- Declaring an exceptional economic situation is based on an overall assessment of the state of the economy. The assessment will lay special emphasis on developments in GDP and the unemployment rate and other relevant factors.

- A fall in GDP by a minimum of 0.5 per cent over two consecutive quarters and a cumulative increase by a minimum of 0.5 percentage points in the euro area's seasonally adjusted unemployment rate within three months would be signs of a serious economic situation in the euro area.
- Indications of a serious economic situation in Finland are manifest if Finland's GDP about to fall by a minimum of 1.0 per cent over two consecutive quarters and the unemployment rate is about to rise cumulatively by a minimum of 0.5 percentage points within three months.
- In the analysis, attention will be paid not only to the scale of disruptions but especially to their source and estimated duration.

3.1 Carbon neutral Finland that protects biodiversity

- Provisions will be laid down according to which the landowner's permit is required for obtaining an extension for prospecting.

3.2 Globally influential Finland

- During its term, the Government will prepare an investment plan relating to loan-based or investment-based development cooperation activities. The plan will direct investments to targets that are in line with the priorities and principles of the Government Programme, especially to climate finance and to least developed countries. We will strengthen the criteria for responsible investments and their effectiveness and monitor the implementation of investments. The plan will be made so that it is ready for adoption at the Government budget session in autumn 2019.
- At the same time, the Government will prepare a plan on such one-off targets for development cooperation projects that will strengthen the implementation of the Government's development policy goals, bolster Finland's international profile, respond to topical humanitarian needs and meet the funding needs of multilateral organisations. In the plans, emphasis will be laid on as broad ODA-eligibility as possible.

The additional minutes shall include the following points that were discussed

1. In Finland's participation in crisis management operations, priority will be given to UN-led operations. Decisions on participation in operations and on the allocation of additional appropriations, if required, will be made case by case and, if necessary, through a supplementary budget.
2. To facilitate transport between Finland and Russia, we will investigate the possibility of opening an international border crossing point at Parikkala.
3. Our aim is that support for development cooperation activities, which is channelled via the budget item for civil society organisations, can be raised to 15 per cent from the exclusive budget item managed by the Ministry for Foreign Affairs.

4. As part of the support for democracy and the rule of law, the resources of Demo Finland, which is a cooperative organisation of Finnish parliamentary parties, will be secured.
5. The aim is to raise the contribution channelled via the UN to 30 per cent of our development cooperation appropriations, with an emphasis on good quality and effectiveness in Finland's priority areas.
6. Team Finland activities at the Ministry for Foreign Affairs will be bolstered by paying attention to shadow areas and by shifting the emphasis of Business Finland's activities from Finland to its networks abroad.
7. Trade with Russia will be facilitated by securing adequate resources to process export licences.
8. To ensure the availability of expertise in sustainable development, we will prepare a 2030 Agenda policy paper for the administrative branch of the Ministry of Education and Culture. We will make adequate funding available for wide-ranging civil society activities relating to development questions and global education in Finland.
9. A report will be prepared at the beginning of the government term on the resources needed by civil society organisations and separate associations that are active in the area of foreign and security policy. A development programme will be drawn up on the basis of the report.
10. We will endeavour to increase climate financing in a front-loaded manner.

3.6.1 Health and social services reforms

The following was agreed on in the context of the appropriation of EUR 250 million that was budgeted or is being returned from preparation that was allocated for the preparation of the now discontinued regional government, health and social services reform:

A joint proposal of the Ministry of Finance and the Ministry of Social Affairs and Health, including other ministries if necessary, will be prepared regarding the use of appropriations provided under item 28.70.05 for the first General Government Fiscal Plan of the government term and to future supplementary budget proposals. In this conjunction, we will assess any overlaps with other revisions of the content of the health and social services reform.

The appropriation may be used for the integration of information systems, preparations of national ICT solutions, boosting productivity and for funding other work to develop health, social and rescue services.

Four million euros of the total funding package of EUR 250 million will be allocated to research on the integration of the healthcare and social welfare.

Annex 7. Memo of the working group on Europe regarding the key themes of Finland's Presidency of the Council of the European Union

Strong and united – EU that delivers: Priorities for Finland's Presidency of the Council of the European Union

A united European Union that strictly defends its values can solve the greatest challenges of our time, build wellbeing and prosperity, and secure a sustainable single market.

EU as a global climate leader

During Finland's Presidency the EU will raise its profile as a global climate leader. A long-term climate strategy will be established for the EU which will enable it to become carbon neutral by 2050. The EU will also make good use of the new opportunities offered by a low-carbon bioeconomy and low-carbon circular economy, and the growth and export potential that these provide, and will ensure the transition to a socially just, carbon neutral society.

Presidency objective: A high-level conference will be held at the end of Finland's Presidency, at which the EU countries and key stakeholders will develop solutions for a fair transition towards a carbon neutral society where emission reduction targets will be reached in a socially just and regionally equitable manner while also building economic prosperity.

EU that strengthens the rule of law and human rights

The story of Europe's success will be based on democratic institutions and the rule of law. The rule of law must be reinforced so that the people of Europe can enjoy peace and equal rights, and so that the EU can credibly defend the multilateral, rules-based international system and international human rights institutions. This will also enhance the predictability of the economic operating environment and will be to the benefit of Europe's citizens and the businesses located within the EU.

Ensuring the application of human rights and the rule of law also means assuring a comprehensive level of safety and security for everyone. Particular attention will be given to contingency planning to meet different kinds of hybrid threats and threats to broader

safety and security. The EU must also participate more effectively in conflict prevention and mediation, focusing particularly on the special roles of young people and women.

Presidency objective: During Finland's Presidency shared tools will be developed for strengthening the foundations of the rule of law in the EU. EU funding will be linked to compliance with the rule of law. The position of civil society and the status of independent courts will be secured.

Competitive and socially inclusive EU

The EU's competitiveness will be assured if there is a well-functioning single market, a rules-based system of free trade and a regulatory framework that is of a high standard and up to date. Centre stage in the creation of a more competitive and economically robust EU will be occupied by research, development and innovation and by a comprehensive commitment to digitalisation. Through advances in regional equity, social justice and gender equality, the EU will foster sustainable growth, wellbeing and prosperity.

It is important that the EU should strengthen its partnership relations with African countries and with the African Union.

Presidency objective: During Finland's Presidency a decision will be taken on a new growth strategy for the EU, aimed at ensuring the EU becomes the world's most competitive and socially inclusive low-carbon economy.

Annex 8. Ideas of the working group on transport to develop land use, housing and transport

- Land use, housing and transport: Joint measures will be taken to reduce transport performances and to prioritise low-emission public transport services and promotion of walking and cycling in the state-level and urban region planning, implementation and financing of land-use, housing and transport. Projects will be promoted that take cycle paths into account.
- The agreements on land use, housing and transport will promote a traffic safety zero scenario (zero traffic fatalities by 2050).
- The objective in the land use, housing and transport regions is to fully integrate various modes of transport by opening data and interfaces. Land use, housing and transport agreement procedures will be developed and expanded to cover the provision of broader and more diverse services, economic and industrial policy, and mid-sized urban regions.
- Steps will be taken to utilise land-use, housing and transport agreements in urban regions to achieve zero emissions in transport services and maritime logistics, and in the multimodal transport chains and small-scale logistics included in it.
- Opportunities will be explored for EU funding primarily in joint projects of cities that participate in the European core network, are functionally connected to it and are located in its immediate vicinity.
- The tramway projects of major cities will be supported in the land use, housing and transport process.
- To promote the charging infrastructure, a national obligation will be set in accordance with the Energy Performance of Buildings Directive to build a charging infrastructure for electric cars whenever a large-scale renovation is being carried out in a housing company or on business premises. The Limited Liability Housing Companies Act needs to be amended to permit modifications in electrical systems, without unanimous approval by shareholders, to enable electric vehicle charging.

Annex 9. Fostering democracy

Civil society

By permitting decision-making by a vote of members in all matters falling within the mandate of association meeting, members of associations have better and more effective opportunities to directly influence the activities of the associations. To support the development of Finnish associations, we will make legislative amendments that facilitate the merging of two or more associations.

Opportunities to help develop the fundraising activities of civil society organisations will be explored to strengthen the resources of the civil society.

We will assess the need to develop the citizens' initiative scheme, for example in order to ensure that an initiative does not lapse at the end of a parliamentary term and that technicalities do not prevent the implementation of an initiative.

Participation of young people

The minimum age for signing a citizens' initiative will be lowered to 15 years to encourage young people to engage in society.

The social inclusion and participation of children and young people will be promoted with digital means, and efforts will be made to improve their media literacy. Schools will bear more responsibility for democracy education and social education. To strengthen the active citizenship of children and young people, interaction between political parties, the civil society and schools will be enhanced. The role of Youth Council members in municipal and regional decision-making will be emphasised.

A well-functioning political system

Better operating conditions particularly for the political opposition will be provided by developing the independent computing services available to all parliamentary parties. These services can generate models of the economic impacts of the proposals made by the parties. Public access will be provided to the key computing and forecasting models used by the ministries and other public administration bodies.

To drive new societal initiatives, funding will be targeted to think-tanks close to political parties to support political decision-making and the use of scientific research data.

Sufficient resources will be ensured for social research that is independent of any parties and supports decision-making.

Steps will be taken to promote transparency in politics and to provide citizens with information at an earlier stage on both the national and municipal level.

The provisions governing the nomination of candidates in elections will be reformed to allow more diverse democratic decision-making methods as specified in the rules and regulations of a political party.

A parliamentary working group will be set up to examine the needs to amend the Act on Political Parties, the Act on a Candidate's Election Funding and the Election Act, and, if necessary, any other legislation regarding political activities.

Election and political party financing

With regard to financing, steps will be taken to ensure equal treatment of all political youth organisations.

The legislation and practices concerning the disclosure of election and political party financing will be developed to ensure that the facts disclosed provide an accurate picture of external financing that may involve personal interests.

To increase the transparency of election and party financing, the National Audit Office of Finland will be granted more extensive rights to supervise the campaign financing disclosures filed by candidates and to obtain information from third parties for this purpose.

We will investigate ways of informing voters about campaign financing before the elections, facilitating the opening of campaign accounts, and enhancing the statutory ceiling for donations.

Annex 10. Impacts of benefit increases

Benefit increase	Impact on general government finances, EUR million
Pensions: Net increase to the lowest pensions +EUR 50	183
Basic social security (basic unemployment allowance, labour market support, minimum sickness and parental allowances) +EUR 20	52
Single-parent increment to child benefits +EUR 10. Vision: To implement the increase so that families who receive social assistance benefit the most from it.	22
Child benefits for the 4th and 5th child +EUR 10	6
Family provider increment to child benefits +EUR 25	3
Study grants tied to cost-of-living index in 2020, first partially, later fully	25
Child maintenance allowance +EUR 7	9
Total	300

Annex 11. Tables, Annex 1

3.1 Carbon neutral Finland that protects biodiversity

	EUR million
Measure	2023
Climate Panel	0.5
Round table on climate policy in connection with the sustainable development committee	0.2
Supporting investments to replace coal, EUR 90 million during the budget planning period	18.0
Climate policy for the land use sector	15.0
Increasing the funding for nature conservation	46.0
Continuing the programme on more efficient water protection	12.0
Increasing resources for environmental research and the environment administration	2.8
Increasing the availability of continuing education in the construction sector to raise the level of energy efficiency expertise Investing in independent construction-sector research	1.0
Implementing the programme to promote a circular economy	2.0
Reporting waste data and collecting statistics, database, maintenance funding	0.3
Establishing the post of Animal Welfare Ombudsman	0.1
Increasing the amount of funding for adopting methods to replace animal testing	0.2
Total	98.0

3.1.1 Housing policy

	EUR million
Measure	2023
Grants for carrying out building inspections and drafting renovation plans	2.3
Increasing operational expenditure due to new duties	0.4
Housing advice expenses New statutory duty with estimated expenses impacting general government finances EUR 3.0 million in the Budget and estimated EUR 6.3 million for municipalities after discretionary government transfers	9.3
Total	12.0

3.2 Globally influential Finland

	EUR million
Measure	2023
Maintaining the network of missions abroad	4.0
Strengthening the network of missions abroad	3.9
Strengthening the handling of matters relating to entry in the country in the network of missions abroad and in the Ministry.	2.5
Information security and staff expenses	2.4
Strengthening of civilian crisis management	4.5
Own budget item for mediation	1.5
Development cooperation funding 0.41 % of GNI	83.7
Strengthening cooperation within the Baltic Sea, Barents Sea and the Arctic region	1.4
Total	100

3.3 Safe and secure Finland built on the rule of law

	EUR million
Measure	2023
Raising the number of the police officers to 7,500 (incl. the resources of the Police University College)	18.0
The Border Guard, safeguarding the present level	4.3
Increasing the refugee quota	4.30
Improving cyber capabilities to respond to information security threats	4.0
Preventing radicalisation	0.35
Emergency response centres	2.5
Over-indebtedness (focus on legal aid offices, early advice and economic skills)	1.5
State Security Networks Group Finland (renewal of the public authority network (Virve), costs for the transition phase)	5.0
Total	40.0

3.3.1 Strengthening the rule of law

	EUR million
Measure	2023
Safeguarding resources within the administrative branch	1.70
Criminal proceedings	5.20
Centralising the taking of evidence into district courts	2.00
Operating expenses/courtroom equipment of other courts	0.50
Legal aid for asylum seekers (public legal aid + fees paid to private counsels)	1.30
Improving the competence of law drafters in fundamental and human rights issues and their expertise in constitutional law and other public law	0.20
Enhancing the role of impact assessment in law drafting	0.40
National Action Plan on Fundamental and Human Rights	0.10
Human rights reporting and addressing human rights problems (Non-Discrimination Ombudsman, human rights organisations)	0.45
Appointing a joint government coordinator against human trafficking with sufficient staffing resources	0.15
Post of an independent rapporteur on violence against women	0.20
Strategy for the National Languages of Finland (and a language policy programme)	0.20
Transparency register: personnel and information system expenses	0.10
Maintaining the current network of enforcement offices	1.20
Enhancing work against the grey economy and economic crime by continuing to allocate additional financing to the enforcement service and the Office of the Bankruptcy Ombudsman	1.30
Total	15.00

3.3.2 Defence policy

	EUR million
Measure	2023
Securing sufficient resources for the defence administration: During this term of government, the tasks of the Defence Forces personnel will increase by about 100 tasks.	7.0
The general conscription system will be developed: With the human resources in the Defence Forces increasing, the volume of refresher training will be increased gradually. The aim is an increase of approximately 20 per cent by the end of the Government term.	1.5
Voluntary national defence: The Act on Voluntary National Defence will be implemented.	1.5
Total	10.00

3.4 Dynamic and thriving Finland

		EUR million
Measure	Measure	2023
Support for research, development and innovation	Billion-euro ecosystems and innovations	43
Central government financing for universities	Billion-euro ecosystems and innovations	40
Central government financing for universities of applied sciences	Billion-euro ecosystems and innovations	20
	International growth programme (incl. attracting top talent to Finland)	30
Operating expenses of the Finnish Competition and Consumer Authority	Measures to strengthen competition and consumer policy	2
	Solutions to enable work in any location (in the organisation of government tasks)	-10
	Total	125.0

3.4.1 Developing and maintaining the transport network

					EUR million
Measure	2020	2021	2022	2023	
Permanent increase adjustment in basic transport infrastructure management	300	300	100	-100	
			(within the technical framework EUR +300 million starting in 2022)		
Transport infrastructure projects				100	
Public transport subsidy + procurements (EMISSION IMPACTS)	20	20	20	20	
Total	320.00	320.00	120.00	20.00	

3.4.2 Agriculture

	EUR million
Measure	2023
Climate-friendly food system	
Focus on research (incl. reallocation from the Academy)	5.0
Nutrient recycling compensation for biogas	6.0
Finnish Organic Research Institute	0.5
Measures to strengthen biodiversity	0.5
Total	12.00
	EUR million
Measure	2023
Viable food economy	
Combating animal diseases	1.25
Food exports:	1
Food exports:	1.5
Market measures, public procurement, PDOs/PGIs, work on brands	0.5
Nutrition, school meals	0.5
Development programme for arable land structure	5
Flood protection and water management in agricultural soils	1.7
Financing of organic production commitments 2020–2024 (from basket 2)	7.0
Total	18.5
	EUR million
Measure	2023
Growth from the gifts of nature	
Implementation of the Fishing Act and research on fish stocks	1.25
Promoting domestic fish	1
Preventing damages in commercial fisheries	1
Large carnivore research	0.4
Reindeer husbandry	0.4
Fishing tourism programme, etc.	0.5
Total	4.6
All in total	35.0

3.5 Finland built on trust and labour market equality

	EUR million
Measure	2023
Increase in TE Offices' resources (regular interviews) + promotion of the Youth Guarantee	9.0
Increased use of pay subsidy (Ministry of Social Affairs and Health remains, Ministry of Economic Affairs and Employment new)	18.0
Action Plan for Gender Equality and Equal Pay Programme	0.5
Integration and intensification of work permit processes	3.0
Labour protection and supervision	1.5
Family leave reform (State financing share)	25.0
Development funds for promoting employment and developing services (e.g. career services) (Ministry of Economic Affairs and Employment) 2020, 2021 & Partial disability pension (linear model) (Ministry of Social Affairs and Health) 2022, 2023	8.0
Total	65.0

3.6 Fair, equal and inclusive Finland

3.6.1 Health and social services reform

	EUR million
Measure	2023
To improve the quality and effectiveness of services, we will amend the Act on Care Services for Older Persons comprehensively, and We will enact a statutory minimum staffing level of 0.7 for care personnel in units providing 24-hour care. Care intensity will be used as the main criterion for determining appropriate staffing levels. We will review the division of work in support services, among others.	70.0
Securing home-care resourcing and developing informal care alongside 24-hour care provision.	45.0
An office of an ombudsperson on older people's rights will be established.	0.5
In our policy making, we will take into account the wide range of families and the complexity of circumstances. Involuntarily childless families will be offered different kinds of support. The Government will advance the proposals for measures put forward by the working group on alternating residence.	2.0
The Government will continue the programme to address child and family services. We will bring the family centre model into wider use, and the role of maternity and child health clinics will be developed. We will reinforce couples counselling and parenting support services. We will also ease the eligibility criteria for families to qualify for home services.	4.0
Provisions on staffing levels in child protection will be enacted. starting from 35 clients per professional in 2022 and reaching 30 in 2024. Moreover, we will safeguard multidisciplinary services for children with special needs, and the team model will be taken into use more widely.	9.0
The availability of shelter services for victims of domestic violence and intimate partner violence will be raised to the level provided in the Istanbul Convention.	3.0
Reforming the Act on Client Charges in Health and Social Services to remove barriers to treatment and to increase equality in health by introducing more free services and by making client charges more equitable.	45.0
Extending the scope of the national screening programme in controlled ways (e.g. colorectal cancer).	10.0
Modernising the Farm Relief Services Act.	6.0
Access to basic-level services (shorter maximum waiting times for access to care)	50.0
Increasing research funding.	4.0
Healthcare of undocumented migrants	2.5
Preparing a horizontal, national mental health strategy in broad-based cooperation to ensure faster access to care and timely, quality services.	18.0
Turning Vaasa Central Hospital into a hospital providing extensive emergency care services.	1.0
Total	270.0

3.6.2 Reform of social security

	EUR million
	Impact on general government finances
Benefit increase	
Pensions	183
Basic social security +EUR 20	52
Single-parent increment to child benefits +EUR 10. Vision: To implement the increase so that families who receive social assistance benefit the most from it.	22
Child benefits for 4th and 5th child +EUR 10	6
Family provider increment to child benefits +EUR 25	3
Study grants tied to cost-of-living index in 2020, first partially, later fully	25
Child maintenance allowance +EUR 7	9
Total	300

3.7 Finland that promotes competence, education, culture and innovation

	EUR million
Measure	2023
Extending the minimum school leaving age to 18 years and providing free upper secondary education	107.0
Confirming the unit price for general upper secondary education	18.0
Improving student welfare in comprehensive school education and upper secondary education	29.0
Raising the rate of participation in early childhood education and care:	
Subjective right to early childhood education and care	17.0
Reducing group sizes	16.0
Opportunities for all to pursue a leisure activity as part of the school day – Finnish version of the Icelandic model	14.5
Total	201.5

3.7.1 Youth, culture and sport

	EUR million
Measure	2023
Reforming the system of central government transfers to local government within the performing arts sector	10.0
Raising the level of grants for artists	1.8
Revamping the basic education in the arts	2.0
Promoting the 'one percent for art and culture' scheme	0.5
General increase to Svenska Finlands Folkting	0.2
General and project grants to children's culture	1.0
Implementation of the Report on Sports Policy	5.0
Support for workshops	2.0
Total	22.5

Annex 12. One-off future-oriented investments, tables, Annex 2

3.1 Carbon neutral Finland that protects biodiversity

Measure	EUR million 2020–2022 total
Encouraging properties using oil heating to switch to other forms of heating	80
Climate policy for the land use sector	75
Financing for nature conservation	216
National programme to restore migratory fish stocks	18
Support for building charging infrastructure for electric vehicles	15
Fixed-term support for circular economy innovations and investments	85
Reporting waste data and collecting statistics, database project	3
Biogas programme	15
Total	507
From the Housing Fund of Finland:	
Energy aid scheme for housing companies	75
	75

3.1.1 Housing policy

Measure	EUR million 2020–2022 total
Funding to advance digitalisation (Reform of the Land Use and Building Act)	22
Wood building action plan, continuation until 2022	2
Continued development of the electronic residential and commercial property information system	5
Continuation of the sustainable urban development programme	5
State development grants to eradicate homelessness (includes developing collection of statistics on homelessness)	10
Total	43
From the Housing Fund of Finland:	
New suburban development programme	40
Startup grants for renovations that improve energy efficiency and increasing the interest subsidy loan for renovations (maximum amount EUR 4000/dwelling)	24
Change in purpose of use grants for growing urban regions so that the existing building stock, such as offices, can be converted into ARA housing	9
Renovating ARA housing to be more suitable for older people in areas with shrinking populations (new grant)	30
Raising the amount of the demolition subsidy (temporarily increasing the amount of the demolition subsidy and increasing the authorisation to grant demolition subsidies and the authorisation to make arrangements with creditors in order to adapt the property stock to areas with shrinking populations)	27
Repair grants	45
Cooperative housing pilots	1
	176

3.2 Globally influential Finland

Measure	EUR million 2020–2022 total
Strengthening the network of missions abroad	1
Strengthening the handling of matters relating to entry in the country in the network of missions abroad and in the Ministry (pilot)	6
Promoting food exports (pilot)	2
Information security and staff expenses (updating systems)	4
Strengthening the network of missions abroad, property arrangements	17
Mediation	6
Development cooperation	208
Strengthening cooperation within the Baltic Sea, Barents Sea and the Arctic region	6
Total	250

3.3 Safe and secure Finland built on the rule of law

Measure	EUR million 2020–2022 total
Finnish Immigration Service, clearing the backlog of asylum applications	6
Border Guard, replacement investments	76
Crime prevention	8
Implementing the Ministry of Justice's programmes	2
Implementing the Ministry of the Interior's programmes	1
Establishing a positive credit register	2
Total	93

3.3.1 Strengthening the rule of law

Measure	EUR million 2020–2022 total
Centralising the taking of evidence into district courts	4.5
Costs for establishing a transparency register	0.5
Register required by the Whistleblower Directive	1
Secure premises for processing intelligence-related licences	0.5
Total	6.5

3.4 Dynamic and thriving Finland

Measure	EUR million 2020–2022 total
Billion-euro ecosystems and innovations	150
Entrepreneur wellbeing and ownership changes	4.5
Sector-specific growth package	82.5
Business Finland Venture Capital	15
Finland as the front runner in digitalisation	90
Savings and better services with procurement	30
Financing for agreement-based cooperation	45
Regional innovations and experiments (AIKO)	45
Financing for regional development (regional development funds)	30
Development financing for sparsely populated rural areas (incl. continued transport subsidy)	30
Total	522

3.4.1 Developing and maintaining the transport network

Measure	EUR million 2020–2022 total
Aid for maintenance and repair of private roads	41
Broadband programme	30
Programme and projects for promoting walking and cycling	41
Electrification of Kemi (Laurila)-Haaparanta rail line	10
Removal of dangerous level crossings	22
Conversion subsidy	6
Total	150

3.4.2 Agriculture

Measure	EUR million 2020–2022 total
Biogas and manure processing investments	10
Key project on nutrient recycling	15.6
Key project on nutrient recycling	9.4
Programme to improve the efficiency of water protection	3
Programme to improve the efficiency of water protection	3
Sustainable food system+food loss and waste	1
Environment payment	88
Natural handicap payment	42
Capital input into Development Fund of Agriculture and Forestry (Makera)	100
Compensations for animal diseases	5
Investments in reindeer husbandry	1
Total	278

3.5 Finland built on trust and labour market equality

Measure	EUR million 2020–2022 total
Recruitment subsidy for SMEs (trial) and the first employee's pay	25
Development programme for working life and wellbeing at work	12
Development of digital services, as part of the employment services reform	10
Development of employment services administration, municipalities' role as producers of employment services is strengthened	3
Labour market training	14
Working capacity programme for persons with partial working capacity, pilot projects	36
Total	100

3.6 Fair, equal and inclusive Finland

3.6.2 Reform of social security

Measure	EUR million 2020–2022 total
Horizontal programme on ageing	15
Project to develop home care	6
Strengthening and developing end-of-life and palliative care	6
Horizontal strategy for children based on the UN Convention on the Rights of the Child	6
Programme to address child and family services (family centre model, maternity and child health clinics, couples counselling, parenting support, home services)	54
Free contraceptives to everyone under the age of 25	10
Services for mothers with substance abuse problems	9
Pilot projects on personal budgets for persons with intellectual disabilities	15
Legislation on the right to self-determination by users of healthcare and social welfare services	8
National screening programme (controlled extension)	10
'Välitä viljelijästä' model for supporting the coping and wellbeing of farmers	8
ICT system for farm relief services	3
Roadmap on the development of pharmaceutical services	10
Developing rehabilitation services	7
Growth strategy for the health and social services sector	9
Translating Current Care guidelines into Swedish	0.6
Legislative work resources at Ministry of Social Affairs and Health	3.4
Trial on basic income	20
Total	200

3.7 Finland that promotes competence, education, culture and innovation

Measure	EUR million 2020–2022 total
Teachers in vocational education and training	235
Action plan for quality and equality in comprehensive school education	190
Action plan for quality and equality in early childhood education and care	205
Continuous learning	15
Promoting continuous learning and creating a collaboration and platform model for tertiary education	5
Opportunities for all to pursue a leisure activity as part of the school day – Finnish version of the Icelandic model	40
Action plan for quality and accessibility in general upper secondary education	20
Flagship initiatives	20
Total	730

3.7.1 Youth, culture and sport

Measure	EUR million 2020–2022 total
Production aid to the film industry and the audiovisual sector	36
Creative Business Finland	6
Main facilities and building projects in the cultural sector	10
Fund to support cultural activities	15
Horizontal physical activity programme, sports policy coordination body, expansion of the Schools on the Move programme	24.6
Sports facilities and a national strategy for the recreational use of nature	12
Accessibility of public libraries, mobile libraries, diversity of collections	3.9
Purchase of works and material for libraries	1.7
Outreach youth work	9
Provision to help fund the European Capital of Culture in 2026	0.6
National digital system to facilitate the transfer of contact and identification data to outreach youth work	1.2
Total	120



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