



# A strong and committed Finland

Programme of Prime Minister Petteri Orpo's Government  
20 June 2023



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Programme of Prime Minister Petteri Orpo's  
Government 20 June 2023

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# A strong and committed Finland – the Government's vision

The Government is seeking to make Finland a strong and committed country that can withstand global storms.

In a strong and committed Finland, people will have the opportunity to increase their knowledge and competence, find work, live on their pay or pension, and live in safety. When the foundations of society are strong, people can enjoy the right and freedom to pursue a good life on their own terms. People can feel included in society and can trust one another. The most vulnerable people can trust that they will be taken care of. It is the responsibility of government to provide a framework for freedom and opportunity.

A strong and committed Finland will be able to provide services to people of all ages regardless of their income or where they live. These services extend from early childhood onwards, covering education, health, social services, and care. We will guarantee that future generations will be able to enjoy similar services and opportunities. People will take responsibility for themselves and for each other in families, communities and in society at large. We will support parenthood and families with children and will take care of older people.

Every child and young person will have the opportunity to build a good life and pursue their dreams. We will invest in early childhood education and care and comprehensive school to create an educational path for everyone. We will encourage people of all ages to live a physically active life, which will improve the health and wellbeing of the nation. We will make Finland a global leader through historically large investments in research, development and innovation. Finland will be a technological frontrunner. We will make full use of the opportunities provided by digitalisation and artificial intelligence while making sure people keep pace with technological change.

A sustainable economy is the foundation for prosperity. The most important goal of the Government's economic policy will be to achieve sustainable growth. The Government will close the gap between general government revenue and expenditure and will reverse the trajectory of Finland's debt burden. In a strong and committed Finland, work and entrepreneurship will be rewarding and profitable. Finland will attract both domestic

and foreign investors. In Finland, you can try, fail and try again until you succeed. The Government will safeguard people's purchasing power and make sure that everyday costs remain reasonable.

An economically strong Finland will also be resilient. A strong and committed Finland is an open and international country. Finland will work with other countries and peoples in communities dedicated to European and western values and security. We will be active and take the initiative in NATO, the European Union, the United Nations and in other international contexts. Close Nordic cooperation will be particularly important. Our strong defence capability will contribute to the stability of the entire Nordic region.

The energy transition and clean technologies will offer Finland opportunities to create jobs, exports, economic growth and prosperity. Finland will punch above its weight in climate policy. We value clean nature in Finland. We will combat biodiversity loss. We will make sure that clean and affordable energy is available.

A strong and committed Finland is a stable and reliable country. It is a strong democracy and an independent state governed by the rule of law. Everyone in Finland is valued as an equal member of society. Bilingualism is one of our country's strengths.

A strong and committed Finland will ensure the safety of its people at home, on the streets and at its borders. We will combat social exclusion, make sure the police have sufficient resources and hone the functioning of our justice system. We will safeguard security of supply and the production of clean and safe Finnish food.

Provided we take care of the whole country, we as a nation and people will succeed. In a strong and committed Finland, people can count on things turning out well. That is how we will know that the Finnish welfare state is doing its job. Everyone will be able to live life on their own terms while respecting one another.

We will build a strong and committed Finland through concrete and forthright solutions. Action builds faith in the future. By working together, Finland can rise to meet any challenge.



# Principles of the Government

The Government will build a well-functioning, safe and fair society. Finnish society will guarantee its people opportunities for success and prosperity across generations.

Finland is a strong democracy whose people have confidence in public institutions. Confidence in public administration is based on its ability to serve people openly, efficiently and responsibly. We will make firm and sustained efforts to safeguard the confidence of the people. A democratic society relies on people being able to take part and be heard. Finland's future will be built on the responsible use of public power and on open debate focused on finding solutions.

Sustainable prosperity is based on the principles of education and culture, knowledge and competence, respect for work and entrepreneurship, and non-discrimination and equality. Everyone has the right to be happy and safe in Finland.

The Government will play an active role in the rules-based international system and will forge international relations.

Finland's public administration ranks high in international comparisons. The Government will foster smooth and open governance, which will focus on continuity and consistent practices. We will nurture the principles of good governance in the relationship between people and public authorities.

We will take a proactive approach and identify drivers of change. We will base the preparation of policy measures on a cross-administrative approach. This way we can use resources efficiently and leverage knowledge and competence flexibly. We will rely extensively on the expertise of the scientific community.

The Government will also look beyond today's challenges. It is vital for Finland to find a vision for the kind of country we want to leave future generations. The Government will launch foresight activities under the title of A Prosperous Finland for Everyone. The goal will be to find a vision for what kind of sustainable country we want to leave for future generations.

The Government will safeguard the future of Finland as a democratic state governed by the rule of law. Up-to-date and effective legislation will ensure the stability of society and the fundamental rights of individuals. In legislative drafting, the Government will promote the use of knowledge-based impact assessments and the weighing of regulatory instruments.

# 1 Sustainable public finances

## Situation picture

The Government's economic policy is based on the Ministry of Finance's assessment of the current state of the Finnish economy.

The Ministry of Finance expects economic growth to be subdued this year, but to accelerate above the long-term growth rate in the next few years. At the beginning of the government term, the economic situation will be weakened by rising prices and interest rates, which will reduce private demand and increase general government costs. Strengthening household purchasing power and large investments related to sustainable growth will boost economic growth starting next year.

The structural problems of the Finnish economy are weak productivity growth and low productive investment. Productivity growth is held back by the relatively low level of research and development activity and the lower level of education of young people than in other advanced industrialised countries. Although the employment rate has risen significantly in recent years, the unemployment rate remains high and there is a shortage of skilled labour.

Over the last fifteen years or so, the general government debt ratio has risen significantly. The deterioration in the dependency ratio has led to public sector expenditure growing faster than revenue, creating a large structural deficit in general government finances. Expenditure related to population ageing will continue to grow in the coming years and decades. In addition to this, a rise in the level of debt together with higher interest rates will increase central government debt servicing expenditure significantly. In the coming years, general government finances will also be burdened by a number of substantial security-related procurement items. Without significant action, general government deficits will remain large and the debt ratio will continue to grow, weakening the capacity of general government finances to secure the functioning of the welfare society during and after possible future crises.

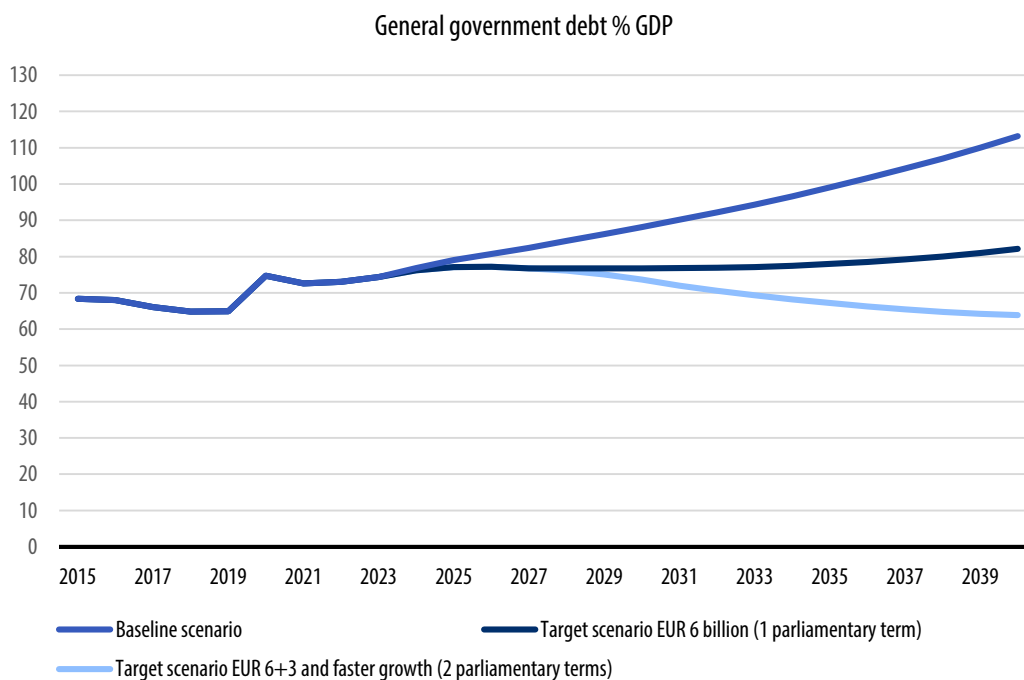
## 1.1 Economic policy

The Government's objective is to improve the standard of living of Finns, turn the Finnish economy on to a sustainable growth path and reverse the trend of indebtedness, which jeopardises wellbeing. The Government will improve the opportunities for Finns to build their futures through education, work and entrepreneurship. Stable economic development creates security and supports family formation. The Government's objective is to increase household purchasing power and take the impact on everyday costs into account in its decisions. The Government's objective is a Finland where the funding of the most important services of the welfare society is secured for future generations. To achieve these objectives, the Government will implement ambitious growth-boosting reforms and take the necessary action to balance general government finances.

The priorities of the Government's economic policy are economic stability, employment, economic growth and safeguarding welfare services. The Government is committed to balancing general government finances in order to ensure the wellbeing of the people and the sustainable development of the economy. The Government's employment and growth measures, together with direct adjustment measures, will create the conditions for balanced general government finances in 2031.

The permanent structural imbalance between expenditure and revenue in general government finances is an acute problem. The general government debt ratio, which is severely in deficit, has diverged significantly from that of the other Nordic countries. Stabilising the debt ratio requires improving general government finances annually by at least 0.5% of GDP.

Halting the trend of indebtedness requires strengthening general government finances by a total of EUR 9 billion over the course of two parliamentary terms. The Government aims to strengthen general government finances by EUR 6 billion during this parliamentary term. A longer-term goal is to balance general government finances and set the debt ratio on a downward path towards the level of the other Nordic countries.



Accelerating economic and employment growth is the most important means of stabilising general government finances. A credible economic policy also requires direct austerity measures. The aim is to implement such measures in a way that acknowledges the situation of the most vulnerable groups. Given Finland’s high tax burden by international standards and the need to safeguard the conditions for economic growth, balancing will not be implemented by increasing the total tax rate.

To increase the purchasing power and prosperity of Finns, a key objective of the Government will be to strengthen the conditions for economic growth. Economic growth will be boosted by improving fair competition, making significant investments in RDI, boosting knowledge and competence, and developing the labour market. The Government also aims to enhance Finland’s competitiveness and the conditions for entrepreneurship.

During its term, the Government will make substantial one-off investments to support growth. The Government will finance a EUR 4 billion package of one-off investments by selling central government assets, liquidating the over-capitalisations of state-owned unlisted companies, and making revenue recognitions from the National Housing Fund without jeopardising the Fund’s current level of activity.

The Government also aims through tax policy to strengthen purchasing power, economic growth, employment and entrepreneurship. The Government will ensure a stable operating environment for entrepreneurship and investment through a predictable and stable regulatory framework as well as through taxation. The total tax rate will not be increased by Government decisions.

Work creates wellbeing. Employment is created by profitable business activity. The goal is to increase the number of employed people by 100,000 through employment and growth measures. A further goal is to strengthen general government finances by approximately EUR 2 billion through employment decisions. In the longer term, the Government aims to raise the employment rate to 80%.

## 1.2 Fiscal policy

The Government's economic and fiscal policy is based on safeguarding the welfare society for future generations. We will ensure that the bill for Finland's indebtedness does not fall disproportionately on the shoulders of future generations.

The Government's fiscal policy aims to strengthen general government finances and reverse the trend of Finland's indebtedness. To ensure this, the general government debt ratio will be stabilised and thereafter put on a lasting downward path, viewed over more than one parliamentary term. The long-term objective is reach Nordic levels of economic growth and debt-to-GDP ratio. This will require determined action to strengthen general government finances and support economic growth over a number of parliamentary terms. It is matter of ensuring intergenerational fairness.

The Government's objective is for the budgetary position of general government finances to improve so that the general government deficit will be a maximum of -1 per cent in ratio to GDP during the parliamentary term, i.e. by 2027. This objective is in line with the debt sustainability goal.

To achieve this, the Government commits during the parliamentary term to strengthen general government finances permanently through a set of measures that will improve general government finances by a net EUR 6 billion at the 2027 level. General government finances will be taken into account as a whole, in order to avoid partial optimisation between the subsectors (central government, municipalities, wellbeing services counties, social security funds).

The Government will actively monitor the implementation of the set of measures within government budget and spending limits sessions and react with corrective measures should the set of measures threaten to fall short of the targeted level of EUR 6 billion.

The central government spending limits system is a key instrument of the Government's fiscal policy steering and the foundation of a credible economic policy. The Government commits to the spending limits procedure for central government expenditure. The spending limits rules are described in Annex A.

Rules based on political commitment have not been sufficient, in recent years, to ensure the sustainability and credibility of fiscal policy. The Government will reform and strengthen fiscal policy rules. The fiscal policy rules binding the EU Member States are also being reformed. The strengthening of national fiscal policy and the changes in the EU's fiscal policy framework will be reconciled in national legislation.

The Government is committed to ensuring that the permanent appropriation decisions outlined in the Government Programme lead to expenditure within the spending limits being EUR 1.5 billion smaller in 2027 than in the central government spending limits decided on 23 March 2023 (at 2024 prices).

The entries and other measures of the Government Programme will be implemented within the restrictions of the parliamentary term spending limits. In addition, the Government undertakes to re-examine the measures in the Government Programme if the impact assessments of the measures change significantly from those made in the Government Programme or if their implementation would jeopardise the achievement of the set of measures for general government finances or the target for the budgetary position. The Government commits to prioritising the implementation of initiatives, if necessary.

General government expenditure will be adjusted through the Government's decisions by an estimated net EUR 4 billion at the 2027 level. To achieve this, the Government commits to the measures listed in Annex B that will generate permanent savings or increase fee revenue. The Government's tax policy stance is described in Annex C. As part of the adjustment measures, the Government has outlined structural policy measures that aim to strengthen general government finances by an estimated EUR 2 billion at the 2027 level. The measures are described in Annex D.

The Government also takes seriously the risks to central government finances associated with guarantee commitments. The process of evaluating and granting central government guarantees will be developed to take risk more comprehensively into account and, as a rule, an appropriate guarantee fee will always be charged for guarantees. The collection of guarantee fees will also be comprehensively introduced in housing finance.

### 1.3 Taxation policy

Government taxation policy will seek to boost the purchasing power of households, improve incentives for working, and strengthen conditions for economic growth. Taxation policy will encourage work and self-employment, and support domestic ownership. The Government will avoid discretionary measures that increase the overall tax rate.

The purchasing power of households will be reinforced by reducing taxation of work and mobility. High mobility costs undermine incentives for accepting work. The reduction in taxation of earned income to improve incentives for accepting work will be focused on the low and middle income bracket by increasing the earned income deduction and introducing an additional earned income deduction for each child. Incentives for working over the age of 65 years will also be significantly enhanced. Taxation of earned income will be adjusted annually in line with the index of wage and salary earnings or the consumer price index, depending on which index increases more rapidly.

The Government will discontinue preparations for a county income tax.

The Government will seek to boost economic growth and strengthen domestic ownership. There will be no increase in taxes on capital income or in taxation of small investors for any type of assets. The payment period for inheritance tax will be increased to 10 years. The prospects for replacing inheritance tax with a tax on capital gains from inherited property will be investigated. Domestic ownership will be supported by increasing the deposit cap on equity savings accounts.

Government taxation policy will eliminate obstacles to sending foreign workers to Finland.

The Government will improve tax incentives for attracting internationally mobile specialists by prolonging the employment period under the Act on Source Tax of Foreign Key Employees.

The Government will maintain a competitive rate of corporation tax and react as necessary to amendments of taxation in benchmark countries. Dividend tax relief on unlisted undertakings and the entrepreneur deduction will continue unchanged.



The Government will acknowledge and compensate for the impact of the distribution obligation decision on fuel pump prices. Penalty revenues will accrue to the state in cases where the distribution obligation is not fully implemented. Any penalty revenues will be directed to cost-effective climate measures in the effort sharing sector to ensure coverage of targeted emission reductions.

The Government will implement a reform of real estate taxation rectifying the disparity between real estate tax values and the fair value of properties. This reform will be implemented over a long transition period. The changes in real estate tax will be reasonable for property owners.

The Government will streamline tax collecting and make taxation more predictable. The digitisation of tax collecting will continue.

The Government will monitor international tax initiatives and actively influence the international development of taxation. Taxation powers must continue to be vested primarily at the national level. The location of value-creating business based on innovation and R&D operations should continue to be crucial when distributing tax revenues internationally.

The Government will continue working to combat tax evasion and the grey economy. The Government's work to combat tax evasion will nevertheless refrain from promoting projects that impose a disproportionate administrative burden, and that are more far-reaching than is necessary for achieving the objective of countering tax evasion. The Government also recognises the challenges for taxation of labour that are imposed by international personal taxation and working at multiple locations.

The Government undertakes to compensate for new functions and obligations imposed on municipalities, and for any enlargement of such functions, either by financing them in full or by eliminating other obligations. Municipalities will be compensated for the impact on tax revenues of amendments to tax criteria made by the Government.

## 1.4 Ownership policy

State ownership policy is based on responsible and professional administration of state-owned corporate interests in a manner that is appropriate and increases the value of holdings in the long term.

A new Government Resolution on State Ownership Policy will be prepared during 2003. This will also involve updating the nature of interests related to each company and the ownership limits of current state-owned companies. A broad vision for steering state ownership policy and a long-term objective for administering state holdings will be formulated in the context of the Government Resolution.

The Government will require remuneration policy to be reasonable and promote good governance. Updating the Government Resolution will include a review of the principles governing the participation of Government representatives in company boards and the practices of ownership steering.

The Government will continue to centralise ownership steering in the Prime Minister's Office with respect to Cinia Ltd as a state-owned company. This will be accompanied by an assessment of holdings in state-owned corporations.

State domestic capital investment and corporate financing operations will be enhanced by bringing Business Finland Venture Capital Ltd, Oppiva Invest Oy and Ilmastorahasto Oy under Finnish Industry Investment Ltd. The prospects for making Finnfund more effective through incorporation into this package will be investigated. The shareholding of Ilmastorahasto in Neste Corporation will be transferred to the Prime Minister's Office at this time. The capital position and requirement of the resulting Finnish Industry Investment Ltd group will be assessed as part of a comprehensive evaluation of state-owned special assignment companies, and the legislation governing these companies will be updated to match the new structure.

The comprehensive evaluation of state-owned special assignment companies will be made at the beginning of the Government term, assessing the current needs of society for the special assignment of each company.

The Government respects the requirements of fair competition, and will ensure that its operations do not displace private ownership. As an owner of commercially operating state-owned companies, the Government will seek to influence the formulation of a corporate strategy for the longer term future based on responsibility.

The ownership strategy of each undertaking must assess the principal operating risks and ensure the role of risk management in support of policymaking. The Government will allow for the geopolitical dimension and for security of supply aspects from the Finnish perspective in ownership strategies for various companies and when determining societal interests. The Ministerial Committee on Economic Policy will receive quarterly reports on essential details of the financial position and the principal corporate risks of state-owned companies.

The Government will require state-owned companies to adopt an optimally consistent and predictable dividend policy. State-owned companies must apply their capital efficiently. The capital position of unlisted state-owned companies will be assessed at the beginning of the Government term and any instances of overcapitalisation will be eliminated.

The Government will promote opportunities for small investors to participate in any share issues of state-owned companies with a view to strengthening domestic ownership.

## 1.5 Pensions

The influence of demographic trends has substantially enlarged the share of the pension system in public finances, and this tendency is set to continue in future years. The sustainability gap in public finances will affect sustainable financing of pensions and functional services in the long term. The pension system must accordingly be developed as part of public finances. The earnings-related pension scheme is boosted by higher productivity and economic growth, high employment and a rising birth rate.

The management and investment operations of the pension system must be arranged transparently and effectively. The VNTEAS 2021:36 study by Tarmo Valkonen and Jukka Lassila indicates that returns could be increased by restructuring the operations of earnings-related pension companies.

The key objectives of earnings-related pension policy are an adequate level and coverage of pensions, intergenerational fairness, and sustainable financing that also includes the long term. This will also maintain the credibility of economic policy and ensure continued confidence in the earnings-related pension scheme.

The cornerstones of the pension system include a basis of defined benefits and insurance, statutory character, a link to earnings and protection of property. Owing to the declining dependency ratio and uncertainty related to the economic trend, returns on pension fund asset investments and future growth in contributions, the necessary amendments to earnings-related pension legislation will be prepared on a tripartite basis in order to ensure financial sustainability and safeguard an adequate level of benefits.

Preparatory work based on a joint assessment by the Ministry of Finance and the Finnish Centre for Pensions will have to find ways of stabilising the level of pension insurance contributions in the long term and significantly reinforcing public finances as a whole over a sustained period using the rule-based fiscal stabilisation system.

The evaluation of the development of working lives referred to in section 218a of the amended Employees Pensions Act will be performed for the first time in 2026.

The Government will prepare the earnings-related pension aspects on a tripartite basis with the principal labour market organisations. The Government will ask the organisations to negotiate with it jointly, and to propose the measures that are necessary for achieving the foregoing objectives. The Government undertakes to make the decisions that are necessary for achieving an objective if the organisations are unable to reach a joint consensus with the Government on the amendments by January 2025.

An evaluation of the developmental needs of the Self-employed Persons' Pensions Act (YEL) scheme will be initiated. This evaluation will include an investigation of the prospects for directing YEL contributions to the Farmers' Social Insurance Institution of Finland (Mela).

## 1.6 Investment programme

Over the course of the parliamentary term, the Government will implement a fixed-term investment programme of EUR four billion to create conditions for sustainable growth throughout Finland for decades to come. The programme will consist of significant investments in transport infrastructure projects that are important for the mobility of labour and for export-driven industry and business life. Investments will also be made in reducing the repair backlog and in promoting rail projects throughout Finland.

The investment programme will be financed through revenue generated by the sale of government assets, which means that the investment expenditure will not increase the central government borrowing requirement during the government term. The Government has outlined a separate spending limits provision of no more than EUR four billion for the investment programme.

As part of the programme, the Government will invest a total of EUR 520 million in a repair debt programme to curb the growth of the repair backlog. The Government will make significant investments in transport infrastructure projects aimed at strengthening the competitiveness of the economy and improving the smooth flow of people. The Government is prepared to finance the central government contribution in land use, housing and transport agreements (MAL agreements).

The Government will make substantial investments in developing the railway network in various parts of Finland. Through the Finnish Transport Infrastructure Agency, the Government will develop the main rail line in the current rail corridor with investments

in both the south and north. As part of the programme, investments will be made in achieving shorter travel times and carrying out basic repairs on the Savo rail line and in improving the Karelian rail line. A modernisation project will be implemented to ensure the vitality of the coastal rail line.

The Government will advance the airport rail line project by reserving an appropriation for planning and by drawing up a decision on its implementation. To promote the project, a company will be established that may be owned not only by the State but also by municipalities. The company will be capitalised as part of the investment programme. In other respects, the preparations for the rail connection between Helsinki and Tampere via Helsinki Airport (the 'Suomirata') will be suspended. The remaining funds will be returned to the owners. The operations of the project company for the eastern rail line (Helsinki Airport–Porvoo–Kouvola) will continue.

In addition to the investment programme, the State will implement the one-hour Helsinki–Turku rail link project, which includes the construction of the Espoo–Salo section and the improvement of the Salo–Kupittaa section. Construction will begin on the Espoo–Lohja and Salo–Kupittaa connections. The State is prepared to provide capital to a company assembling the funds as part of the programme. In addition to the State, municipalities may also be shareholders in the company.

As part of the investment programme, a one-off investment of EUR 400 million will be made to increase the effectiveness of health and social services and to reduce waiting times for treatment. As part of the programme, materiel procurements will be launched to strengthen the Defence Forces' capabilities and one-off appropriations will be reserved for projects aimed at supporting climate action and improving the state of the natural environment. The Government will also prepare for industrial policy needs during the spending limits period.

## 2 A sustainable and well-functioning welfare society

### Situation picture

The Finnish welfare model is a success story by many indicators. According to a recent policy paper by the Organisation for Economic Co-operation and Development (OECD), Finland is one of the world leaders in sustainable wellbeing.

The quality and results of the Finnish healthcare system are among the best in the world in international comparisons. The level of education, training and skills of healthcare, social welfare and rescue professionals are also high in Finland. The population's life expectancy has increased in Finland over the past two decades, which is an indication of wellbeing.

However, the recent OECD policy paper on wellbeing in Finland recognises that declining competence levels and health, along with inequality, affect people's capacity and ability to work and participate in society. In addition to mental health disorders, physical inactivity and diseases related to being overweight have become more common, being the most common causes of disability pensions.

The ageing of the population, the growing need for services, growing inequalities and the wide-ranging national shortage of labour in health and social services put the service system's ability to provide sufficient services to those who need them to the test. The waiting times for access to primary healthcare and specialised healthcare are currently long, and it has become more difficult to access care services, for example.

The administration of healthcare and social welfare was reformed during the previous government term. The new structure provides good opportunities to improve the service system. However, it must be taken into account that wellbeing services counties will start from very different premises when it comes to making reforms. They differ from each other, for example, in terms of their demographic structure, differences in health and wellbeing and earlier way of organising healthcare and social welfare, and these factors will have an effect on their development needs in the future.

Reforming the administration is not enough in itself to solve the challenges facing health and social services. Health and social services must be reformed and the effectiveness and cost-effectiveness of the service system improved. The focus of services must be shifted

from more intensive services towards primary services and concrete measures must be taken to safeguard people's health, wellbeing and ability to work and function in an economically sustainable manner.

## Government's objectives

The Government will implement reforms regarding health and social services so that wellbeing services counties will be able to prepare for future challenges more effectively. The structure of services will be reformed to function in stages. The aim is to shift the focus from corrective services towards support and assistance at an earlier stage and towards prevention. We will ensure timely access to treatment and services and cut the existing waiting times for services. We will improve the effectiveness of services. In developing services, we will address the factors impairing wellbeing across the board, from young people's mental health issues to shortcomings in services for older people.

The Government will promote the creation of a child-friendly society. Particular attention will be paid to the wellbeing of families and the provision of early support for them. The services for clients in need of multiple services will require special measures. In particular, the Government will seek the quickest possible solutions to the situation regarding home care services, which has deteriorated to the point of crisis. The availability of rescue services will be ensured throughout Finland.

We will increase people's opportunities to exert influence and provide them with more freedom of choice when it comes to services. We will also enable a diverse service provision. Information, technologies and digital services will be utilised widely to increase the availability and effectiveness of services.

The availability of services will be improved while taking into account the needs of different user groups and ensuring the equal realisation of the population's fundamental rights. The Government will pay attention to the accessibility of services and the use of plain language in services. As the range of digital services and devices grows, the Government will also ensure the availability of services and sufficient support for those who find it increasingly difficult to use digital solutions.

We will ensure equal access to health and social services in both national languages at all levels. Language needs will be taken into account in the development of well-functioning service paths, and in developing digital solutions, for example, attention will be paid to the accessibility of services for the Swedish-speaking population.

The Government will take measures to improve the availability of trained care and nursing staff in both national languages, to promote competence and skills, wellbeing at work and good management and to enable seamless cooperation between professionals across administrative boundaries. Through various measures, the Government will seek to reduce needless bureaucracy in order to reduce the burden on personnel and improve their possibilities to focus on direct care.

The Government will ensure sustainable and incentive funding for health, social and rescue services and support wellbeing services counties in the successful performance of their duties by reforming central government guidance. The administration of wellbeing services counties will be developed based on the principles of local inclusion and accountability, but it will not be considered comparable to municipal self-government.

The Government will closely monitor and assess the functioning of the administrative structure of health and social services, the sustainability and incentive effect of the funding model and the functioning of the service system, including the implementation of service integration and the availability of services. We will carry out an external assessment study on the administrative reform.

## **2.1 Urgent measures to improve the availability of health and social services**

The Government will take forward numerous reforms to strengthen health and social services. We will take urgent measures to improve the availability of health and social services. We will pay particular attention to the availability of primary healthcare services, older people's coping at home and the availability of mental health assistance and services, and we will improve the situation of the most vulnerable people.

### **Primary healthcare appointments**

With its measures, the Government will seek to reduce the burden on wellbeing services counties and shorten the waiting times for access to primary healthcare. In the second supplementary budget for 2023, the funding needed for 2023 will be allocated for increasing the current reimbursements from the Social Insurance Institution of Finland (Kela) in primary healthcare appointment services.



During this government term, the availability of primary healthcare will be improved by allocating one-off funding to shortening the waiting times for access to primary healthcare through a new Kela reimbursement model. The funding will be allocated for the target years in an appropriate but as frontloaded and effective manner as possible. The aim is to shorten the waiting times for acute treatment without causing disturbance in the activities of the wellbeing services counties. The Government will reserve a total of EUR 335 million for this purpose, but the exact allocation and phasing of the funding will be specified during further preparation.

Kela reimbursement for medical expenses will continue in its current form until the Government's new model is implemented with the above-mentioned funding.

Measures will be taken to ensure that the maximum waiting times for primary healthcare appointments and oral healthcare are implemented. Supervision related to the maximum waiting times for access to treatment and services will be harmonised. Wellbeing services counties will be guided to use purchased services or service vouchers if necessary. The Government will launch an enhanced period of monitoring the availability of primary healthcare as part of the guidance of the wellbeing services counties.

## **Low-threshold mental health assistance and the availability of mental health services**

The availability of mental health services will be improved promptly. Primary mental health services will be developed by, for example, drawing on the experiences gained from the scheme known as the first-line therapies and adopting a treatment system that is staggered.

Legislation will be enacted to ensure that children and young people have equal access to short-term psychotherapy or other effective psychosocial treatments at the primary level (maximum waiting time for access to therapy for children and young people in accordance with the model developed by the Government).

The availability of psychotherapy services will be improved by reforming psychotherapist training into two-stage training and providing by law that the first stage of training is free of charge.

The availability of low-thresholds services and mental health assistance, such as walk-in services and chat services, will be increased in cooperation with organisations and parishes, for example.

The availability of mental health services will be supported in collaboration with the wellbeing services counties by an intensified use of the Mentalhub.fi service package in the counties (self-management programmes and online therapies).

## Older people's coping at home

Grants will be allocated to third-sector organisations and parishes, among others, for the purpose of maintaining the functioning of older people and informal caregivers and intensifying outreach work.

The Government will increase the appropriation for health promotion in municipalities under the relevant budget item of the Ministry of Social Affairs and Health and influence its allocation to supporting the functioning of older people, their coping at home and informal caregivers.

Interactive guidance will be used to encourage wellbeing services counties to increase and reform group-based day activities and day centre activities for older people.

## Strengthening social justice

The Government will allocate permanent funding to the following measures to strengthen social justice:

- Permanent support for the food aid work undertaken through organisations, association and parishes
- Eradication of long-term homelessness by 2027
- Separately specified measures to support the reduction of drug-related deaths
- Programme for eliminating hepatitis C by 2027
- The coeliac allowance will be restored, with an emphasis on children and young people under 18 years of age and adults on low incomes
- Provision for other measures to help the most vulnerable people:
  - Promotion of legislation on the right to self-determination, to be specified later in accordance with the Government Programme
  - Measures to prevent suicides (Programme for Suicide Prevention)
  - Measures targeted at helping young people who act out severely through substance abuse and criminal and violent behaviour.

## 2.2 Sufficiency and availability of personnel

The Government wants to solve the shortage of healthcare and social welfare personnel threatening the availability of services of the welfare society. Both short-term and long-term measures are needed for solving this issue. The most effective measures are linked to improving the functioning of the system of healthcare and social welfare services by staggering the services and by responding appropriately to the personnel needs related to the services. At the same time, prevention, digital services, service coordination and possibilities for self-management of health will be strengthened. The Government will encourage the wellbeing services counties to increase the attractiveness of the healthcare and social welfare sector through management practices that take account of the personnel's needs and engage the personnel and by improving the division of tasks and increasing flexibility.

We will launch a Good Work Programme to ensure the sufficiency and availability of personnel in healthcare, social welfare and rescue services. The Programme will include measures proposed in the Strategic Roadmap for 2022–2027. We will reserve a one-off appropriation of EUR 9 million for the duration of the government term to support the implementation of the Programme. A sufficient knowledge base and a capacity to anticipate future personnel needs and training volumes will be ensured at the national level.

The Government will improve the division of duties, cooperation and coordination between wellbeing services counties, and where appropriate at the collaborative area and national level, in matters involving the availability of special expertise. We want to support the counties in developing pools of substitutes. We will assess the possibilities of curbing the expensive short-term use of temporary agency staff, of redirecting temporary agency use to situations where it best serves its purpose and of increasing the cost-effective use of own personnel and outsourcing.

### **Increasing the intake of students and developing the structures of education and training**

The Government will increase the number of available student places in both national languages, while ensuring the quality of education and training especially in sectors and regions with shortage of labour. We will ensure that as many students as possible graduate.

We will make sure that applicants are suitable for the sector. The Government will investigate the need for mandatory entrance and aptitude tests for education and training in nursing. We will continue the preparation of the legislation based on the development needs identified in the final report by the SORA project.

The Government will develop the contents and implementation of education and training in the healthcare and social welfare sector in ways that allow improvements to the structure and division of tasks and ensures that the needs of the working life are met. We will increase workplace education and training, such as individual learning by doing and professional specialisation education. We will investigate possibilities to promote a competence-based approach in the healthcare and social welfare education provided by universities of applied sciences. The Government will reduce overlapping higher education and promote education and training for public health nurses, paramedics and midwives by using a modular educational structure.

The Government will improve the availability of psychotherapists by developing the education and training for mental health professionals so that the focus of services can be shifted to initial low-threshold primary services. We will improve the availability of psychotherapy services by reforming psychotherapist training into two-stage training and providing by law that the first stage of training is free of charge. Education and training in early mental health support will also be developed to integrate it into education and training for other professional groups.

The Government will increase the opportunities for professional specialisation education and upskilling. We will issue a decree on continuing education and support the implementation of continuing education.

## **Improving the attraction and retention rate**

The Government will introduce measures to improve the sector's ability to attract and retain employees. We will develop career path models, enable professional development and improve opportunities for entrepreneurship.

The Government will invest in rapid action to recruit those who already have a degree in the healthcare and social welfare sector but who work in other sectors or those who are not employed in Finland or abroad to fill open vacancies. We will also investigate ways to encourage students and retired professionals to take up part-time or full-time work in healthcare and social welfare services. We will recognise the importance and value of voluntary work.

As part of the Good Work Programme, the Government will support the adoption of good management approaches and clear operating models that allow employees to influence workplace practices such as shift planning. The Government wants to ensure good quality management by updating the national objectives to include wellbeing at work. We will encourage the wellbeing services counties to work for better wellbeing at work and fewer sick leaves. We will prevent early career ends through flexibility in working life. We will investigate ethical burden experienced by care workers.

## Clarifying the division of tasks between personnel

The Government will strengthen professionals' opportunities to focus on work where they have the most competence. We will clarify the division of tasks and re-examine eligibility criteria. We will implement an overhaul of the legislation on healthcare and social welfare professionals so that professional practice rights would include only requirements that are necessary and proportionate in terms of client and patient safety. The Government will clarify and harmonise different service providers' requirements for indirect care, while ensuring that the requirements will not be tightened as a result of the changes.

We will ensure a flexible division of tasks between professionals and that healthcare and social welfare professionals are supported in their work by employees with other qualifications. The use of support services and care assistants will also be increased.

## Reducing tasks

The Government will promote healthcare and social welfare professionals' possibilities to focus on direct care. We will reduce the amount of written work required of professionals, such as statutory statements and different kinds of certificates. We will develop the division of tasks especially between employees who provide direct care to clients and employees who provide indirect care, such as administrative services or support services. We will also take into account the possibilities offered by digitalisation and technology to ease the workload of personnel.

## **International recruitment**

As part of addressing the shortage of personnel in healthcare and social welfare, international talents will be identified and wellbeing services counties will be supported in recruitment and in ensuring their personnel's language skills. The Government will accelerate and streamline the process of granting practice rights to professionals trained outside the EU/EEA.

We will explore the possibilities of creating language training that is uniform across the country.

## **2.3 Increasing the effectiveness of services**

### **Prevention and health and wellbeing promotion**

Prevention can promote people's health, wellbeing and functioning and curb the growth of costs in healthcare and social welfare in the long term. Chronic diseases carry significant human and economic costs.

Cancers, cerebrovascular disorders, cardiac and cerebral infarctions and other chronic diseases can be prevented by reducing their risk factors. It is essential to reduce the burden of chronic diseases both from the perspective of improving individuals' wellbeing and extending their healthy life years and from the perspective of the sustainability of the service system.

Chronic diseases can be significantly reduced by addressing risk factors, such as tobacco, alcohol, diet, physical inactivity and overweight as well as loneliness, which is one of the factors endangering mental health. The Government will implement a national health and wellbeing programme in cooperation that spans administrative branches and non-governmental organisations. The programme will strengthen the impact of health and wellbeing promotion by introducing practices that have been assessed as effective and by developing new solutions that are based on overall economic benefit and cost-effectiveness. We will reserve a one-off appropriation of EUR 9 million for the duration of the government term to support the implementation of the programme.

The Government will clarify the division of responsibilities between municipalities and wellbeing services counties in the promotion of health and wellbeing. We will guide the municipalities and wellbeing services counties in their health and wellbeing promotion and related collaboration especially with regard to interface services and knowledge management.

The Government will advance the introduction of a national vaccination certificate into the Kanta Services.

## **Use of effective methods and best practices in the service system**

The Government will reform and strengthen the national process of health technology assessment by pooling the expertise and resources into a single entity. This cluster of expertise will develop and strengthen the assessment of methods and technologies in healthcare, social welfare and the promotion of health and wellbeing. It will also coordinate expertise on the quality and effectiveness of services. The Government will consolidate network-based, coordinated activities of wellbeing services counties that support peer review of the quality and effectiveness of services provided by the counties and promote peer development and monitoring of activities.

Uniformly assessed, effective methods with proven cost-effectiveness will be introduced in healthcare and social welfare.

To improve the introduction of effective methods and best practices in healthcare and social welfare, the Government will strengthen assessment competence and decision-making at the national level, the production of data on the quality and effectiveness of services and the development of recommendations and the ways of establishing them in the service system (the funding for these is included in the section on curbing the growth of costs). The Government will promote the effectiveness and equality of services by issuing provisions on the principles for the inclusion and targeting of services in the range of services and methods in public healthcare and social welfare. We will explore the possibility of enacting provisions on a national body competent to make binding decisions on the inclusion or exclusion of methods and services in the range of public services.

The Government will enhance the systematic production, analysis and utilisation of comparable data on quality, effectiveness and cost-effectiveness. The range of services, quality registers and clinical guidelines will emphasise measures that have the most important effect on people's health and wellbeing and for the cost-effectiveness of services.

The Government will strengthen central government guidance based on effectiveness. We will support research on the effectiveness and cost-effectiveness of services when the focus is on the service system, healthcare and social welfare and the promotion of health and wellbeing.

## 2.4 Reforming health and social services

Organising and reforming health and social services is the joint responsibility of the wellbeing services counties, the City of Helsinki and the HUS Group. The central government, in turn, will create the general conditions and guide these entities in reaching the set goals, while also implementing the required legislative amendments.

### Availability of services

Speedier access to treatment and services and a comprehensive response to the service needs of citizens must be ensured. The key task is to improve the availability, cost-effectiveness and quality of services, including their continuity and integration. All services will equally be secured in the two national languages.

The wellbeing services counties will be guided to take note of the availability and accessibility of these services as they develop the service structure. New operating modes, such as digital services, remote appointments, services taken to the client's home and mobile services, will be promoted, notably in sparsely populated areas. The introduction of digital service coordination will be promoted in wellbeing services counties in an effort to solve each patient's problem either digitally, over the phone or by referring them to their dedicated health and social services clinic or other services.

Citizens will be enabled to make a new choice of their treatment facility in non-urgent cases, as defined in the Health Care Act, every three months, doing it digitally.

The services provided by the occupational healthcare system and the Finnish Student Health Service (YTHS) will be further elaborated to be incorporated into the client's healthcare and social welfare services and their service package. Collaboration between the occupational healthcare system, the Finnish Student Health Service and the public healthcare and social welfare system will be stepped up.

The wellbeing services counties will be supported in their efforts to enhance cooperation with private service providers in offering outpatient appointment services, by drawing on operating models developed in Finland and in the other Nordic countries.

Consultation services and consultation models by specialists in different medical fields will be improved to support primary healthcare, and their appointment services in health and social services centres will be encouraged. In addition, the personal doctor, named nurse



and My Team models will be drawn on to improve access to treatment and ensure greater continuity of treatment. The usefulness of the self-employed person model will also be investigated.

The availability and quality of treatment of rare diseases will be facilitated by concentrating relevant excellence in university hospitals across the boundaries of wellbeing services counties and collaborative areas for healthcare and social welfare.

The service voucher system and payment commitments will be improved to become feasible options for clients and service providers in healthcare and social welfare services, with due regard to their impact and total cost. Service voucher clients will be allowed to use their own money to buy extra services.

If a client fails to receive the public service they need within the maximum waiting time for access to treatment, they will have the right to obtain a service voucher or a payment commitment for a service offered by another service provider. There will be better monitoring of how the maximum waiting times are assured.

The wellbeing services counties will be required to publish data on meeting the maximum waiting times for treatment laid down by law, doing it more frequently than currently and in a client-oriented manner. The availability of client-oriented data on waiting times in social welfare services will be enhanced.

The availability of primary healthcare services will be improved by allocating one-off funding during this government term to reducing the waiting times for access to primary healthcare through the new Kela reimbursement model to be developed by the Government.

In the second supplementary budget for 2023, the funding needed for 2023 will be allocated for increasing the current reimbursements from Kela in primary healthcare appointment services. Kela reimbursements will continue in their current form until the Government's new model is implemented.

It will be ensured that legislation also allows reimbursement from Kela in cases where private healthcare services are provided at premises run by the public healthcare and social welfare system.

The opportunities to make use of public-private sector collaboration in support services, premises and equipment will be examined. The digital Kanta Services for the healthcare and social welfare sector will be further developed to improve the flow of information and data.

The Act on the Social Insurance Institution of Finland will be amended with respect to administration in a parliamentary process. Additionally, the Act will be amended to allow Kela's services to be offered to other societal actors in order to improve safety and security of supply.

Implementation of the EU Patient Directive will be pursued and national harmonisation of the reimbursement level for cross-border treatment will be studied.

Legislative work on the right to self-determination of clients and patients will be continued in order to support and strengthen the individual's right to self-determination and ensure that their basic rights are fulfilled, while attention will be paid to client safety and individual needs in all circumstances. Legislation will be reworked in an order of priority and urgency dictated by law.

## Prehospital emergency medical services and 24-hour services

Mobile services to be applied during on-call duty will be developed in home care and 24-hour care services.

Prehospital emergency medical services will be further enhanced as an integral part of 24-hour services in healthcare and social welfare and as part of multi-authority activities. The effectiveness of prehospital emergency medical services and the related knowledge base will be improved by continuing to develop the national prehospital emergency medical services report.

The responsibility for funding patient transportations in the context of prehospital emergency medical services will be transferred entirely to the wellbeing services counties, as recommended by the working group on multisource financing.

The occupational safety of paramedics will be improved through the necessary legislative amendments.

The medical and treatment services provided with emergency medical helicopters will be integrated into the prehospital emergency medical services and 24-hour services system of the wellbeing services counties. The responsibilities for organising the helicopter medical emergency service and the acquisition of such helicopters, including the related purchasing and operating costs, will be studied separately, with due regard to their economy and cost-effectiveness.

The feasibility of making use of video calls in the context of emergency calls will be investigated.

## Mental health and substance abuse services

The prevention of mental health and substance abuse issues and their proper treatment are significant from the perspectives of public health and the economy alike. The rising mental health issues among young people in particular call for determined efforts.

Implementation of the reformed legislation on mental health and substance abuse services, applicable as of 1 January 2023, will be ensured in collaboration with the wellbeing services counties. The measures identified during work under the National Mental Health Strategy 2020–2030 will be continued as part of the Government's measures to promote mental health. Implementation of the Programme for Suicide Prevention will also be continued. The availability and effectiveness of healthcare and social welfare services related to mental health and substance abuse issues will be improved. Particular attention will be paid to preventive mental health and substance abuse work in activities for children and young people.

Primary mental health services will be enhanced by drawing on, among others, the experiences gained from the scheme known as the first-line therapies and adopting a treatment system that is staggered. Legislation will be enacted to ensure that children and young people have equal access to short-term psychotherapy or other effective psychosocial treatments at the primary level (maximum waiting time for access to therapy for children and young people in accordance with the model developed by the Government). The availability of low-threshold measures, such as walk-in services and chat services, will be promoted throughout the country.

The availability of mental health services will be supported in collaboration with the wellbeing services counties by an intensified use of the Mentalhub.fi service package in the counties (self-management programmes and online therapies).

Different options to meet the clients' needs will be taken into account and secured in substance abuse treatment models. The treatment of pregnant women who abuse substances will be enhanced. The use of a non-medicinal recovery-oriented model with a focus on abstinence will be increased. National quality standards for training and substance abuse treatments will be created and the effectiveness of substance abuse treatments will be monitored.

Particular attention will be paid to preventing drug abuse by young people and to reducing drug-related deaths among them. A separate assessment will be made of any additional measures needed during the current government term.

Over-indebtedness and gambling-related harm will be addressed early on. The availability of treatment, including remote services, will be ensured for gambling addicts.

The operation of state mental hospitals, reform schools and prison healthcare services will be improved through the existing organising and guidance structures.

## Rehabilitation

Well-functioning rehabilitation serves to diminish the individual's complications, need for inpatient care, hospitalisation or rehospitalisation. Rehabilitation also supports participation in work and education and training.

The rehabilitation reform will be continued in accordance with the proposals of the rehabilitation committee and the rehabilitation reform plan 2023–2027, preserving the multisource financing model. The regulation on medical rehabilitation will be made more specific in order to reduce overlapping measures and better target the resources available.

Expertise in rehabilitative care work will be promoted, establishing indicators for the evaluation of care effectiveness. The role of rehabilitative care work in preserving functioning will be underlined. There will be wider opportunities to use service vouchers as part of home rehabilitation services, and possible expansion of the use of tax credit for household expenses in the rehabilitation of private individuals will be examined.

Possible overlaps in vocational rehabilitation benefits resulting from the extension of compulsory education will be eliminated.

## Children, young people and families

The Government will promote policies favourable to families with children on all levels and will assess effects on children and families in policymaking. The Government recognises the diversity of families with children. The measures identified during work under the National Child Strategy will be continued as part of the implementation of the Government's child and family policy.

In Finland, childlessness affects one in five persons in fertile age. Adoption processes will be facilitated. In the best interests of the child, attention will be paid to an option allowed by law: adoption of a child who has been taken into care.

Contraceptive counselling will be enhanced to diminish unwanted pregnancies, abortions and sexually transmitted diseases. The provision of necessary help and support throughout the treatment chain for women who have experienced miscarriage and those who have sought an induced abortion will be promoted. The practice of sending women who have gone through miscarriage for a check-up at a maternity health clinic will be enhanced.

The impacts of the family leave reform will be monitored and the system will be further developed to take into account the child's best interests, improve equality in parenting and employment, increase freedom of choice and flexibility for families and their opportunities to participate in early childhood education and care. A more balanced sharing of responsibility for child-rearing and childcare will be enabled, accommodating for the disparate needs of families. Conditions will be created for better reconciliation of work and family life. A more even sharing of the costs of parenthood between the employers of both parents will be promoted.

Families will be provided with low-threshold services that will also take account of the need to provide support for couples and parenting. The national family centre scheme and collaboration with the third sector and parishes, for example, can be used to this end.

The Government will update the relevant legislation as far as maternity and child health clinics, school healthcare services and other services for this age group are concerned, improving the effectiveness of such services. The maternity and child health clinics and school healthcare services will be further developed to support families and parenting, with a stronger focus on the child's best interests and the individual circumstances of families.

Prolonged custody disputes and estrangement will be prevented and the best interests of the child will be enhanced by promoting conciliation in custody disputes.

In student welfare, the availability and continuity of services and smooth information flows between different entities and public authorities will be ensured through necessary legislative amendments. Cooperation between different authorities will be promoted, including multiprofessional Ankkuri (Anchor) activities to be carried out together with the police.

The Government will pay particular attention to services for children with neuropsychiatric symptoms (nepsey) and support for their parents, including quick diagnosis and quick access to help.

The Government is set to reform the national child welfare legislation. The reform is about ensuring that the child's best interests, wellbeing and safety are realised, by defining the use of restrictive measures more clearly. Child welfare authorities and substitute care units must have concrete resources and adequate powers to carry out their work. A service structure with a focus on early support, multiprofessional work for families with children and non-institutional services in child welfare will be promoted.

Proper functioning of the treatment and rehabilitation chain of seriously violent young people will be looked into. Public authorities will be required to collaborate actively, and adequate powers and sufficient policy tools will be ensured so that a child who has been placed or taken into care can be quickly found and returned.

## Services for persons with disabilities

The right to self-determination and the human rights and equality of persons with disabilities must be honoured in policymaking throughout their lives, and the smooth running of their daily lives must be ensured when designing any services. Attention will be paid to guaranteeing inclusion and hearing the views of persons with disabilities.

There will be a wider selection of housing services to better cater for the individual needs of persons with disabilities. Potential uses of technological solutions fit for services for persons with disabilities will be studied, drawing on the experience gained in projects regarding services for older persons.

The personnel structure in services for persons with disabilities will be evaluated in connection with the measures to improve the adequacy and availability of healthcare and social welfare personnel.

Transport services for persons with disabilities must be organised in a user-friendly manner, observing any special needs. It will be investigated whether the use of regular taxis could be promoted in publicly supported taxi transport services.

The special needs of persons with disabilities and service continuity will be ensured under the provisions of the Act on Public Procurement and Concession Contracts. The opportunities for direct procurement with tailored contracts will be taken into account in procurement. Access to personal special assistive devices will be facilitated. The introduction of personal budgeting will be promoted.

The entry into force of the new Act on Disability Services and Assistance will be postponed to 1 October 2024. The Government will urgently launch a legislative drafting process to ensure the realisation of the rights of persons with disabilities and the availability of their services. Drafting the new Act on Disability Services and Assistance will be given priority in the legislative drafting process. When drafting the new Act on Disability Services and Assistance (675/2023), note will be taken of the amendments made to the bill during the parliamentary procedure. The Ministry of Finance estimates that the cost impact of legislative drafting may increase the annual expenditure by EUR 100 million compared to the current situation.

In autumn 2023, the Government will launch a fixed-term programme which focuses on rehabilitation and rehabilitation services for children and young people with neuropsychological disorders through Kela's discretionary rehabilitation. A total of EUR 20 million will be spent on the programme per year until the new Act on Disability Services and Assistance enters into force.

## Personalised and needs-based services for older people

In the coming decades, services for older people will be in ever greater demand. While the majority of older people cope independently, the need for help becomes greater in their very last living years in particular.

Service coordination will be further developed, with special attention to older people who require many services. Smooth access to services will add to the sense of security of older people and their families alike. It will be ensured that, in practice, services will be available on an equal basis. Collaboration between the wellbeing services counties and the municipalities is needed in order to provide for accessible housing, recreational activities and mobility and prevent accidents. The improvement of the digital skills of older people will be supported through collaboration between municipalities and relevant organisations. It will be ensured that services are also provided for individuals who are unable to use e-services.

The current Act on Care Services for Older Persons provides for organising and offering counselling services for old people. Making use of this opportunity in the wellbeing services counties will be promoted with due regard to cost-effectiveness. An operating model under which each home care client will be assigned a personal doctor or named nurse will be promoted.

Timely and adequate home care services, service housing and communal housing, and 24-hour care services must be ensured in accordance with individual needs. Family care of older people will be increased. It will be ensured that the legislation on communal housing is in line with other regulation. The definition of communal housing will be clarified; compatibility of the legislation on communal housing with other regulation will be ensured; and harmonised interpretation practices by the rescue and supervisory authorities concerning the regulation on communal housing will be ensured.

The current minimum staffing level of 0.65 employees per client will remain in force during this government term. The entry into force of the minimum staffing level of 0.7 employees per client in 24-hour care will be postponed to start on 1 January 2028 in order to ensure a sufficient number of personnel in healthcare and social welfare services.

We will ensure that that any employee groups authorised by law are recruited in an effort to reach the staffing level that meets the clients' need for care and nursing. The humane use of technological solutions, such as smart floors and smart watches, that facilitate care work and increase patient safety will be made possible for the purpose of calculating staffing levels.

The quality recommendations for guaranteeing a good quality of life and improved services for older people will be updated. Ensuring the effectiveness of care and nursing will be underlined to a greater extent in such recommendations.

## Informal care

Informal caregivers are an important resource in our society. Equality among informal caregivers and their ability to cope will be strengthened. Work to standardise the criteria for informal care will be continued. Actions will be promoted to enable the wellbeing services counties and municipalities to provide better opportunities for people to engage in informal care. It will be examined what kind of situations cause people to fall through the cracks in the informal care support system, and it will be assessed what kind of needs there are for guidance and training to be targeted at the wellbeing services counties.

It will be ensured that informal caregivers have the chance to take time off, relying on service vouchers, the home care service, institutional respite care and family care. It will be made possible to transfer to the following calendar year any time off that has not been taken.



Reconciliation of informal care and paid employment of those informal caregivers who go to work will be promoted. Opportunities will be created for part-time jobs and remote working in changing family circumstances. Informal caregivers' opportunities to take a temporary care leave will also be promoted. The issue of support for temporary care leave will be examined on the basis of the Swedish model and its costs.

## Improving other services

The right to effective pain treatment and a confidence in its availability will be ensured efficiently and on an equal basis throughout the country.

The expertise of healthcare and social welfare personnel in pain treatment will be improved and prevention, continuity, multiprofessional operation and a staggered approach to treatment will be ensured in pain treatment.

Dignity in end-of-life care without suffering and addressing individual needs will be ensured. The necessary special arrangements for good terminal care and palliative care will be implemented regardless of whether the care takes place at home, in assisted living facility or in hospital, addressing linguistic and cultural needs and varying degrees of disability.

The right to end-of-life care that will secure good care at the end of one's life regardless of one's place of residence or care will be made explicit in the relevant acts. The competence and availability of palliative and terminal care as well as the consideration of relatives in palliative and terminal care will be ensured.

The possibility of increasing the provision of dialysis treatment at home without increasing costs to the clients will be investigated.

The need for legislation related to alternative treatments and aesthetic treatments provided on non-medical grounds will be examined together with the Ministry of Economic Affairs and Employment to ensure patient safety.

The Government will ensure permanent funding for food aid to help the most deprived persons and secure sustained development of such aid through Finnish parishes and organisations.

## Safe and effective pharmaceutical services

The reform of pharmaceutical matters will be continued based on the roadmap, ensuring rational pharmacotherapies with a view to improving the health and functioning of the population and the effectiveness, safety and quality of pharmacotherapies with due regard to economy, equality and availability. Pharmaceutical matters will be integrated more closely into the Health Sector Growth Strategy.

Guidance in the fields of pharmacotherapy and pharmaceutical services will be developed consistently as part of the entire service structure within healthcare and social welfare.

The cost-effectiveness of pharmacotherapies and prescribing and taking medicines on the basis of research data will be enhanced by improving the Pharmaceutical Database and pharmaceutical information resource, among others. With regard to outpatient and institutional care, the assessment processes and criteria related to the introduction of medicines will be harmonised and reformed to be uniform regardless of how the medicine is administered.

Deployment and further development of the Kanta medication list will be continued. Account will be taken of better compatibility and integration with patient data systems, the e-prescription and the Prescription Centre. The safety, effectiveness and relevance of pharmacotherapies of older people and people with multiple chronic conditions will be improved through guidance on pharmacotherapy and overall medication assessments. Particular attention will be paid to the overall medications of older people and people who take a lot of medication. Dose administration will be further improved to increase medication safety and an efficient use of human resources.

It will be made possible to divide the annual excess applied in the reimbursements for medicines into parts, by introducing a reform that will be cost-neutral from the standpoint of general government finances. On the basis of the experiences gained, it will be further assessed whether the issue of annual payment ceilings needs to be examined.

The wastage of medicines and pharmaceutical waste will be diminished. The Act on Compulsory Stockpiling of Medicinal Products will be reformed and other necessary measures will be taken to ensure the availability of medicines and security of supply for them.

## Preparedness and readiness

The preparedness and readiness of the healthcare and social welfare sector to respond to global, national and regional risks in both normal and emergency conditions will be improved by strengthening the role of the five collaborative areas. Legislation will be fine-tuned so that the management, guidance and other arrangements in these five collaborative areas and at the national level make up a national whole. The operation of centres for preparedness in healthcare and social welfare will be regularised, ensuring that security of supply in preparedness planning and procurements will be observed.

The cyber security of information systems used in healthcare and social welfare services will be strengthened.

Legislation and operating models will be enacted for healthcare and social welfare services to facilitate receiving and giving international assistance. It will be ensured that healthcare and social welfare activities are in line with Finland's NATO membership obligations.

The Government will secure the availability of the most important medicines, medical products and intravenous infusions in Finland and will develop Nordic and European cooperation in this area. The feasibility to promote national vaccine production will be examined. Legislation on the compulsory stockpiling of medicines will be reformed. Finland will continue to pursue an active role in developing EU-funded stockpiles. The availability of medical material and equipment necessary for the protection and care of the population's health and wellbeing will be secured in normal and emergency conditions in cooperation with the service system and the National Emergency Supply Agency.

Legislation in the field of healthcare and social welfare will be developed in such a way that even in the event of incidents under normal conditions the authorities possess adequate means to direct and manage the situation in a binding way, when needed, and adapt their operations with a view to securing adequate services and adequate levels of income. The division of duties between municipalities and wellbeing services counties will be made more explicit.

The private sector plays a significant role in the overall service production within the healthcare and social welfare system. The consistency of preparedness arrangements will be secured.

## 2.5 Digital services and knowledge management

### National objectives

Long-term strategic objectives will be set to provide guidelines for developing information management in healthcare and social welfare, digitalisation and RDIS activities so that the use of technology in the health and social services sector produces desired benefits. The information management infrastructure in healthcare and social welfare will be built primarily at the collaborative area level and nationally. Efforts will be made to reduce the number of existing information systems. The interoperability of information systems and smooth flow of information will be developed.

The opportunities of wellbeing services counties for knowledge management will be ensured in line with the updated national objectives. The needs of knowledge management will be taken into account in the development of systems. The progress of knowledge management will be ensured and the overall management will be the responsibility of the ministries.

Assessment will be made on the allocation of funding channelled to the university hospital supplement for research and education. The possibility to allocate funding directly to the university hospitals to carry out their duties will be investigated.

### Enabling legislation

The legislation on information management in healthcare and social welfare will be amended and the related advice, guidance and supervision will be reformed. Regulations on the processing of personal data will be developed so that the data collected on health and social services will be more easily available between different actors in the wellbeing services counties, within the special arrangements for the Region of Uusimaa, in collaborative areas and nationally. In order to promote the functioning of service chains and service packages, the flow of information will be streamlined especially between healthcare and social welfare services and for the needs of municipalities and authorities. Information will be used to anticipate clients' needs for services and for early intervention.

It will be ensured that national legislation or its interpretation is not stricter than the requirements set by the EU, especially with regard to data protection and automated decision-making.

The use of artificial intelligence in healthcare and social welfare will be enabled, for example, in shift planning, prevention, self-management of health and self-care as well as in service and care provision. This will be done while safeguarding fundamental rights. The most likely automated tasks of healthcare and social welfare as well as related opportunities and risks will be investigated.

The right and opportunities of people to manage and utilise their own data and the preconditions for self-management of health will be strengthened. A national consent management solution will be developed, acting on behalf of another person and attending to the affairs of a deceased relative will be facilitated. Disclosure of necessary information, based on legislation, will be investigated, in which case the informed right to self-determination would be based on the right to prohibit. Finland will actively participate in the work carried out within the framework of the EU's health data space (EHDS), remove obstacles to research and harmonise research legislation.

The cost effects of the legislative amendments to the new Client Data Act and other information management legislation on health and social services will be assessed. The entry into force of the legislation will be postponed or its implementation staggered as necessary to ensure that the costs incurred in the regions are reasonable.

## Research and RDI

The challenges of the Act on the Secondary Use of Health and Social Data will be solved so that research conducted in Finland and the possibility of utilising the data can be promoted. The role of Findata will be assessed. The transfer of research and innovation expertise to the drafting of research legislation will be assessed by establishing a research legislation council. The possibilities of ensuring that visual material is retained for longer than at present for primary and secondary use will be investigated.

The work of the national effectiveness centre will be strengthened. The prerequisites for research on healthcare and social welfare and on care work at the higher education level and the updated Current Care Guidelines, including the Swedish versions, will be ensured. The national use of quality data will be strengthened and expanded.

The Government will enable the wellbeing services counties to participate in Business Finland RDI funding as partners of companies and higher education institutions. RDI structures and funding in social sciences will also be secured.

In cooperation between the Ministry of Economic Affairs and Employment, the Ministry of Education and Culture and the Ministry of Social Affairs and Health, a research, development and innovation programme to boost growth and renewal in the health and wellbeing sector, including the use of health technology and promotion of exports, will be launched as a follow-up to the health sector RDI growth strategy. The programme responds to the rapidly changing operating environment by reforming the structures and procedures by which the sector's data, infrastructure, research results, digitalisation and technology are utilised in RDI activities in cooperation with wellbeing services counties, higher education institutions, financiers and companies in the sector.

The Finnish Institute for Health and Welfare (THL) will implement a new kind of Finland100 birth cohort project that will be funded by the Finnish Cultural Foundation. The project will create a national, cross-disciplinary and life-long data warehouse.

## Digital services and technology

A good partnership between the public and private sectors will be promoted, for example, to develop skills and innovation related to digitalisation in healthcare and social welfare.

A digital healthcare and social welfare programme will be drawn up and its management ensured. The progress of digitalisation will be supported through legislative measures. The share of e-services will be increased and digital services will be made the primary option for clients for whom it is viable. The availability of services compliant with the digital health and social services centre model will be expanded and the effectiveness of the national solution will be assessed. Digital exclusion will be prevented and the needs of different user groups and the ease of use of digital solutions will be taken into account. Services will be ensured face-to-face or by telephone, when necessary.

## 2.6 Organisation of health and social services

While respecting the wellbeing services counties' wish to concentrate on their work, the Government will continue to develop the implemented basic solution so as to make the counties better equipped to organise services in an appropriate manner. The Government will not merge the counties without an assessment procedure.

The responsibility for organising health and social services rests with the public sector. The Government will support the wellbeing services counties in bearing the responsibility for organising services, improve clients' timely access to services regardless of their place of residence, improve clients' freedom of choice as applicable, diversify the provision of

health and social services and strengthen agreements between the wellbeing services counties at the collaborative area level and nationally. The guidance of wellbeing services counties will be assessed and developed gradually towards cost-effectiveness. The knowledge base describing health and wellbeing is a key prerequisite for the comparability of wellbeing services counties.

National guidance will be strengthened together with the wellbeing services counties while respecting local accountability and residents' opportunities to participate. The Government is committed to supporting the ministries in their guidance role and, if necessary, making full use of the instruments provided by law to guide the wellbeing services counties and introducing new instruments.

We will reserve a one-off appropriation of EUR 10 million for the duration of the government term to support the implementation of the measures outlined in the Government Programme for strengthening the guidance of wellbeing services counties and curbing the growth of costs.

## **It is time for a service reform in the healthcare and social welfare sector**

Legislation on healthcare and social welfare services and related guidance will be reformed to correspond to the new structures of health and social services and to meet the national objectives for health and social services. Measures will be taken to remove obstacles to promoting service integration, knowledge management, digitalisation and the sufficiency of personnel. The Government will reduce the detailed regulation on the contents of services that has become unnecessary now that the wellbeing services counties are operating and they are provided with national guidance in accordance with the Act on Organising Healthcare and Social Welfare Services. We will strengthen guidance promoting cost-effectiveness at the collaborative area level and nationally and comparisons between wellbeing services counties.

Legislation on healthcare and social welfare services will be reformed and wellbeing services counties will be guided to reform their services based on the appropriate staggering of services. The functioning of the service system will be improved and expenditure growth curbed by strengthening prevention, digital services, service chains, service coordination and possibilities for self-management of health. Access to treatment and services and the cost-effectiveness of the service system will be improved by placing emphasis on primary services. Measures will be taken to strengthen intermediate services between primary and specialised services. It will be possible to reduce the pressure to use expensive specialised services at the highest level of the service system when the other levels of the staggered system work optimally and services are targeted in a correct and

timely manner. This will require a clearer structure where preventive services, services promoting health and wellbeing, primary services and specialised services form a clear package of staggered services. Shifting the focus to the primary level will be supported through legislation. The Health Care Act, the Social Welfare Act and the legislation on child welfare will be reformed. The interoperability of the legislation on services and the Act on Organising Healthcare and Social Welfare Services will be ensured.

Steps will be taken to ensure cooperation between wellbeing services counties, municipalities, organisations, parishes and private service providers, for example. The promotion of health and wellbeing will be supported through cross-administrative cooperation and the wellbeing aspect of all population groups and the related knowledge base will be strengthened in the guidance of wellbeing services counties and municipalities.

The importance of effective methods will be emphasised nationally by reducing the number of low-benefit treatments and examinations based on the national assessment of methods and medicines used in healthcare and social welfare.

## **Strengthening coordination and integrating services**

The Government will monitor and develop the implementation of the integration of primary healthcare and specialised healthcare and, in particular, the integration of health and social services for those who use multiple services and the development of high-quality and cost-effective care and service chains. Owing to the high number of people living in the Region of Uusimaa, and in an effort to solve the challenges posed by the special arrangements made for the Region, the Government will pay particular attention to how the integration works in Uusimaa. Network-based expertise clusters will be established in connection with Porvoo and Raseborg Hospitals. The centres will focus on supporting and developing the realisation of linguistic rights in healthcare and social welfare.

Effective national guidance will speed up the regional development work concerning integration, the introduction of digital health and social services, and equal service coordination. To promote the equality of the population, more emphasis will be placed on cooperation at the collaborative area and national levels when organising services and duties that require extensive special expertise or significant investments. The coordination responsibility of the five collaborative areas will be strengthened to improve effectiveness and productivity.



Mutual national support functions between central government and wellbeing services counties will be developed ambitiously. The aim is to increase the efficiency of joint procurements, make the use and construction of properties more efficient, improve leadership and human resources management and enhance the economic and operational possibilities of digitalisation.

The legislation on the division of responsibilities in specialised healthcare will be reformed. This will require amending the Health Care Act, the Decree on the Centralisation of Specialised Healthcare, the Act on Organising Healthcare and Social Welfare Services and the Decree on the Agreement on Collaborative Areas for Healthcare and Social Welfare.

We will increase opportunities for wellbeing services counties to agree on cooperation in specialised healthcare services and to organise day surgical procedures (incl. anaesthesia) also in hospitals which do not provide 24-hour emergency care services.

We will ensure that the wellbeing services counties operating university hospitals are able to carry out education, research, development and innovation activities and conduct cooperation with higher education institutions, taking into account the expertise of other wellbeing services counties belonging to the same collaborative area especially in social welfare, primary healthcare and rescue services.

We will clarify the division of duties and responsibilities between wellbeing services counties, municipalities and organisations and remove overlaps. The coordination of cooperation between bilingual wellbeing services counties will be clarified.

The roles and duties of public, private and third sector operators during incidents and emergencies and in preparedness will be specified clearly in legislation. We will make the necessary specifications to legislation so that, in the event of incidents, the law confers sufficient powers on collaborative areas enabling them to manage and make decisions across wellbeing services counties. The national security of supply of medicines and medical supplies will be safeguarded.

## **Model of multiple providers**

Measures must be taken to make it easier for wellbeing services counties to choose the most appropriate way of delivering the health and social services that they are responsible for organising. It is important to make use of the expertise and capacity of private operators, organisations and foundations when improving the availability and quality of services.

The Government will remove legislative obstacles to the model of multiple providers and this way increase the possibilities for wellbeing services counties and collaborative areas to organise services efficiently and, especially from the perspective of county residents, in a high-quality, effective and cost-effective manner. The availability of services will be strengthened by developing Kela reimbursement, increasing and harmonising the use of service vouchers, making use of personal budgeting and intensifying the supervision concerning the availability of services and the implementation of the maximum waiting times for access to treatment. The provision of service vouchers will be made obligatory when there is a risk that the maximum waiting times will not be met.

We will assess and, if necessary, reduce regulation concerning wellbeing services counties' own sufficient service provision. Regulation should make it possible for wellbeing services counties to operate and cooperate in an appropriate manner, also in corporate form, and regulation may not create an artificial obstacle to procuring services from private service providers or from the third or fourth sector. We will make the legislative amendments proposed by the subcontracting working group concerning subcontracting by private service providers. We will remove the prohibition to procure 24-hour services laid down in section 12 of the Act on Organising Healthcare and Social Welfare Services in respect of applicable 24-hour services and the obligation to have permanent physicians who assess the need for care, provided that the Constitution and the assurance of patient safety allow this. Wellbeing services counties must always state the reasons for their decision to provide services in a certain way.

We will explore ways of strengthening procurement competence, the understanding of the importance of quality and effectiveness in the procurement of health and social services and the understanding of the importance of external service providers in wellbeing services counties. As a rule, market dialogue will be made part of the procurement process. Competitive tendering processes for the provision of services will be split up if necessary so that small and medium-sized businesses can keep up with competition. This will make it possible to make use of the different solutions offered by various service providers as flexibly as possible. We will conduct a study on the Act on Public Procurement and Concession Contracts and the public procurement processes in respect of procurements by the healthcare and social welfare sector to ensure that procurements are made as effectively as possible and tendering is successful. However, it must be ensured that the continuity of services is taken into account in life-long services, for example.

Wellbeing services counties can organise their core activities using different organisational models, also in corporate form. However, circumvention of the provisions of the Act on Public Procurement and Concession Contracts through in-house companies must be addressed by means of legislation and enhanced supervision.

We will utilise the national cost analysis model as part of regional knowledge management and national guidance and for the purpose of improving the comparability of services. In addition to cost analysis, the situation with waiting times for public services needs to be examined consistently.

## Supervision

The supervision of health and social services will be harmonised. The licensing, guidance and supervision duties will be brought under a single agency. The Government will ensure that supervision and licensing practices are equal for service providers in both the public and private sectors.

In addition to the supervision of activities, monitoring the economic efficiency and performance of wellbeing services counties will be added to the duties of the regional supervisory authority, because compromised economic sustainability is a key threat to the realisation of equal health and social services. Sufficient resources will be secured for the national multi-location authority responsible for the supervision of health, social and rescue services to supervise professionals and streamline the licensing processes.

The Government will pay particular attention to providing proactive guidance for the organisation of services, especially to the structure of services for older people and the new form of communal housing services, and to ensuring that legislation is interpreted in the same way across Finland.

We will ensure that the conditions for granting different licences are not tighter than the minimum requirement or that, in its supervision, the supervisory authority does not rely on such recommendation-like policies that are not based directly on an act or decree. The supervisory authority should not require anything from service organisations that is not laid down by law. However, this will not limit the statutory powers of the authority in question.

## 2.7 Sustainable and incentive funding and guidance of wellbeing services counties

The Government notes that the sustainability of funding for wellbeing services requires that costs develop more slowly than projected and realised to date. In this way we can ensure the availability of wellbeing services in the future.

The Government is committed to the target of curbing the growth of costs by EUR 1.4 billion by 2027 compared to the baseline scenario for 2023 and by a total of EUR 3 billion by 2031, while taking people's constitutional rights into account. Changes corresponding to this cost reduction target will be made to the funding model of wellbeing services counties.

The Government will monitor trends in costs and service needs annually in connection with General Government Fiscal Plan and will adopt additional measures to reach the target, if necessary.

The Government will undertake to fully finance any new duties assigned to the wellbeing services counties or any extensions of their existing duties or to reduce the counties' duties correspondingly. Thorough impact assessments will be performed on any changes to the duties before making any decisions.

The Government will not introduce the right of wellbeing services counties to levy taxes or launch any studies to that effect.

## Changes to the funding model

The Government is committed to guaranteeing people the health, social and rescue services they need and to ensuring the implementation of the public service pledge throughout the country. The need for health, social and rescue services will grow significantly during this decade, particularly as a result of the ageing of the population.

As service needs and costs increase, the funding for services will grow considerably in this decade. Without any new measures, the funding of wellbeing services counties is expected to grow by over EUR 8 billion by 2031, exceeding EUR 30 billion at the end of the decade. Although the increase in funding is necessary from the perspective of ensuring the availability and quality of services, the growth of costs must be more manageable than it is at present.

Even after the Government's measures to curb costs, the funding of wellbeing services will grow every year. The level of funding of wellbeing services counties is expected to be EUR 27 billion in 2027, which means an increase of about EUR 4 billion compared to the funding for 2023.

The Government will aim to curb the growth of costs in wellbeing services counties to ensure the financial sustainability of the services of the welfare society. The Government will strive to reach these targets, above all, through structural measures, for example

by developing the service structure and ways of working. In addition, the Government will examine the scope of different healthcare and social welfare services and the norms related to these services.

The structural changes will be made to the funding model in a controlled and predictable manner to add incentives and guidance to the model. For this reason, the Government will keep the funding model of wellbeing services counties unchanged in 2023–2025.

Under the current legislation, ex-post controls of actual costs must cover 100 per cent of the costs to ensure that the level of central government funding does not diverge from the actual costs. The first ex-post control will be performed in 2025 based on the financial accounts for 2023.

However, ex-post controls will be performed on costs at the national level, which means that any adjustments to funding based on the ex-post controls would not be allocated appropriately among the wellbeing services counties from the point of view of the sufficiency of funding in individual counties. The outcome could be that deficit-burdened counties do not get the full funding increase they need, while other counties get more funding although they have managed well with the funding they had and have not exceeded the funding allocated to them.

To increase the incentive effect of the funding model, the Government will reduce the percentage of actual costs covered by the national-level ex-post controls in stages by introducing an element of wellbeing services counties' own risk to the funding model. For example, the 2026 ex-post control would cover 95 per cent of the actual costs in 2024, the 2027 control 90 per cent of actual costs and the 2028 control 80 per cent of actual costs. From 2029 onwards the ex-post controls would cover 70 per cent of actual costs. The amount of the own-risk element will be determined later. In the future, additional funding granted to individual counties will not be taken into account in the national-level ex-post control.

The incentive effect of the funding model with the element of own risk is that should the counties' combined result for the financial year show a surplus, the surplus would not be fully deducted from the counties' funding based on the ex-post control.

The Government will launch a process to develop the funding model to secure the financing base for health and social services, improve its incentive effect and support the curbing of cost increases. We will decide on the funding model based on an overall review in 2025.

To ensure the stability and predictability of the system, we will keep the funding model's existing basic structure (needs-based factors, number of residents, other factors, share of rescue services). The needs-based factors will remain the main solution, and they will be further developed on the basis of research. The weight of other factors will be reviewed. The Government will also investigate possibilities to develop the funding model so that it would take better account of the particular characteristics of the counties in terms of demographics, social problems, and service use of all residents and not just those using public services (e.g., using diagnosis information from occupational healthcare), among others. We will assess the impacts of any proposed changes to the model as a whole and by region, while safeguarding the access to basic public services and the linguistic rights of residents. In connection with the process to develop the funding model, the Government will examine the functionality of the transition-phase solutions associated with the administrative change.

To improve the wellbeing of the population and reduce the strain on the healthcare service system, it will be necessary to succeed in the promotion of health and wellbeing and the prevention of diseases. The Government wants to give wellbeing services counties incentives to invest in preventive measures that are essential for the health and wellbeing of their residents. The Government will increase the weight of the coefficient based on health and wellbeing performance from its current level. We will also re-examine the division of funding between municipalities and wellbeing services counties to increase the incentives to invest in prevention and promotion.

The overall funding of wellbeing services counties will remain universal for the main part. The wellbeing services counties can allocate their funds based on particular characteristics and circumstances in their area. While the Government will not introduce target or project funding in the allocation of national funding to wellbeing services counties, it will be possible to emphasise measures with national impact through the guidance of wellbeing services counties.

The Government considers it important that wellbeing services counties are well placed to develop and reform services. Up-to-date ways of providing services will support not only the availability of services and the experiences gained from services by county residents but also the possibilities of counties to deliver services in a cost-effective manner. The Government will develop the investment opportunities of the wellbeing services counties by seeking new funding models for implementing rational investments to increase productivity.

We will improve the guidance of investments and the procedure for budget authority for borrowing. All investments with far-reaching and economically significant effects and agreements corresponding to investments must have a numerical cost-effectiveness

analysis. New investments must take into account the existing volume of real estates in the public sector. The Government will encourage wellbeing services counties to seek joint investment solutions with municipalities.

In a country of the size of Finland, ensuring top-level health and social services will require appropriate specialisation and the centralisation of national responsibilities. The Government will examine the funding of national special duties (such as HUS Helsinki University Hospital) and consider the potential of developing network-based expertise clusters to develop and support the provision of health and social services that are particularly demanding or rarely needed or that are related to linguistic rights.

Effective and timely services will benefit both clients and society. The Government will examine the incentives and means available to wellbeing services counties to prevent sick leaves and early retirement at the population level and improve the functioning of service chains and service packages, among other measures.

## Safeguarding a credible funding model

The Government will aim to ensure that the wellbeing services counties perform their duties successfully and are able to provide the health, social and rescue services that their residents need. The Government's primary objective is that the wellbeing services counties can cope with their duties without the central government needing to adopt exceptional procedures. We are committed to the funding level and procedures agreed in the funding model of wellbeing services counties. No special funding deviating from the legislation will be granted when conditions are normal.

In the model based on the responsibility of wellbeing services counties to organise services, the central government has a particular responsibility to ensure that the funding allocated to the wellbeing services counties is sufficient to guarantee access to services for people throughout the country. To promote this, the Government will create a 'yellow card', a new anticipatory procedure of intensified financial monitoring for situations where the ability of a wellbeing services county to manage its finances is at significant risk. If necessary, the procedure could be triggered at any time of the year and would only affect individual counties on a discretionary basis. The Government will also take other measures to develop the assessment procedure for wellbeing services counties, with a view to improving the credibility of the funding model.

Section 123 of the Act on Wellbeing Services Counties will be amended so that only one additional funding procedure can trigger the assessment procedure. The assessment procedure will first examine the level of additional funding necessary for ensuring the

organisation of the sufficient healthcare and social welfare services referred to in section 19, subsection 3 of the Constitution and of the rescue services related to the fundamental rights referred to in sections 7, 15 and 20 of the Constitution and then set conditions for the additional funding. The assessment procedure will evaluate the ability of a wellbeing services county to cope with its duties.

In addition, the assessment procedure will be made more effective so that each assessment procedure will always consider the possibilities of a merger between wellbeing services counties. If an assessment procedure does not result in a merger of wellbeing services counties, the county under review will be required to report on the realisation of its responsibility for organising services on a regular basis already during the financial year. Other possibilities of the central government to safeguard the realisation of the fundamental rights of county residents will be investigated.

The assessment procedure will also involve an examination of the responsibilities of senior officeholders for the county finances and the activities of leading public officials of the country under review. Leading public officials will be supported in the financial management of wellbeing services counties.

The Government will strengthen the responsibility of the collaborative areas for healthcare and welfare to coordinate improvements to cost-effectiveness and the drafting of joint investment plans.

## **Transparency and improved comparability of costs**

The Government will expand the knowledge base and increase the availability, transparency and comparability of information with regard to the effectiveness, service availability and cost-effectiveness of the wellbeing services counties. The aim of this is to make wellbeing services counties more equipped to manage the organisation of services effectively, increase the transparency of the system and improve residents' access to information.

The unit costs of healthcare and social welfare services will be published in stages in accordance with instructions of the Ministry of Finance and the Ministry of Social Affairs and Health from 2025 onwards. The Government will ensure that the wellbeing services counties publish their unit costs as it is their duty. The transparency of unit costs will promote the introduction of the most cost-effective operating models across the counties. Linking unit costs with the estimates of growth in service needs and taking into account general price trends will help draw up realistic budgets and make evidence-based estimates of the financing base needed.



Functional indicators will also be developed in a comprehensive programme. In addition to performance, indicators will measure effects from the client perspective, including access to services, progress on the service path, health gains, wellbeing and ease in everyday life. The Government will create uniform criteria for the provision of services that apply equally to services provided by the public, private and third sectors.

## Guidance

The Government will develop and streamline the guidance of wellbeing services counties in ways that guarantee equal and quality healthcare and social welfare services and sufficient staffing levels, curb the growth of costs and improve cost-effectiveness, while taking into account that wellbeing services counties need to retain ownership of their economy. We will monitor the progress towards these targets.

The Government will assign the Ministry of Finance with the task of coordinating the guidance of wellbeing services counties and strengthen the Ministry's resources. Under the leadership of the Ministry of Finance, the Ministry of Social Affairs and Health, the Ministry of the Interior and the Ministry of Finance together with other public authorities will monitor and assess the effectiveness, economic efficiency and performance of the wellbeing services counties' activities. The Government will merge any overlapping statutory instruments of different ministries related to the activities and financial guidance of the wellbeing services counties (including advisory boards, negotiations and national targets). We will clarify the statutory negotiation procedures and define clearer objectives for the negotiations. We will make the necessary legislative amendments to the Act on Wellbeing Services Counties, the Act on Organising Healthcare and Social Welfare Services and the Act on Organising Rescue Services, among other legislation.

The Government will develop the knowledge base required for guiding the finances and performance of wellbeing services counties in order to make available comprehensive information on activities and finances that supports the management of wellbeing services counties. We will also ensure that this information is comparable and openly available to all counties. The overall conduct of knowledge management will be ensured at the level of national guidance.

The Government will use the existing legislative means to increase effectiveness and productivity. Wellbeing services counties are required, by means of statutory guidance instruments (such as strong recommendations issued in the negotiations with counties, adoption of investment plans for counties and binding terms related to changes to the budget authority for borrowing and additional funding), to take measures to improve

effectiveness, economic efficiency and performance and to report on their progress. The Government will ensure that the reporting obligations are reasonable with regard to the workload, benefits and costs of reporting.

In addition to statutory guidance instruments, the Ministry of Finance will be authorised, after enforcing the necessary legislative amendments, to intervene proactively in cases where the ability of a wellbeing services county to manage its finances is at significant risk.

Each year, one or more wellbeing services counties will be required to undergo a more thorough review that supports the development of their activities and finances. This will be carried out in collaboration with the wellbeing services county concerned. Counties will be recommended to adopt measures deemed necessary based on the results. The Government will also assess the need to strengthen and specify the tasks of the National Audit Office with regard to the monitoring of the wellbeing services counties' finances.

## 3 Municipalities, cities and regional state administration

### 3.1 Municipalities and cities as drivers of vitality

#### Municipal policy

Finnish municipalities are in transition. Demographic trends, the economic situation, differentiation and many other phenomena require that municipalities be reformed. Relying on democracy at the local level, the Government will accelerate a controlled transition towards more creative and dynamic municipal government. We will also ensure grassroots democracy. We want to build high-growth communities that attract and retain residents and businesses. We will also seek to strengthen democracy, inclusion and equality.

The Government will guarantee a key role for municipalities in Finnish society and public administration. It is important that the whole country can thrive and that we recognise the role of municipalities and cities as drivers of growth. Every municipality must be able to provide basic public services in accordance with the Constitution, especially in the sectors of education and culture. We will not change the key role that municipalities play in matters concerning business and industrial policy, the environment, housing and land use. The transfer of the responsibility for organising healthcare and social welfare services from the municipalities to the wellbeing services counties highlights the municipalities' role in promoting health and wellbeing, including the responsibility to organise leisure and cultural services.

The diversity of municipalities, cities and regions is a source of strength for Finnish society. Towns and cities and the surrounding urban areas are drivers of growth and international connections. Regional towns offer opportunities to generate growth in different sectors of industry and ensure that all of Finland can thrive. Safeguarding self-sufficiency and security of supply requires that we ensure the vitality of rural and archipelago areas. The Government's municipal policy will secure the operating conditions of bilingual and Sami-speaking municipalities.

The circumstances, population density, economy and industrial structure of municipalities vary significantly across the country. The Government's municipal policy will guarantee that municipalities enjoy self-government and are genuinely able to discharge their basic public duties in matters related to education, culture, young people, business and industry, and housing and land use.

In order to secure the conditions for municipalities to function in the future, it is important to recognise that municipalities are differentiating and to allow them to differentiate. In this way, each municipality will be better equipped to serve its residents. The Government will help municipalities make full use of their strengths and to thrive by allowing a controlled differentiation of duties among different kinds and sizes of municipalities, while safeguarding the right to equality and non-discrimination guaranteed under the Constitution.

The Government will assess and reform the central government's guidance of municipalities. Central government guidance will be based on effectiveness and set goals and will rely above all on partnership. We will bolster the operating conditions for all municipalities by continuing to deregulate the municipalities' current duties. To this end, the Government will launch a municipal deregulation programme, covering all sector-specific legislation governing the activities of municipalities, where appropriate. We will reduce the scope of municipal activities and duties and cut detailed regulations governing how municipal activities and duties should be carried out. As part of the programme, we will carry out local and regional trials to test minimum normative guidance in practice without compromising people's constitutional rights to services.

To consolidate the scope of municipal duties, no new duties will be transferred from the municipalities to the wellbeing services counties during the government term. The Government will also introduce greater flexibility into the regional division of duties between municipalities and wellbeing services counties. To this end, the Government will lay down provisions allowing municipalities and wellbeing services counties to agree on the division of their duties based on regional and local needs. We will improve cooperation between municipalities and wellbeing services counties in the promotion of health, wellbeing and employment.

The Government will review the tasks of municipalities and wellbeing services counties so that municipalities will no longer have to finance statutory tasks that are the responsibility of the wellbeing services counties.

Early on in the government term, the Government will carry out a cost and effectiveness assessment of how well student welfare services perform. We will make it possible to agree on the organisation of these services through municipalities.

The Government will promote the right of municipal residents to quality and equal services by ensuring the financial viability of the municipalities responsible for organising the services. We will reassess the effectiveness of the criteria for municipalities in financial crisis during the government term. The Government views increasing the size of municipalities favourably.

The Government will strengthen the equitable realisation of the fundamental educational rights of all children. Responsibility for education services is conditional on a sufficiently broad population base. To achieve this, education providers may seek to organise services in collaboration with other education providers under the Local Government Act or they may seek a municipal merger.

The Government will increase the openness of financial information, such as purchase invoices, on municipalities and wellbeing services counties and will make the municipalities' and wellbeing services counties' own service provision easier to compare with purchased services. We will make the publication of purchase invoice information mandatory, taking into account the principles of the Act on the Openness of Government Activities.

The central government will use a variety of measures to support ways to resolve issues of labour shortages in municipalities and regions.

## **Overhaul of the municipal financing base**

The Government will overhaul the system of municipal financing and central government transfers to municipalities to reflect the municipalities' new role and the situation following the completion of the health and social services reform and the reform of employment and economic development services (TE services). We will base the overhaul on two premises. First, we will ensure that municipalities of different sizes across Finland are able to organise statutory basic public services, taking into account the needs of municipalities with negative net migration and the demographic trends of different regions. Secondly, we will strengthen the conditions for municipalities and cities that are growing to invest in growth and address social problems.

We will preserve central government transfers to municipalities as non-earmarked funding, and municipal financing will be strengthened primarily through non-earmarked central government transfers rather than discretionary government grants. The new system must be transparent and imputed, and it must strengthen the self-government of

municipalities by increasing their responsibility for costs. The overhaul will be cost-neutral. It will not increase public expenditure and it will promote growth and make general government finances more robust in the long term.

The Government will assess the appropriateness of the taxes eligible for tax revenue equalisation and the level of equalisation as part of the overhaul of the financing base of municipalities. We will also assess the amount of taxes eligible for equalisation and the magnitude of equalisation. The basic principle is that as large a share as possible of the tax revenue generated in a municipality should remain at that municipality's disposal, while taking into account the vitality of all municipalities and the balance of financing.

Before the overhaul is completed, the Government will closely monitor and react to the ability of each municipality to cope with growing service demands and costs, especially in early childhood education and care and in education and training. We will also boost the capacity of municipalities and cities to make investments. We will seek to narrow the gap between nominal and effective tax rates in municipalities.

The Government will assess the possibility to make a fixed-term adjustment to the system of central government transfers so that no municipality will have a negative balance of central government transfers.

The central government will undertake to compensate municipalities for their new duties and obligations and for any expansion of duties by fully financing them or by dismantling other obligations. The municipalities will be compensated for the tax revenue impact of changes made by the Government to tax criteria.

The Government will ensure that the financing, guidance system and customer service legislation of the employment and economic development services (TE services) that are being transferred to municipalities will guarantee that municipalities are genuinely able to address labour market mismatches as required by an incentive system for employment promotion. This means that more flexibility and discretionary elements should be introduced into customer service processes. The financing of TE services will be reviewed to encourage municipalities to more actively manage employment through fair resources. The Government will respond separately to sudden structural changes.

## **Urban policy, partnerships and strong growth across Finland**

The Government will foster an urban policy that is based on a fair partnership between the central government and cities. The growth generated by a strong urban policy will benefit society as a whole and also provide resources for developing rural regions.

Cities and urban regions will be given a greater role in fuelling the economy through employment, higher education, innovation policy and access to international markets. Together with the central government, large cities have the capacity and opportunities to bear responsibility for wide-reaching phenomena that affect the whole of society.

Regional cities have a particularly important role in creating vitality, education, culture and competence in their regions. It makes sense to develop the relationship between cities and the central government on the basis of strong partnerships, for example, by entering into agreements on particular themes.

Regional towns are the centres of their economic areas. They play a key role as the backbone of rural Finland and as hubs for services, the economy and vitality in the surrounding area. The central government's urban policy is a collection of measures in a number of different policy sectors and a variety of contractual operating models that are implemented with cities. Major cities, regional cities and the central government will increasingly act as partners to promote sustainable growth and access to international markets.

The Government will promote the implementation of the innovation ecosystem agreements concluded with university cities, university consortium cities and cities in the Greater Helsinki area in close cooperation with the universities, businesses and municipalities involved. There are currently 18 such agreements. The focus will be on fields of development that aim on a broad front to promote new technologies, energy efficiency, effective use of labour and ways to attract international investment and improve international competitiveness.

The Government will continue the procedure of agreeing on land use, housing and transport matters with the largest urban regions (MAL agreements). The agreements focus specifically on ensuring the conditions for growth and accessibility in urban regions through investments in infrastructure and housing production. The number of urban regions with a MAL agreement will not be increased from the current nine. The MAL agreements will be incorporated into the national transport system plan.

The Government will make use of the established cooperation between the six largest cities to help solve national challenges. We will launch a strategic alliance with the largest cities.

The Government will promote opportunities for the whole of Finland, the vitality of rural areas and security of supply. We will also prevent inequalities between different parts of Finland. We will launch a programme for northern Finland under the leadership of the Prime Minister's Office and appoint an advisory board to support the programme. We will

continue the vision for developing eastern Finland in the new geopolitical environment. Western Finland and southern Finland are important for Finland's economic vigour and growth in many ways. The Government will work to make it possible to develop these regions systematically. Together with municipalities, the Government will seek to attract direct investments in different regions and work to generate them in different ways, for example, through regional partnerships.

The Government will encourage municipalities and cities to pursue international cooperation. We will examine how municipalities and regions could make full use of EU funding across Finland.

## 3.2 Regional state administration

The Government will launch a reform of regional state administration with the aim of streamlining permitting processes and making permitting and supervisory practices more uniform across regions. The approach will be cross-administrative.

Primarily, this means that permitting, guidance and supervisory tasks will be brought under a new cross-administrative agency that will be established by merging the National Supervisory Authority for Welfare and Health (Valvira) and the Regional State Administrative Agencies and by incorporating, where appropriate, the tasks of the Centres for Economic Development, Transport and the Environment (ELY Centres) related to the environment. Environmental permit and supervisory tasks will form a single coherent entity in the new agency.

The Ministry of Finance will have the primary responsibility for the guidance and direction of the agency. The agency will have national competence. The agency's regional presence and ability to function will be based on the collaborative areas of the wellbeing services counties. However, the agency's network of offices may be more extensive than this. The Government will ensure the realisation of linguistic rights in the reform. Particular attention will be paid to cooperation with regional authorities and to the full implementation of responsibilities for preparedness.

With regard to administration organised within the ELY Centres, the basic principle will be to organise regional state administration in a cross-administrative way through new Economic Development Centres that will be built on more robust regions. This reform will take into account the ongoing reform of employment and economic development services. The Economic Development Centres and the regions they are responsible for will be based on the existing ELY Centres that offer the full range of services, while allowing for a higher number of centres, where necessary. The number of Economic Development



Centres may be increased by a maximum of one centre if necessary for ensuring services in both national languages. The Economic Development Centres will continue to be allowed to specialise in specific fields and allocate duties between themselves.

The goal for the reform of regional state administration is to have the new system in operation in the beginning of 2025, or in the beginning of 2026 at the latest. The Government will ensure that the transition will not interfere with the smooth running of ongoing processes. The reform will take into account the central government productivity programme and the need to adjust operational expenditure.

### **3.3 General governance policy**

The Government will promote good and open governance. We will make central government management more strategic, update the Strategy for Public Governance and draw up a plan for its implementation. In developing the central government, the Government will focus on cooperation between branches of government and on implementing a phenomenon-based approach. These factors will also be given more emphasis in the Budget. We will make the changes necessary for the implementation of the Government Programme to the organisation of the central government.

During the government term, we will pay particular attention to matters of preparedness and resilience in administration.

The Government will implement a central government productivity programme to support the Government's objectives for sustainable public finances. The implementation of the productivity programme will harness the potential of digitalisation to improve the efficiency of the public sector. As part of the productivity programme, a public sector premises programme will be launched to significantly rationalise the costs of public sector premises and to find solutions to unresolved real-estate questions between the central government, wellbeing services counties and municipalities. The central government premises programme will be stepped up significantly and its objectives will be updated to reflect the post-pandemic transformation of work, without compromising the availability of services.

#### **Central government employer policy**

The Government will promote an exemplary employer policy and make the central government more attractive as an employer. We want to ensure that the central government has skilled and committed employees who are able to meet the employer's

needs in a changing world. The central government employer policy will take into account development opportunities for personnel. It will also offer versatile options for career advancement and varied challenges at different career stages. The central government will increase productivity and performance by improving management practices and taking a more customer-oriented approach.

The central government will promote the mental and physical wellbeing of its employees in a variety of ways. Human resources policies will be made more flexible and equitable. We will support the balancing of work and family life. The Government will continue its support for multi-locality and ensure that the central government's employer policy is compatible with the transformation of work.

The Government will abolish the fees for language certificates demonstrating the knowledge of Finnish and Swedish required of central government personnel. We will investigate the possibility of offering these language tests as part of higher education degree programmes.

## 4 Wellbeing through work

### Situation picture

The Finnish welfare society has been built on work and entrepreneurship over the decades. Citizens appreciate the security it offers and the services it provides. Weakening demographics and labour shortages are already challenging the capacity of the welfare society. Growth in the number of jobs and stronger employment will be necessary to improve the sustainability of public finances.

### Long-term objectives until 2031

In order to improve the standard of living of Finnish people, accelerate sustainable growth and secure the financing base for the services of the welfare society, the Government aims to achieve an employment rate of 80 per cent by 2031. Efforts will also be made to increase the number of hours worked.

### Objectives for the government term 2023–2027

The Government will implement reforms to increase employment by at least 100,000 employed people. The aim of this growth in employment is to strengthen general government finances by more than EUR 2 billion.

In order to achieve its objectives, the Government will implement a wide range of reforms to improve incentives to work, simplify the social security system, facilitate employment and provision of work, develop international recruitment, increase local bargaining in the labour market, improve wellbeing at work and the integration of work and family, and continue the reform of employment services.

## 4.1 Labour market reforms supporting economic growth and competitiveness

The Government will develop the Finnish labour market to make it more flexible. The aim is to support employment, economic growth, competitiveness and productivity. The reforms will be prepared on a tripartite basis, drawing on the expertise of businesses and employee organisations. They will be implemented at the beginning of the government term so that the Government will bring legislative amendments related to industrial peace to Parliament during the autumn session 2023, legislative amendments related to local bargaining during the spring session 2024 and other reforms related to this package by the government spending limits discussion in 2025.

### Developing the negotiation system and improving industrial peace

To boost Finland's long-term competitiveness, the Government will strengthen the export-driven labour market model. Provisions will be laid down in the Act on Mediation in Labour Disputes so that the general level of pay adjustments cannot be exceeded by a settlement proposal issued by the National Conciliator's Office or a conciliation board. The Government will explore ways to prevent industrial action and to promote voluntary mediation.

The Government will implement the resolution of Parliament (EV 105/2022) and prepare legislation to ensure that essential work can be organised during disputes.

The Government will prepare the following proposals to improve industrial peace so that they can be submitted to Parliament during the autumn session 2023.

In accordance with the Nordic practice, the exercise of the right to political industrial action will be limited to protests lasting no longer than one day.

The Government will amend the legislation so that solidarity action will become subject to the duty to notify in accordance with the proportionality assessment and the Act on Mediation in Labour Disputes. In future, solidarity action that is proportionate in relation to the objectives and the effects of which only affect the parties to the labour dispute, will be legal.

The level of a compensatory fine for unlawful industrial action will be increased, with the maximum amount set at EUR 150,000 and the minimum amount set at EUR 10,000. An employee who continues a strike which the Labour Court has found to be an unlawful industrial action will be subject to a penalty payment of EUR 200 for participating in an industrial action found to be illegal.

## Increasing the use of local bargaining

Local collective bargaining is a tool for developing a company's operations and improving its competitiveness. Successful local bargaining is based on trust, information on the company's situation, and mutual ability to utilise the opportunities offered by legislation and collective agreements.

The Government will reform legislation to increase opportunities for local bargaining at company level. The Government's vision is that local collective bargaining will be equally possible in all companies regardless of whether the company is a member of an employer association or what kind of employee representation system is in place at the company.

The Government will expand the conditions for local bargaining by removing from labour legislation bans on local bargaining in non-organised companies that comply with a generally applicable collective agreement.

Labour legislation will be amended to allow a company-specific collective agreement to derogate, by agreement, from the same provisions of labour legislation from which a derogation is now only possible by means of a national collective agreement.

In order to prevent the establishment of non-genuine, so-called yellow trade unions, the statute of the Collective Agreements Act concerning the parties to company-specific collective agreements will be specified so that the above-mentioned possibilities to derogate from a company-specific collective agreement will require that the collective agreement has been concluded from the employees' side either by a national employee association or an employee association belonging to it.

The drafting of legislation will be based on the report of a tripartite working group completed on 7 June 2016 without the part that does not allow local bargaining in companies without a shop steward. Local bargaining will be made possible at company level so that a shop steward, an elected representative, another representative elected by the personnel or the entire personnel can be a party to the agreement. Provisions on the protection of an elected representative and another representative elected by

the personnel for a fixed term will be laid down in law at the same level as they are currently laid down for shop stewards. Opportunities for training and adequate access to information will be ensured for the persons elected for the tasks.

The duties of the Labour Court will be expanded so that it will handle, in a separate format, disputes on the interpretation of local bargaining in collective agreements concluded in the so-called field of general applicability. Sufficient resources will be secured for the Labour Court to ensure fast processing times.

The Government's proposals to increase local collective bargaining will be prepared so that they can be submitted to Parliament during the spring session 2024.

The Work in Bakeries Act will be repealed as obsolete as of 1 March 2025.

## **Dismantling barriers to employment**

The Government will reform work-life legislation to remove barriers to employment and, in particular, to strengthen the operating conditions of SMEs.

The current provisions of the Employment Contracts Act on fixed-term employment contracts will be amended so that in future, an employment contract could be concluded for a fixed term of one year without a special reason. At the same time, the legislation will ensure that the amendment does not lead to the unjustified use of consecutive fixed-term contracts.

The requirement of the Employment Contracts Act concerning the notice period for a lay-off will be shortened to seven days, which can be applied regardless of the provisions of the collective agreement.

Sick pay will be amended so that the first day of sickness absence would be the employee's own liability for which the employer would not be obligated to pay unless otherwise agreed in the collective agreement or employment contract. The day of own liability would not apply to sick leaves of five days or longer, or to cases where the incapacity for work is due to an occupational accident or occupational disease.

The regulation on the grounds for termination of a person will be amended so that in future, terminating an employment contract based on proper grounds would be sufficient.

The Government will expand the scope of application of the Act on Co-operation within Undertakings to the level permitted by EU provisions, i.e. to companies and corporations regularly employing 50 or more employees. The requirements of the Act on Co-operation within Undertakings concerning minimum negotiation times for change negotiations will be shortened by half. The mid-term policy review session will assess possible needs to amend the Act on Co-operation within Undertakings, which was amended in 2022, with regard to board representation, among other things.

The obligation to re-employ an employee under the Employment Contracts Act will be abolished in companies and corporations that regularly employ fewer than 50 persons. This statute can be applied regardless of the provisions of the collective agreement.

Full-time work is the primary form of work for most employees, but there are also justified reasons for the need for part-time work based on the nature of the work and employees' wishes. The Government aims to increase the amount of full-time work and to secure balanced terms of employment for part-time work. To this end, the Government will monitor, in particular, the effects of the legislative amendments that entered into force on 1 August 2022 and assess the need for further measures in the mid-term policy review session.

## **4.2 Developing working life and wellbeing at work**

A good working life is the Government's aim. This will require stronger work ability and workplace wellbeing as well as integration of work and family life. The Government will promote equality and non-discrimination in working life and wants to eradicate all forms of discrimination in working life. The Government will support employment by continuing the employment services reforms.

### **Employment services reform**

The Government will reform the operation of employment services. The Government will oblige the wellbeing services counties, municipalities and Kela to cooperate locally so that customers can receive, as far as possible, the necessary services, support and related obligations at the same local service point. Services can be provided as locally accessible services even if the organiser is a host municipality.

The Government will expand the opportunities for employment authorities and service providers to utilise information to improve the effectiveness of operations and make it easier to guide jobseekers to the services they need. The Government will instruct the

employment authorities to systematically identify hidden jobs in SMEs and to disclose the information on hidden jobs collected from companies to those interested, thereby promoting the creation of new jobs. The Government will explore and introduce ways to provide private employment agencies with the necessary information on unemployed jobseekers.

The statutory service process of employment services will be eased so that the limited resources can be used more appropriately and in a more customer-oriented manner. More effort will be put into the initial assessment and personal interaction. Officials will be given more discretion and they will be obligated to promote individualised employment services. The opportunities offered by digitalisation will be utilised in individualised services.

The Government will reform rehabilitative work experience and substance abuse rehabilitation to promote employment. The responsibility for organising the work-directed services of rehabilitative work experience will be returned to municipalities. However, municipalities and wellbeing services counties can agree on organising these services in other ways, for example through the wellbeing services county for the whole area. Access to vocational rehabilitation for those between 16 and 29 years of age will require a diagnosis for a disease or disability.

The Government will expand the Individual Placement and Support (IPS – Sijoita ja valmenna!) operating model to employ people with impaired capacity for work. The model supports people with mental health disorders in finding employment in the open labour market and in coping at work.

Unemployment funds will be able to offer employment services to their customers. The productivity of employment services will be improved and the multi-provider model will be utilised by including private and third sector operators more broadly as partners in employment services through performance guidance.

After the act has entered into force, the Government will annually review the level of compensation for the TE2024 funding model between municipalities, taking into account the model's incentive effect, the impact of population growth and the number of foreign-language speakers, bilingual persons, the unemployed and the employed. The funding model must not place an unreasonable burden on an individual municipality or area.

The Government will examine the models used to support the hiring of people with challenges finding employment in different European countries.



The Government will reform pay subsidies and allocate them to the private and third sectors in particular. The use of the 100 per cent pay subsidy will continue to be possible for the largest third-sector operators engaged in economic activities.

The reception capacity of working life will be strengthened to improve the employment of people with impaired capacity to work, immigrants, older people and those engaged in tasks requiring a low level of education, for example. The Government will assess the necessary measures and prepare a development programme. SMEs will be supported in reorganising their work tasks in order to create low-level tasks.

## **Equality in working life and prevention of discrimination**

A more even distribution of family leave and care responsibilities plays an important role in improving women's position in the labour market. The Government will monitor the results of the family leave reform, continue to work for a more even distribution of family leave and promote the use of family leave by fathers.

The Government will explore ways to distribute the costs of parenting more evenly, for example in accordance with the Nordic models.

Services supporting the integration of work and family life will be further developed so that they support different family situations and shiftwork. Special attention will be paid to morning and afternoon care of children and the availability of care during holidays in order to remove obstacles to the employment of parents in families with children in particular.

The Government will promote the equal position of parents of children with alternating residence by securing the services necessary for a seamless everyday life, including assessing the availability of school transport to both parents.

The Government will eliminate discriminatory practices and structures in working life by promoting compliance with legislation on discrimination through more effective information, dissemination of good practices and effective monitoring of, for example, the platform economy. More effective measures will be targeted at preventing discrimination based on pregnancy leave and family leave, in particular.

The Government will combat age discrimination and remove barriers to the recruitment and employment of older people. The Government will prepare a tax reform to provide incentives for people over 65 years of age who are on pension to work more than at present. This reform will enter into force by 1 January 2025. The Government will review

the obligations related to employment security for people over 55 years of age to ensure that people over 50 are able to continue their careers. The financial obligations related to the employment of older people will be eased, for example by eliminating the effect of the contribution category of employers' pension insurance contribution for people over 55 years of age who are genuinely recruited as new employees. An experiment based on the Singapore bridge employment model will be carried out without weakening general government finances. The job alternation leave system will be abolished.

An action plan will be implemented to increase the participation of under-represented groups in working life, such as persons with disabilities, the Roma, various immigrant groups, and immigrant women.

The Government will promote the principle of equal pay. The information produced by experiments on anonymous recruitment will be utilised and compliance with the obligations laid down in the Equality Act will be monitored more effectively in order to promote equality in working life. The tripartite Equal Pay Programme between the Government and the labour market organisations will continue. The Government will explore measures to reduce gender segregation in professional sectors.

The Government will commission a long-term economic impact analysis to examine the effects of equal pay programmes, legislative amendments, economic cycles, structural changes in the labour market and labour market measures on changes concerning the difference in average earnings between women and men.

The Government will promote pay transparency in accordance with the minimum provisions of the EU Directive.

## **Strengthening the participation of people with impaired working capacity in working life**

The Government will promote the appreciation of persons with disabilities and impaired working capacity as fully competent members of working life.

People with impaired capacity for work and those on disability pension must have more flexible opportunities to participate in working life. For example, there is still a sharp boundary between full-time employment and unemployment. In particular, the Government will improve the incentives and opportunities for persons with disabilities to participate in the labour market and promote the path to working life for people who have become disabled in childhood or youth.

The Government will raise awareness of the employment opportunities for persons with disabilities. The Government will develop the subsidy for arranging working conditions and make it better known to employers and TE experts. Incentives will be created for employers to offer work to persons with disabilities, and the use of tools that facilitate work will be promoted through effective communication directly to companies in cooperation with employer organisations and disability organisations. The operating conditions of entrepreneurs with disabilities will be improved.

The Government will introduce a linear model for partial disability pension and full disability pension, which will support the coordination of pay and pension to always make work worthwhile. The model will be cost-effective in terms of general government finances.

The Government will enable a flexible return from disability pension to work by making the provision on leaving the disability pension dormant permanent.

The number of days in the waiting period for partial sickness allowance will be reduced to strengthen incentives for work.

The Government will reform rehabilitation support so that the minimum amount of rehabilitation allowance for young persons and the allowance for vocational rehabilitation will be lowered to the same level as the minimum amount of rehabilitation allowance. For the period of vocational rehabilitation, the amount of rehabilitation allowance will be reduced to the same level as sickness allowance granted to a rehabilitation client under the Health Insurance Act to which the client would have been entitled had the client become incapacitated for work at the start of the rehabilitation.

## **Maintaining work ability and coping at work**

Promoting wellbeing and preventing incapacity for work and diseases are increasingly important to avoid the loss of years of working life. The Government will improve wellbeing at work, reduce obstacles to employment and decrease the rate of absences from work.

The Government will strengthen occupational health services, early identification of the need for care and referral to treatment so that people do not drop out of working life. The Government aims to halve the sick leaves taken due to burn-out and work-related ill health in the next five years. Measures will be taken to prevent the occurrence

and continuation of sick leaves. The identification of menopausal symptoms and good treatment in occupational healthcare will be promoted to strengthen wellbeing and to reduce misdiagnoses and sickness absences.

Mental health-related sick leaves will be reduced and the programme for working life and good mental health will be continued. The introduction of good practices supporting mental health in working life will be promoted.

The Government will enhance the management of employees' psychosocial strain by clarifying and compiling the relevant rules and by intensifying cooperation between the workplace and occupational healthcare.

The Government will promote the availability of mental wellbeing and early support and treatment services, including short-term psychotherapy, through occupational healthcare. The Government will examine the access of persons in remote, platform, short-term and temporary agency work to occupational healthcare services and the promotion of their wellbeing at work.

The Government will develop practices to ensure safe and accessible working environments, also with respect to indoor air. The Government will promote early detection and good treatment of symptoms caused by indoor air problems and develop support for those who have become ill due to indoor air to improve their coping at work.

The Government will look into consolidating the model for responsible support for ability to work (TYÖOTE) in all wellbeing services counties. The implementation of the national Development Programme for Work and Wellbeing at Work (TYÖ2030) will continue. The role of social welfare and healthcare organisations in promoting the psychosocial wellbeing of the working-age population will be strengthened and the opportunities of civil society organisations to participate in the programme work to make working life more mental health-friendly will be ensured.

The Government emphasises the importance of increased physical activity as part of wellbeing at work. The Government will expand the use of culture, leisure and sports vouchers and create new ways to increase the physical activity of employees in order to improve wellbeing at work.

The Government will prepare a multi-year work ability programme, including for older people, to improve people's ability to cope at work and reduce disability pensions. Age management and adjustment of work at workplaces will be developed to correspond with functional capacity.

The Government will promote occupational safety and the prevention of violence in working life. Among other things, the Government will improve the legal protection of care and rescue personnel in work-related situations involving violence to correspond with the legal protection of public officials.

The Government will ensure a sufficient number of professionals and their wellbeing at work. Good management and work arrangements will be used to reduce the mental strain experienced at work, maintain work ability, improve coping at work and enable longer working careers, for their part.

### **4.3 Social security that encourages work**

The rights and obligations of individuals and the public authorities must remain in balance. People are entitled to society's support in situations where they are unable to provide for themselves and their dependents. At the same time, those working-age people who are able to work not only have an obligation to participate in the labour market, but they should also use the means available to them to improve their work ability and position in the labour market. The Government will reform social security to make the system simpler, with more incentives for work.

#### **Using a universal credit model to reform social security**

The Government will implement a reform of basic social security that will improve the profitability of work, streamline social security and simplify benefits, taking into account the recommendations and reports issued in the Social Security Committee's interim report. The reform aims to create a single form of support, universal credit, that includes a basic payment for living costs, a housing payment for housing costs and a discretionary payment as last-resort social security. Universal credit will taper against increasing income from work as linearly as possible, making it easier for people to predict their earnings and make it more worthwhile to take on work.

The criteria and grounds for being entitled to the basic benefit payment will vary depending on the claimant's life situation. Claiming the benefit imposes obligations on the claimant, such as contributing to finding a job, accepting the offered services, pursuing education and training or rehabilitation, or other specifically mentioned obligations.

The single basic security benefit will be introduced in stages by merging the criteria for determining the forms of support, taking into account the current state of central government finances. The Government will begin the harmonisation of benefits by creating a single application model for clients by the mid-term policy review session. Based on the information the client provides in their application, the Social Insurance Institution of Finland, Kela, will make a decision on which benefits the client is entitled to and will make a benefit proposal that is appropriate for the client's life situation.

The minimum levels of labour market support, basic unemployment allowance, sickness allowance, Kela's rehabilitation allowance and parental allowance will be harmonised, and increments based on the number of children, increases and exempt amounts will be eliminated. In developing the universal credit model, the Government will pay particular attention to securing sufficient income and services for those who are effectively unable to work, for example due to health conditions.

During the 2023–2027 government term, the parliamentary Social Security Committee, which consists of representatives of the political parties, will look into special considerations that should be taken into account in developing social security, including social security for families with divorced parents and the special features of minimum social security, and will monitor the preparations for launching universal credit. The Committee will examine the risk categories of social security, i.e. how current benefits and the services associated with them correspond to people's real life situations such as unemployment, illness and disability. The social security reform will include an assessment of age-related impacts.

To alleviate the labour shortage, the Government will improve incentives for low-paid work. Incentives for work must be regularly reviewed in relation to social security across different life situations and family types, including with regard to the sufficiency and level of basic social security.

## Social assistance

Compared to the other Nordic countries, Finland provides large amounts of unconditional social assistance, which leads to unemployment traps.

The Government will implement a comprehensive reform of social assistance that will improve people's ability to live independently, reduce long-term dependency on social assistance and clarify the role of social assistance as a last-resort discretionary cash benefit included in basic social security. The Government will strengthen these efforts by transferring the development of social assistance legislation to the Department for

Insurance and Social Security of the Ministry of Social Affairs and Health. The reform will include a review of the level of social assistance and the increments based on the number of children.

The Government will complete the comprehensive reform of the social assistance system by the mid-term policy review session. The Government aims to halve the number of people in need of social assistance (seven per cent of the population) and achieve a savings of EUR 100 million in general government finances. If the Government succeeds in achieving this goal, the funds saved can be allocated to improving benefits for families with children and for students.

The conditionality of social assistance will be increased by expanding and simplifying the legal provisions on the reduction procedure. In order to receive social assistance, the client must first have claimed a primary unemployment-related benefit, such as labour market support. However, while unclaimed labour market support and unacceptable unemployment security practices will affect the calculation of social assistance payments, these conditions may not cause an unreasonable situation for the claimant. Kela's obligation to refer clients to an assessment of service needs will be abolished in its current form. The assessment of the client's need for services will be eliminated for at most 40 per cent of the grounds for reducing the basic payment. Kela may independently recover social assistance in the same way as other benefits.

As a condition for claiming social assistance, an obligation may be imposed on a person who has the capacity and ability to work and who applies for social assistance to work in tasks assigned by a public organisation in the same way as in the Danish system of social assistance, if such tasks and services are available. Kela can refer the client to a range of services. Young applicants under 30 years of age without a vocational qualification will need to apply for education and training and accept the offered study place as a condition for claiming social assistance. In addition, the Government will consider the possibility of increasing the level of conditionality by making it possible to refuse social assistance if the client has refused the offered job, training, service or obligation.

In future, provisions on the housing payment in the basic component of social assistance will be laid down by law or decree. The Act on Social Assistance will define the standard rents for national categories of municipalities. Kela's benefit administrator may only approve costs exceeding the standard rent if there are individual needs that must be met. The criteria for such needs will be provided by law. Applicants whose costs exceed the standard rent will be given a period of three months to find more affordable housing in their travel-to-work area, after which refusing an offer of more affordable housing will lead to an adjustment of assistance. The Government will impose an obligation on municipalities and wellbeing services counties to develop affordable housing provision

and housing advice for social assistance claimants together with municipal rental housing companies and the private sector. Kela's knowledge base will be leveraged in this work. The Government will facilitate the search for more affordable housing by introducing a client's financial contribution that will cover five per cent of the housing cost component of basic social assistance.

At present, people who have fixed assets are also entitled to receive social assistance. The Government will examine how assets could be taken into account more extensively as income for social assistance claimants.

Social assistance has, in effect, become a parallel medicine reimbursement system that is not in line with the principles of the current health insurance system. The Government will carry out an overall review and reform of the medicine reimbursement component of the Finnish health insurance system and the social assistance payments made to cover medication.

The public authorities must be able to transfer client data electronically and safely. Data protection should not prevent public authorities from gaining the necessary understanding of a person's situation, nor should it hinder the collection of statistics for the purpose of developing operations. The Government will investigate the possibility of harmonising Kela's Kanta service and the digital services provided by the wellbeing services counties. The exchange of information between public authorities, such as Kela and the Finnish Immigration Service, will be improved so that the Finnish Immigration Service can take into account clients' reliance on last-resort social assistance in its decisions.

Kela must send information about the basic social assistance expenditure to municipalities in a transparent form as a monthly communication. The wellbeing services county advisory boards on social assistance will be expanded to include a representative of the municipality providing the employment and economic development services in the municipalities or county. Cost monitoring and reporting of social assistance expenditure will be added to the tasks of the advisory boards. The members of the advisory boards will aim to promote social assistance as a last-resort and temporary form of assistance, for example by facilitating cost control and more affordable housing solutions in their area.

The guidelines for supplementary and preventive social assistance for the wellbeing services counties will be updated and harmonised. The Government will impose an obligation on the wellbeing services counties to regularly check the uniformity of the guidelines.



## Unemployment security

The Government will reform unemployment security to provide more incentives for work. The prior work requirement for earnings-related unemployment security will be extended to 12 months. Subsidised work will not count towards the prior work requirement.

The Government will make the amount of earnings-related unemployment security dependent on the amount of earnings from prior work. The level of earnings-related unemployment security will be staggered from the current level so that the security will fall to 80 per cent of the original level after eight weeks of unemployment and to 75 per cent after 34 weeks of unemployment. The phasing of holiday compensation will be restored. The waiting period will be restored from five days to seven days. Age-related exceptions to unemployment security will be abolished. In order to improve incentives for work, the unemployment security increments based on the number of children will be abolished and the monies will be reallocated to families with children. The exempt amounts of unemployment security will also be abolished in order to provide more incentives for unemployed people to find full-time work. The effects of this change will be monitored.

By the mid-term policy review session, the Government will complete an analysis of the relation between the prior work requirement and the universal earnings-related model and the linear model of unemployment security duration.

The current model of labour market support will be reformed. An extensive initial assessment will be ensured for people who have become unemployed, after which they will receive individual and employment-promoting services linked to certain obligations. In particular, young people under 30 years of age will be quickly referred to employment services. At the same time, sufficient services and personal encounters will be ensured.

Means-testing for labour market support will be improved so that it better recognises long-term unemployment as a specific life situation and a risk of social exclusion. On this basis, services promoting inclusion and social integration can be linked to the benefit to create a path towards employment-promoting services without changing the associated rights and obligations. The benefit will be based on an obligation to accept services concerning active job seeking, to participate in education and training, integration, rehabilitation and other activities, and to accept other services promoting inclusion and social integration.

The net level of labour market support will be brought into line with the basic component of basic social assistance. Sufficient and verified knowledge of the Finnish language will increase labour market support to the current level.

Claimants of adjusted unemployment security benefit may always be required to apply for full-time work or to accept employment and economic development services alongside part-time work.

## General housing allowance

The Government will implement an overall reform of the general housing allowance to ensure that assistance is allocated to the groups most in need of it.

The general housing allowance will no longer have the earned income allowance of EUR 300. The basic deductible for general housing allowance will be raised from 42 per cent to 50 per cent. The general housing allowance will be adjusted to 70 per cent of the difference between approved housing costs and the basic deductible. Municipality categories 1 and 2 will be merged into level 2.

An asset limit of EUR 10,000 will be placed on the general housing allowance. Of the excess, 20 per cent will be included in the applicable annual income until EUR 50,000, after which the claimant is no longer eligible for the general housing allowance. However, the assets will not include non-productive assets, such as cars, owner-occupied properties or second homes.

The general housing allowance will no longer be available for owner-occupied homes.

The calculation of a self-employed person's housing allowance will be based on all actual income instead of confirmed income.

With regard to students, the Government will explore and develop a financially attractive option to complement the general housing allowance that will favour shared student housing.

The Government will consider transferring some of the general housing allowance expenditure to municipalities.

The basic component of social assistance will include a five per cent financial contribution from the claimant calculated from the amount of necessary housing costs.

## Family benefits

The Government will strengthen positive attitudes towards children and families in society. The Government will carry out a population policy study to examine the wellbeing, incomes and reconciliation of work and family life of families with children, and the situation of involuntarily childless people. The study will identify measures that would have a positive impact on the birth rate, paying particular attention to the individual challenges of families with small children, single parents, student families and families with many children.

The Government will improve the incomes of families with children by raising the child benefit for children under three years of age, increasing the single parent increment for child benefits, developing the family provider increment of study grants, and increasing the child benefit for families with many children.

## Other social security

In an ageing society, the contribution of informal care is increasing, and the Government considers informal care a valuable part of a Finnish welfare service. Informal care significantly strengthens general government finances. By the mid-term policy review session, the Government will complete an overall reform of the Act on Support for Informal Care, taking into account aspects such as the individual needs of informal caregivers of working and retirement age. The Government will look into making the taxation of informal care support more reasonable. The Government will look into the option of transferring the payment of informal care support to Kela. The harmonisation of the criteria for informal care support will be continued. Efforts should be made to provide informal care support if it replaces institutional care. Arrangements for caregivers' leave, obstacles to taking leave and other support needs will be examined.

The Government recognises that the world of work is transforming, with an increasing number of working-age people earning their living through both employment and self-employment, sometimes at the same time, at different stages of life. By the mid-term policy review session, the Government aims to have completed a model for a combined unemployment insurance to improve the social security of those who are both employed and self-employed at the same time.

The Government will consider temporarily extending the deduction for a second home for work to people without children.

The Government will maintain the protected portion in debt enforcement at the current level until decisions on further measures have been made.

The Government will improve social lending and transfer its administration to Kela.

By the mid-term policy review session, the Government will analyse the shares of doctors specialising in insurance benefits and those treating patients, and the need to improve cooperation in order to ensure a better and fairer realisation of patients' benefits.

The Government will facilitate the realisation support, including sickness and rehabilitation benefits, for patients with health conditions caused by poor indoor air quality and patients with chronic fatigue syndrome (ME/CFS).

## 4.4 International recruitment

The Finnish labour market has a shortage of skilled workers. The Government will respond to this shortage by investing in international recruitment while at the same time strengthening the conditions for economic growth.

The shortage of competent and trained workers will be addressed by effective means, for example by simplifying the recognition of foreign qualifications and by investing in education and training in workers' countries of origin. To ensure workers' language skills, the supply and quality of language training and language proficiency tests in both national languages will be improved.

The Government will take a number of measures to improve Finland's attractiveness. Returning to Finland will be made easier for Finnish people living abroad.

### Attractiveness of sectors

The Government will strengthen Finland's positive country image in the area of work-based immigration, paying special attention to university graduates, seasonal workers, the healthcare and social welfare sector and export industries. The Government will improve the marketing of employment opportunities and enhance the provision of information for Finnish employers on international recruitment opportunities from selected countries whose nationals have usually found employment and integrated well in Finland.

The Government will actively promote mobility of workers in the European Union, for example by investing in the dissemination of information on employment and study opportunities in Finland and by carrying out targeted recruitment measures especially in countries with a high unemployment rate. Targeted measures will be taken to facilitate the return of Finnish people living abroad.

The Government will improve the capabilities of Finnish embassies in selected countries to facilitate the recruitment of international talent, with Business Finland and the Ministry for Foreign Affairs having the main responsibility for the process. The Government will boost Finland's country brand in the international labour market in cooperation with the other Nordic countries. For example, the stability and security of Finnish society will be promoted as key elements of Finland's good country brand.

The reputation of the Finnish labour market will be improved by actively and proactively addressing any abuses in the labour market.

The Government will further develop the cross-administrative action plan (Talent Boost) to increase the international recruitment of university graduates and improve talent retention.

With regard to labour migration, the Government will examine the factors affecting the retention of foreign workers and promote these factors with other interested parties in the field.

Tax incentives for foreign key personnel will be promoted.

The payments related to the entry process will become tax-exempt personnel benefits for businesses.

The Government will look into the establishment of a compensation plan similar to student loan compensation for people who arrive from a non-EU/EEA country, have graduated from a Finnish higher education institution or another Finnish educational institution, and have paid tuition fees and worked in Finland for a specific period.

## Education and training

Education and training will be provided in people's country of origin prior to their arrival in Finland in a coordinated manner with parties that have been deemed reliable. The expertise and experience of educational institutions will be put to use in implementing education and training in the country of origin, as well as in language training and

integration training. The Government will improve the quality of education and training provided in the country of origin, and will ensure that the people arriving in Finland for work or education complete the process of education and training, from skills and competence mapping to finding employment.

More vocational study modules will be offered in English while ensuring sufficient opportunities to study the national languages. The equivalence requirements for foreign qualifications will be eased and the compatibility of foreign qualifications with similar Finnish qualifications in essential respects will be ensured.

The processing times for the recognition of qualifications will be shortened. The Government will introduce permanent and alternative models for supplementing foreign qualifications, including competence-based qualifications, additional education and training and workplace education and training, for example in healthcare and social welfare. The Government will make it possible to recognise a foreign qualification for teaching Finnish or Swedish as a second language in Finland if the person has completed their teaching qualification with Finnish or Swedish as their major subject at a foreign university.

The supply and quality of language training and language proficiency tests in both national languages will be improved. The Government will use legislation to encourage higher education institutions to provide more teaching of the languages of Finland for foreign students. Educational institutions will be instructed to include periods of workplace education and training to alleviate the mismatch between students and employers.

The Government will increase the provision of English-language early childhood education and care and primary and lower secondary education without endangering early childhood education and care and primary and lower secondary education in the national languages. At the same time, opportunities to study the national languages will be promoted in order to facilitate integration and the transition to early childhood education and care and primary and lower secondary education in the national languages. Action will be taken to make it easier for students to start school during the academic year.

## 5 A nation of knowledge and competence

Finland's success and international competitiveness are based on high levels of skills and competence. Along with education and training, they improve social resilience and underpin economic growth. Finland is a country where people want to keep learning and where their confidence in the power of education and training has grown.

Finland has reclaimed its place among the world's most skilled and competent nations. Regardless of background or wealth, everyone has equal opportunities to access education and training and pursue their dreams. With education and training, every young person will find work. Skills and competence are back on a path of growth, and the levels of education and training have risen. Human capital has increased, knowledge capital has grown, and literacy, working life skills and wellbeing have improved.

Finnish culture in all its forms serves as a diverse resource for citizens, and it has a recognised role in providing a competitive edge internationally. The status of the national languages in society is clear and strong and one that unites Finns. Finland is a society of education and culture that provides encouragement and is proud of its diverse cultural heritage.

Physical activity in Finland will pick up in every age group. A sufficient level of physical activity develops motor skills and improves wellbeing. Physical activity helps people to learn and maintains good mental health. By increasing physical activity we are safeguarding the welfare society of the future.

### Objectives for the government term

- The quality of early childhood education and care will improve
- Learning outcomes and the level of education and training will rise in Finland
- Basic skills will improve and comprehensive school education will provide everyone with a sufficient level of basic knowledge
- Culture and education will underpin economic growth
- Education and training will become better at responding to the needs of the world of work and reduce labour market mismatches

- The number of young people who are not in employment, education or training will decrease
- Finnish people of all ages will engage in more physical activity

## Situation picture

Our education system has produced excellent learning outcomes, increased equality of opportunity and enabled education free of charge all the way to the highest level. The strength of the Finnish education system lies in highly educated teachers and extensive pedagogical freedom to carry out teaching.

The freedom of science, the arts and higher education is safeguarded. Freedom of expression plays a key role as the cornerstone of Western civilisation, democracy, science and the arts. A strong democracy requires that members of society are knowledgeable about a wide range of topics.

High-quality early childhood education and care improves learning potential and equity in education. However, there are challenges that affect the provision of early childhood education and care, such as the availability of qualified staff.

According to PISA surveys, learning outcomes have been declining in Finland since 2006. In particular, the falling levels of basic skills (literacy, writing and numeracy) need to be addressed. The COVID-19 pandemic increased the gaps in learning and wellbeing among children and young people. Technological advancement is bringing about significant changes in society.

According to an OECD study published in October 2022, the educational level of Finnish young people has fallen below the average, while in 2000 Finland was still among the top-achieving nations in the OECD countries.

Finnish people have become progressively less physically active for decades. Changes in the levels of children's and young people's physical activity and ability to work need addressing if the population's future ability to work and function is to be ensured. It is estimated that the decline in physical activity among people in Finland costs EUR 3.2 billion a year.



## Shared objectives for the Ministry of Education and Culture's administrative branch

The Ministry of Education and Culture's branch of government forms an educational and cultural administration that enables growth, competitiveness and wellbeing of the Finnish economy through education, culture, creativity, innovation and competence.

The Government aims to clarify the agency structure within the administrative branch of the Ministry of Education and Culture, reduce overlapping administration and make the guidance and direction of agencies more effective in line with the Educational and Cultural Administration 2030 final report, taking into account the range of tasks of the current units.

The opportunities offered by artificial intelligence and digitalisation will be taken better into account in developing the education system. The opportunities offered by digitalisation will also be used to reduce administrative work. Leadership in the education and culture sector will be improved.

The Finnish education system is doing well by international standards, and there is demand for our expertise around the world. The Government will promote the sharing of Finnish knowledge, expertise and educational innovation on market terms.

Not all pupils and students receive the support they need. Support for learning will be made clearer and the sequencing of support will be harmonised from early childhood education and care to upper secondary education. Early intervention prevents problems that are expensive both in human and economic terms. We will create conditions for learning and strengthen wellbeing by means of culture and physical activity too.

The Government will improve study and careers guidance at all levels of education and training, paying particular attention to further studies and access to employment. In Finland, fields of education and training are strongly segregated by gender. In some sectors, occupational gender segregation is increasing rather than diminishing. The Government will address gender segregation in education and training by encouraging people to make individual educational and career choices.

Student welfare plays a key role in supporting the wellbeing of children and young people. The Government expects municipalities and wellbeing services counties to work closely together to ensure well-functioning student welfare services. Low-threshold access to multiprofessional support must be made available without long waiting times. In addition, staff need to have stronger powers to help children and young people.

The Government will promote the dual career options for athletes and improve the status of lower secondary schools with a weighted curriculum for sports, upper secondary sports schools and higher education institutions that encourage elite sports.

We will ensure that our education system produces enough skills and competence and workers for the critical sectors in order to ensure the carrying capacity of our society. The level of skills and competence will be raised and action will be taken to ensure that everyone completes at least an upper secondary qualification and that more young people also complete a higher education degree. To ensure security of supply, vocational education and training and higher education institutions must ensure that the competence needs of the critical sectors are adequately met.

The Government will ensure the availability of high-quality printed and digital teaching material in both national languages. The Government will take into account the special features and development needs of Swedish-speaking education and training. We will continue implementing the report on Swedish-speaking education in Finland. We aim to strengthen the status of indigenous minority languages, especially the Sami languages, the Karelian language, the Romani language and the national sign languages. The Government will examine ways to reinforce the status of children using sign languages in early childhood education and care and in primary and lower secondary education.

The Government supports the freedom of academic research and promotes social dialogue, which also plays an important role in education for democratic citizenship at schools. We must support and maintain broad-based freedom of expression across society.

The Government will establish clear effectiveness criteria for discretionary government grants awarded under the project for the digitalisation of discretionary government grants.

## **5.1 Fixing the fundamentals in learning**

### **Early childhood education and care**

Early childhood education and care aims to promote children's development, health and wellbeing, improve their conditions and opportunities for learning, and make it easier to carry out equity in education. Early childhood education and care combines education, teaching and care in a systematic and goal-oriented manner with a focus on pedagogy. Learning support must be made available individually and based on the child's needs.

We will increase the participation rate in early childhood education and care especially among children over the age of three. Although it has risen in recent years, the participation rate in early childhood education and care in Finland is still lagging behind the rest of the Nordic countries. We will target special measures at raising the participation rate of children with immigrant backgrounds in early childhood education and care. This will improve their Finnish and Swedish language skills and their integration into Finnish society.

The Government will stabilise the level of appropriations for positive discrimination funding in early childhood education and care. This will boost the quality of early childhood education and care, bridge learning gaps and prevent segregation.

The Government will reform the legislation on early childhood education and care service vouchers. Legislation on service vouchers in early childhood education and care will be transferred to the Ministry of Education and Culture, as was the objective in the amendments made to the Act on Early Childhood Education and Care. The Government will assess child care allowances as a whole, taking into account families' freedom of choice. We aim to increase the opportunities for more families to choose between different forms of early childhood education and care on a more equal basis.

During the government term, the percentage of children receiving the private childcare allowance will be raised at least to the level of 2011. This will be achieved by increasing the care allowance component of private childcare allowance.

With a view to easing the administrative burden of service providers, the notification procedure will be reintroduced in private early childhood education and care. New units would need to have the regional state administrative agency inspect their unit before operations could commence.

The Government will ensure that oversight of early childhood education and care is carried out in both publicly and privately provided early childhood education and care.

Under the Act on Early Childhood Education and Care, the Government is committed to the child's right to pedagogically led and implemented early childhood education and care. The Government will boost the sector's attractiveness and retention by enhancing working conditions and the quality of early childhood education and care. Universities will increase their intake for early childhood education and care teachers. Each year, Finland must educate at least 1,400 new teachers in early childhood education and care, taking into account the needs of both national languages.

By enabling retraining, upgrading of qualifications and blended education, the Government will secure a range of opportunities for those already working in the sector to qualify for the roles specified in the Act on Early Childhood Education and Care.

The Government will clarify the role of Bachelors of Social Services in early childhood education and care and increase their intake. A Master's Degree in Social Services completed at a university of applied sciences will allow the holder to apply for the position of director of early childhood education and care, ensuring sufficient pedagogical and didactic competence.

Children's language learning will be supported from early childhood education and care onwards by reinforcing and expanding language immersion and language shower activities. More language immersion teachers will be trained to meet families' demand for language immersion and language showers.

## **Pre-primary, primary and lower secondary education**

Going forward, the Government must focus on improving basic skills and capabilities and enable a shift to stable core funding. Every young person completing lower secondary education must have sufficient basic knowledge and skills for upper secondary education. Students and teachers must have conditions that allow them to concentrate on learning and teaching.

The Government will launch extensive foresight activities to assess the development needs of primary and lower secondary education. These will be advanced over a sustained period with an approach based on data and research and broad-based cooperation with a range of parties. Poorer learning outcomes, which have prevailed throughout the 2000s, are a particular cause for concern. The Government aims to gather a wide range of researchers and experts from different disciplines and from fields of education and training to assess the development needs in primary and lower secondary education. A parliamentary monitoring group will be established to support this work. The preparations for any necessary legislative amendments and other measures will be completed by the end of 2025.

The two-year pre-primary education trial will end in August 2025. The follow-up study of the trial group will continue until the end of lower secondary education. Once the trial is over, the Government will assess the results and prepare further measures.

We will invest in the learning of basic skills by providing students and teachers with more time and space to work without disruptions. The Government will increase the minimum number of lessons in primary and lower secondary education by two to three weekly lessons per year without expanding the curriculum. This serves to increase the number of additional lessons in reading, writing and numeracy, especially in primary school. The decisions on how to bring in the additional lessons will be made locally.

The Government will stabilise the level of appropriations for positive discrimination funding in primary and lower secondary education. This will boost the quality of primary and lower secondary education, bridge learning gaps and prevent segregation. The focus will be on keeping the size of teaching groups reasonable so that learning is possible and it is possible to ensure that schoolchildren acquire all the basic skills. The Government encourages municipalities to provide instruction according to a weighted curriculum in order to prevent segregation. We will also encourage foreign-language speaking children take part in Swedish-speaking early childhood education and care and education and training.

The Government will amend the legislation on the Finnish three-tier support model so as to ensure sufficient provision of support and to ease the administrative burden on teaching staff. Support for learning must be made available individually and based on each individual student's needs. The types of support are clear, diverse, and uniform at national level. Where necessary, teaching can be provided in small groups and in classes for learners with unmet educational needs. The Government will ensure that qualified teachers equipped to cater for unmet educational needs are provided with a sufficient amount of training and education.

The Government will implement a skills and competence guarantee that will determine the minimum level of skills and competence and the criteria for achieving it as children move up from one year group to the next through comprehensive school education. Particular attention will be paid to the transition from the second year to the third year group in primary school, and in year nine in lower secondary school and the final assessment. The aim is to ensure that every young person has sufficient core skills for continuing to further studies. The Government will explore the possibility of expanding flexible comprehensive school education to every municipality so that students will have the opportunity to complete the lower secondary education syllabus.

The Government is committed to the implementation of the Strategy for Mathematics, Science and Technology to improve students' knowledge of mathematics and sciences. A strong knowledge base in science and technology plays a key role in transforming

businesses, especially when scientific and technological paradigm shifts take place and in the current, rapidly evolving and increasingly complex international competitive environment.

The Government will enable early provision, expansion and diversification of language teaching and studies. We will ensure that sufficient hourly resources are reserved for language teaching.

The Government will consider the possibilities of using distance learning more extensively than at present in primary and lower secondary education with specific provisions, for example in the teaching of languages as elective subjects.

The Government will assess the effectiveness of teaching Finnish or Swedish as a second language and literature. The increase in the number of foreign-language speaking children must be taken into account in developing primary and lower secondary education. In addition, we will make it possible to pursue preparatory education over the course of two years in situations where it is deemed necessary to ensure sufficient language skills. Sufficient funding will be reserved for this purpose.

The Government will reinforce the powers of teachers and principals to intervene in activities that disrupt teaching and take place during school hours. We will make the necessary legislative amendments to enable more efficient restrictions in cases such as the use of mobile devices during the school day so that pupils and students can better concentrate on teaching.

Common plans and approaches will be introduced to prevent school violence and intervene in violent situations, making use of existing schemes, such as the South Karelian one. The Government will reinforce the powers of the regional state administrative agencies to carry out oversight of legality regarding schools.

The Government will secure the right of every child to a safe learning environment and discipline in the classroom. We will improve the legal protection of pupils and students who have become victims of bullying and enhance their possibilities to continue attending their own school.

The Government will create criteria for providers of early childhood education and care and primary and lower secondary education to make sure every child's cultural rights are realised regardless of their place of residence. Municipalities will continue to be responsible for providing early childhood education and care and primary and lower secondary education. We will also assess whether the quality criteria for early childhood education and care and for primary and lower secondary education should be updated.

The educational role of schools includes ensuring that Finnish cultural heritage is passed on to future generations. This also includes fostering school traditions, such as the spring and Christmas celebrations. Schools will continue to provide a safe place for children and young people to grow up.

The municipality of residence reimbursement for private education providers will be raised to 100 per cent and the obligations of education providers will be harmonised. We will ensure that the authorisations to provide education will continue to make it possible to implement activities on a long-term basis.

The Government will prepare a report on the effectiveness of preparatory education for programmes leading to a qualification (TUVA). We will consider how preparatory education helps those applying for general upper secondary school and for vocational education and training, and how it contributes to improving basic skills. The requirements in preparatory education will be eased so that part-time education can be provided. The Government will also make it possible to complete compulsory education in workshops.

Steps will be taken to increase transition phase education by doubling the intake of students in the folk high school year for youth of compulsory education age.

## **5.2 Knowledge and skills from secondary education carrying across and beyond**

### **General upper secondary education**

A key mission of general upper secondary education is to guarantee broad-based general knowledge and to give students eligibility for higher education. General upper secondary education will continue to be developed as a distinct form of education with its own legislation guiding its activities and its own financing system.

General upper secondary education focuses on providing guidance for studies and multi-professional support so that each student receives the support needed to progress along the educational pathways. Support must be targeted especially at those young people who are at risk of falling behind in their studies.

The Government is committed to keeping the dual qualification system in upper secondary education where both general upper secondary schools and vocational institutions organise education and training.

Dismantling boundaries between the two forms of education should not lead to a loss of their specific features. Cooperation will take place in ways deemed expedient. In addition, the two forms of education have their distinct purposes, which is a key element of the Finnish education system. The Government will make sure that there are enough general upper secondary schools with a specific educational mission, taking into account both national languages.

The provision of general upper secondary education will be guaranteed in areas where the number of children and young people is falling significantly. The Government will restructure the financial system in general upper secondary education to better meet the costs of providing general upper secondary education. Comprehensive impact assessments will be carried out on the new financial system, and a government proposal will be prepared on the basis of these assessments by the end of 2025. The changes to the financial system will be carried out over a sufficiently long transition period. The aim is to maintain a comprehensive network of general upper secondary schools. The increment for small general upper secondary schools, which is part of the financing for general upper secondary education, will be revised to help make education accessible and to ensure cultural rights. The Government will foster equal division of municipalities' financing responsibilities based on the students' municipality of residence.

The Government will enable the completion of the matriculation examination in English under strictly limited criteria. We will ensure that providing study opportunities in English will not jeopardise school education in the national languages but will make Finland more attractive to international experts and expatriates returning to Finland.

A national set of criteria for general upper secondary school diplomas will be created, and substituting one compulsory matriculation examination test with a general upper secondary school diploma will be made possible. In future, it would be possible to substitute one of the five matriculation examination tests with a general upper secondary school diploma.

The Government will lay down provisions on the right of general upper secondary school students to receive remedial teaching. This will guarantee each student the support they need to make progress in their general upper secondary studies.

The Government will examine and assess the possibility of organising physical education as a weekly subject throughout the study programmes.



## Vocational education and training

The mission of vocational education and training (VET) is to ensure that each student has sufficient vocational and educational skills and working life skills to transition to the world of work or further studies after graduation. The reform of vocational education and training created more opportunities for on-the-job learning and aimed to ensure the personalisation of studies so that the individual needs of students could be better taken into account. Vocational education and training has a key role in the TE services reform 2024, especially with regard to upskilling measures.

At the moment, more than one in ten graduates with an initial vocational qualification are unable to find employment after graduation. In vocational education and training for adults, the focus is on long-term education leading to an initial vocational qualification, which limits the number of students.

The Government will take determined action to reduce discontinuation of studies in upper secondary education. Our aim is to make sure that all students starting in upper secondary education have the study skills, motivation and experience to find their own field of study. We will ensure that each student is given the personal study plans required by law.

The Government will restructure the financing of vocational education and training. We will introduce stronger incentives for education providers to ensure that students complete their studies, graduate, find employment and transition to further studies after graduation. The indicators used in effectiveness-based financing will be reviewed and their monitoring will be brought up to date. Incentives will be introduced into the financial structure for guiding students to completing micro-credentials, i.e. set of study units that are smaller than a qualification. This will build capacity for continuous learning and meet regional workforce needs. The Government will reform the guidance of vocational education and training providers, increasing the effectiveness and performance of education and training provision and ensuring provider neutrality. We will take into account the special features of vocational education and training provided in Swedish.

We will strengthen cooperation between vocational education and training and business and industry to make sure that vocational education and training better meets the needs of working life. The provision of education and training will be reformed to better meet the needs of working life and business and industry, taking into account the needs of regions with export businesses and industries.

The Government will guarantee sufficient access to contact teaching. We will especially safeguard the right of students in compulsory education to have sufficient access to contact teaching, workplace instruction and the necessary support for learning.

A wider educational mix of vocational studies provided in English and sufficient opportunities for studying the national languages will be ensured. We will ease the equivalence requirements set for foreign qualifications and ensure that foreign qualifications will in essence be made compatible with similar Finnish qualifications. The processing times for the recognition of qualifications will be streamlined.

The Government will allow VET providers to offer their education and training that leads to a qualification in the form of commissioned education to people the same way it is done in tertiary education. Commissioned education can be used to address skills shortages when education and training to complete a qualification can be placed on the market.

The Government will reinstate the subjects of physical education and health education into the national qualification requirements.

The Government will promote the use of training agreements and apprenticeship training. We will explore the possibilities to stagger the financial compensation for education and training paid during apprenticeship training as studies progress.

The Government will strengthen the position of upper secondary sports educational institutions. We will stabilise the financing of vocational sports institutes.

## **5.3 Finland's future builds on knowledge, expertise and education**

### **Higher education and science**

The Government is committed to ensuring that our higher education system will continue to be based on the dual model, i.e. education provided by both universities and universities of applied sciences. Both forms of education play a key role in our education system.

The Government is committed to implementing the proposals of the parliamentary RDI working group on how the financing of Finland's R&D activities will be raised to four per cent of gross domestic product by 2030. To achieve this objective, we must make sure that the financial resources safeguard the training of RDI experts and ensure the core funding of higher education institutions, especially in the early stages. By reinforcing the status of the Research and Innovation Council, we can ensure that RDI activities are adequately coordinated and additional funding allocated appropriately. We will examine the education, research and innovation system as a whole. The Government will increase

funding for research infrastructures in connection with the measures to raise research financing to four per cent of gross domestic product. The Government is committed to safeguarding the continuity of high-performance computing capacity (acquisition of the EuroHPC supercomputer).

We will remodel universities based on a model where the key mission of universities is to foster critical and analytical thinking. Lesser-studied academic subjects where there are fewer students also play a role in the Finnish university world. Academic research and science have intrinsic value.

Universities also serve to find new solutions to the big questions of our time. For example, safeguarding biodiversity in Finland, the transformation of energy technology, digitalisation and demographic change require new kinds of solutions that cannot be found without cutting-edge research. To ensure high-quality academic research, higher education institutions encourage and reinforce a cross-disciplinary and open culture of academic discussion and open-minded innovative thinking. We also consider critical research data and special expertise as factors that affect security of supply and security. The Government will secure the functioning of Finnish scientific publication channels and enable the open publication of scientific articles in them, ensuring the availability of research-based information in the national languages.

The mission of universities of applied sciences is to respond to rapidly changing skills and competence needs in the world of work, support businesses during their renewal and raise the population's level of skills, competence, education and training. Universities of applied sciences play an important role in advancing the vitality of regions and in reforming the world of work and business. A key task of universities of applied sciences is to meet the demand for experts across sectors. They have a major role in helping us to achieve the objective of boosting the educational level of young adults.

The Government will continue to support the profiling of higher education institutions to ensure that resources are used as appropriately as possible. Higher education institutions are encouraged to identify fields of research where they can strive to become world leaders in their own areas of strength. Higher education institutions are encouraged to engage in national and international cooperation. While we support the autonomy of higher education institutions, coordination is needed. Opportunities for collaboration in the field of education will be utilised more efficiently, taking regional and linguistic perspectives into account.

The Government is committed to taking measures to increase the number of young adults with higher education degrees to as close to 50 per cent as possible by 2030. We will draw up an action plan for moving towards the goal of increasing the number of young adults with a tertiary degree in Finland to the level of the OECD's leading countries.

The Government is committed to increasing the number of student places available in higher education. Raising Finland's level of education will require significantly more increases in the initial intake, as over the years we have developed an unconscionable backlog of applicants. The new available student places will focus in particular on urban growth centres, areas where the initial intake relative to the number of young people is low, and sectors and areas which are projected to experience a significant labour shortage. The needs of healthcare and social welfare and the education and training sector as well as the needs of the regions with export businesses and industries will be taken into account in the allocation of new intake. The Government will ensure the availability of medical degree programmes provided in Swedish by exploring ways to increase partnerships with Sweden within the current faculties of medicine. Higher education institutions play an important role in enhancing and making regions more attractive to prospective students. We will safeguard the role of university consortiums in the provision of tertiary education in the regions and in RDI.

To reach the objective of increasing the number of higher education graduates, we need a larger share of education and training to contribute to raising the level of education. The Government will launch a set of measures to prevent unnecessary accumulation of higher education. We will assess whether available student places should be allocated to those completing their first degree so as not to slow down the screening of application opportunities unnecessarily or to weaken applicants' opportunities to change career. The action plan will be drawn up as soon as possible, but no later than by the 2024 government session on spending limits.

To raise the level of education and training, higher education must be targeted more strongly at those completing their first degree. The Government is making progress towards implementing full costing of tuition fees for non-EU and non-EEA students. The Government will consider the creation of a national scholarship system and the introduction of a nominal application fee. To further increase the number of international higher education students, we will create more incentives for them to stay in Finland after graduation.

The Government will improve the completion rate of education and training. The funding model for higher education will be reviewed insofar as the changes can improve the incentives for higher education institutions to ensure that students graduate within the normative time. Alumni networks and external funding will be advanced.

We will reinforce the role of open higher education as a channel for improving knowledge and competence. To make it easier to develop knowledge and competence in more versatile ways across the sectors by means of open higher education, we will enable education providers to charge higher fees that better correspond to the actual costs of providing education.

The Government will examine the possibility of abolishing compulsory membership in a student union to better reflect the freedom of association protected under the Constitution. Based on the study, decisions on the matter will be made in spring 2024.

The Government will consider the option for students to take the examination demonstrating excellent proficiency in Finnish and Swedish as part of their university studies.

The Government recognises the importance of private archives financed with discretionary government grants as part of the national research infrastructure and will secure their operating conditions. The Government will safeguard the preservation of cultural heritage by means of digitisation.

## **Response to skills shortage and continuous learning**

Within the scope of public services, availability in high-quality health and social services and in early childhood education and care is already compromised. Skills shortages are imminent in the education sector, too. The issue of skills shortages is not only a question of education policy; it is a problem that permeates various policy sectors. We will bring in more opportunities for continuous learning, especially in the healthcare and social welfare sector and in the education sector.

The Government will promote the Talent Boost programme, which aims to strengthen education and training for professional competencies required in Finland, and studies in the national languages, especially in sectors with labour shortages. Project-developed practices for upgrading the qualifications of nurses trained abroad will be incorporated into the regular activities of universities of applied sciences.

Teaching Finnish and/or Swedish to potential or existing immigrants requires a reform that stretches across all levels of education and training. At the same time, we must ensure that language teaching is better integrated into the labour market or preparatory education for further studies. The Government will lay down an obligation to continue providing language training which will apply if the language proficiency requirement of the training is not met, for example in vocational education and training.

We will become better at harnessing the untapped skills and competence potential that already exists in society. For example, we must improve the inclusion and competence of those who are in disguised unemployment and those with impaired capacity to work and disabilities. Finnish returning migrants will be taken into account. Pensioners who are able and willing to work also offer untapped potential.

Education and training that is designed for adults and leads to a qualification or degree will be targeted especially at raising the level of education of students or improving their labour market position. The Government will increase the market-orientation of continuous learning provision and remove obstacles to increasing private financing. The financial system for vocational education and training and higher education must also support the completion of micro-credentials, and the financing should encourage the provision of such sets of study units. Planning should be carried out in cooperation with business and industry so that the skills and competence meet the demand. We will take into account labour policy needs testing when targeting education and training.

The Government recognises the importance of liberal adult education in increasing skills and competence and in enabling people to engage in leisure activities. The Government will increase the client's financial contribution percentage to the cost of providing adult leisure activities in liberal adult education.

## **Student financial aid**

The main purpose of student financial aid is to enable full-time studying. The Government will launch an overhaul of the student financial aid system. Student financial aid has been developed in a fragmented way throughout the 2000s. The student financial aid overhaul will examine the level of study grants, the size of student loans, the amount of student loan compensation, tax-exempt income thresholds, the status of students with families, and housing support. The mid-term policy review session will assess the adequacy of income limits and consider the possibility of raising them. Better alignment of apprenticeship training and student financial aid will also be reviewed.

The aim is to make sure that students have a source of income during their studies, reinforce the incentives in the student financial aid system and encourage students to complete their studies within the normative period.

## 5.4 Culture, sports, physical activity and youth

### Culture

Art and culture have intrinsic value. A diverse arts and cultural scene which people hold in high regard is the hallmark of a civilised nation. Culture plays an important role in enhancing citizens' resilience, comprehensive security and a sense of national cohesion. Growth in the cultural sector supports the whole society, strengthening its wellbeing, creativity and sustainability.

The creative industries and the events sector offer significant employment and growth potential. The sector relies on private enterprise. Cultural and artistic events create both economic and intellectual added value around them. Finland has extensive expertise of high quality in arts and culture. However, the share of creative industries in Finland's gross domestic product clearly lags behind both the other Nordic countries and the EU average.

The Government will draw up a report on cultural policy. In connection with the report, the Government will implement an intersectoral growth strategy for the creative industries.

We will promote the international recognition of Finnish arts, culture and creative industries by improving the business conditions of Creative Finland in cooperation with the Ministry for Foreign Affairs. We will create better opportunities for Finnish arts and creative companies to gain international recognition and reinforce the role of the cultural sector in our country branding. We will design schemes that fuel growth in the audiovisual sector and in other sectors, such as literature and music.

To coordinate measures promoting the vitality of the cultural and arts sectors together with parties and representatives working in the field, the Government will create permanent collaborative practices between the administrative branches of the Ministry of Education and Culture and the Ministry of Economic Affairs and Employment.

The Government will enhance cooperation between the Ministry of Education and Culture and the Ministry of Social Affairs and Health. Among other objectives, these collaborative efforts aim to make more extensive use of culture, art and physical activity in preventive healthcare and social welfare services.

As part of the social security reform, the Government will solve problems related to social security and unemployment security among those working in the cultural and creative sectors. Particular attention will be paid to the position of freelancers. We will ensure that there is freedom of art, that the wellbeing of artists is secured, that there is a sufficient number of artists and that the labour markets function.

The Government will boost children's and young people's literacy. We will pursue the implementation of the literacy strategy and expand 'Lukuliike', the programme for promoting literacy among people of all ages. We will make 'Lukulahja lapselle' a permanent scheme, whereby maternity and child health clinics will give a book bag to every newborn baby. The Government will make children's culture more easily accessible.

The accessibility of library services will be ensured by making use of practices such as self-service checkouts and mobile libraries. We will adopt the compensation paid under the public lending right for e-books and advance the establishment of a national e-library.

The Government will reform the legislation on basic education in the arts. The aim is to make access to teaching smoother, taking into account different fields of art.

To make the copyright system more transparent and to make the legislation clearer and more readily understandable, the Government will assess the need for an overhaul of copyright legislation, taking into account the national room for manoeuvre. With regard to copyright legislation, the specific needs of Åland are assessed together with the Swedish authorities.

We will assess the economic impacts of imposing a financial contribution obligation on on-demand audiovisual media services on the audiovisual market and the sector's growth potential.

Central government will contribute to projects aiming to build new cultural buildings of national importance or to renovate such existing buildings.

## Sports, physical activity and elite sports

A healthy lifestyle includes a certain amount of physical activity. Physical activity improves our wellbeing and ability to work and helps us to keep learning new things. The easiest way for people adopt a physically active lifestyle is in their early childhood years. This is why it is important to reinforce regular exercise among children. The Government will



draw up a national programme for a physically active lifestyle and functional capacity covering all administrative branches. The programme serves to advocate the different 'On the Move' programmes and will formulate new approaches to physical activity.

We will safeguard equal opportunities to engage in physical activity and promote equitable provision of support for physical activity. The Government will accelerate the digitalisation of grant processes and will make grant activities more effective. We will develop responsible activities of civil society organisations that are open to all. We will make sure that leisure activities are safe for everyone. We will prevent and tackle inappropriate treatment. We will broaden and entrench the 'You are not alone' service.

Voluntary and informal voluntary work are the cornerstone of engaging in physical activity. Sports clubs instil a sense of community and belonging. Physical activity also plays an important role in the integration of immigrants. The Government will safeguard voluntary work in sports and physical activity, ensuring that unnecessary red tape does not prevent clubs and organisations from operating or organising events.

In addition to offering inspiring role models, elite athletes provide experiences that strengthen the sense of fellowship. This is particularly important when encouraging children to take part in sports and physical activity. Better opportunities will be introduced for athletes to advance professionally to the top of the world.

The Government will make it easier to reconcile sports careers and studies and work. The Government will correct shortcomings in athletes' social security, unemployment security and pension cover. Sports-oriented vocational institutions will be treated on a par with general upper secondary schools that offer a weighted curriculum in sports. We will safeguard that the Olympic Fund can continue to operate. Supplementary pensions for athletes will be made available to all those who meet the criteria.

Finland will further increase its role as an international organiser of sports events and events involving physical activity.

## Youth work and youth policy

Youth work and youth policy seek to create opportunities for young people to live a good life. The success of our nation depends on how well our young people are doing.

Young people's wellbeing is more polarised than before: a higher number of young people are doing better than before, whereas young people with existing problems are doing worse. Young people's social exclusion and growing malaise are among the biggest challenges in our society.

It is clear that the earlier the risks of social exclusion are identified, the more effectively they can be addressed. It is in the interests of both the individual and society that we prevent social exclusion as early on as possible.

Mental health issues among young people have increased, with one in four young people experiencing them. Children and young people under the age of 18 commit more serious and brutal crimes than before. This also involves new phenomena, such as gangs. The increased use of digital devices is challenging people's attention spans and their level of physical activity. This calls for new solutions and novel approaches to managing youth work and youth policy.

The repercussions of the COVID-19 pandemic were felt by young people in particular. The pandemic created wellbeing and learning gaps among young people and widened existing ones. It will take a number of years to bridge this gap.

The Government will give overall leadership responsibility to the Ministry of Education and Culture for wellbeing work among young people. However, several ministries will be involved in working together with the Ministry of Education and Culture in this area.

The Government will draw up a broad-based action plan to prevent social exclusion among young people, and to address the gaps in wellbeing and mental health problems. We will reinforce multiprofessional work to promote young people's wellbeing. Problems related to the flow of information between public authorities will be removed from legislation. A set of indicators will be drawn up to assess the effectiveness of the measures. We will take into account that solutions cannot be found through youth policy alone, and cooperation across ministerial boundaries is needed.

The Government will invest in preventive measures, such as outreach youth work, youth workshops and the prevention of social exclusion in both national languages and in Sami languages. Particular attention will be paid to young people who, for various reasons, find themselves in the most vulnerable position. The Government will promote youth work in schools and educational institutions and facilitate the presence of safe adults in schools.

The Government will support the wellbeing of young people in broad-based cooperation with a range of social parties. As part of this collaborative effort, we will formulate a framework for partnerships between wellbeing services counties, municipalities, schools, the third sector and parishes.

The Government will ensure that every child and young person can pursue at least one leisure activity of their choice. We will develop children's and young people's leisure activities in cooperation with leisure activity providers. Particular attention will be paid to children and young people who either do not have a leisure activity or who have dropped out. We will examine the overall picture of the structures and funding of leisure and club activities and ensure that the Finnish model for leisure activities complements the existing leisure activities field.

We will assess the legislation on the Finnish model for leisure activities, including mapping the opportunities to support leisure activities during school holidays. The Government will increase the use of the leisure activity vouchers in municipalities in order to expand meaningful recreational opportunities for children and young people.

The Government will promote the inclusion and regional equity of young people, for example by reinforcing the status of youth councils in municipalities and wellbeing services counties.

## 6 A formula for growth

### Situation picture

Finland is well placed to benefit from the predicted global wave of investments in the clean transition and new technologies. This provides a solid foundation for the renewal and strengthening of industries. Finland's economic and productivity growth has been slow for a long time. The ageing of the population, the growing general government debt and the shortage of skilled labour are challenging Finland's economy and future. Finland needs growing businesses, investments, sustainable economic growth based on a high level of competence, and transformational capacity.

The pandemic, the war in Ukraine and growing international tensions have revealed vulnerabilities and critical dependencies in the production chains of businesses and weakened the predictability and outlook of the global economy. The maintenance backlog of the Finnish transport network is increasing, and the new geopolitical environment requires stronger international connections. Finnish agriculture suffers from low profitability as costs keep rising.

### Vision

The Government's vision is a competitive and entrepreneur-friendly Finland that attracts investments. In 2031, Finland will be the most interesting country in the world for investing and creating something new. Finland has good conditions for entrepreneurship, ownership and growth. This will generate jobs, wellbeing and prosperity for people. Finland's competitiveness, economic growth and productivity have risen to the same level as the other Nordic countries. Businesses enjoy a stable, encouraging, enabling and predictable operating environment. Finland is a safe country that has the capacity to respond to crises, also in terms of its security of supply. Finland's atmosphere encourages entrepreneurship and its markets are competitive. A well-functioning transport system contributes to the accessibility and economic growth of the whole of Finland. Finnish food production is profitable and food exports have been doubled. Healthy, well-growing forests create work and prosperity.

Finland is one of the world's most successful countries in creating prosperity through technology and digitalisation. Finland is making an ever greater global impact by exporting emissions-free solutions to the world. Four per cent of GDP is spent on research, development and innovation (RDI) activities, which produces long-term growth, well-being and transformational capacity.

## Objectives for the government term

1. We will make Finland an attractive country for investments and will boost respect for entrepreneurship and ownership.
2. The Government will take measures to increase fair competition, to open the market and to ease regulation.
3. Funding for research and innovation will be increased to strengthen long-term growth and capacity for renewal (the target being 4% of GDP in 2030).
4. Competitiveness will be created through digitalisation and the data economy.
5. The Government will implement a large-scale infrastructure package titled Growth for Finland to prevent further growth of the maintenance backlog in the road network and to build new transport connections across the country.
6. The Government will take measures to strengthen the national forest policy and the profitability of agriculture.

## 6.1 Increasing appreciation for entrepreneurship and ownership

### The goal is to strengthen business and industrial policies that support the growth and internationalisation of companies

The Government will implement a consistent business, entrepreneurship and industrial policy that gives companies an outlook for a competitive operating environment and confidence to invest. The Government will remove barriers to the growth of companies by, for example, investing in the availability of skilled labour, reforming the permit procedures for investments, significantly increasing the production of clean energy, increasing competitiveness in the market, implementing the necessary labour market reforms and ensuring that taxation is predictable and encourages growth. When it comes to increasing investments, the primary task of the public authorities is to create favourable operating conditions and ensure a competitive investment environment.

Finland has a historic opportunity to benefit from the global wave of investments in the clean transition. These investments will provide the strongest driver of change for the industrial renewal in decades. The impact of Finnish companies' solutions to reduce emissions is globally substantial. A strong industrial policy supports the resilience of the whole society and the development of security of supply.

Investments in digital technology and the efficient application of technology are at the heart of companies' competitiveness and growth. Effective utilisation of new technologies, such as quantum computing, robotics and artificial intelligence solutions, as well as a higher automation rate will create new business, support companies' competitiveness and contribute to alleviating labour shortages.

With its long-term industrial policy, the Government will strengthen strategic competitiveness, self-sufficiency and security of supply in Finland and Europe. The Government will ensure Finland's logistical competitiveness, accessibility and a well-functioning market in order to secure and develop the operating conditions for companies and to attract investments.

At the beginning of the parliamentary term, the Government will prepare a long-term industrial policy strategy that will include sets of policies essential for the export industry, such as logistics. The Government's objective is to increase the number of growth-oriented and export-oriented companies that provide employment and to keep industrial jobs in Finland. A sufficient amount of labour will be trained to meet the needs of industry. The Government will strengthen the foundation of the economy and exports by committing to measures that will double the amount of growth-oriented entrepreneur-led medium-sized companies (so-called *Mittelstand*) by 2030.

The Government will take an active and anticipatory approach to influencing the European Union's legislative projects that are important for the competitiveness of Finland's industry. Logistical competitiveness will be strengthened to attract companies, investments and jobs.

The Government aims to make Finland's investment environment more attractive and to increase foreign investments in Finland. A national operating model will be created to attract and bring large investment projects to Finland. In accordance with the one-stop-shop principle, the Government will create seamless administrative and permit procedures for large investments and introduce fast-track and predetermined processing times for them. An investment taskforce operating across ministerial boundaries will be established. The Government will ensure the capacity to quickly implement infrastructure investments required for high-priority projects. The Government will ensure that the services provided by the public authorities for companies are digital and available in English.

Competition for state aid between the United States and Europe, on the one hand, and within the EU, on the other hand, will intensify. As a small country, Finland faces challenges in competing against large countries with investment subsidies. With this in mind, Finland will seek strength from skills and the operating environment to build the competitiveness and attractiveness of its investment environment, with the aim of ensuring predictability, agile and digitalised administration, affordable emission-free electricity, rapid and predictable investment permit procedures, well-functioning infrastructure, higher RDI investments, an attractive innovation environment and the availability of experts.

Support for the electrification of energy intensive industries will continue in accordance with the current decisions until the end of 2026.

The State's domestic capital investment and business financing activities will be enhanced by merging Business Finland Venture Capital Oy, Ilmastorahasto Oy (the Climate Fund) and Oppiva Invest Oy under the ownership of Finnish Industry Investment Ltd. The situation concerning the new investment company's capital and the need for capital as well as the legislation applying to the company will be evaluated as a whole with the aim of creating an effective tool with a clear task and objective to boost company growth. The Ministry of Economic Affairs and Employment will be responsible for the ownership steering of the new company.

The new entity will be given an industrial policy task with a stronger focus on economic growth and renewal and the promotion of investments. Another objective is to accelerate investments and exports related to the opportunities created by new technologies and the clean transition.

The aim is that, together with private sector investments, innovations will be commercialised and scaled more quickly and the growth of companies and exports will be boosted. Simultaneously, the new company will be able to accelerate innovation and business ecosystems formed around technologies, for example, and to act as a competent owner together with the competent private capital operating in Finland. The company is also tasked with ensuring, for its part, that Finland and Finnish exports benefit from EU funding.

In connection with the preparations for the merger of the entities, the new company's support and financial instruments for both market-based financing and state aid instruments will be assessed to ensure the effectiveness of industrial policy. The Government will submit the necessary government proposals to Parliament in spring 2024. The Government will examine whether the Finnish Fund for Industrial Cooperation Ltd. (Finnfund) could be incorporated into the new entity.

Structures for promoting exports will be strengthened. The Government will implement a comprehensive reform of the legislation on Finnvera Plc to strengthen Finnvera's role in supporting exports.

The Government will reform the operations and management of the Team Finland network in cooperation with business and industry to support Finland's strategic interests. The role of the Ministry for Foreign Affairs in the public activities to promote exports and internationalisation will be strengthened. The Government will examine whether Business Finland's activities abroad could be incorporated into Finland's network of diplomatic and consular missions. The Government will evaluate the effectiveness of Finland's export promotion activities, including trade missions and the export financing system, in relation to the Swedish and Danish models, for example.

Conditions for developing the world's best start-up and growth company ecosystem will be created.

The Government will promote the growth of the domestic mineral and battery cluster in order to strengthen the clean transition and Europe's strategic autonomy. Various parts of Finland boast extensive expertise and potential in the sector, such as the energy cluster in the Vaasa region. A new mineral strategy will be formulated. The value added of raw materials from the mining industry will be increased and the creation of innovation ecosystems will be strengthened.

The growth potential of the service economy will be strengthened and export structures will be diversified.

The Government will draw up a national standardisation strategy that will define the national priorities for standardisation and strengthen the role of standardisation in supporting the competitiveness of Finnish companies.

Overlaps in business services will be reduced and their effectiveness will be increased. The Government will ensure the provision of services facilitating ownership changes. Services and business advice that support growth will also be targeted at sole entrepreneurs, micro-entrepreneurs and new entrepreneurs. The Government will promote better coordination between employment and self-employment and will identify new forms of entrepreneurship and their challenges. Measures will be taken to make it easier for entrepreneurs to hire their first employee. Finland will create an encouraging atmosphere for diverse forms of entrepreneurship. The Government will examine whether the models promoting entrepreneurship introduced in other countries would be suitable in Finland (e.g. Estonia's entrepreneur account).



The Government will strengthen the conditions for growth in the tourism sector. The Government sees potential in tourism across Finland. Nature tourism and archipelago tourism will be promoted. The provision of small-scale accommodation services will be eased.

The Government will reduce the administrative burden of companies and the general conditions on business activities by reforming the regulation on limited liability companies. The dissolution procedure of a limited liability company and the regulation on the loss of equity will be streamlined.

A corporate restraining order will be introduced to improve business and occupational safety.

Corporate social responsibility regulation will be developed at EU and OECD level.

The Arbitration Act will be modernised in technical respects to correspond to the best international practices.

An analysis of the impacts of business subsidies, based on high-quality systematic big data, will be produced as a basis for decision-making. The knowledge-based analysis will enable the elimination of unnecessary business subsidies without intervening in the subsidies that are especially justified for export competitiveness.

## **Facilitating entrepreneurship by reducing regulation and bureaucracy**

The Government aims to deregulate and reduce the administrative burden. Overly tight regulation and bureaucracy that are harmful to citizens and companies will be reduced. Business activities and the preconditions for entrepreneurship will be facilitated.

The Government will ensure that regulation directed at companies is clear, predictable, proportionate, competition-neutral, technology-neutral and innovation-friendly. The implementation of these principles will be promoted both nationally and in decisions concerning EU regulation. An operating environment that encourages and inspires entrepreneurship means that companies and citizens are not discouraged by an excessive flood of regulations.

The Government is committed to ensuring that the administrative burden of companies will not increase during the government term. At the level of the whole Government, the Government is committed to the 'one-in, one-out' principle, which ensures that proposals on new regulation are matched by reduced burdens elsewhere.

The Government will strengthen the assessment of the impact of the new legislation on companies, costs and competitiveness in order to identify the administrative burden and costs imposed on companies by the new regulation. Systematic ex-post impact assessment of legislation on companies will be strengthened. Legislative reforms affecting companies will be implemented with sufficiently long transition periods to give companies time to adapt their operations.

Additional national regulation will be avoided when implementing EU legislation. The Government will conduct a survey of the current legislation to determine the amount of extra regulation in place in Finland (the so-called 'Suomi-lisä'). The Government will reduce the national regulatory burden added on top of EU regulation as it is harmful to the competitiveness of companies and people's everyday lives.

Technology-neutral legislation that enables the extensive, responsible utilisation of automation and new technologies, such as artificial intelligence, will be ensured. A 'TechFit' survey will be carried out to identify and correct shortcomings, defects and elements in legislation and procedures that hinder technologies and automation.

During its term, the Government is committed to abolishing at least 300 norms that harm companies and citizens. The progress made in reaching the objectives will be monitored with the help of a regulatory burden counter. We will identify and reform outdated government decrees.

## **Promoting the culture of ownership and making Finland the world's most financially literate nation**

The Government aims to improve the opportunities for prosperity for all Finnish people. A positive change in ownership culture will be promoted. The Government will improve the position of small investors and create incentives for long-term saving and investment.

The maximum investment limit of the equity savings account will be raised to EUR 100,000

The Government will explore the possibility of creating an equity savings account for newborns, where the State will grant each newborn Finnish child an initial investment as part of the maternity pack.

Improving financial literacy will strengthen households' ability to take care of their own finances and understand the opportunities and risks of saving and investing. A national project on financial literacy will be implemented with the aim of making Finland the most financially literate nation in the world. Action will be taken to strengthening the teaching

of financial skills and entrepreneurship education at all levels of education. The financial skills of adults will be strengthened as part of working life and as part of working life services. Measures will be taken to combat over-indebtedness.

Flexibility in the terms of voluntary pension insurance will be increased and the appropriateness of the minimum age for withdrawals will be reassessed.

### **Securing growth-generating financial markets**

The stability, predictability and competitiveness of the financial markets will be secured. The operating conditions of the financial markets will be improved by ensuring that the regulation in place in Finland is as close as possible to the regulation in the most important reference and competitor countries.

Sufficient regulation plays an important role in safeguarding the stability of the financial markets, but at the same time, the obligations must not lead to an unreasonable increase in the price or availability of funding. Finland will actively exert influence in the EU to develop the European financial markets (the capital markets union) and, in decisions on EU regulation, will promote risk-based and proportionate solutions that will not increase solidarity between the financial sectors of the Member States to the detriment of Finnish institutions. Additional national regulation on top of EU financial market regulation will be minimised.

The Government will draw up a growth strategy for the financial sector, which will include conducting a comprehensive assessment of financial market regulation.

The aim is to significantly increase Finland's attractiveness as a market place during the government term. A study will be carried out on how to lower the threshold for listing and to increase the dynamism of the stock exchange.

Restructuring proceedings of companies will introduce debt conversion and a restructuring procedure under company law. In debt conversion, a part of the debtor company's debts will be able to be converted into its shares also against the shareholders' view.

The current level of legislation on personnel funds and group pension insurance will be assessed and the establishment of personnel funds will be made easier.

We will reform the legislation on crowdfunding and peer-to-peer lending to enable new activities.

The Government will ensure seamless basic banking services for people moving to Finland for work.

## **6.2 A nation of fairer competition**

The Government aims to promote fair and open competition, and will continue to open up the markets decisively and responsibly. Conditions will be created for the growth of the domestic market and an increase in people's wellbeing and freedom. More effective competition will particularly benefit consumers in Finland.

### **Monitoring competition more rigorously and safeguarding consumer rights**

The Government's objective is for Finland to have a well-functioning and fair market.

The Government will ensure that the Finnish Competition and Consumer Authority has sufficient powers. The Government will require the Finnish Competition and Consumer Authority to make a service pledge to ensure more reasonable timeframes for major merger control processes. The possibility of requesting a preliminary ruling from the competition authority will be investigated. The Government will strengthen the supervision of competition neutrality carried out by the Finnish Competition and Consumer Authority and improve the possibilities to supervise activities that restrict competition in the public sector. The Government will ensure that public sector business activities are monitored with the same intensity and resources as excessive market concentration and cartels. The Government will strengthen cartel enforcement and examine whether the personal sanctions imposed for cartels are up to date and effective.

Fair competition and consumer rights will be safeguarded in relation to online stores operating from third countries and efforts will be made to promote a level playing field between European companies and global digital giants. Finland will actively participate in the development of consumer protection at the EU level.

### **Savings and efficiency in public procurement**

The Government aims to achieve significant cost savings in public procurement in terms of public service provision in order to ensure high-quality services.

A significant proportion of publicly funded services are produced by purchasing services from private companies. About EUR 50 billion of taxpayers' money is spent annually on procurement. At the moment, a maximum of two tenderers participate in as much as 60 per cent of all public tendering processes, which shows that there is little competition in public procurement. Successful competitive tendering ensures that citizens receive high-quality services and that taxpayers receive value for the money spent. Successful procurements also improve the operating environment for businesses.

The Government aims to achieve significant cost savings in the medium term through more efficient public procurement. Practical measures to increase competition will require competence building of contracting entities and an obligation to seek successful competitive tendering. The Government will reform legislation based on careful preparation and impact assessments while minimising bureaucracy.

The Government will reform the Act on Public Procurement and Concession Contracts according to the following principles:

As a rule, the Act on Public Procurement and Concession Contracts will impose an obligation to repeat competitive tendering if there is only one tenderer. It will be possible to derogate from this obligation only on very serious grounds. The overall economic efficiency of competitive tendering must be ensured.

Municipalities and wellbeing services counties will be guided to make more extensive use of joint procurements.

The Government will strengthen the supervision capacity of the Finnish Competition and Consumer Authority and establish a procurement database that can be used to assess development measures and legislative amendments, disseminate best practices and detect abuses.

The Government will amend the Act on Public Procurement and Concession Contracts so that procurements that exceed the European Union threshold value can be left undivided only for special reasons, and the decision can be appealed.

Central purchasing bodies will be obliged to take into account competitive conditions and market impacts in their tenders.

The Government will lay down provisions on the publication of purchase invoice data of bodies governed by public law in an open and centralised manner without a separate request.

The Government will look into the possibility of creating a system for expedited request for review in public procurement based on a board of appeal for public procurement, for example.

The Government will sanction failure to report direct procurement and mandatory contract amendments.

Contracting entities will be obliged to carry out an analysis of procurements exceeding EUR 10 million to assess the suitability of the procurement model and anticipate costs.

Efforts will be made to strengthen procurement competence and promote the use of innovative procurement.

### **Developing regulation of in-house entities**

The use of publicly owned in-house entities has become more common in recent years in municipalities and in the new wellbeing services counties. Although in-house entities are, at best, a flexible and efficient part of public administration, this trend may become a problem when a public sector actor competes in the market with companies that have entrepreneurial risks. In addition to increasing competition, the wider use of joint procurement by contracting entities is a justified means to improve the efficiency of public procurement.

The Government will improve the efficiency of the public sector and reinforce regional vitality and the conditions for entrepreneurship by limiting the possibilities of the public sector to use in-house entities to provide support services for which there is a functioning market, such as cleaning, financial administration, food and ICT services.

The Government will ensure the efficiency of public procurement and enable flexible practices in public administration by reforming the legislation on in-house entities and other public sector market activity.

The possibilities for contracting entities to circumvent the Act on Public Procurement and Concession Contracts by means of in-house entities will be restricted.

A minimum ownership percentage (10 per cent) that takes into account the public interest will be set for the ownership of in-house entities.

Legislation will be drafted in a way that enables municipalities and wellbeing services counties to continue to organise their duties in corporate form when this does not distort competition, and in a way that safeguards security of supply, patient safety, linguistic rights or another similar weighty public interest.

The Government will tighten legislation so that procurements from in-house entities can only be made when they are more economically advantageous than alternatives operating in the market, or when there is another particularly weighty public interest in doing so.

The Government will reform the Local Government Act and the Act on Wellbeing Services Counties so that they take better account of economic responsibility and the market impacts of municipal business activities.

The limits on external sales for in-house entities will be harmonised to a maximum of five per cent and a maximum of EUR 500,000 of the turnover of in-house companies.

## Opening up markets and increasing competition

### Alcohol sales

The Government will reform Finland's alcohol policy in a responsible manner to make it more in line with the alcohol policy in other European countries. We will also continue the comprehensive reform of the Alcohol Act carried out in 2018. In addition to beverages containing up to 5.5 per cent alcohol, the retail trade licence defined in the current section 17 of the Alcohol Act will be extended to also cover beverages produced by fermentation that contain up to 8 per cent alcohol. By the Government's mid-term policy review, the Ministry of Social Affairs and Health and the Ministry of Economic Affairs and Employment will carry out a study on the possibilities to allow sales of wines with an alcohol content of up to 15 per cent also elsewhere than in Alko shops.

Furthermore, an independent study will be conducted on the possibilities to transfer the responsibility for the regulation of alcohol policy from the Ministry of Social Affairs and Health to the Ministry of Economic Affairs and Employment. The Government will not make changes to Alko's role and status with respect to public health.

The Government will allow all Finnish microbreweries, craft breweries, microdistilleries and vineyards to sell their products directly to consumers from their production sites under a retail trade licence.

The prevailing unclear interpretation of the law will be clarified so that buying alcohol through distance selling from companies operating in other EU countries will be explicitly allowed.

Online sales of alcohol and other retail sales concepts based on delivery and collection will also be allowed for Alko and other domestic operators that hold a retail trade licence, while ensuring age limit control. In deliveries within Finland, the current alcohol content limits for domestic retail sales will be applied, with exceptions applicable to craft breweries, microbreweries and wines sold at vineyards.

Finland will apply for inclusion on the list of wine-producing countries in the EU.

Restrictions on the marketing of alcohol by Finnish operators abroad will be removed within the limits of EU law.

The Government will carry out these reforms in a manner that is acceptable from the perspective of EU law.

## **Pharmacy system**

The Government will reform the regulation governing pharmacies in a responsible and gradual manner, while ensuring high-quality and safe pharmacy services throughout Finland. The role of pharmacies as part of the healthcare system and their important role in the successful pharmacotherapy of patients will be recognised. The aim of the reform is to organise the retail distribution system for medicines in a more cost-effective manner than at present. The Government will improve the conditions for price competition in medicines. The reform will be implemented in a way that ensures the regional availability of medicines and pharmacy services as well as medicine and medication safety. The aim is to achieve an annual savings of EUR 30 million in the general government finances. The reform will not increase the payment burden of customers.

The Government will implement an overall reform of the financial base of pharmacies. The reform will take into account the pharmacy tax and the medicine tariff together so that attention can be paid to the actual profitability of pharmacies. Furthermore, the reform will safeguard the nationwide pharmacy network, the pharmaceutical support necessary for the implementation of rational pharmacotherapy (including the provision of pharmaceutical advice), medication safety and the availability of medicines. An economic incentive will be provided to pharmacies to encourage them to switch prescription medicines to the cheapest interchangeable medicines. If necessary, the Government will secure the nationwide coverage of the pharmacy network with separate support elements, such as a negative pharmacy tax.



As part of the overall reform of the financial base of pharmacies, the Government will make it possible to engage in pharmacy operations as a limited liability company. Only pharmacists licensed in Finland may be shareholders in such companies. The reform will ensure the tax revenue generated by pharmacy operations. The transparency of the finances of pharmacies will be increased and the position and taxation of separate limited liability companies operating in connection with pharmacies will be clarified. Cooperation and chaining between pharmacies will be facilitated. The Government will also allow the establishment of online-only pharmacies. The possibilities of expanding the ownership base of pharmacies, for example by allowing pharmacists to act as shareholders, will be investigated.

The regulation concerning the number and location of pharmacies will be relaxed in selected areas.

The Government will look into the legislative provisions that currently restrict the expansion of pharmacies' activities to, for example, vaccinations or other low-threshold health services. The aim is to make better use of the competence of pharmacy personnel as part of healthcare and social welfare.

On the basis of a study by the medicine safety authorities, some of the most commonly used self-medication products will be released for sale outside pharmacies, with discretion and while ensuring the medicine and medication safety.

The procedure for dispensing prescription medicines will be clarified so that the prescription may be adapted according to the availability and quantity of different pack sizes, but without derogating from the total amount of medicine prescribed.

The possibilities to centralise the procurement of medicines will be examined in order to intensify price competition between pharmaceutical companies and to lower the prices in pharmaceutical procurements.

## **Gambling system**

The Government will reform Finland's gambling system and open it to competition using a licence model by 1 January 2026 at the latest. The aim of the reform is to prevent and reduce economic, social and health-related harm resulting from gambling and to improve the channelling rate of the gambling system.

As a rule, the licence system would cover online casino games and online betting. The monopoly activities remaining with Veikkaus and the activities in the competitive market will be separated into different companies within the same group.

The current gambling policy has failed, as gambling is a major problem for some Finnish people. The market share of the monopoly system in digital gambling is close to the 50 per cent limit, and companies outside the monopoly that operate in the digital gambling market make their profits without licence fees, taxes or responsibility for gambling problems caused by these activities.

When the licence system is introduced, the supervision of the gambling industry will be enhanced, sufficient resources for supervision will be secured, and, for example, money laundering and match fixing will be effectively prevented. The Government will ensure sufficient resources for preventing harm caused by gambling in the public sector and in the non-governmental sector.

The transfer of game machines to separate controlled areas will be investigated. The Government will enable consumers to self-exclude from gambling on a single platform for all licensed services and ensure other necessary means of controlling gambling-related harm.

This reform will ensure that consumption can be directed to licensed supply through marketing, for example. The channelling of demand will be carried so that marketing does not promote harmful gambling and so that the marketing of gambling is not directly targeted at minors. The marketing of gambling must be moderate and responsible in terms of its content, scope, visibility and rate of repetition. Individually targeted marketing of games without the express consent of the person will be prohibited.

The Government will determine the effects of the licence model on Åland and the funding for the autonomy of Åland in cooperation with the authorities of Åland.

The introduction of the licence model must be based on a careful assessment of the effects of the reform on society and, in particular, its impact on the prevalence of gambling-related harm.

## **Rail transport**

The Government will promote effective competition and market access in the rail transport sector, and will provide a long-term outlook for increasing the capacity of and investments in domestic rail transport.

The rail transport market in Finland is concentrated and, compared to many Western European countries, the level of competition is low. Passenger transport services opened up to competition in 2021 and public transport service contracts in 2023. Operators competing with the state-owned company VR are free to enter the passenger rail services

market, but no competition has emerged due to the high threshold for entering the market, the dominant position of the monopoly company, and the limited rail capacity and population density.

The rail gauge in Finland differs from that of much of the rest of Europe, which means that the use of rolling stock in Finland is not possible without additional investments. Rail transport plays a key role in passenger and goods transport services both as a mode of mobility and as a component of security of supply. As a sustainable mode of mobility, rail transport will become increasingly important in Finland in the coming years.

The Government will open up the market-based passenger rail transport services to effective competition. The requirements for a well-functioning competition-neutral market will be ensured through necessary studies, impact assessments and separately assessed measures. These will not be based on the political preparation of previous parliamentary terms. A competition-neutral and attractive operating environment means that the availability of rolling stock and depots must be arranged in an impartial manner.

Municipalities, joint municipal authorities and regions will be allowed to arrange outsourced services in order to increase competition in passenger train services. For this purpose, a public rolling stock company will be established for procured services that are publicly supported. No public aid will be allocated to market-based routes. To generate competition in market-based transport services, publicly subsidised transport services will be subjected to competitive tendering, because the possibility of a broad business model lowers the threshold for entering the market.

The rolling stock used for passenger and goods transport that VR has decided to recycle must be placed on public sale or transferred to the new rolling stock company, and it must not be scrapped before the rolling stock company is established. Efforts will be made to improve the speed and reliability of data connections on trains. The permanent use of wagons registered abroad in domestic transport will be allowed in order to promote competition on railways.

### **Nicotine pouches**

Nicotine pouches will be included in the scope of application of the Tobacco Act. Their sale will be allowed in compliance with the rules set for them, which aim to prevent use by youth, parallel imports and illegal trade and to combat organised crime. Retail sales will be subjected to a licence, the same nicotine limits that are used in the neighbouring countries will be laid down for the products, and the products will only be allowed to have flavours intended for adults.

Nicotine pouches and other nicotine-containing products under the Tobacco Act that are not subject to excise duty will, where applicable, be included in the scope of tobacco taxation in the same way as the excise duty on nicotine-containing electronic cigarette liquids. The tax level will be scaled so that it does not significantly divert consumption away from taxable sales and contributes to reducing the harmful effects of smoking.

### 6.3 Increasing RDI funding in Finland

Finland's success and future growth are based on the work of skilled and creative people, high-quality scientific research and commercial innovations. Research, development and innovation (RDI) activities play a crucial role in generating new knowledge and competence, increasing productivity, transforming business and industry, and creating prosperity. The challenges affecting humankind as a whole and the efforts to strengthen the Finnish economy require significant investments in research and innovations both from the public and the private sector.

The Government is committed to the national target of increasing Finland's research and development (R&D) expenditure to four per cent of GDP by 2030. In line with the national target and the current Act on Research and Development Funding, the Government will raise central government funding for R&D activities to 1.2 per cent of GDP by 2030, provided that private sector investments increase to 2.8 per cent.

Central government R&D funding must be allocated in a way that will achieve the desired positive effects on competence, productivity and competitiveness. This in turn will have a positive effect on long-term economic growth, which will strengthen the financial base of the welfare society.

The Government is committed to the principles for the development of the RDI system outlined by the Parliamentary Working Group on Research, Development and Innovation. These principles are predictability and long-term vision, leverage, comprehensiveness, scientific freedom and high quality research and education, impact, competition, cooperation, internationalisation, recognition of global challenges, and technology and industry neutrality. The Government will respect for these principles when allocating R&D funding.

The role of the Research and Innovation Council in the management of research and innovation policy will be strengthened in accordance with the proposals of the Parliamentary Working Group. The Council is chaired by the Prime Minister.

During this parliamentary term, the Government will draw up an eight-year plan on R&D funding and other aspects related to RDI policy. The Ministry of Education and Culture and the Ministry of Economic Affairs and Employment will prepare the plan, broadly engaging research and business actors in the preparation process. The Research and Innovation Council will lead the preparation of the plan.

In monitoring the achievement of the RDI target, the Government is committed to parliamentary cooperation and ensuring continuity.

The increase in R&D funding will be allocated to basic and applied research conducted at universities and universities of applied sciences, research institutes, university hospitals, and competitive funding through the Academy of Finland and Business Finland. The national economic impact of R&D funding will be increased by targeting funding in particular to cooperation between businesses and research organisations and by financing shared RDI infrastructures. Effective existing funding instruments, such as funding for leading companies and flagships, and new joint programmes launched by RDI funding organisations will be utilised. To strengthen globally competitive ecosystems, a close dialogue will be conducted on the strategic allocation of public and private sector RDI investments in the form of regional ecosystem agreements. The R&D tax incentive and funding opportunities suitable for growth companies and SMEs will be further developed.

In order to reach the target level of four per cent of R&D funding by 2030, it is necessary to ensure the availability of experts and a sufficient intake of students in education and training as well as Finland's attractiveness from the perspective of international specialists.

Sufficient national matching funds for projects receiving EU R&D funding will be reserved, and the objective is to double the EU R&D funding Finland receives.

## **6.4 Growth from the data economy and digitalisation**

### **Making Finland a leader in the data economy and digitalisation**

Digitalisation, fast data connections and technological development can, when used effectively, significantly improve people's quality of life, the competitiveness of businesses and the availability of labour. They can also make public administration more efficient. The Government aims to harness the full potential of new technologies and digitalisation. We will ensure that new technologies and digital processes are safe and accessible and will ensure that users' fundamental rights are respected.

The nature of digitalisation and technological development requires that we update legislation. The Government will take a proactive role in ensuring that EU regulation on the platform economy, artificial intelligence, data and digitalisation develops in a way that is empowering, balanced and beneficial to Finland, minimising the need for additional national regulation.

We will establish a broad-based set of strategic themes on the data economy. The key themes will be quantum computing, fast wireless networks, health data, cyber security and artificial intelligence. The Government will seek to anticipate and keep track of breakthroughs in other key technologies as well.

## Digital and efficient public administration

Digitalisation and the utilisation of technology are among the most important means of improving the quality, efficiency and availability of public services. When interacting with public authorities, the guiding principles must be that a service user is only asked for a particular piece of information once (the once-only principle) and that the entire service chain is available from a 'one-stop shop'. The Government will carry out the necessary amendments to national legislation so that public administration can make full use of new technologies and digitalisation.

The Government will launch an extensive legislative reform programme related to digitalisation in public administration. In the spirit of deregulation, the programme will identify and repeal statutes that prevent or hinder digitalisation.

The Government will enable the use of artificial intelligence to automate decisions made by public authorities.

Finland will gradually shift to making digital services the primary channel for accessing the services of public authorities. We will amend legislation to make digital communications the primary channel for communications by public authorities. The Government will look into cost-effective ways to enable sending mail from public authorities to private digital mail services. At the same time, we will ensure that alternative channels for communicating and for accessing services are available for people who are unable to use digital services. All digital services provided by the authorities must already be available in both national languages during the planning and implementation phases.

The current funding of the central government's digitalisation projects will be brought within the scope of cross-administrative coordination. During the government term, the digitalisation budgets of different branches of government will be combined into an

appropriately sized joint development budget, which will be allocated according to the priorities set in the Government Programme. The Government will outline funding criteria for digitalisation projects to guide the interoperability of these projects. The Government will reduce the appropriations for ministry-specific projects to the same extent to ensure that the reform is cost-neutral. We will improve digital management in such a way that the Ministerial Working Group and the Coordination Group for Digitalisation will continue to lead the coordination of information and technology policy in a sustained manner. The Government will monitor and continue to promote the objectives of the Digital Compass.

The Government will overhaul national data protection legislation. The overhaul will repeal statutes that hinder the movement of information, the appropriate use of cloud computing or otherwise hinder the expedient organisation of public services. If necessary, the national room for manoeuvre provided by the GDPR will be used more extensively in the reforms. As part of the overhaul, provisions on administrative fines for breaches of information security will be laid down in such a manner that they will apply equally to both the public and private sector.

The Government will promote the flow of information between the different information systems in use in public administration. At the same time, we will identify and dismantle unnecessary legal obstacles to the use of public data resources while taking the protection of privacy into account. The Government will improve the cost-effectiveness of digitalisation by more extensively utilising existing national data resources (e.g. the Kanta Services and the Incomes Register) and information systems in a data secure manner.

During the government term, we will carry out projects to digitalise public and private services relating to life and business events so that these services operate seamlessly together. As one such whole, we will ensure the ease of managing the affairs of a deceased relative.

## **Growth from the data economy and digitalisation**

Besides better public services, digitalisation and technological advances offer major opportunities for new growth. Without exception, emission-free energy solutions rely on data, digital infrastructure and new technologies. These make it possible to analyse large masses of data, speed up research, make manufacturing processes more efficient and increase energy efficiency. The Government wants to create opportunities for new growth and ensure that it is worth investing in Finland.

The Government will launch a data economy growth programme to improve the capacity of businesses to harness data to develop their products and services. The Government will make sure that the necessary conditions are in place for developing and using quantum computing extensively. The Government will ensure that national match funding is available to apply for funding under the EU Chips Act.

The Government will make sure that the legislation on information management in healthcare and social welfare makes it possible to use of health and social welfare data seamlessly between different parties both across wellbeing services counties and nationally. Finland will actively participate in the work carried out within the framework of the European Health Data Space (EHDS).

The Government will streamline permit procedures for the construction of network connections, will digitalise the permitting process and will bring them within the scope of the 'one-stop shop' principle. The Government will encourage the construction of network connections, for example, in connection with the construction of electrical power networks and roads. Sufficient resources will be allocated for sufficiently fast and reliable data connections across the whole of Finland. The Government will assess the need to continue the broadband aid scheme for the construction of fixed broadband connections in areas where they would not be constructed on a market basis. The Government views the promotion of the Northwest Passage data cable project favourably.

The Government will promote opportunities for remote work and technological solutions to make it possible to work and operate a business regardless of location. We will examine opportunities for remote work in public administration positions with the aim of reducing emissions from travel and the costs of premises.

The Government will support the transition towards a real-time economy, for example, by promoting possibilities for business documentation, such as e-invoices and electronic receipts, to be securely transferred between parties digitally in real time.

The Government will define and identify data resources,

services and systems that are critical to society and will ensure that they are reliable and secure. We will improve cooperation between public authorities and business and industry in the field of cyber security. The Government will improve data security in critical sectors and will implement a cyber security development programme. We will boost business-driven cyber security training, particularly for small and medium-sized enterprises.



We will improve citizens' ability to respond to information influence activities engaged in, for example, by foreign states targeting Finnish society. Data protection and cyber security competence will also be increasingly important in a digitalising environment. The provision of education and training will take into account needs for competence related to digitalisation, the data economy and the use of artificial intelligence.

Finland will prepare for disruptions of payment systems and will secure cash payments and the availability of cash.

## Communications and media policy

We will ensure fair competition on the postal services markets and logistics markets. We will secure high-quality postal services throughout the country in a cost-effective and competitive way and will make the cost and support structures of the sector transparent.

The Government will promote fair competition in the media sector and in the digital advertising market while taking into account the position of international platform giants.

We will make public the funding and the use of funds of the Finnish Broadcasting Company (YLE) within the framework of the Limited Liability Companies Act. YLE will set an example of openness and efficient use of funds. YLE's independence and editorial neutrality will be strengthened.

YLE's duties, funding and the independence of its supervision will be outlined in a parliamentary procedure. The Government will establish a parliamentary working group to assess YLE's funding and its relationship to commercial media. The working group will also assess the need to amend the Act on the Finnish Broadcasting Company and to more clearly define YLE's duties. The parliamentary working group will submit its report by the end of the 2024 spring session.

## 6.5 A well-functioning housing market and an efficient transport system and services

### Major transport investments and easier construction

The Government aims to create a strong framework for the built environment encompassing land use, construction, housing and transport. A well-functioning housing market and an efficient and safe transport system are integral to Finland's competitiveness, regional vitality and labour mobility. The Government will promote sustainable development in land use, construction, housing and transport.

The Government will make sure that opportunities for housing and mobility exist throughout Finland: in the greater Helsinki area, large urban regions, regional centres and their neighbouring communities, in regional towns, and in rural and sparsely populated Finland. The Government encourages towns and municipalities to leverage their strengths for development.

The Government will improve mobility regardless of the mode of transport. The Government recognises Finland's regional differences and trusts in people's freedom to make choices around living and mobility that are most appropriate for them. The Government will ensure that the costs of mobility do not create an unemployment trap or an obstacle to finding work, whether in urban or rural areas.

The key objective of the Government's housing policy is to promote the functioning of the housing market. A well-functioning housing market enables everyone to live the best possible life in an affordable home of their choice.

The Government will create a favourable environment for the housing market through growth-oriented industrial policy, by reforming regulation and ensuring adequate land use planning, supply of plots and house building, and by investing in transport projects that support the building of homes. The Government will foster conditions that create stability in construction and the housing market.

### Improving the transport network across Finland

The aim of the Government's transport policy is to increase growth and vitality throughout Finland. The transport network will be developed to strengthen Finland's accessibility, competitiveness and security of supply. Transport policy will support growth, investments and employment, expand travel-to-work areas, promote the use of sustainable modes of transport and reduce emissions.

The growing maintenance backlog in the transport network not only makes daily life less convenient, but has become an obstacle to Finland's economic growth. The Government will make a determined effort to tackle the maintenance backlog.

Transport network investments will target routes that are essential for growth, employment and security of supply and will focus on eliminating the main bottlenecks. Investments in the transport network support both the growth of urban areas and the vitality of Finland as a whole. Basic transport infrastructure management will also cover smaller roads. The Government will begin updating the 12-year transport system plan at the very beginning of its term.

The Government will implement a very extensive transport investment programme of nearly EUR three billion. A package of investments totalling nearly EUR 1.6 billion will be targeted at developing the transport network and reversing the increase in maintenance backlog. The package will include improvements to main road 5 between Leppävirta and Kuopio and the development of main road 4 in Central Finland, along with investments to promote competitiveness and growth on the western coast.

The Government will increase the productivity of road network maintenance by improving diagnostics and analysis of the condition of roads and by utilising data as efficiently as possible. Digitalisation will be used to help to maintain and develop the transport infrastructure as proactively as possible.

The Government will make full use of the EU's CEF project funding, especially for projects improving military mobility. Well-founded proposals will be made as soon as in the 2023 supplementary budget process for projects that will maximise Finland's share of the funding.

The Government will look into developing a road network suitable for transporting abnormal loads to support the use of longer and heavier vehicles. A vignette charge will be introduced for heavy goods transport.

The Government will improve road safety by setting a target of zero traffic fatalities in Finland by 2050. The Government will address the lack of harmonisation of laws concerning the traffic penalty fee for speeding and the offence of causing a serious traffic hazard to ensure that speeding that exceeds the limit of the traffic penalty fee will lead to a sanction each time.

Transport system development and land use planning will include the rest areas necessary for goods transport and the distribution network for alternative fuels. Together with the business community, the Government will draw up an action plan to expand the distribution network of alternative fuels along the main routes.

Functional urban areas that are technology export clusters will be identified as urban nodes in the TEN-T network.

The Government will pay increasing attention to the reliability and resilience of the transport network. Alternative transport routes will be developed and their capacity increased to ensure security of supply in all circumstances. Bottlenecks in road and rail networks will be resolved to increase transport capacity. Together with Sweden and Norway, Finland will seek EU and NATO investment opportunities to improve logistics connections in northern Scandinavia. The Government will draw up a report on the fixed connection in the Kvarken (Vaasa–Umeå).

Rail transport will be made more competitive with a separate rail investment package of nearly EUR 1.4 billion, which will be used to both build new connections and develop the current rail network. In addition, the attractiveness of rail transport will be increased by improving the speed and reliability of the data connections available on trains.

Comprehensive improvements will be made to existing rail connections across Finland. The main rail line will be developed in the current rail corridor. The capacity of the rail line between Helsinki and Tampere will be improved, a double track between Oulu and Liminka will be built, and the Tornio–Kolari section will be electrified. Connections to Eastern Finland will be developed by increasing the capacity and speeds of the Savo rail line between Kouvola and Kuopio and by continuing the development of the Karelian rail line between Luumäki and Imatra. Basic improvements will be carried out to ensure the viability of the coastal rail line. Basic improvements will be carried out on the Loviisa–Lahti rail section.

The functioning of the entire Finnish rail network and the accessibility of Helsinki Airport will be improved by launching a more detailed plan for the airport rail line and drawing up a decision on the implementation of the project. The one-hour Helsinki–Turku rail link project will be launched starting with improvements to the Salo–Kupittaa section and construction of the Espoo–Lohja line, which will further the integration of Lohja and Vihti into Helsinki's travel-to-work area.

Several measures will be taken to improve conditions for walking and cycling, including updating the programme to promote walking and cycling, implementing an action plan to promote cycling to school and work, and investing in the road safety of walking and cycling routes.

The Government will launch a comprehensive reform of transport financing and taxation, which will be implemented jointly by the Ministry of Transport and Communications and the Ministry of Finance.

The Government will ensure the conditions for Finnish maritime transport, including a comprehensive port network, and will secure connections to the TEN-T network. Transport connections at ports will be improved to ensure security of supply and international trade. The operating conditions for winter navigation will be ensured. The way icebreaking is organised will be reformed and a long-term programme for the replacement of icebreakers will be launched during the government term. The Government will ensure the competitiveness of the export industry by making the halving of fairway dues for maritime transport permanent from 2024 onwards. The Government will review the legislation on ports, ensure the functioning of the port market and clarify the legislation in accordance with the Ports Directive.

The Government will ensure the functioning of the archipelago transport system, encompassing ferries, cable ferries and commuter ferries. The legal provisions guiding the archipelago transport system will be updated. Efforts will be made to replace some of the archipelago fleet, especially commuter ferries. Where possible, ferries will be electrified.

Finland will apply a time-limited island exemption within the framework of the EU's emissions trading scheme for maritime transport. To maintain security of supply and reduce the costs of emissions trading, it is important to support maritime transport in the Kvarken in the same or a similar manner to the island exemption. This will make it possible to reduce emissions from maritime transport and develop alternative low-emission fuel alternatives. Scheduled traffic and direct ro-ro ferry traffic between Naantali and Åland will be supported on an equal footing to ensure security of supply and enable freight transport.

The coordination of Nordic transport systems will be promoted in order to streamline cross-border traffic. Efforts will be made to promote the establishment of a Nordic Council of Ministers for Transport in the Nordic Council.

## Leveraging digital transformation to reform transport services

The Government aims to enhance the functioning of the transport services market. The Government will promote the digitalisation and automation of transport and logistics, the creation and utilisation of new business models, and the efficiency of the transport system.

Public transport will be developed in accordance with the 12-year transport system plan.

The Government will develop public transport services as a whole in cooperation with municipalities and wellbeing services counties. The Government will ensure that the resources allocated to service provision produce the greatest possible added value.

Digital traffic control systems will be developed to improve traffic flow and safety. Transport data infrastructure will be developed, along with intelligent traffic control. Action will be taken to advance the Digirail project.

The Act on Transport Services will be updated to enable appropriate national coordination of the development of information systems to enable well-functioning travel chains.

The development and safe introduction of autonomous vehicles will be promoted.

Right at the beginning of its term, the Government will draw up a national air traffic strategy outlining measures to boost the conditions and competitiveness of Finnish air traffic in a changed world. Helsinki Airport will be developed as a hub for international passenger and freight transport. Measures will be taken to promote the electrification of air traffic.

The development of air connections throughout Finland will be promoted in order to reach the three-hour accessibility target. The Government will maintain Finavia's current airport network. Air traffic in Finland will be developed primarily on market terms, but flight connections important for security of supply, export industries and tourism will be secured with outsourced services if necessary. The matter will be discussed in the 2023 government budget session. The rest of the airport network will be developed as part of transport infrastructure.

Legislation on micro-mobility (including electric scooters) will be drawn up. Towns and municipalities will be provided with the tools needed to manage micro-mobility.

Action will be taken to strengthen consumer confidence in taxi services. A legislative project will be implemented to promote the availability of taxis, taking into account different customer groups throughout the country. The control of taxi services will be made more efficient and efforts will be made to tackle the shadow economy. The Government will investigate the possibility of transferring the collection of the deductible for transport subsidised by Kela from the client to Kela.

## **Simplifying land use and building regulation**

The Government aims to simplify and accelerate planning, permit and appeal processes. To achieve this objective, the Government will reform the regulation on land use and construction and dismantle unnecessary norms. The Government will launch an initiative to ease regulation on land use and construction, which will apply to the National Building Code of Finland as a whole (including acts, decrees and instructions).

### **Permit processes and appeals**

The Government will reform the appeal practices concerning planning, construction and environmental permit processes so that a matter can be appealed to the administrative court only once.

Resources will be allocated to land use planning, building control, environmental and water permit authorities and administrative courts in order to speed up their processes. Planning and permit processes will be simplified and the related procedures streamlined.

The Government will explore ways to address the number of appeals concerning land use plans and building permits and accelerate the processing of appeals. For example, the Government will look into the possibility of specifying criteria for the right of appeal.

The Government will set a statutory and binding time limit for the processing times of public authorities, starting when the permit application is complete and ending when a decision has been made. If the statutory time limit is exceeded, the permit or processing fee will be reduced. An obligation will be imposed on authorities to compensate permit applicants for the costs arising from delays.

The planning and permit processes will be digitalised. The Government will investigate the possibility of establishing a national permit service that would provide a one-stop-shop service channel for building permits.

## **Land Use Act**

The Government will draw up a Land Use Act that will promote appropriate land use, a good living environment, uncomplicated planning, growth of towns and municipalities, adequate levels of house building, regional vitality, competitiveness of businesses, and Finland's attractiveness as an investment location. The compatibility of land use and construction legislation will be ensured.

The Government pledges not to increase the number of land use planning levels. The level of detail and legal effect of the regional land use plan will be reduced in the land use planning system. The simultaneous preparation of local master plans or partial local master plans and local detailed plans will be facilitated.

The Land Use Act will include the possibility of planning industrial parks that will provide the known preconditions for land use and speed up permit procedures based on environmental legislation in addition to land use processes.

The Land Use Act will lay down the landowner's right to introduce an initiative regarding a master plan and local detailed plan. An obligation will be imposed on municipalities to process the initiative within the time limit laid down in the Act. The municipality's decisions on land use planning initiatives must be issued by a decision of a multi-member decision-making body.

The Land Use Act will include a process for partnership planning in which the municipality gives the landowner the opportunity to develop the master plan or local detailed plan under the guidance of the municipality without violating the municipality's land use planning monopoly.

The legislation on land use agreements will be clarified.

## **Building Act**

The Government will amend the Building Act to reduce the administrative burden, ease bureaucracy, clarify the right of appeal and specify the responsibility of the principal implementer. The Act will specify a guarantee for the processing time of building permits.

## **Others**

Building regulations will be eased to curb the increase in construction and housing costs. Legislation will take into account the differences between new and old buildings and the acceptability of different technical solutions.



## **Enabling everyone to have their own home**

The Government aims to build a society where people have the opportunity to purchase their own home with their earnings and savings. The Government will promote an adequate supply of housing and financing for housing.

The Government aims to enable flexible movement of labour by ensuring a well-functioning rental housing market. To achieve this objective, the Government will ensure sufficient level of house building to provide diverse and reasonably priced housing in Finland.

As a rule, high-quality and reasonably priced housing will be promoted through non-subsidised house building. The Government will direct social rental housing more efficiently to people on low incomes or with little wealth and specific groups that find it difficult to rent a home through the private rental market. The Government will reduce the amount of social house building by ARA, the Housing Finance and Development Centre of Finland, in a controlled manner. The Government will also implement an overall reform of housing allowance that will make it easier to channel the allowance to those most in need.

The Government's objective is to eradicate long-term homelessness by 2027. To achieve this objective, the Government will allocate social support and measures to securing homes for the most vulnerable people in Finland and to eradicating homelessness.

## **Owner-occupied housing market**

The Government will secure the possibility for people to acquire their first home by developing the ASP savings and loan scheme. The maximum amount of the interest-subsidised ASP loan will be increased. The starting age limit for ASP savings will be removed.

The Limited Liability Housing Companies Act and the Housing Transactions Act will be updated.

In particular, an obligation will be imposed on towns and municipalities in growing urban areas to provide enough plots and homes through land use, housing and transport agreements (MAL agreements) in order to keep house prices at a reasonable level.

The Government will explore the possibility of abolishing or lowering the asset transfer tax on housing transactions in a manner that is neutral from the perspective of general government finances.

## **Housing support**

The Government will implement a comprehensive reform of housing allowance to better channel the allowance to those who need it, for example by reinstating asset limits.

A study will be launched to identify indirect subsidies for social house building and to determine the amounts of subsidies. The need to develop social housing will be examined and the necessary legislative amendments will be implemented. The purpose of the Housing Fund of Finland will be reviewed.

The role, position and tasks of the Housing Finance and Development Centre (ARA) will be reviewed, including with regard to the future forms of EU funding for construction.

Rental housing subsidised by society will be targeted more efficiently at people on low incomes or with little wealth and at groups that find it difficult to rent a home through the private rental market. The income limits for social rental housing will be reinstated.

Resident selection for rental housing with long-term interest subsidies supported by the Housing Finance and Development Centre of Finland (ARA) will be based on the same resident income limits as short-term interest subsidies. Housing with long-term interest subsidies will be allocated more specifically to low-income households, however taking care that this does not lead to segregation of residential areas. The Government will explore the possibility of maintaining low social housing rents by increasing the level of rents for high-income residents above a certain income limit. The Government will similarly investigate the option of concluding rental agreements for a fixed term so that after the fixed term, the housing will no longer be available to high-income earners. The rents would be reviewed at regular intervals, taking into account the individual needs of the residents.

The interest subsidy and guarantee loan authorisations for state-subsidised housing production will be scaled better in accordance with other cyclical conditions in the construction sector. This means increasing the authorisation in a downturn and lowering it during an economic upswing (counter-cyclically). More attention will be paid to ARA construction costs in order to keep ARA rents at a reasonable level.

In leveraging the ARA grants, the Government will take into account the labour mobility needs across Finland. The Government will address the financial crisis facing affordable rental house building in areas outside the MAL urban regions.

The rate of investment grants for specific groups will be reduced. The appropriation for housing guidance grants will be halved and its allocation will be improved. The number of lift and accessibility grants will be reduced. Guarantee fees (0.5 per cent) will be introduced for new state-subsidised interest-subsidised loans for rental homes, with the exception of house building for specific groups.

The Government will review the central government's financial and guarantee liabilities related to house building and the alternatives for responding to current and future guarantee and support commitments. Assistance for repairs of right-of-occupancy homes will be continued. No subsidies will be given to new right-of-occupancy homes. The authorisations for long-term (40-year) interest-subsidised loans will be reduced and the authorisations for short-term (10-year) interest-subsidised loans will be increased.

### **Eradicating long-term homelessness**

The Government will immediately launch a programme to eradicate long-term homelessness. The Government will improve cooperation between the central government, wellbeing services counties and municipalities and the sharing of good practices in preventing and eradicating homelessness.

The Government will build a cross-administrative framework for preventing homelessness, enabling early identification of the risk of homelessness and provision of assistance to tackle homelessness.

The main responsibility for reducing homelessness will be clearly assigned to the Ministry of the Environment and to ARA, the Housing Finance and Development Centre, whose work will be supported by the Ministry of Social Affairs and Health, wellbeing services counties and municipalities. Housing-related grants will be transferred from the Funding Centre for Social Welfare and Health Organisations STEA to ARA. Measures will be taken to ensure that the grants are allocated effectively.

In eradicating homelessness, particular attention will be paid to young homeless people. The establishment of supported housing units for young people will be promoted.

The Government will prevent homelessness by ensuring the availability of housing, financial and debt counselling as well as substance abuse and mental health services. Investments will be made to boost employment among people who have experienced homelessness.

## **Accelerating house building in MAL urban areas**

The Government is committed to securing an environment that promotes growth in urban areas. The most sustainable way to curb the rise in housing prices and rents in growing urban areas is to ensure a sufficient supply of plots and homes. If the growing demand for housing cannot be met with sufficient supply, housing costs will rise rapidly.

The partnership between the central government and urban areas will be strengthened in land use, housing and transport issues. The MAL agreement practice will be continued in the urban areas where it is currently in place.

In the future, MAL agreements will be drawn up for a longer period and in genuine partnership between the central government and urban areas. The MAL agreement practice will be included in legislation as an obligation to cooperate in the reform of land use and construction regulation.

The level of detail in the agreements will be reduced, and MAL agreements will be specifically limited to ensuring an environment that promotes growth in urban areas through adequate land use planning, supply of plots, house building, and transport investments that support them. The goal is to ensure that MAL agreements do not include elements that hamper the growth of supply and competition. The percentage share of ARA construction will not be recorded in the home building targets of MAL agreements.

The link between meeting the objectives of MAL agreements and financing the investments will be strengthened.

Urban areas will be encouraged to increase the density of the urban form, promote public transport, cycling and walking, and prevent segregation.

## **Building a functional, healthy and safe living environment**

The Government aims to ensure a well-functioning, healthy and safe living environment for everyone.

The Government will launch a building control reform to ensure that the building control functions have sufficient competence and service levels throughout Finland and that they interpret the regulations as uniformly as possible.

The Government will ensure the functioning of the real estate and construction markets and fair competition.

A project will be launched to strengthen the leveraging of markets, competition and price data in land use and construction. The Government will make visible the impacts of restricting the right to build and other planning solutions on costs, revenue from plot transfers and revenue from selling building rights.

The Government will explore the possibility of transferring state land for development by towns and municipalities.

Indoor air problems will be prevented and addressed using evidence-based data and good practices.

Energy consumption in construction will be reduced and the energy efficiency of buildings improved through cost-effective means. Efforts will be made to ensure that the entries in the EU Energy Performance of Buildings Directive allow as much national room for manoeuvre as possible.

In the implementation of the EU Energy Performance of Buildings Directive, no unreasonable obligations should be imposed on residents and property owners. If new obligations are introduced, the Government will ensure that all households have the opportunity to respond to the obligations arising from regulation.

The regulation of construction will be reformed to accelerate timber construction, and export opportunities in the sector will be improved.

Legislation on the rental of homes and on accommodation business will be clarified to correspond to the current needs and practices. The conditions for short-term rentals will be ensured, while making available better methods to address problems.

Sufficient resources will be ensured for courts to handle disputes concerning housing companies and rental of homes. A procedure will be introduced for small civil cases (such as evictions). Intervention in disturbances in housing companies and taking possession of homes will be facilitated.

The Government will set up a cross-ministry working group to solve the housing challenges posed by regional segregation throughout Finland. The Government will enable the controlled shutdown of housing companies.

The legislation on maintenance will be updated to meet today's needs.

## 6.6 Rural areas and forests are vital for Finland

The Finnish countryside, agriculture and forests ensure citizens' wellbeing and are among the key pillars of Finnish society. They play an even more important role in the new security environment.

Finland's messages and positions in the European Union must be consistent when it comes to both influencing processes in advance and making decisions. Finland must be active in influencing the processes so that decisions affecting people in Finland are just and proportionate, and so that special characteristics at the national and regional level are taken into account.

Swift action and long-term efforts will be needed to solve the escalating crisis in agriculture. Food production is the main task of agriculture and the foundation for security of supply, and this must also be reflected in the allocation of agricultural support. The export potential of Finnish food must be utilised better than at present.

Finland must harness the natural strengths and special expertise of its regions in ways that support diverse business activities, investments, industry and exports.

Healthy, well-growing forests generate work and wellbeing and play a key role in mitigating climate change. Land and forest owners should be the ones to decide on the management and use of their property. Finnish agriculture and forestry are based on family and private ownership, cross-generational know-how and taking good care of property on a long-term basis.

Respect for nature and hunting, fishing and other use of nature are an integral part of Finnish culture. To preserve biodiversity, it is important to protect sites with the greatest nature value on a voluntary basis. Grazing animals increase biodiversity, and farms provide important habitats for many threatened species.

Opportunities to build and live a good life and to engage in profitable business in rural areas require actions based on the strengths of the regions and on people's needs. The Government sees a viable countryside as vital for all of Finland.

## Ensuring domestic food production through profitable agriculture

Profitable agriculture is a prerequisite for continuing food production in Finland. The sustainability and competitiveness of domestic food production go hand in hand. Measures that have an impact either in the short or in the long term will be taken to improve profitability and solve the liquidity crisis in agriculture. No decisions will be made during the Government term that will increase costs in the agricultural sector.

The Government is committed to the proposals outlined in the final report of the parliamentary working group to assess the outlook for profitability and development in agriculture, and will launch immediate measures to implement the proposals so that the position of primary producers and the balance of the whole food chain can develop in a fairer direction. These key measures will include reviewing and amending the Food Market Act, the Competition Act and the Act on Public Procurement and Concession Contracts and improving the rights of access to information of the Food Market Ombudsman. The contractual position of primary producers will be improved through open statistics that show the costs of the different parts of the food chain and by promoting the introduction of cost indices between the parties as proposed by the Food Market Ombudsman, without violating contractual freedom.

The potential of clean and safe Finnish food will be harnessed through a new growth programme aiming to increase food exports. Adequate RDI funding will boost innovations and investments in the food sector that will increase the value added and employment in the sector.

The Common Agricultural Policy of the EU must focus on improving food security. The support system must be developed and simplified in such a way that agricultural support payments are targeted to actual food production better than at present. The Government is committed to following this principle both in the mid-term review of the CAP period and in the process of preparing for the next period.

The work done by farmers to reduce environmental loading is valuable. This work must also be cost-effective and adequate incentives must be provided for it.

To strengthen the national vision and enhance the appreciation of agricultural producers, a long-term strategy for domestic food production will be drawn up in parliamentary cooperation. In addition, a Rural Policy Report will be drawn up and the need to set up a National Food Panel will be assessed.

## Outlook for economic activities in rural areas

The 'Consideration for farmers' project will be turned into a permanent operating model and the farm relief services will be kept at least at the same level as they are at present.

Barriers to small-scale entrepreneurship will be removed in order to improve business opportunities in rural areas. The operating conditions of on-farm and small-scale slaughterhouses will be improved, and on-farm sales will be facilitated. Overlapping controls on farms and in the food industry will be reduced.

The Government will recognise the importance and special challenges of the Finnish primary production sectors, including livestock farms, reindeer husbandry, fur farming, horticulture enterprises and seedling production. Energy efficient solutions will be promoted in the greenhouse industry. The derogation concerning livestock manure in the Government Decree on the Use of Fertiliser Products and Manure Containing Phosphorus will be made permanent. The quality assurance systems for fur farming will be developed together with the sector.

Protein self-sufficiency will be promoted by increasing the cultivation of protein crops to improve security of supply and food security and to raise the share of domestic content in the end product.

Horticultural and bedding peat will be defined as a strategically important raw material, and peat fields will continue to be used in future to ensure security of supply and food security. The functioning of the water supply and related services will be ensured and water resources will be kept in our own hands.

The Government will ensure funding that provides adequate incentives to increase biogas production. Decentralised biogas production on farms will strengthen security of supply with respect to electricity, heat and transport fuels and will improve self-sufficiency and the usability of nutrients contained in manure. Permit procedures will be streamlined.

The Government will monitor the implementation of the Animal Welfare Act and its impacts on Finnish food exports. Access to veterinary services, reasonable client fees and on-call services will be ensured in all parts of the country. The Government will take action to prevent animal and plant diseases and explore the possibility of setting up disease funds.



Finland will influence the EU processes in such a way that the practices followed in livestock production will support the wellbeing of animals in other Member States as well. Package labelling indicating the origin and method of production of products will be improved.

The conditions for equine industry will be ensured. The position of the Finnhorse as a national breed will be safeguarded.

The Government will continue to promote generational renewal, land consolidation in agriculture and the creation of sound farm structures. The Government will take measures to ensure that arable lands that are in active use for food production are eligible for compensation. This will be achieved by allocating the eligibility for compensation of parcels removed from production back to ineligible parcels according to the territories of Centres for Economic Development, Transport and the Environment through an application procedure. The transfer between farms will take place without monetary remuneration.

The attractiveness of rural entrepreneurship will be improved and education and research in the natural resources and food sectors will be developed to respond to the changed requirements of the operating environment. The Government will explore opportunities to create incentives to promote migration to rural areas and the archipelago. The Islands Act will be updated.

## **Growth and wellbeing for all of Finland through sustainable and predictable forest policy**

Finland's Forest Policy will be kept in our own hands. The decision-making power of forest owners in the use of forests will be strengthened. Protection of property will be respected, and it will be taken into account better than before by also reforming the legislation on redemption. The use of forests will be based on active and multipurpose forest management in line with the National Forest Strategy. This will ensure the operating conditions for forest and bioproducts industry, including the supply of raw materials. Healthy, regenerating and well-growing forests will strengthen carbon sinks over the long term.

The Government will focus on influencing EU processes in advance to ensure that the position of forest owners, the supply of wood for forest and sawmilling industries and Finland's cost competitiveness will not be weakened. The comprehensive assessment of the impacts of EU regulation on the Finnish forest sector must be developed, and regulation should be kept at minimum. Carbon sinks in Finnish forests cannot serve as a

means to offset emissions produced by other EU Member States. The EU must not restrict the use of Finnish forests, and national interpretations must not complicate the operating environment for economic activities.

The predictability of the operating environment for the forest industry must be improved to ensure growth in the Finnish forest sector. The regional, economic, social and ecological dimensions will be taken into account in all decision-making related to forests.

Metsähallitus will optimise the utilisation of sustainable harvesting potential. The aim is to keep the harvesting opportunities agreed on with stakeholders at the present level or moderately increase them.

The Government will promote opportunities to increase the value added of industry based on domestic renewable raw material. When it comes to the use of wood, the aim is to achieve the highest value added possible. The use of wood in construction will be increased both by offering incentives and by reducing the amount of regulation related to it. RDI funding will be channelled to wood construction, and education in the sector will be promoted.

The legislation concerning death estates will be reviewed, including the provisions on mandatory pro forma registration of title and other measures to promote the use of forests. The structure of forest holdings will be improved and the level of forest deduction will be assessed.

In the current security environment, the special needs of northern and eastern Finland and other regions will be taken into account to promote security and security of supply throughout Finland. The needs of agriculture and forestry will be taken into account in the financing of transport infrastructure and in the targeting of financing.

The Government will promote measures that improve the health and growth of forests and will strengthen the performance of timely and proportionate thinning operations, while also taking care of the backlog in the management of seedling stands and in first thinnings. Peatlands will be utilised as part of forestry. The monitoring, anticipation and prevention of forest damages will be developed. The activities of the Finnish Forest Bioeconomy Science Panel will be made an established practice.

Measures to improve biodiversity are a key part of sustainable forest management. The protection of forests must be based on voluntary action by landowners. Setting objectives for forest protection based on total area is not appropriate; instead, nature conservation should be targeted to sites with the best conservation value. The implementation of the METSO Forest Biodiversity Programme and the Helmi Habitats Programme will continue.

The targeting of measures under these programmes must be based on strict biodiversity criteria and cost-effectiveness. The Government will ensure the proper management of the present national parks and other hiking areas and routes.

Finland's ability to adapt to climate change will be supported by strengthening biodiversity, including by intensifying the control of invasive alien species and promoting active nature management in commercial forests.

### **Increasing consumption of domestic fish**

The consumption, supply and exports of domestic fish will be increased by streamlining the permit procedures and regulation related to fish farming and improving the opportunities for recreational fishing and the operating conditions of commercial fishers. The implementation of the Domestic Fish Promotion Programme and the Aquaculture Strategy will continue. Circular economy practices will be used to reduce nutrient emissions from fish farming. The Fish Passage Strategy and the National Salmon and Sea Trout Strategy will be updated.

The opportunities for fishing tourism will be promoted. Services for fishing, hunting and other nature activities will be included in the scope of application of culture, leisure and sports vouchers. The implementation of the NOUSU Migratory Fish Programme will continue and it will be extended to also cover downstream migration and monitoring.

To ensure effective management of fish stocks and stocking operations, the age-related exemption from the fisheries management fee will be amended to apply to people over 70 years of age. The earlier age-related exemption will remain valid for those to whom it already applies.

The Act on Jointly Owned Areas will be amended to promote the consolidation operations of partners to jointly owned areas, enable virtual meetings and improve the equal treatment of partners. The protection of property of fishing right holders entered in the cadastral register will be strengthened.

### **Hunting is a valuable part of the Finnish way of life**

The significance of hunting in society will be recognised and its future will be ensured.

Efforts will be made to prevent conflicts between hunting and nature conservation, and hunting opportunities in nature conservation areas, for example, will not be restricted without proper reasons. The game management work done by hunters is an important part of nature conservation and improves biodiversity.

The policy on large carnivores must be managed in such a way that also takes social sustainability into account. The hunting of large carnivores for population management purposes will be ensured by legislation. The work already started to enable the hunting of wolves for population management purposes will continue, in line with the decision of Parliament. The appropriateness of feeding carrion to large carnivores and possible restrictions on this will be assessed.

International agreements will be complied with in the import of hunting trophies.

Unnecessary hunting restrictions concerning species whose populations are viable, such as the great black cormorant and barnacle goose, will be abolished and these species will be included in the scope of application of the Hunting Act. At the same time, just compensations for damages to economic activities will be ensured. The Government will influence the processes so that the species will be removed from the list of species in need of strict protection in the Birds Directive. Utilisation of the meat of birds captured under derogations must be allowed.

To ensure food safety and protect waterfowl populations, measures will be taken to regulate western jackdaw and crow populations, among others.

The hunting of seals in marine areas will be intensified to protect migratory fish populations and improve the operating conditions of commercial fishers. The Government will advocate actively in the European Union so that a derogation will be granted to Finland concerning the commercial utilisation of seal products.

## 7 Finland and clean energy

### Situation picture

Limiting global warming to below 1.5 degrees Celsius by the end of the century will require a significant level of carbon negativity. In other words, in addition to reducing emissions, an extensive amount of carbon will have to be removed from the atmosphere towards the end of this century. Investments that reduce emissions are increasing at an accelerating rate globally. In this industrial revolution, we are competing to attract investments to Finland. Projects that reduce emissions are crucially affected by the availability and price of clean electricity, well-functioning infrastructure, the availability of competence in the field, the reliability of public administration and smooth permitting processes. Realising these kinds of investments in Finland will have a significant impact on our country's economic growth, industrial value added and competitiveness, along with tax revenue and jobs.

Finland's climate plans and the climate targets set for Finland at the EU level have been based on the idea that the carbon sink generated by managed forest land would remain high at all times. However, there has been a significant decrease in the net carbon sink from the land use sector. According to the revised calculation methods of the Natural Resources Institute Finland, emissions generated by other land use categories in the Finnish land use sector were almost equivalent to the net sink from forest land in 2022. Despite measures to counter this development, the carbon sink in 2021–2025 is at risk of falling significantly short of the targets set for Finland. Using these calculation methods, Finland will inevitably accrue a significant amount of emission debt in the 2020s. Assessments of emissions from the land use sector and effort-sharing sector do not take into account emissions from industry and energy production in the emissions trading sector, which are expected to decrease faster than forecast. The Government will take sustainable measures to accelerate the uptake of technical solutions in this area.

Achieving global carbon neutrality and then carbon negativity will require several technological breakthroughs and a subsequent industrial transformation. In this respect, Finland is well placed to lead the way. Technological transformation is not a linear process. To achieve market acceptance, new technology must be better and more affordable than older alternatives. The uptake of new technology is slow at first, but once a new development is accepted by the market, the pace of change can be very fast.

## Vision

Finland will become a leader in clean energy while maximising its climate handprint. Finland will create clean economic growth at home and replace pollution-generating solutions around the world through technology exports. Finland will increase its share of investments, jobs and value added related to the clean economy. Finland will use its natural resources sustainably to improve its self-sufficiency.

The Government is committed to meeting emission reduction targets and moving towards carbon neutrality followed by carbon negativity. At the same time, the Government will ensure that its decisions or policy measures do not increase everyday costs for citizens or weaken the competitiveness of business and industry.

The Government will promote effective energy policy in a way that is predictable and takes a long-term view. Finland will strengthen its competitiveness and attractiveness as an investment target for renewable industries by doubling its production of clean electricity. The Government will ensure that electricity and products derived from it remain affordable and reliable with respect to security of supply. Smooth, predictable and legally certain permitting processes will be a competitive advantage for Finland.

The Government aims to achieve its targets for annual net emissions by 2030. The Government pledges to draw up a programme by the end of 2024 that will reverse the emissions debt accumulated since the start of the decade.

The Government will advance Finland's position as a frontrunner by developing a new energy and climate strategy aimed at carbon negativity with a key focus on promoting the clean transition and investments in industry. The Government will achieve climate impacts through effective emissions reduction measures, increased carbon sinks and Finnish clean economy solutions. The new energy and climate strategy and technological developments will help generate investments that Finland can use to pay off its emissions debt in the 2030s.

Finland is committed to the objectives of the Climate Change Act. Achieving the emissions targets will require active measures. The Government will focus its climate action on generating cost-effectiveness, technology neutrality and sustainable business while recognising the importance of a long-term approach across parliamentary terms for attracting investments. To support the achievement of the targets, the Government will adopt a sensible and effective climate policy at the national and EU levels and with respect to international agreements.

Finland will create good conditions for sustainable investments in renewable and fossil-free energy production, energy storage and new energy solutions, such as hydrogen. Finland will become a key player in the hydrogen economy and an attractive location for hydrogen refining projects.

In the use of public funds, emphasis will be placed on achieving a competitive advantage through RDI funding, smooth permitting processes and energy transfer infrastructure. The Government will invest in research, development and innovations that increase energy and resource efficiency and reduce the need for energy.

Clean and diverse nature will become even more important as a competitive advantage and source of quality of life in Finland. Finland will halt biodiversity loss as part of a sustainable economic policy. Finland will improve its self-sufficiency and the state of nature, increase value added and advance the sustainable use of natural resources by promoting circular economy solutions.

## **7.1 Affordable, clean and reliable electricity for Finns and their workplaces**

Finland will become a leader in clean energy in Europe. The Government will prepare a new energy and climate strategy that will focus on promoting the energy transition and investments in industry. Finland will increase its electricity production many times over, and there will be sufficient electricity even during periods of freezing temperatures with no wind. Finland will be self-sufficient at the annual level and ensure security of supply in all situations. Finland will ensure the versatility and regional coverage of electricity production as part of comprehensive security. The structure of electricity production will curb price fluctuations and consumers will be able to benefit from automated demand response. Fair treatment of electricity users will be ensured in the event of electricity scarcity.

Technological development and the adoption of innovations are the most important ways to build an affordable, emissions-free and secure energy system in Finland. It is essential to increase the amount of high-quality research, development and innovation focusing on energy solutions in Finland. The Government will set public RDI funding on a clear growth path so that Finland can raise its level of RDI funding to four per cent of GDP. The Government will promote cooperation between business and industry, higher education institutions, research institutes, central government and municipalities, and growth enterprise environments. A significant portion of Finland's and the EU's RDI funding should

be allocated to projects that accelerate the clean energy transition. As Finnish businesses export solutions for sustainable energy systems to the rest of the world, Finland can increase its climate handprint.

## **Finland will be a leader in clean energy**

A record amount of new electricity generation capacity will be built in Finland over the course of this decade. This is essential in order to significantly accelerate industrial investments and replace fossil fuels with electricity-based solutions in industry, heating and transport. Finland will improve its energy self-sufficiency sustainably by promoting the clean energy transition. Finland will continue its efforts to ensure that it is not dependent on Russian energy.

The share of renewable energy in energy production will be increased, and action will be taken towards phasing out the use of fossil fuels in heat and electricity production by the 2030s at the latest. Businesses will be offered stable and predictable operating conditions in order to promote the green transition and cleantech investments and attract new business to Finland. The sustainable energy sector and reasonably priced electricity will create both a competitive advantage and favourable conditions for sustainable industry in Finland.

## **Ensuring security of electricity supply and preventing major fluctuations in supply**

Action will be taken to ensure that there is sufficient electricity in Finland at an affordable price even during periods of freezing temperatures with no wind. With respect to basic power production, Finland must strive for a level where there is enough electricity to meet the basic needs of households and businesses, including at peak consumption hours, once all the possibilities for regulating consumption have been exhausted. When it comes to investments in electricity production, the Government will promote a good balance between weather-dependent production, regulating power and basic power in terms of security of supply and the total costs of the system. A study will be conducted to create a cost-effective capacity mechanism (e.g. an auction or similar) that will ensure a sufficient amount of available electricity at all times. Incentives will be created for weather-dependent electricity production to participate in the capacity mechanism, or other measures will be taken to secure the necessary regulating power.



The Government will explore and, as far as possible, implement the extension of the scope of the infrastructure derogation in the interest deduction limitation with respect to large-scale energy projects. The Government will explore the need and possibilities for the central government to participate in financing solutions for strategic investments primarily through instruments in the form of guarantees or capital investments.

The Government will coordinate flexible production and consumption and improve system integration through flexibility arrangements and storage solutions. We will improve incentives for seasonal storage of heat and other energy in order to reduce seasonal fluctuations in the need for electricity, for example by eliminating double taxation on all forms of electricity storage. The Government will also promote opportunities to build electricity and heat storage facilities in order to achieve flexibility in short-term demand response.

### **Security of supply**

The Government will clarify the responsibilities of public authorities and special assignment companies to ensure security of supply in the electricity system and other key functions of society. Security of supply will be improved by expanding compulsory stockpiling to wood fuels and by supplementing the network of wood terminals. The Government will assess the need to expand the reserves of Fingrid and the National Emergency Supply Agency.

To ensure security of supply, the availability of fuel peat will be secured during the transition period according to the needs estimated in the memorandum of the National Emergency Supply Agency dated 17 May 2023 (NESA/2023/00450-1).

Reserve and security of supply needs will be coordinated with the capacity mechanism to ensure regionally decentralised production of heat and electricity using diverse and easily stored fuels.

The volumes of fuels to be stored under the storage obligation, including peat, will be developed in accordance with needs. The selection of fuels will be expanded to include wood and other biofuels and electric fuels in accordance with the plant network within the capacity mechanism.

Access to mineral resources that play a strategic role in the energy supply will be secured.

## **Electricity transmission network**

Finland will improve the functioning and adequacy of the electricity transmission network as the basis for the energy transition and as a key competitive advantage. Permitting procedures for electricity network investments will be sped up and resources will be allocated to the processing of permit applications. The Government will formulate a strategic vision for electricity transmission demand throughout Finland in the 2030s and launch the necessary measures to remove bottlenecks that slow down investments. Measures will be taken to ensure that the demand for electricity transmission in nationally important industrial clusters is met and that electricity transmission costs remain reasonable in order to enable investments.

To reduce the need for further construction of the main grid and to mitigate bottlenecks, efforts will be made to promote the placement of large-scale electricity-consuming and electricity-generating investments close to one another without the need to connect to the main grid. Incentives will be created to locate weather-dependent production in places that are favourable with respect to the existing transmission capacity of the main grid, future construction and overall optimisation of the energy system. The Government will promote the location of data centres in Finland, taking into account the possibility to access electricity grids and the use of waste heat in district heating.

Finland will strengthen and develop Nordic cooperation in the energy sector. To ensure the security of electricity supply, the Government will promote increased transmission connections to the Nordic and Baltic countries. Finland will explore synergies between electricity and hydrogen transmission connections as part of the study on building a fixed connection in the Kvarken region. The Government will look into expanding Fingrid's responsibility in building the transmission networks needed in urban areas due to the energy transition.

## **Nuclear power**

Finland needs more nuclear power. With regard to permit applications for nuclear power plants, the Government pledges to accept all applications for decisions-in-principle that meet the necessary criteria, provided that the applicants' background is acceptable from the point of view of national security. The Government will promote financing solutions for nuclear power projects.

The Government will reform the Nuclear Energy Act and the regulations implementing it by 2026 at the latest. The reform will enable nuclear energy projects to run smoothly and support Finland's competitiveness as a target for investments. The reform will facilitate the construction of small modular reactors (SMRs). The Government will encourage the

development and rapid uptake of innovations related to nuclear power in Finland. The Government will promote opportunities to build nuclear power plants near industrial plants so that waste heat and steam can be utilised.

The Government will promote the use of a type-approval procedure, in particular for licensing SMRs. With regard to SMRs, the Government will explore the possibility of abandoning the laborious procedure for obtaining a decision-in-principle. The possibility to ascertain the details of the owner of the project before construction would be maintained. The Government will ensure that there are adequate resources for nuclear energy regulation and SMR development at the Ministry of Economic Affairs and Employment and the Radiation and Nuclear Safety Authority. The Government will also promote the use of SMRs to produce district heating.

Issues related to regulation of the power limit for scalable failures will be resolved. The aim is for nuclear power plants to be able to run at full capacity without excessive costs.

The Government will advocate for nuclear power at the EU level. Finland will advocate for a technology-neutral approach in the EU's 2040 climate package and will work to improve the favourable classification of nuclear power in EU regulation (including the taxonomy, fuel classifications and the definition of green hydrogen). At the EU level, Finland will play an active role in preparing regulation that promotes the deployment of type-approved SMRs.

## **Hydropower**

The Government will strengthen the conditions for load-following hydropower, which is important for the energy system. The Water Act will be updated in a way that ensures that it is still possible to implement projects that are important for the national economy and the public interest. The load-following capacity of hydropower will be improved within the limits of the Water Framework Directive. The Government will promote pumped-storage hydropower projects, for example by including them in the permit priority procedure, aligning them with the public interest and including them in the capacity mechanism. The Government will explore the possibility of temporarily easing the real estate tax classification of new projects that increase hydropower capacity.

The most important hydropower sites for the electricity system will be identified in order to better reconcile the interests of society. Any construction of additional hydropower will be located at waters that are already used for electricity production. Efforts will be made to improve the capacity of hydropower production with a view to crises.

## Wind power

Finland will develop the conditions for wind power. This will be done in a way that takes into account the need to increase electricity production brought on by the starting points of the Government Programme and that reconciles the social acceptability of wind power and the need for a favourable investment environment. The position of landowners will be strengthened.

Obligations will be placed on wind power in order that will improve its social acceptability and secure financing for load-following power. These measures will be implemented in a way that does not prevent the necessary increase in electricity production in Finland.

The Government will streamline permitting procedures by eliminating overlapping appeals. The potential of wind power will be utilised in various parts of Finland.

The Government will take the following measures to ensure fairness in wind power construction: comprehensive implementation of the demolition and restoration obligation (including a fund), participation of wind power operators in managing load-following power through their own production or by participating in the capacity mechanism, lowering the EIA threshold to cover all industrial projects and strengthening landscape assessment, increasing compensation for power corridors, and determining and introducing national distance rules.

Amendments to the Electricity Market Act will enable distribution network companies to aggregate the access lines of wind power plants.

The Government will take measures to speed up the progress of projects in Eastern Finland in line with the recommendations of the report by rapporteur for wind power construction Arto Rätty. These measures will not compromise regional supervision, for example through the Compensation Act, and will ensure legal protection for citizens. To coordinate regional supervision and wind power construction, a high-level cooperation group will be set up with the task of promoting measures that can be implemented quickly and establishing a shared long-term vision of possible locations for wind power, especially for the purpose of investment planning.

The Government will set an ambitious target for offshore wind capacity in 2035 and create a competitive advantage for Finland in relation to other countries in the Baltic Sea region. This will ensure that large offshore wind projects can generate energy for Finnish industry and households. The Government will work to ensure a predictable and encouraging operating environment, along with smooth project development and construction both in the exclusive economic zone and in territorial waters.

The rules for offshore wind power are currently inadequate, and there is no legal basis for the exclusive economic zone. The rules for offshore wind power will be clarified through a legislative project that will define the legislation, permit processes, compensation and tax matters concerning waters belonging to Finland's exclusive economic zone without delay, and these rules will be coordinated with the rules for projects carried out in territorial waters and land areas. Efforts will be made to create incentives for building offshore wind farms in locations that are favourable to other uses of marine areas, such as shipping and fishing, while minimising the negative impacts on these areas. The Government will ensure that these issues are taken into account in permitting procedures. The Government will clarify the management responsibilities of the Ministry of Economic Affairs and Employment in policies concerning the use of marine areas for energy production.

### **Solar power**

The Government will promote solar energy investments in sites suitable in terms of land use as one way of balancing the temporal fluctuations in renewable electricity production. Solar power stations will be built in the built environment, areas released from peat production and wastelands, with the aim of avoiding significant use of fields and forest land for solar power production. The Government will ensure that the regulatory and permit processes for solar power parks are uniform, flexible and predictable throughout the country.

### **Bioenergy**

The Government will maintain a stable and predictable operating environment for bioenergy through national decision-making and by being active in influencing EU policies. Bioenergy should primarily be produced using various waste products, residues and by-products. The sustainable use of biofuels will not be restricted through taxation and legislation, for example, as bioenergy plays an important role in phasing out fossil energy use and ensuring security of supply. The Government will promote measures to make Finland the leading developer and producer of bio-based solutions.

The Government will promote the development and launch of biogas production and the diverse use of biogas. The conditions for the use of biogas will be supported within the framework of the distribution obligation and the capacity mechanism, and financing incentives will be ensured. The production of biogas from animal manure and other organic fractions will be increased and the material generated in biogas production will be utilised efficiently, for example in fertilisation.

## **Small-scale energy production**

The Government will ensure a favourable investment environment for small-scale renewable electricity and heat production. Action will be taken to strengthen the ability of households and businesses to build their own electricity grids and connect small-scale electricity production to these, and pilots will be conducted with energy communities.

The Government will incentivise the replacement of oil boilers with sustainable heating methods. To this end, renovations to replace oil heating will be linked to the flexibility mechanism to be created for the distribution obligation. The use of the tax credit for household expenses in energy renovations will be developed and expanded.

The Government will create favourable conditions for increasing the production of biogas and heat produced with wood fuels by individual farms. Households, farms and businesses will be given better opportunities to build their own biogas grids.

## **Promoting affordable electricity bills**

Citizens must be able to pay their electricity bills, both in everyday situations and during crises. At the national, Nordic and EU level, the Government will work to ensure that the electricity pricing mechanism develops in the right direction in terms of everyday costs and fairness.

The Government is prepared to impose temporary regulation on retail electricity prices during the exceptional price crisis facing the electricity market. As a rule, market-based measures are considered important for ensuring the efficiency of the electricity market.

Finland will actively promote the efforts to lower the price ceiling in the wholesale electricity market to EUR 1,000/MWh in the EU electricity market regulation.

The Government will aim to create a joint Nordic-Baltic electricity market strategy that will safeguard the interests of the region's countries, businesses and citizens.

The Government will recognise the role of smart grid solutions, network investments to improve security of supply and electricity grid companies' innovations to promote demand response in advancing the electrification of society.

The Government will improve the opportunities for consumers, businesses and communities to avoid excessive costs brought on by price peaks and will encourage environmentally friendly investments. This will make electricity bills more affordable while also reducing emissions, as emissions from electricity production are the highest

when prices are high. Automated solutions for the timing of consumption will be used to remove barriers to offering sufficiently easy ways to save money for the consumers. Transmission network operators will be obliged to offer the possibility for remote control in electrically heated properties and to make it available to consumers and to the providers of savings through demand response authorised by consumers. The Government will encourage energy efficiency and other measures to save energy, as well as low-emission construction. The Government will promote the use of energy accumulators and demand response technology in households and explore the option of using the tax credit for household expenses in this context.

In connection with the reform of the supervision model for transmission network operators, the Government will assess and ensure the possibilities for promoting affordable transmission prices through regulation that safeguards investments and is sufficiently predictable. The electricity transmission charges applied by transmission network operators will be developed to reflect the costs as required by the EU Regulation when the supervision model is reformed in 2024. Provisions will be laid down to grant authority to the Finnish Competition and Consumer Authority to request for reviews of decisions concerning the Energy Authority's supervision model.

## **7.2 Increase in electricity production will benefit residents and industry in Finland**

The increase in clean energy production and development of the energy system in a balanced way will improve Finland's energy self-sufficiency and lower the consumer price of electricity. This development will bring investments, jobs and economic growth to Finland. This will enable us to utilise our natural resources sustainably while improving our security of supply and self-sufficiency.

The aim is that as much as possible of the increased electricity production will be used in Finland. The Government will prioritise investments in the processing industry and high value added exports, rather than exporting large amounts of electricity or unprocessed hydrogen annually. Instead of attracting investments by increasing direct public support, the Government will emphasise the need to seek a competitive advantage by promoting a favourable general investment environment, RDI funding, streamlined permit procedures and the energy transmission infrastructure.

The hydrogen economy will be a key tool for bringing about the energy transition in industry and in utilising the opportunities offered by the green transition. It can also play an important role in reducing emissions from heating and transport in a way that is

sensible in terms of competitiveness and everyday costs. Finland aims to account for 10 per cent of the EU's clean hydrogen production and for at least the same percentage of hydrogen use. Promoting the hydrogen economy will be an important part of the new Climate and Energy Strategy, which will focus on the transformation of industry. The Government will improve Finland's competitiveness in hydrogen economy investments through comprehensive measures in cooperation with business and industry. Hydrogen-based investments will be promoted especially in applications that improve security of supply and self-sufficiency, such as the manufacture of fertilisers and synthetic fuels.

Because of the forest industry and use of bioenergy, Finland has a natural competitive advantage when it comes to the capture and utilisation of wood-based carbon dioxide. The Government will set a target for the use of technological sinks to a significant extent already during the 2020s. As part of the programme to pay off Finland's emission debt, the Government will explore and introduce policy instruments to ensure that carbon dioxide emissions to atmosphere from large industrial sources are eliminated by the mid-2030s. The Government is preparing to introduce sufficient incentives to advance investments. After conducting a study on the matter, the Government will introduce a reverse auction of negative emissions or a similar mechanism to encourage the capture of carbon dioxide. Where applicable, the carbon sequestration market will be used to fund the mechanism.

At the EU level, Finland will actively participate in the formulation of policies and targets to increase the production of renewable energy and continue reducing emissions in the EU. The Government will be active in influencing EU regulation to promote the sectors of the clean hydrogen economy that are important to Finland. Finland aims to promote the capture of all carbon dioxide and make it easier to recognise the capture and use of wood-based carbon dioxide in EU climate policy. The Government will advocate for the possibility to support carbon-free refining industry solutions, such as hydrogen-based steel, within the EU Net-Zero Industry Act. In connection with the implementation of the Energy Efficiency Directive, the Government will ensure that the hydrogen economy and other energy-intensive industries based on electrification develop rapidly in Finland.

The capture and utilisation of carbon dioxide from bio-combustion combined with increased hydrogen production will create a platform for producing fuels, chemicals and materials from a sustainable carbon source and will reduce Finland's dependence on fossil raw materials. The Government will promote wide-ranging innovations in the use of hydrogen in all sectors.

Preparations will be made for investments in the hydrogen transmission network with the aim of encouraging the processing of electricity and hydrogen into high value added goods in Finland. The Government will ensure that Finland maintains the dominant position in and ownership of monopolised transmission infrastructure.



## 7.3 Streamlined permit procedures a competitive advantage for Finland

Streamlined and predictable investment permit procedures will be a key competitive advantage for Finland. At the same time, biodiversity, environmental considerations, the social acceptability of projects and protection of people's property will be taken into account. Smooth permit procedures are prerequisites for attracting investments and especially for transitioning to a clean economy. With this in mind, the Government will prioritise key reforms in this area and bring them into force no later than during 2024 through strong cross-administrative coordination. The goal for the reform of regional state administration is to have the new system in operation in beginning of 2025, or in the beginning of 2026 at the latest.

### Streamlined permit procedures

To promote investments, procedures will move towards a one-stop-shop model, where the use of services and application for permits is centralised and digitalised into one effective and user-friendly permit process. One single authority will be responsible for the progress and coordination of the permit process, including the submissions required. This authority will also have the responsibility for ensuring that the permit applicant has the opportunity to discuss the obligations, submissions and conditions related to the permit procedure in advance. The aim is to reduce the number of unnecessary requests for supplementary information through good cooperation and anticipation. Another aim is for the permit procedure as a whole to be implemented in cooperation between the authorities and project operators, not as isolated processes one after the other.

More diverse use should be made of the special expertise of the authorities processing permits in the permit procedures in different parts of Finland. At present, barriers between government agencies (Regional State Administrative Agencies and Centres for Economic Development, Transport and the Environment) make it difficult for the procedures to work effectively. The processing of environmental permits (including permit, supervision and guidance tasks) will be centralised to a national body that will function as a single judicial authority and will make use of the opportunities for multi-local working. In future, there will continue to be an adequate number of service points that process environmental permits in different parts of Finland, and measures will be taken to ensure that supervision tasks are carried out independently.

Good customer service capability and leadership within permit authorities and administrative courts, well-functioning digital systems and adequate resources will ensure streamlined permit procedures, which in turn will bring about the clean transition and achieve economic growth.

An act on environmental permit procedures will be adopted by combining the Act on the Coordination of Certain Environmental Permit Procedures and other acts that promote the one-stop-shop model. The act will lay down provisions on appropriate and effective procedural rules, including processing principles. The aim is that, as a rule, the combined permit procedure will lead to one single official decision and request for review procedure.

Targeted processing times will be specified for the planning, construction, environmental and water permit processes required for investments and for the processing of requests for reviews concerning these. The EIA procedure and processing of permits will be clarified and coordinated. The Government will promote the possibility to begin processing an environmental permit, as appropriate, based on an approved decision on a plan without waiting for it to become final. Measures to improve the efficiency of permit procedures will include digitalising permit processes and administrative procedures in a user-friendly manner and making use of the opportunities offered by automation as far as possible.

The Government will ensure citizens' participation opportunities and legal protection. Appropriate legal protection includes processing requests for review within a reasonable time. The rights of the authorities to request reviews of each other's decisions will be restricted within a short time frame. Efforts to promote effective permit procedures will involve enacting provisions on landowners' rights to claim compensation and on streamlined processes with respect to energy transmission corridors.

Each year, the Finnish authorities process a vast number of permits for investment projects. For projects that are particularly important for Finland's general interest, security of supply or national security, the Government will consider the need to lay down provisions on the possibility for the ministries to transfer the processing to an extraordinary and accelerated official procedure on a case-by-case basis. This procedure will ensure the appropriate rights to a request for review.

The Government will assess the benefits gained from the temporary priority procedure allowed by law and the processing of requests for review as urgent by administrative courts and make the necessary legislative amendments based on this.

## Reducing uncertainties in permit conditions and results of permit procedures

The Government will make legislative amendments that will reduce the amount of uncertainties in the consideration of permits and in interpretation practices.

The national flexibilities allowed by the Water Framework Directive will be utilised and the river basin management plans will be reviewed. The Government will review the precautionary principle and the impacts of its interpretation on permit conditions and the approval of permits. The possibilities to reintroduce conditions for the review of the permits in the permit regulations will be considered and the necessary legislative amendments will be made.

At present, a situation may arise where a permit for an investment is not granted because the consideration of the permit does not take into account the possibility to reduce impacts on waters, for instance, through additional measures with impacts on the same body of water. The Government will clarify the legislation in such a way that compensatory actions presented by the operator in the application on a voluntary basis can be taken into account to a limited extent in the consideration of environmental permits, and conditions concerning these can be set in the permit. Voluntary compensation to reduce the loading of waters in the manner required by the permit can be used in the consideration of permits.

One way the Government will make it easier to invest in Finland is through industrial parks. An industrial park is an area zoned and planned for activities related to industry and industrial operations and constructed for purposes other than wind power. The Government will take measures to promote the construction of industrial parks, the development of existing industrial parks and the renewal and expansion of industrial operations in the area with a lighter permit procedure, while still taking into account environmental impacts. The Government will also clarify the permit procedures with respect to permit processes for industrial change projects and permit updates. The Government will explore the opportunities to introduce environmental impact quotas specific to industrial parks and to adopt advance permit procedures.

## **7.4 Finland will use effective and sustainable means to increase its climate handprint and proceed towards carbon neutrality**

Finland will make an impact on climate change primarily through effective emissions reduction measures, increased carbon sinks and innovative clean solutions. The use and export of these solutions will replace solutions based on polluting energy sources and raw materials both in Finland and in other countries. Climate measures will be implemented in a manner that is economically, ecologically, socially and regionally sustainable and just. Along with actions to combat climate change and reduce emissions, Finland will promote measures that improve the ability of society to adapt to climate change. Cooperation with other Nordic countries related to climate change mitigation and adaptation will be strengthened.

Finland will meet the emissions reduction targets and move towards achieving the carbon neutrality target and carbon negativity in a way that does not increase everyday costs or weaken competitiveness. Achievement of the climate targets will be promoted by concrete measures and effective climate policy at the national and EU levels and with respect to international agreements.

One of the priorities of the Government's climate policy is even faster development of solutions that reduce emissions and capture carbon in industry and energy production. Forest industry, a high level of expertise in technology and the energy use of biomass are creating opportunities for Finland to lead the way in the capture and utilisation of carbon dioxide.

### **Accelerating the transition to a clean economy**

The government will review the carbon neutrality strategy in connection with drawing up the new climate and energy strategy. One of the priorities of the climate and energy strategy will be for Finland to utilise the opportunities for faster emissions reductions in industry and energy production than anticipated and to take advantage of its potential to capture and further utilise wood-based carbon dioxide, which is among the most significant in Europe. Sector-specific low-carbon roadmaps will be updated. The Government will continuously maintain a situation picture and assessment of actions that are sufficient to meet Finland's emissions reduction targets and obligations.

The Government will encourage the selection of clean solutions. Besides emissions, other environmental impacts, for instance on biodiversity and sustainable development, will also be taken into account.

The Government, together with business and industry, will promote the creation of a model for calculation positive climate handprints. The potential related to this will be explored and targets will be set for increasing the positive climate handprint of Finnish exports. The achievement of these targets will be monitored alongside carbon footprints. Efforts will be made to incorporate the handprint model into EU legislation alongside the footprint method.

## Promoting common EU climate targets in a sustainable manner

Finland's climate policy is determined by agreements at the EU level. Within the EU, Finland will work actively and proactively to promote impactful and cost-effective climate and industrial policy that is sensible from the point of view of Finland's citizens and the country's sustainable growth and competitive advantage. Finland is committed to implementing EU decisions and international agreements. In this respect, we call for the interpretation of common decisions in a way that is just from the Finnish perspective in situations where these could become unreasonable for Finland. The Government emphasises the importance of cost-effective and technology-neutral emissions reduction measures. The impacts of the emissions reduction targets and measures must be carefully assessed and it must be possible to review the targets in the light of new and more accurate information. Action will be taken to develop the pricing and markets of carbon emissions and sinks.

Measures in support of the energy and industrial transition can primarily be seen as emissions reductions in the emissions trading sector, and the development of this will continue. In the emissions trading sector, Finland has reduced its emissions fast. The particular challenges for Finland lie outside the emissions trading system, i.e. in the effort sharing and land use sectors.

### Effort sharing sector

In the effort sharing sector, Finland will promote measures in line with emissions reduction plans or other corresponding measures and, where necessary, seek new measures to respond to the EU obligations cost-effectively. The backlog in emissions reductions in the effort sharing sector will be minimised and the emission targets will be met with respect

to the level of annual emissions in 2030. The progress of emissions reductions will be monitored and the Medium-term Climate Plan will be updated. The preparation of the climate policy plans will be harmonised and the work on these will be coordinated.

Transport is the greatest emission source in the effort sharing sector, but emissions from vehicles and transport operations can be reduced using technology. The distribution obligation based on the percentage of the renewable fraction in transport fuels is a clear and fast-acting means to reduce the share of oil, traditionally imported from Russia, in the Finnish transport sector. However, it has proved challenging to ensure the supply of raw materials used for the distribution obligation that meet the sustainability criteria at a reasonable price.

The Government's principle is that the costs of the means to reduce emissions and oil dependency will be kept as low as possible. Preconditions for the measures are determined, in particular, by the room for manoeuvre in public finances and the emission targets binding on Finland under the Effort Sharing Regulation. The goal is to reach the emission targets for the effort sharing sector in such a way that emissions reduction obligations will not be transferred to the following years and become even higher.

The Government will develop the distribution obligation and climate actions in the non-emissions trading sectors in a predictable manner and with a long-term perspective. The Government will seek technically and economically sustainable solutions in a way that is technology-neutral. Measures will be taken to ensure a favourable environment for investments in biogas and advanced renewable and synthetic fuels. The development and production of domestic low-emission fuels will be promoted and legislation will be prepared to increase their use in passenger cars and heavy transport. In particular, efforts will be made to promote the manufacture and distribution of domestic biofuel and biogas suitable for the needs of heavy transport. The percentage of advanced renewable and synthetic fuels and biogas in the distribution obligation will be increased from the present, taking into account trends in capacity and costs. This will also improve Finland's self-sufficiency and security of supply with respect to transport fuels.

The legislation will be amended so that the distribution obligation will be the same as at present, 13.5 per cent, in 2024. Between 2025 and 2027, the distribution obligation will be moderately increased so that it will be 16.5 per cent in 2025, 19.5 per cent in 2026 and 22.5 per cent in 2027. The additional obligation related to advanced category will be raised from the present about two per cent to three per cent in 2025 and four per cent in 2026. Efforts will be made to maximise the share of domestic biogas in fulfilling the additional obligation.

The price of transport fuels will not increase due to the Government's measures. The impact of the increase in the distribution obligation between 2025 and 2027 will be compensated for in several ways, including by using the flexibility mechanism in the distribution obligation, by including transport electricity in the distribution obligation and by lowering the taxes on fuels, with a focus on easing the tax on the renewable fraction to the extent possible.

Transport electricity at public charging points will be included in the distribution obligation in the same way as biogas and synthetic electric fuels. This means that the increased use of transport electricity, synthetic electric fuels and biogas will reduce the need for the traditional renewable fraction in fulfilling the distribution obligation. In addition, as new fuels are gradually replacing traditional diesel and petrol, the distribution obligation will be fulfilled by a smaller absolute amount of renewable fuel in tonnes, which will reduce the risk of escalating the supply problems.

An opportunity will be created for fuel sellers subject to the distribution obligation to fulfil the obligation by financing other emissions reductions. Emissions reductions financed with the flexibility mechanisms included in the distribution obligation must be targeted to the non-emissions trading sectors. Measures concerning the effort sharing sector will be prioritised, but efforts will be made to extend the mechanism to a limited extent to measures in the land use sector as well, based on an analysis to be conducted on the matter. The distribution obligation concerning renewable fuels will also be kept at a reasonable level with respect to fuel oil, and a level of flexibility will be enabled between the distribution obligation for transport fuels and fuel oil in order to minimise costs.

There is a risk that, as the distribution obligations rises, the price of the emission reductions to be achieved will be higher than that of the alternative emission reduction measures. This risk will be restricted by adjusting the level of the penalty fee related to non-compliance with the distribution obligation with respect to the agreed rise in the distribution obligations in the coming years. Revenue to the state will be accumulated from the penalty fees if the distribution obligation is not realised in full. Any revenue from the penalty fees will be directed to cost-effective climate measures in the effort sharing sector in such a way that the emission reductions set as the target will be covered. The Government will take into account the impacts of the decision on the distribution obligation on consumer prices of fuel and provide compensation for these.

In connection with preparing the flexibility mechanism for the distribution obligation, the Government will introduce a register for the measures that will function in a transparent manner and will implement practical pilots that also aim to support the development of a broader carbon sequestration and emissions reduction market. The Government will

explore market-driven and cost-effective solutions through which a land or forest owner can receive compensation for ash fertilisation of forest or climate measures related to agricultural land, for instance, in a way that does not compromise food production.

The Government will continue to implement measures to reduce emissions from transport that will not increase everyday costs for citizens. These include developing the charging infrastructure for gas and electric vehicles and facilitating changes in the propulsion system especially in heavy transport, and differentiating the taxation of propulsion systems in passenger vehicles. Measures will be taken to facilitate the installation of charging equipment in housing companies and the conversion of vehicles using fossil fuels in both passenger and heavy transport.

Emissions will be reduced by improving the traffic capacity and condition of the current transport infrastructure and opportunities for pedestrian and bicycle traffic.

The Government will promote the capture of wood-based carbon dioxide in industry and energy production and its conversion into long-lived high value added products and synthetic fuels.

The Government will explore the possibility to transfer emissions from waste incineration from the effort sharing sector to emissions trading without increasing waste or energy costs for consumers.

## **Land use sector**

Finland's forests, their sustainable use and safeguarding the biodiversity of forest nature are important parts of climate change mitigation and adaptation. Forests that grow well produce renewable raw material that can be used to replace fossil-based materials while also serving as an important carbon sink. It is essential to ensure the management and growth of forests so they can continue to serve as carbon sinks in the future as well. Effective measures are needed to respond to the EU obligations in the land use sector that are economically sensible and will not weaken the operating conditions of Finland's forest sector.

We need industry based on domestic, renewable raw material as we move towards a cleaner society. Profitable bioeconomy and circular economy solutions enabled by sustainable forestry are in high demand globally, and this will bring wellbeing to Finland. Finland will continue to practise forestry that coordinates the different dimensions of sustainability and takes into account people, the economy and the environment. Finland will ensure an operating environment that is competitive and encouraging for forest owners. The use of forests will not be restricted.



According to the revised calculation methods of the Natural Resources Institute Finland, the net carbon sink of the land use sector has decreased significantly. The Government will continue to take actions to strengthen the carbon sinks from the land use sector. Despite these measures, Finland will not reach the carbon sink targets set for 2021–2025, mainly because of the slower growth of forests, changes in calculation methods and the end of wood imports from Russia.

Forest and soil carbon sinks will be strengthened. The current means to reduce soil emissions will be expanded and intensified in a way that is impactful and cost-effective. This will make it possible to narrow the gap shown by the calculations in accordance with the LULUCF Regulation.

The Government will introduce a package of measures to strengthen forest growth and implement the National Forest Strategy. The forest management recommendations will be updated to support the growth of forests and carbon sinks, and the application of the recommendations will be improved. Rotation periods will be moderately extended and action will be taken to prevent excessive thinning operations. The supervision of the Forest Act will be intensified and the pace of forest regeneration will be improved, including through increased forest planting and the management of seedling stands. Campaigns concerning forest management backlogs and fertilisation and compensations for carbon-rich sites will be introduced using funding from the Forest Biodiversity Programme for Southern Finland METSO. An impact assessment will be carried out on the introduction of a charge for changes to land use. The carbon sequestration market will be developed and continuous-cover forestry on peatlands will be increased.

Forest carbon sinks will be safeguarded over the long term, taking into account the time lag before impacts can be seen and the supply of wood for industry. Both carbon stocks and the national economy can be strengthened by raising the added value of the industry without increasing the use of wood. The forest management recommendations will be revised and the limited need to update the Forest Act will be considered together with the relevant stakeholders while safeguarding the interests of forest owners. The changes will be implemented in such a way that, by the 2030s, they will promote the economically, ecologically and socially sustainable management and use of forests and the role of forests as a carbon sink. The quality of forest management will be ensured for the benefit of forest owners and the whole society. Besides forest growth, measures will be taken to safeguard forest health and mitigate the impacts of climate change and forest damages. The knowledge base will be strengthened concerning the variation in soil emissions by soil type or cultivation technique, for example.

The emissions reduction potential of peat fields will be utilised as part of the cost-effective measures without compromising the self-sufficiency of food production and weakening the profitability of agriculture. As far as possible, new, uncleared peatlands will no longer be drained into arable lands when developing agriculture. The Government will prepare for different alternatives and assess the economic impacts if Finland does not fulfil the obligations under the LULUCF Regulation in the short term. The possible transfer of missing emissions reductions, with any additional amounts, to be included as an obligation in the effort sharing sector will be taken into account in the decisions. The Government will work to ensure that Finland's obligations are proportionate to those of the other EU countries.

## Influencing EU climate policy

It is important for Finland to influence EU climate policy proactively. It is in the interest of Finland for the EU to speed up the emissions reduction path of the emissions trading sector and take into account the circumstances in different Member States in the effort sharing and land use sectors to a greater extent than at present.

The Government will be active in promoting the extensive introduction and use of technological sinks in Europe and in Finland. Efforts will be made to facilitate the recognition of the capture and utilisation of carbon dioxide from burning wood in EU regulation. It would be logical to count the carbon captured from bio-based sources by means of technical separation as a sink in the LULUCF sector, in the same way as long-lived wood products are at present.

Rapidly advancing technologies will enable the reduction of fossil emissions from Finnish industry to a fraction of the present level. When determining the EU's emissions reduction targets for 2040, the focus should be on making use of advancing technologies to reduce emissions instead of placing too much emphasis on the role of carbon sinks in meeting the target. The renewable energy targets for 2040 should lead towards the use of materials with higher added value than wood biomass.

The functioning of voluntary carbon reduction and carbon sequestration market will be enabled in a way that is encouraging and transparent. The Government will ensure that voluntary measures and their calculation methods in the land use and effort sharing sectors will support Finland's actions to respond to the EU's common commitments. The principle to be applied in regulating the carbon neutrality claims of companies should be that the claim must clearly show the amount of fossil emissions reduced in the company's value chain and the amount that has been offset by purchasing carbon credits.

## 7.5 Finland will cherish its valuable natural environment

Finland's will respond to its international commitments through nature policy. The Government will support Finland's adaptation capacity and stability by strengthening biodiversity. The Government will ensure the preservation of natural capital as part of a responsible economic policy and will aim to halt the loss of biodiversity. The Government will continue to implement and further develop the METSO Forest Biodiversity Programme for Southern Finland, the Helmi Habitats Programme and the NOUSU Migratory Fish Programme, and will launch a programme on voluntary protection of marine nature. The Government will set its national objectives so that they can be coordinated with the other needs of society.

### Strengthening the role of the clean natural environment as a competitive advantage

The functioning of society will become nature positive. The Government will aim to halt the loss of biodiversity through cooperation and will turn positive impacts on the natural environment into an export product. The aim is that, besides the Coalition of Finance Ministers for Climate Action, Finland will be known around the world for nature positivity and that others around the world can utilise our expertise related to positive nature handprints in addition to carbon footprints. The Government will develop the Climate Policy Roundtable model led by the Prime Minister and include nature policy in the issues to be discussed at the roundtable. In line with the principles of sustainable development, actions to preserve biodiversity must always take into account the impacts on social and economic activities. In addition, nature policy will take into account the effectiveness, impact and local acceptability of the protection measures. The Government will strengthen the economic policy instruments aimed at safeguarding the conditions for the wellbeing of future generations. The Government will prepare the National Biodiversity Strategy and an action plan in a cross-administrative process.

The Government will prepare a model that measures comprehensive sustainability – which comprises wellbeing, economic profitability and the state of the environment – in addition to GDP. The trends in the state of the environment will be monitored based on the uniqueness of nature and changes in biodiversity in all parts of Finland. These indicators can be used to monitor changes in nature values and to communicate about them. The Government will encourage all sectors to draw up biodiversity roadmaps through which the dependence of economic activities on the natural environment and the added value it offers (ecosystem services) is also understood from the perspective of

the national economy. The Government will enable multi-channel financial instruments for piloting the most effective measures. To support companies, a model will be developed to guide measures towards avoiding operations that increase the loss of biodiversity.

The Government will continue to implement the Helmi Habitats Programme. Peatlands and forests will be protected with a focus on quality and impact. Additional protection will be targeted cost-effectively to sites with the highest nature values, taking the societal impacts comprehensively into account. The Government will explore the possibilities to differentiate e.g. the levels of compensation in the METSO Programme according to nature values, taking the international obligations into account. The Government will promote the better ecological status of inland waters and marine areas.

The Government will protect the remaining state-owned old-growth forests that are in their natural state and meet the national criteria. The Government will ensure that independent criteria are drawn up within a short time frame. The protection of valuable forest sites owned by private forest owners will continue on a voluntary basis, i.e. under the METSO Programme. Efforts will be made to improve private forest owners' awareness of the possibilities to protect forests of special value. The impacts of forest drainage on the environment and waters will be reduced.

The Government will develop voluntary ecological compensation, including by clarifying the regulation with common criteria to be approved and by making it possible to apply this as part of the environmental permit procedure. The Government will explore the possibilities to utilise the information from nature inventories to develop the offsetting markets.

## **Safeguarding the values of Finland's natural environment**

The Government will intensify the prevention of invasive alien species and immigrant species that cause damage in order to protect Finland's valuable nature. The Government will enable the hunting and utilisation of species that have strong enough populations and that cause damage to nature and people. The Government will take into account the need to approve the compensation practices for damages also when species are moved from one place to another for hunting purposes. The preconditions for the Saimaa ringed seal population to grow will be ensured.

The Government will promote hiking and tourism in Finland's nature. A key focus will be placed on environmental education and the opportunities for children and young people to enjoy nature. Information on national hiking areas will be compiled under the Nationalparks.fi service of Metsähallitus, which will make it possible to develop them as

a brand similar to the national parks. In connection with this, the Outdoor Recreation Act will be updated. At the same time, the Government will explore opportunities to coordinate hunting and other recreational use in nature conservation areas. The Government will enable to strengthen the finances of national parks with voluntary visitors' fees and explore the opportunities to utilise fees collected from partner companies.

## Restoring flowing waters

The Government will improve the living conditions of migratory fish by restoring flowing waters, among other measures. The Government will continue to implement and further develop the NOUSU Migratory Fish Programme. Hydropower plants of minor importance will be demolished and watercourses will be restored to their natural state. Modern fisheries obligations will be fulfilled with respect to small dams as well. The Government will update the Water Act so that, in addition to updating old water permits, fisheries obligations can also be set for 'zero obligation' plants. The Government will respond to the requirements of the Water Framework Directive with national legislation. The Government will facilitate the progress of fish passage projects and enable experiments and pilots in watercourses. Together with stakeholders in the area, the Government will promote the restoration of the Palokki rapids in Heinävesi to rehabilitate the threatened fish populations. At the same time, sustainable tourism in the area will be promoted. The Government will continue to implement the programme to improve the efficiency of water protection.

## 7.6 Safeguarding Finland's clean environment with a circular economy

Finland will improve its self-sufficiency, increase value added and reduce pollution by improving the recycling and reuse of materials. The goal is for less nutrients and other usable substances to end up in nature. The Government will streamline permit processes related to the environment and dismantle regulatory obstacles to the circular economy. Nutrient load will be reduced in the catchment area of the Archipelago Sea, which is a circular economy pilot site. The role of the clean natural environment as a competitive factor for Finland will become stronger, and Finland's position as a leader in the circular economy will create new work and business. Finland will also promote a circular economy in the single market of the EU and the creation of a European market for secondary raw materials, taking the national interest into account.

## Raw materials and self-sufficiency from wastes

The Government will amend the waste legislation to increase the use of recycled materials in a way that is market-driven. Renewable, bio-based and recycled materials will replace fossil economy solutions, reduce the amount of waste produced and the use of non-renewable raw materials, strengthen domestic value chains and the value added of the products, and create growth opportunities for Finland. A circular economy will be enabled by promoting the separate collection and further utilisation of bio-based and biodegradable materials and the reuse of textile waste, machines and equipment and vehicle parts, among others. The Government will explore the possibilities to expand the waste tax base while making sure that the tax burden will not be targeted at primary production and households and that the payment burden on companies will not increase excessively. The Government will improve Finland's self-sufficiency through more efficient circulation of materials and nutrients. The Government will develop well-functioning markets for raw materials for different uses and increase the share of recycled materials used. Finland will move towards a lifecycle way of thinking, where a competitive advantage is sought through a circular economy. The Government will develop regulation so that waste, product and chemicals regulation constitute clear and unambiguous packages, environmental regulation is clear, and there are no overlapping obligations or instruments. The circular economy will be taken into account in public procurement and the possibilities for SMEs to participate in the circular economy will be ensured. The Waste Act will be amended so that the responsibility of municipalities is limited to household waste. The obligation of municipalities concerning secondary waste management services under the Waste Act will be specified so that a municipality can sell waste management services to businesses only if there is a genuine market gap. The Government will explore and utilise Finland's assets related to critical raw materials by drawing up a Mineral Strategy that will strengthen self-sufficiency and secure the supply of raw materials, including in case of unexpected market disturbances.

## Catchment area of the Archipelago Sea a pilot area for nutrient cycling

The Government will protect Finland's waters and especially the vulnerable Archipelago Sea. The Government will continue to implement the Archipelago Sea Programme with a focus on measures that lead to improvements in the nutrient cycle on a significant scale, such as circulation of nutrients of animal origin, improving the retention capacity of soil in relevant sites and removing nutrients from waters. The Government will strengthen the overall coordination of administrative branches and research and improve impact in the targeting of protection measures concerning the Baltic Sea, especially the Archipelago Sea. The impact of knowledge on the Baltic Sea will be enhanced. The Government will seek systemic solutions cost-effectively, with a focus on impact assessment. Nutrient

cycles will be promoted in a way that is technology-neutral, with a focus on demand in society. There are opportunities to increase the use of Finnish biogas, especially in heavy transport. The Government will enable the use of the end products of the biogas production process e.g. as forest fertiliser and will ensure a predictable operating environment for biogas investments. Methods such as technological solutions will be developed to move nutrient surpluses to areas where there is a deficit cost-effectively. The Government will promote the recycling of phosphorus in manure to areas where there is a nutrient deficit and develop ways to retain nutrients in arable lands by making use of nature's own ecosystems. Nutrient loading of waters will be reduced by taking care of the structure of arable lands and improving water management in catchment areas. The Government will create incentives for good agroecology and healthy and productive soil with appropriate crop rotations and grazing cycles and by increasing plant cover, for example. The Government will diversify the utilisation of soil improvers, such as gypsum, fibre and structural lime treatments, so that farms have different options and can choose the solution that is best suited for them. The reduction of nutrient emissions will be taken into account in primary production and environmental permit procedures in the catchment area of the Archipelago Sea.

The Government will explore the centralised and efficient treatment of wastewater in sparsely populated areas, especially in the Archipelago Sea and coastal regions. The reliability and high quality of the treatment of municipal stormwater will be ensured so that the spillages of untreated wastewater into water bodies decrease to a fraction and the level of best practices is reached in the recovery of nutrients. The dredging of river deltas will be promoted to reduce flood damage, thereby mitigating nutrient loading.

The Government will put an end to the dumping of snow in water bodies. The discharge of greywater, food waste, wastewater from sulphur scrubbers and sewage into the sea in Finland's territorial waters will be prohibited. Finland will strengthen the regulatory work in international forums (Baltic Marine Environment Protection Commission HELCOM, International Maritime Organization IMO) together with other Baltic Sea countries, especially the neighbouring countries. The Government, together with other Baltic Sea countries, will also take action to restrict other harmful activities related to ships, such as the use of unsuitable vessels in ice conditions. The Government will ensure adequate oil spill response preparedness to be able to respond to international commitments and the needs and capacity requirements caused by changes in the operating environment.

## 8 Foreign and security policy in a new era

Finland's foreign and security policy environment changed significantly when Russia launched its full-scale invasion of Ukraine in February 2022. Europe's security is facing the gravest threat in decades. Russia's brutal war against Ukraine is a violation of international law and the principles of the Charter of the United Nations. It weakens security and stability in Finland and across Europe and undermines Russia's credibility as a partner in international agreements. The war has aggravated the food and energy crisis that is affecting billions of people around the world.

The growing global confrontation and tensions between great powers have a major impact on security, the economy, technology, security of supply, industry and trade. The erosion of the rules-based international system, the rise of power politics, barriers to free trade and the challenges caused by protectionism even among like-minded countries, climate change, migration driven by poverty and lack of opportunity, and extremism and terrorism all challenge Finland's foreign and security policy.

The main goals of Finland's foreign and security policy are to safeguard Finland's independence and territorial integrity, to avoid becoming involved in a military conflict and to improve the security and wellbeing of the people of Finland. Finland works to prevent military threats and to reduce tensions.

Finland's foreign and security policy is based on the rule of law, human rights, equality and democracy. Close cooperation with partners, good bilateral relations, and respect for and strengthening of multilateral international law are the cornerstones Finland's international relations. The European Union and the North Atlantic Treaty Organization (NATO) form the core of Finland's cooperative foreign policy.

By joining NATO, Finland has become a militarily allied country. Finland's NATO membership strengthens security in Finland and stability in Northern Europe. This positions Finland more firmly in the European and transatlantic security community. As a member of NATO, Finland will maintain a credible defence capability in all circumstances and will be prepared to support its NATO allies according to its obligations. Finland wants to see a stronger European Union and stronger European defence within the framework of NATO.



The EU's Common Foreign and Security Policy and trade policy are key determinants of Finland's international relations. Finland will promote a stronger role for the EU in foreign and security policy.

Being an active member in the United Nations (UN), the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe (CoE) is important for Finland. Finland is a Member of the United Nations Human Rights Council (UNHRC) from 2023 to 2024. Finland is preparing for its OSCE Chairmanship in 2025 and is seeking a non-permanent seat on the UN Security Council for the term from 2029 to 2030.

If protracted crises are to be dealt with effectively, there has to be good coordination between peace mediation, humanitarian assistance, development cooperation and trade policy. Finland's foreign policy promotes the rights of women and girls in a cross-cutting manner. Development cooperation must be efficient, effective and conditional.

Finland will develop its relationship with the United States across the board. The United States is a key strategic partner and ally for Finland. Cooperation in disruptive technologies must be brought into the core of the relationship between Finland and the United States alongside defence and trade. Finland wants to see cooperation between the EU and the United States that is as close and effective as possible. The Government will maintain and deepen Finland's close multi-sectoral links to the United Kingdom. It will promote a strong partnership between the UK and the EU.

The Government will ensure good relations with Sweden, which is Finland's closest partner. Finland is an active member of the Nordic community and will work to deepen Nordic integration and dismantle barriers between the Nordic countries. Finland's and Norway's cooperation will become closer now that both neighbours are NATO member countries. Besides the Nordic countries, Estonia and the other Baltic States are important partners for Finland in the EU, in NATO and bilaterally. The Government will work to strengthen and deepen Nordic-Baltic cooperation in the NB8 format.

Managing risks in times of great power rivalry calls for a new approach to collaboration with like-minded partners, such as Australia, South Korea, Japan and Canada. Finland will strengthen its economic relations with Central Asian countries, as they are potential trading partners in a region of security policy importance. Africa is an important continent for Finland and the EU, as developments in Africa have direct effects on the future of Europe.

Russia's foreign and security policy is irreconcilable with European stability and security. Finland condemns Russia's invasion of Ukraine and is implementing European Union sanctions. Finland has suspended parts of its bilateral cooperation with Russia. Finland

has supported Ukraine in many ways, including by sending arms assistance. Finland is committed to continuing its arms assistance to Ukraine. The Government's support for Ukraine and the country's sovereignty, independence and territorial integrity is unwavering. Finland requires that Russia be held accountable for its international crimes and that it be held liable for damage. The Government will promote international efforts to ensure accountability for Russia's crime of aggression and for crimes against international law committed during Russia's invasion of Ukraine. We take a favourable view of the seizure of frozen Russian assets and the repurposing of revenue from those assets to support Ukraine. A legal solution for repurposing frozen assets must be found together with partner countries.

Finland's objective is to get Russia end its war in Ukraine and, together with partners, to repel Russia's destabilising aspirations. Depending on developments in Russia, Finland will reassess its relationship with Russia and reassess the possibilities for cooperating with Russia together with Finland's allies in the EU and NATO. The Government will emphasise action to maintain and develop Finland's knowledge of Russia and Finland's ability to analyse developments in Russia. As far as possible, we will support efforts to expand the room for manoeuvre for civil society in Russia.

China is an important trading partner for Finland, and Finland will maintain functioning relations with China. China's growing global role and its aspirations for a new world order are a challenge for Finland and Europe. Finland's China policy is determined through Finland's membership in the European Union and NATO. The Government aims to reduce strategic dependencies on China. We will promote this both nationally and at the EU level. We will urge China to use its leverage with Russia to secure a peace between Russia and Ukraine that respects Ukraine's territorial integrity and the UN Charter.

The Government Report on Finnish Foreign and Security Policy and Government's Defence Report will be drawn up at the beginning of the government term. They will also define the basic guidelines for Finland's membership in NATO. A parliamentary monitoring procedure with representation from all parties in Parliament will be organised in a manner laid down by Parliament to support the preparation of these reports.

If necessary, the Government will draft more detailed legislation on NATO membership, defence cooperation, the EU's Common Foreign and Security Policy, international assistance, hybrid and cyber influence activities, and terrorism.

Finland will actively participate in military and civilian crisis management missions and in operations of the OSCE, the EU, NATO and the UN. Through its contribution to international missions and operations, Finland will promote social stability in target regions and prevent uncontrolled migration. This will also increase the interoperability

of the Finnish Defence Forces and improve its personnel's ability to work together with the public authorities of other countries. The Government will promote effective peace mediation.

Social cohesion and the Government's leadership in the context of external and internal security will be strengthened. The Government will examine ways to strengthen the performance of the Security Committee and to transfer the Committee to the Prime Minister's Office without changing its powers.

The Prime Minister will lead the reorganisation of the management of comprehensive security and cyber security during the government term. A government resolution on an operating model for incident management and crisis management will be drawn up along the lines of a joint government planning centre.

The Government will implement a reform of the Foreign Service to reflect the new era of foreign and security policy.

## **8.1 An active and international NATO country**

As a member of NATO, Finland is prepared to receive assistance from and give assistance to its allies. Finland will participate fully in all NATO activities, including NATO's collective peacetime missions. Finland is committed to NATO's 360-degree approach to deterrence and collective defence across the Alliance.

Finland will participate in NATO's missions and operations, international exercises, and committees and working groups, including the Nuclear Planning Group. Finland will expand its knowledge of matters concerning nuclear weapons. Finland will take an active role in NATO's crisis management and counterterrorism activities. As a member of NATO, Finland is a security provider and a reliable partner, contributing to NATO's credibility and capability both in our neighbouring areas and globally.

Finalising Sweden's membership is one of Finland's first goals in NATO. The Government will support NATO's open door policy and promote Ukraine's NATO prospects together with our allies.

The Government is committed to spending at least two per cent of Finland's GDP on defence expenditure during the government term in accordance with NATO's guideline. We also want Finland to commit to this level of spending across government terms. The

Government will work to improve the operating conditions for the defence industry and to increase the industry's capacity. We will seek support for these policies through broad-based parliamentary cooperation.

The Government's goal is that NATO's planning and structures, and Finland's positioning in them, will give the best possible support to security in Northern Europe from the Baltic Sea to the Arctic region. Planning will take into account the importance of the Baltic Sea in securing access to vital transport, telecommunications and electricity. Transport links from Norway and Sweden to Finland must be guaranteed, as this benefits security, trade and security of supply. Finland will promote military mobility in Europe and support the EU's military mobility initiatives.

The Government will seek to host a NATO organisation in Finland, for example a centre of excellence. Finland's profile in NATO will focus on security in the Arctic and Baltic Sea regions, comprehensive security, cyber and information security, countering hybrid threats, artificial intelligence and quantum technology, among other areas. The Government will take account of the importance of the space domain and technology for NATO and for national defence. Finland will promote the formation of space situational awareness, the strengthening of NATO's Space Policy and the improvement of national expertise and business opportunities in space-related matters.

The Government will assess the need for legislative amendments related to NATO membership and immediately launch the necessary preparations for them.

## **8.2 Credible national defence as the basis for Finland's security**

Finland will maintain and develop its defence capability, taking into account changes in the security environment. Finland is prepared to respond to military pressure, hybrid warfare and a large-scale military aggression.

Finland's defence is based on a strong national defence capability as part of the Alliance's collective deterrence and defence. Finland will fully participate in the planning of NATO's defence and collective deterrence. The Government will ensure military and administrative integration with NATO. The Government will also ensure that that the Defence Forces have sufficient personnel and that the personnel are able to cope in the changed operating environment. The Government will increase the number of required personnel systematically.

The Government will develop international defence cooperation without advance restrictions. Finland will invest in cooperation with the United States, Sweden, Norway and the United Kingdom in particular. The Joint Expeditionary Force (JEF) is an important multilateral framework for defence cooperation. Finland will develop Nordic defence cooperation and the role of NORDEFECO. We will further deepen cooperation with Sweden. Finland's military cooperation with NATO countries in the Baltic Sea region and in the Arctic will be strengthened by membership in NATO. The Government will focus on and further develop the Defence Forces' international cooperation.

The Government will aim to conclude the ongoing defence cooperation agreement negotiations with the United States. A Defense Cooperation Agreement (DCA) is important for Finland's security. Pursuing a DCA on a broad parliamentary basis will contribute to ensuring a long-term perspective in Finland's international defence cooperation.

The Government's Defence Report will define long-term objectives for Finland's defence as part of NATO. If necessary, a parliamentary working group will be established during the parliamentary term to examine the needs for development of national defence.

The Government will assess the effects of NATO membership on conscription and the participation of voluntary reservists and salaried personnel in NATO's collective defence and activities, and will then make the necessary decisions.

Finland's defence capability will continue to be based on general conscription, defence of the entire country and a strong will to defend the country. In line with the report of the parliamentary working group, the Government will develop the conscription system and extend call-ups to the entire age group. The Government aims to increase the number of women seeking voluntary service to 2,000 by the end of the parliamentary term. With due consideration for the safety of service, the Government will allow diabetics to participate in military service and in reservist training. It will also assess the possibilities of people exempted for health reasons to participate in national defence training. Furthermore, the Government will allow retired officers and reservists to serve in normal and emergency duties in the Defence Forces until the end of the year in which they turn 65.

The Government will utilise the report of the parliamentary working group to develop non-military service and link it more clearly to the comprehensive security model.

During the government term, Finland will keep the number of reservist exercises at a level necessitated by the operating environment. At the same time, the Government will ensure that exercises are of high quality while taking into account the training of conscripts and the increase in the volume of activities related to NATO membership.

The Government will complete the Defence Forces' strategic capability projects. The first decisions on the reform of the Army will be made in the coming government term. Defence materiel projects will focus on the needs of the Army. Finland will continue to support Ukraine with defence materiel and training, and the defence administration will be reimbursed for the capabilities that have been handed over.

The Government will improve the operating conditions for voluntary national defence and, in this connection, examine the role and position of voluntary regional and local troops and of other actors in the comprehensive security model. The Defence Report will also examine the evolving status, tasks, objectives and resources of the National Defence Training Association (MPK). The coordination of third-sector associations and organisations that cooperate with national defence will be strengthened, and a register will be created of the people they have trained so that these people can be contacted, if necessary. The right to deduct taxes on equipment, supplies and weapons suitable for military use will be investigated in so far as they are suitable for use in crises and are compatible with the requirements of national defence training, either organised by the Defence Forces or the National Defence Training Association.

The Government will seek to influence the preparation of the EU's ban on lead in ammunition (as part of the REACH Regulation) so that it does not undermine the conditions for voluntary national defence. One of the Government's objectives is to exclude voluntary national defence and sports shooting that supports readiness for national defence from the scope of application. The Government will actively work to remove shooting ranges from the scope of the restriction, and will not accept extending the EU's ban and restrictions on the use of lead in bullets.

The Government will safeguard the activities of Finland's shooting ranges and promote the establishment of new shooting ranges. These efforts will take regional needs into account and assess the need for legislative amendments. They will take into account the needs of key national defence organisations, reservist associations, sport shooting and hunting associations, and public authorities. The environmental permit processes and legislation concerning shooting ranges will be streamlined. The target for the number of outdoor shooting ranges will be about 1,000 by the end of the decade. The focus will be on establishing a sufficient number of rifle and tactical ranges throughout the country.

Procurement from domestic manufacturers will strengthen military security of supply, and the Government aims to increase domestic ammunition production. All possible coordinated procurement and funding systems will be utilised in the framework of the EU and NATO. The Government will support the Finnish defence industry in maximising the opportunities for cooperation that will become available through membership in the EU and NATO.

The Government will strengthen the operating conditions of the domestic defence industry. At the beginning of its term, the Government will launch a study on the production capacity and production arrangements of key munitions for the Defence Forces. As to the export control of defence materiel, Finland will comply with its international obligations and national legislation. The need to amend the Act on the Export of Defence Materiel will be examined during the government term. Finland will not set stricter criteria for defence materiel exports than key European reference countries. The Government's policy regarding export licence decisions will be consistent. As a rule, maintenance and upgrades of previously approved materiel will be approved. Taking into account the security situation in Europe, the Government will make efforts to develop the EU taxonomy for sustainable financing to facilitate financing for the defence industry. The defence industry will be taken into account in national RDI investments and trade missions.

The Government will bring Finland's support measures for veterans of crisis management operations up to the level of other Nordic countries. Current support measures will be improved by making existing services available from a single location (a national centre for veterans of crisis management operations).

The Act on Compensation for Accidents and Service-Related Illnesses in Crisis Management Duties will be amended to enable access to treatment for post-traumatic stress disorders (PTSD). The six-month time limit, which often prevents access to treatment, will be removed from the Act.

The work to preserve the heritage of veterans and members of women's voluntary paramilitary service will be organised on the basis of the proposals presented in the working group's report.

### **8.3 Economic relations as part of a strategic foreign policy**

Finland will promote a rules-based world order and work actively to reform the UN so that it can respond to the global challenges of the 2020s. Finland's UN strategy will be updated as part of the Government Report on Finnish Foreign and Security Policy. The update of the strategy will provide a framework for Finland's campaign for a seat on the UN Security Council for the 2029–2030 term. Committing the Global South to a rules-based order, democracy and the promotion of human rights will become the focus of Finland's foreign and security policy.

The Government will examine external relations comprehensively, across administrative branches. International economic relations as well as trade, development and technology policies will be part of Finland's strategic foreign and security policy. The most important objective of trade policy will be to promote the exports and investments of Finnish companies. Trade policy must also take into account security of supply, security and environmental impacts.

The Government will prepare a report on Finland's international economic relations and development cooperation no later than in spring 2024. The report will set targets and define the necessary measures and the monitoring of those measures. The report will outline policies on Finland's relations with developing countries.

The Government will invest in promoting exports and investments by supporting Finnish companies in entering growing markets. The goal of the export promotion activities will be to open up new markets for growth-oriented companies, especially small and medium-sized ones. We will reform the operations and management of the Team Finland network in cooperation with business and industry to support Finland's strategic interests. The Government will strengthen the role of the Ministry for Foreign Affairs in efforts to promote exports and internationalisation and examine whether Business Finland's activities abroad could be incorporated into Finland's network of diplomatic and consular missions. The Government will evaluate the effectiveness of Finland's export promotion activities – including trade missions and the export financing system – in relation to the Swedish and Danish models, for example.

Finland will strengthen free trade through regional and bilateral agreements and support the ability of the WTO operate. In order to strengthen the economic links between Finland and the United States, the Government will make determined efforts to promote negotiations for Finland to join the US Global Entry programme.

The Government will implement a reform of the Foreign Service to support the new era of foreign and security policy, taking into account the additional obligations arising from NATO membership, for example. The objective of the reform is to focus on Finland's foreign and security policy interests, the promotion of economic growth, international economic relations and technological development. In connection with the reform, the Government will evaluate the management of multilateral matters in the Foreign Service. We will concentrate resources and investments on countries that are strategically important to Finland. This will apply to the network of Finnish missions, economic relations, security cooperation and development cooperation. Decisions on the size of the network of missions will be made systematically over the long term. Finland will seek practical common solutions with the missions of other Nordic countries and EU Member States.



## 8.4 Comprehensive development policy

Development policy will be part of Finland's foreign and security policy and also contribute to Finland's strategic economic relations. Finland will focus on those partner countries it considers essential and build a more strategic relationship with them based on clear priorities. In the future, there will be fewer priority countries. Finland will focus on equal cooperation models in development cooperation. The objective will be to build sustainable partnerships with developing countries based on mutual benefit and respect. Finland's aim will be to reduce the unhealthy political and economic dependence of developing countries on foreign powers.

In its development policy, Finland will focus on its strengths where it has good opportunities to support sustainable development. A well-functioning democracy, the rule of law, human rights and a vibrant civil society are prerequisites for sustainable social development, which the Government will support. Because population growth is faster than economic growth, combating poverty and strengthening wellbeing in a sustainable manner will be very difficult. The priorities of the Government's development policy will include improving the position, right to self-determination, and sexual and reproductive health of women, which are key to curbing population growth. Education and climate measures will also be a priority.

Finland will also pursue its objectives in EU development policy, international development finance institutions and UN organisations. Finland will effectively promote the participation of Finnish companies in investment projects funded within the framework of the EU's Global Gateway initiative.

Historically, Finland has been committed to allocating 0.7 per cent of its GNI to development funding in accordance with the UN recommendation, even though this target has not been reached. However, in the current economic situation, the Government will cut development cooperation during its term. The cuts will be implemented gradually, taking into account commitments that have already been made. As part of its report on international economic and development cooperation, the Government will outline its priorities on development policy and formulate a plan for development cooperation funding extending over several parliamentary terms.

Civil society organisations play an important role in helping Finland achieve its development cooperation objectives. The focus of Finland's development cooperation will shift from bilateral Country Programmes to development cooperation engaged in by Finnish civil society organisations. Opportunities for domestic organisations to acquire international funding (e.g., from the EU, the UN or foundations) and to participate in multi-actor projects will be improved. Finland will promote its foreign policy objectives and

values through key UN organisations. The Government will examine the tax deductibility of donations to development cooperation or voluntary donations in connection with taxation.

Public money can be used to build an operating environment, but achieving permanent change requires private entities, investments and capital. The Government will promote the operating conditions of Finnish companies in developing countries as well as their opportunities to apply for funding from the UN, the EU and development finance institutions. The Government will increasingly utilise Finnish companies in development cooperation and development policy investments. The Government will prioritise development policy investments that promote the allocation of capital to business activities. Different forms of development funding will complement each other. In order to build a successful development policy, both grant-based assistance and funding in the form of loans and investments will be needed. In developing countries, the Government will promote sustainable forestry and afforestation projects utilising Finnish expertise as well as other projects that improve local living conditions and increase the global carbon sink.

Finland will continue to provide humanitarian assistance with a focus on helping the most vulnerable people.

The Government aims to promote and increase Finnish peace mediation expertise. The Government will promote ways to expand Finnish mediation activities in cooperation with the private and third sectors.

Finland will continue to support Ukraine by means of development cooperation, defence materiel assistance, civilian crisis management and humanitarian aid as well as through civil society organisations, the European Union, the Council of Europe and NATO funds. Finland will prepare for an increase in the amount of this aid due to growing arms assistance and support for reconstruction. Ukraine will be the largest beneficiary of Finland's development cooperation during the government term. Strengthening structures supporting the rule of law and combating corruption will be taken into consideration in all forms of support. The Government will prepare a national reconstruction plan for Ukraine in cooperation with business and industry and the Team Finland network.

The Government will make the readmission of nationals and support for the international rules-based order conditions for Finland's development cooperation. Finland will not give development aid to governments or entities that support Russia's war of aggression. Finland will support the EU's efforts to encourage third countries to readmit their nationals by means of development cooperation instruments and visa policy, for example.

The Government will effectively monitor the use of development cooperation funds. If any misuse is detected, funding will be reduced or terminated and, if possible, be recovered.

## 8.5 Cyber security, information security and countering hybrid threats

Hybrid threats refer to extensive interference and influence efforts aimed at weakening the functioning and decision-making of societies. Hybrid influence activities are carried out by both state and non-state actors. A significant rise in hybrid threats is part of the changed international political situation that is characterised by increasing tensions between great powers and social systems. Cyber attacks and information influence activities are key elements of hybrid threats.

Finland will prepare for hybrid threats proactively. The Government will revise Finland's Cyber Security Strategy to respond to the changed operating environment. National security will be taken into account when reassessing the open sharing of critical infrastructure data. We will update legislation on intelligence and emergency powers to enable hybrid threats to be countered effectively.

The Government will ensure Finnish competence in cyber security and information security by investing in training in these fields. The approval process for cryptographic products will be accelerated so that domestic cyber technology can be placed on the market more quickly. Finland will acquire the status of a country that can grant international information security approvals in the EU. Cyber security will be strengthened in close cooperation with business and industry and the third sector, taking into account that a large part of the critical infrastructure is privately owned.

The Government will reorganise the management of comprehensive security and cyber security during the government term. This reorganisation will ensure a clear division of responsibilities and powers of public authorities and the efficient exchange of information and will implement the legislative amendments required to achieve these objectives. The Government will prepare a cyber defence doctrine and clarify and specify the role of the Defence Forces in cyber defence.

In order to prevent social harm caused by disinformation, the Government will update its strategic communications model and will strengthen information defence and include it in the new cyber security strategy. In the fight against disinformation, the Government will

take into account both of Finland's national languages as well as communications in other languages. We will improve the capabilities of teachers to boost students' critical media literacy and awareness of cyber risks in order to reinforce broad social resilience.

## 9 European Union: towards strategic competitiveness

The European Union is Finland's most important political and economic frame of reference and community of values. Finland wants to see a globally strong and well-functioning European Union that promotes the security, wellbeing and economic interests of its Member States and citizens. Finland is an active, reliable and solution-oriented Member State that works constructively and proactively and takes initiative to advance its objectives. Finland promotes the rule of law and the fight against corruption in the EU.

Finland wants the EU to play big on big issues and small on small issues. Finland expects the Union to respect the principles of subsidiarity and proportionality, meaning that decisions must be made as close to citizens as possible. Finland advocates for a clear division of competences between the Union and the Member States, which should not be expanded with a new interpretation of the Treaties.

Finland highlights the importance of Member States' responsibility for the sustainability of their public finances. The priorities of Finland's EU policy include promoting competitiveness, strengthening the EU's global role, deepening the EU's defence cooperation, developing the single market, boosting economic growth, promoting clean energy investments, utilising natural resources sustainably, advocating for national-level decision-making in forest policy, safeguarding self-sufficiency in food production, stabilising neighbouring areas and strengthening the Union's external borders. With respect to the EU's asylum and migration policy, including any internal burden-sharing mechanisms and border security, the Government will follow the policies laid out in the immigration section of this programme.

It is in Finland's interest to develop the EU into a better and more effective Union. Finland is prepared to advocate for additional investments in areas it considers important, primarily within the budget. Finland's national interests must be identified and safeguarded in decision-making: The Government aims to increase the amount of funding Finland receives while preventing solutions that would be harmful to Finland. The EU budget must be kept at a reasonable level, avoiding an increase in Finland's net contribution. The EU's own resources system must not be developed in a way that would result in a relative additional cost for Finland.

The Government will ensure that Finland formulates its positions and exerts influence effectively and appropriately and that Finland cooperates with like-minded countries to advance its objectives. Influencing the Union's strategic policy to be formulated in 2024 after the European Parliament elections, along with the programme for the next European Commission, will be a major priority right from the start of the government term.

## 9.1 Member States are responsible for the sustainability of their public finances

The European Union must move from a recovery policy that increases the debt burden to a sustainable growth policy based on a stable and resilient economic and monetary union. Only an EU with strong public finances can succeed in global competition sustainably and increase the wellbeing of its citizens. Every Member State must continue to be responsible for its own public finances.

The Government will advocate for returning to the no bailout principle of market discipline as enshrined in the EU Treaty and for introducing a debt restructuring mechanism. The debt restructuring mechanism would be built on the basis of the European Stability Mechanism and would enable debt restructuring while maintaining the seniority of sovereign claims and guarantees. The mechanism would be linked to compliance with sovereign debt rules.

Finland is open to increasing flexibility in the agreed deficit and debt criteria in a tailored manner, provided that credible efforts are made at the same time to promote market discipline and debt sustainability in the economy and that sovereign debt restructuring is possible. Finland will not accept reforms that would weaken Member States' incentives to rehabilitate their public finances and that would increase financial and macro-prudential risks in Europe. Finland expects each Member State to be liable for its own debts so that the risk premium determined in the credit market is able to reduce risks and maintain discipline in public expenditure. Finland will not commit to measures that would shape the European Union into an asymmetric income transfer union. The recovery instrument was an exceptional one-off solution that should not serve as a precedent. Finland will not accept repeating a similar arrangement or making it permanent.

Finland will defend the conditional use of funds and, as a rule, the principle of unanimity in the operation of the European Stability Mechanism and other crisis instruments. Finland is in favour of including risk weights for government loans in banks' solvency calculations in order to weaken the unhealthy link between the fates of Member States and banks. The Government will monitor and aim to manage the financing risks incurred by the central

government through the European Central Bank and the Bank of Finland. Finland will also pursue the implementation of the no bailout rule at the level of the European Central Bank. Finland will promote measures to limit the systemic risk related to the Eurosystem. Finland will advance the capital markets union and the completion of the banking union in a way that does not increase the joint responsibility of Finland and the Finnish banking system.

The Government will not accept actions that would weaken Member States' incentives to rehabilitate their public finances and that would increase financial and macro-prudential risks in Europe. It is very important to dismantle the link between national banking systems and public debt incurred by national governments in order to ensure balance and stability in the financial markets.

The Government will seek to strengthen the rule of law by linking EU budget funding to respect for the rule of law, measures to prevent the misuse of funds and prevention of corruption. At the same time, the Government will work to ensure that funding is linked to measures promoting the competitiveness and economic growth of the Member States. Member States must be encouraged to carry out structural reforms. Finland wants to see the resources in the EU's multiannual financial framework be redirected and increasingly targeted to support competence, the energy transition, security, digitalisation, research and new innovations. The EU must step up its monitoring of the use of funds.

## **9.2 Strengthening the single market and boosting economic growth**

A well-functioning single market that guarantees the free movement of goods, services, capital and people is a key element of European integration and future growth. Free trade creates growth and jobs for Finns and Europeans. The EU plays an important global role through regulatory power and trade agreements. European solutions and innovations can become global solutions if the EU draws on the size of its single market and the content of its trade agreements. In particular, the Government will promote the development of the single market for services, fair competition and the dismantling of regulatory barriers.

The Government will promote the EU's strategic competitiveness. With this goal in mind, Finland will promote a single market based on free movement and trust between the Member States. Finland will also advance measures to reduce harmful dependencies, decentralise supply chains and increase the use of market-based solutions. When implementing EU regulation nationally, the Government will not add to the regulatory burden in a way that would hamper competitiveness and will work to reduce regulatory

overlap. Improvements will be made to the national impact assessment of EU regulation and EU decision-making. The Government will seek to reduce the administrative burden of EU regulation on businesses.

In its policy on the EU single market and its trade and industrial policy, the Government will take determined action to safeguard a competitive environment for Finnish businesses and to boost European economic growth. The loosening of competition policy, in particular state aid rules, threatens to undermine the functioning of the single market. The EU state aid rules must return to the state they were in before the crisis as soon as possible. EU industrial policy must safeguard the competitiveness of businesses and industry.

In the current situation, the Government will not support introducing additional funding or entirely new EU-level funding instruments. Any new needs for funding to support competitiveness and promote the green transition should mainly be covered by prioritising and reallocating existing EU funds, for example by utilising unused recovery funds. The Government will assess the need for a European Sovereignty Fund in relation to the EU's state aid policy and the direction in which the Commission's future proposal would steer the use of the fund. In the Government's view, the potential fund must be used to achieve a level playing field in which the best businesses and innovations succeed, and it must only be used to support the most critical projects, for example those that would accelerate energy investments.

At the EU level, the Government will advocate for new and comprehensive trade agreements with non-EU countries and groups of countries. The Union must promote an open and fair trade policy. The Union must promote its general objectives, such as strengthening environmentally friendly production, by removing barriers to trade and increasing incentives, rather than by restricting trade. The Government will advocate for market-based solutions, such as developing labelling and certification systems and reducing tariffs on environmentally friendly production. Finland will promote the EU's efforts to agree on digital trade rules with the Union's key partner countries.

The Government will promote the development of the Digital Single Market and advance measures to improve the operating conditions for businesses providing digital services. The EU must play a key role in creating global standards for the digital economy. The Government aims to ensure that EU regulation is technology-neutral. The EU must assume a stronger role in cyber security within the limits of its existing powers and must create a favourable operating environment for the development and uptake of artificial intelligence.



The Government will advance the conditions for Finnish food production as part of European food production. By strengthening the single market, the Government will promote food security in the European Union and improve the EU's self-sufficiency in critical areas. One critical area is technological security of supply. The Government will actively apply for EU funding for infrastructure projects and influence EU programmes so that the needs and special features of the region are taken into account in planning these programmes. The Government will promote efforts to strengthen the vitality of the EU's external border regions in Finland.

The Government will support measures to strengthen the EU's preparedness for crises while ensuring that EU regulations do not undermine the functioning of Finland's security of supply system. The Government will promote resilience and preparedness cooperation between the EU and NATO, especially to protect critical infrastructure.

### **9.3 The European Union must take on a stronger role as a geopolitical player**

Over the past few years, the European Union has become an increasingly important geopolitical player. Intensifying competition between great powers means the EU must adopt a stronger global approach to safeguard the interests of its Member States. Russia's war of aggression against Ukraine has made the roles of NATO and the EU more clear and concrete with respect to European foreign and security policy. NATO is responsible for European military defence through its command structure and collective defence planning, in which Finland, as a full member of NATO, takes part. The EU is enacting an active sanctions policy and providing effective political, economic and material support to Ukraine. The Government will advance cooperation between the EU and NATO and will promote the EU's foreign policy role and the measures to develop European security outlined in the Strategic Compass.

The Government is strongly committed to supporting Ukraine and its reconstruction and is open to various funding solutions to achieve this goal. Finland supports Ukraine's European path. Finland is open to the accession of countries that meet the criteria for EU membership. With regard to all candidates for membership, Finland considers it important that the EU is a reliable and credible negotiating partner. Finland also emphasises the importance of meeting the membership criteria.

Finland supports using the European Peace Facility to support Ukraine and contributing additional capital to the fund for that purpose. The Peace Facility is an off-budget instrument aimed at enhancing the EU's ability to prevent conflicts, build peace and strengthen international security. The fund may take on a larger role as the reconstruction of Ukraine begins.

The Government will promote the implementation and intensification of the EU's sanctions against Russia. Finland is determined to promote unity and effectiveness in the EU's policy on Russia.

Europe's common military defence is built on NATO. Finland supports deepening European defence cooperation as part of the European Pillar of NATO, including through the objectives of the Strategic Compass. Important areas where closer cooperation is needed in Europe include the defence industry and its product development, military mobility, hybrid and cyber capabilities, and common rapid reaction forces. It is essential that the EU's Permanent Structured Cooperation (PESCO) meets the EU's performance targets and strengthens the EU's defence as a whole.

In its EU policy, the Government will pay close attention to the impacts of various initiatives and instruments on Finland's defence industry and technological base and will safeguard Finland's military security of supply. Finland will ensure that European initiatives on joint defence procurement (EDIRPA) and the development of ammunition production (ASAP) do not cause market disturbances, interfere with freedom to engage in commercial activity, undermine Finland's security of supply and its security of supply model, or disproportionately favour the largest Member States.

The Government's objective is to create a single market for defence materiel in the Union. Finland will promote the EU's common European policy on arms exports, the EU's common defence procurement, and increased funding for research and development related to future defence technologies. The Government supports the inclusion of the EU defence industry in the taxonomy of sustainable financing. The Government will promote the use of defence materiel produced using the circular economy and renewable energy sources. Finland will make full use of CEF funding for EU military mobility projects.

The Government aims to strengthen the EU's decision-making ability. Increasing the use of qualified majority voting is possible only in limited areas of foreign and security policy, such as sanctions policy.

The Government aims to foster a strong transatlantic relationship between the EU and the United States. Finland will promote the common positions of the EU and United States in WTO negotiations. The Government will also promote cooperation between the EU

and other strategic democratic allies. The Government aims to reduce the EU's economic, technological and industrial dependence on China. The Government will strengthen the equal, comprehensive partnership between the EU and Africa.

## 9.4 Making Finland's voice heard in the European Union

The Government is committed to enhancing Finland's ability to exercise influence within the EU, including in advance. We will speed up the formulation of Finland's positions. Finland will define its core objectives for the next EU parliamentary term in 2023. The Government will switch from submitting a report on EU policy once per electoral term to setting priorities, influencing and monitoring EU policy continuously. The Government will prepare a resolution on organising efforts to exert influence in advance and on formulating Finland's positions proactively. The Government will draw up an annual, concrete strategy for exercising influence in the EU on issues of key importance for Finland's interests. Finland will prepare its positions and present clear models for its solutions before the Commission publishes its proposals. Defining strategic priorities also means deciding which issues are most important. Parliament will be given better opportunities to participate in formulating Finland's positions on EU affairs and will have the opportunity to do so at an earlier stage.

The Government will ensure that promoting and defending Finland's national interests in the European Union is a key priority for each ministry. Permanent Secretaries are responsible for coordinating their ministries' efforts to exert influence in the EU. These efforts will not succeed without effective data collection on initiatives at the planning stage and dialogue with the European Commission and the European Parliament, in addition to participation in the work of the Council of the European Union. To safeguard Finland's overall interests, the Prime Minister will be given room for manoeuvre in European policy, with due regard for the competence and participation of Parliament, in order to account for unexpected situations and changes in negotiating positions.

The Government will take on a more active role in the Council of the European Union in order to strengthen cooperation between like-minded Member States. Finland will intensify its cooperation on specific matters with different Member States while maintaining its traditional partnerships. This includes strengthening Nordic cooperation. Cooperation with the Member States and the forms of that cooperation must be agreed upon with the Prime Minister.

The Prime Minister's Office is responsible for formulating Finland's positions for the European Council and for coordinating the positions of different ministries. It also coordinates the ministries' efforts to influence EU matters in advance together with

Finland's Permanent Representation to the EU. The Government will integrate Finland's Permanent Representation to the European Union more closely into the Government's activities and will clarify the steering system. The preparation of EU litigation matters will be transferred to the Prime Minister's Office. The Government will launch a programme aimed at increasing the number of Finnish public officials working in EU positions and improving their ability to advance within EU institutions. The programme will include supporting the EU competence of officials in the central government.

# 10 A safe, secure and resilient state governed by the rule of law

## Situation picture

Finland is a safe and stable state governed by the rule of law. However, the challenges facing our society and our citizens are becoming increasingly complex. These phenomena affect many sectors of society, and we need more cooperation and new practices to identify and address them. Changes in the operating environment also require an increase in the powers and resources of actors in the field of internal security and administration of justice. The rule of law rests on people's trust in a fair society and justice system.

## Long-term objectives for 2031

Finland is a society built on trust where security and justice are realised. The rule of law is the backbone of society. Public authorities lay the foundation for a good life. The chain of administration of justice functions efficiently. Finland promotes the principles of democracy, civil society, fundamental and human rights and the rule of law in all its activities.

## Government measures and policies

Russia's invasion of Ukraine, the pandemic and tensions in world politics highlight the importance of society's resilience. The Government will bolster comprehensive security, resilience and security of supply. Finland will prepare for external and internal security threats realistically and decisively. In doing so, Finland will make use of new forms of international cooperation.

The Government will ensure services in the field of internal security and administration of justice as well as the operational capacity and sufficient powers of public authorities. The Government will also take into account the needs arising from NATO membership. The Government will prepare reports on internal security and the state of the administration of justice during the parliamentary term.

Finland will promote the implementation of democracy, the rule of law and human rights. A society built on trust and good relations between population groups arises from the fact that everyone in Finland can trust that their rights and the principles of gender equality, equality before the law and non-discrimination will be respected and that they will be able to improve their own lives. Everyone has the right to be happy and safe in Finland.

The judicial system, civil society, participatory democracy and the use of public power lay the foundation for a society built on trust and a safe everyday life. The fight against crime and other societal problems will focus on prevention, identification of root causes and enforcement of criminal liability. Finland will contribute to the promotion of human security and prevent the growth of inequality in security. In addition to rights, the Government will emphasise the obligations and responsibilities of individuals.

## 10.1 Strengthening national security and society's resilience

The Government will assess the current state of how national security is managed at the Government level and make the necessary changes to structures, administration and forms of political guidance.

The Government will ensure that public authorities have sufficient powers and resources to counter threats identified in the national risk assessment and to manage crises.

The Government will carry out an overall review of the regulation of incidents and crisis situations in all administrative branches. Sector-specific legislation will be updated in parallel with the reform of emergency powers legislation, i.e. by autumn 2025.

The overhaul of the Emergency Powers Act will create the necessary powers for managing crises and for preparedness so that society can continue to function in emergency conditions.

The Government will draw up a national security strategy. The vulnerabilities of society to wide-ranging influence activities carried out by foreign states will be identified and shortcomings rectified.

The Security Strategy for Society will be reformed to respond to the demands of the new security environment.

The Government will improve the protection of infrastructure critical to the functioning of society. We will look into extending the use of security clearances to cover, in particular, work on critical infrastructure and technology.

The Government will reform the Act on the Screening of Foreign Corporate Acquisitions so that risks relating to national security, security of supply and wide-ranging influence activities are taken into account more effectively than at present.

The Government will examine possibilities to engage in more effective ex post facto intervention and control in respect of assets central to the security of society and security of supply.

The Government will examine the adequacy of the regulation of the acquisition and possession of real estate by parties outside the EU and EEA.

We will investigate the possibility of adding safety investigations of serious cyber security incidents to the mandate of the Safety Investigation Authority. If necessary, the Government will prepare legislative amendments to the Safety Investigation Act and make other necessary amendments to it.

The Prime Minister's Office will carry out an extensive external research project on the lessons learned from the COVID-19 crisis. At minimum, the research project will address the management of the crisis, preparedness and restrictions of fundamental rights.

The Government will carry out an external research project on Russia's extensive efforts to exert influence in Finland in the 2000s.

## Ensuring security of supply

Security of supply is the foundation of society's comprehensive security. Security of supply will be taken into account in all decision-making in all administrative branches.

The Government will ensure an adequate level of security of supply so that the production, services and infrastructure necessary for the subsistence of the population, the economy and national defence can be secured in the event of serious incidents under normal conditions and in emergency conditions.

The Government will make a decision on the objectives for security supply to ensure that the level of security of supply meets the demands of the changed security environment.

The Government will examine the effects that geopolitical risks and dependencies have on security of supply. Security of supply will be strengthened by developing international cooperation through the EU and NATO and bilaterally with other states. We will improve Nordic cooperation in preparedness and security of supply.

The Government will pay particular attention to the conditions for domestic food production and Finland's security of energy supply due to the clean energy transition. We will improve the security of energy supply by ensuring that domestic fuels, such as wood-based fuels and peat, are available and have strong supply chains. In addition, we will assess the need for a security of supply reserve and for increasing fuel stockpiles.

The Government will carry out an overall review of security of supply legislation during the next parliamentary term to ensure that regulation is up to date.

The Government will examine the need and opportunities to reform general public procurement regulation within the framework of EU regulation so that security of supply can be adequately taken into account.

## Increasing the number of police officers

Changes in the security environment require that operational police work be strengthened. The Government will increase the number of police officers to 8,000 person-years by the end of the parliamentary term. The increase will be made to strengthen operational police work. We will ensure that the police have the capacity to recruit the necessary number of specialists to support police work, such as cyber and financial experts and investigation secretaries.

The Government will secure the resources of the police in a way that is predictable, takes a long-term view and improves the ability of the police to plan long-term operations. We will increase the core funding of the police and develop the police funding model in accordance with this objective.

The Government will ensure that the police have access to the equipment they need in their work and to healthy and safe facilities. Police presence will be secured throughout the country. The availability of police services in both national languages will be ensured.

The Government will increase the efficiency and effectiveness of the combating of crime by easing the criminal investigation obligation of the police, for example, in extensive mass crime cases. This will also be achieved by expanding the scope of conditions for restricting investigations and making them easier to apply.



The Government will review administrative procedures and other police bureaucracy and reduce them without compromising legal safeguards. We will ensure that criminal procedures are used as an option of last resort. We will identify and relieve the police of duties or areas of responsibility that do not need to be handled by the police.

The Government will strengthen policing and the protection of internal security by preparing and introducing legislation enabling the gathering of criminal intelligence. We will boost digitalisation in both criminal investigations and the combating of crime.

The Government will introduce a police reserve to complement the activities of the police in the event of serious incidents under normal conditions and in emergency conditions. The police reserve will include persons who have received police, border guard or military police training, for example.

The Government will examine if there is a need to reform police training. A set of measures will be implemented across administrative branches to ensure that a sufficient number of applicants who meet the application requirements will be available for police training in the coming years. However, the requirements for admission to police training will not be lowered. The availability of Swedish-language police training will be secured.

Work on equality and non-discrimination in the police will continue systematically.

## Stepping up the combating of crime

The Government will step up the combating of crime to improve people's safety and security and trust in the authorities.

The Government will ensure that the Police Act, the Coercive Measures Act and the Criminal Investigation Act provide sufficient support for the combating of crime. The Act on Crime Prevention by the Border Guard will be updated to improve the efficiency of criminal investigations. We will also develop an administrative approach to crime prevention.

The Government considers organised crime a serious threat to Finland's security and lawful social order. The Government will vigorously combat organised crime. The Government will update the strategy for combating organised crime and prepare the necessary legislative proposals.

The Government will enact a special act to combat organised crime. This will enable more efficient exchange of information and an administrative approach. We will further develop cooperation between the Police, Customs and the Border Guard and will ensure that they have the necessary capabilities and powers. We will look into enacting legislation on house searches that can be reported after the fact.

The Government will assess and improve the conditions for the use of biometrics for the purposes of law enforcement and the combating of crime.

In order to protect internal security, a new system of criminal intelligence regulation will be introduced. Among other things, this new regulation will enable more effective and threat-based intervention in serious gang crime and organised crime. The Government will assess the need to specify the Constitution to enable the effective gathering of criminal intelligence.

The Government will remove obstacles to the exchange of information in the combating of crime. Sector-specific legislation will be updated to oblige healthcare and social welfare authorities and education authorities to provide the police with essential information that is otherwise non-disclosable, at least for the purpose of assessing threats to life or health and preventing threatening acts. We will also increase the possibilities for the police to disclose non-disclosable information to various public authorities to prevent crime and to guarantee security.

Legislation on an administrative approach to combating crime will be developed to meet the requirements of the full and effective implementation of official activities.

The Government will take legislative measures to prevent money laundering and intensify the recovery of proceeds of crime, especially in relation to money laundering.

The requirement for comprehensive security clearances will be extended to employees working in ports and other critical security environments to the extent to be assessed in drafting.

The use of technical, i.e. automated, monitoring will be enabled with respect to open sources on information networks. We will assess the development of the regulation of information gathering from open sources in the online environment so that oversight can be carried out by a civilian official.

The Government will assess the need to amend the legislation governing the private security sector due to the growth of the sector and changes in the internal security situation.

## Combating the rise in youth and gang crime

The Government recognises that the rise in youth and gang crime is a serious problem. The Government is committed to taking the necessary measures to resolutely combat and reduce youth and gang crime.

To solve the problem, the Government will take a wide range of hard and soft measures. Intervening in this phenomenon requires a multiprofessional approach. We will involve all of society in the response. This will involve support for homes and parents in their child raising responsibilities, work against social exclusion and discrimination, and integration and immigration policy.

By the end of 2023, the Government will draw up an extensive action plan to halt the rise in youth and gang crime in Finland. The Government will adopt a resolution on drawing up a cross-administrative action plan for the prevention and combating of gang crime.

The current preventive Anchor work or similar actions will be developed to be more comprehensive and effective. The approach developed by the Ministry of Justice will be used as support provided after Anchor activities.

The Government will increase the punishments for offences related to street gang crime by making a link to the activities of street gangs one of the grounds for increasing the punishment for an offence.

The minimum punishment for an aggravated firearms offence will be increased from four months to two years of imprisonment to ensure that the prison sentences imposed for these offences will, as a rule, be unconditional. The statutory definition of an aggravated firearms offence will be amended so that carrying or transporting an unauthorised firearm in a public place or in a vehicle will be punishable as an aggravated firearms offence. The punishments for possession of a dangerous object and an object suitable for injuring another person will be increased.

Exit activities carried out by the National Bureau of Investigation will be expanded to cover not only organised crime and violent extremism but also members of street gangs. The exchange of information between public authorities will be facilitated and the best practices of the inter-authority cooperation group focusing on gang crime in Sweden will be adopted in Finland.

Cooperation with the third sector will continue in prevention and exit activities. An updated national action plan for the prevention and combating of violent radicalisation and extremism will be drawn up.

The Government will enable the use of more extensive covert coercive measures for persons active in criminal gangs.

The confiscation of proceeds of crime will be facilitated by, for example, easing the standard of evidence and by introducing a procedure for the confiscation of proceeds outside criminal proceedings. The Government will examine possibilities for using fines as a sanction supplementing imprisonment, especially in offences that have sought considerable economic benefit.

The Government will examine the practices, measures and effectiveness of the Danish approach to combating gang and organised crime.

The regulation of juvenile punishment will be developed so that the seriousness of an act is more emphasised than at present. This will be done, for example, by increasing the use of juvenile punishment and incorporating elements of community service into it.

The Government will work with the Ministry of Social Affairs and Health to enact legislative amendments to the Child Welfare Act that will safeguard children and that are necessary to break the cycle of crime among children under the age of criminal liability. The need for further measures to break young people's path towards serious crime and to combat aggravated crime will also be investigated in other respects.

The Government will strengthen the doctrine of the commission of an offence through an agent so that a person inciting a child under the age of criminal liability to commit a criminal act will more often be considered a perpetrator. An assessment will be carried out to determine whether such activity should be added to the grounds for increasing the punishment or whether it should be criminalised separately.

## **Securing the operational capacity of the Finnish Security and Intelligence Service**

The Government will guarantee national security in all situations.

The Government will ensure that the Finnish Security and Intelligence Service is able to operate and has sufficient funding.

The Government will develop intelligence legislation to safeguard the operational capacity of public authorities due to experiences gained from intelligence activities, technological advances and Finland's NATO membership. The necessary amendments related to intelligence activities harmful to Finland will be made to the Criminal Code.

Intelligence legislation will be revised with respect to intelligence powers and the right of access to information and disclosure to meet the demands of the changed security and cyber environment.

The Government will reform the provisions in intelligence legislation on firewalls. The reform will enable the targeting of police activities and the sufficient disclosure of information to the police and other public authorities that have the power to intervene concretely in activities that pose a serious threat to national security detected by the Finnish Security and Intelligence Service.

The Government will ensure that intelligence powers keep pace with technological advances. Among other things, we will enable intelligence gathering targeted at device and system chains and enable intelligence activities to make use of search criteria targeted at message content. We will assess extending intelligence powers to cover premises used for permanent residence.

The detection and prevention of cyber threats will be improved. Provisions will be laid down on powers to interfere with a device or software that is located abroad and is being used for cyber espionage or cyber interference that seriously endangers Finland's national security. We will assess extending the obligation to assist the authorities to cover service providers located in Finland, such as data centre companies.

The necessary amendments will be made to ensure that the Finnish Security and Intelligence Service receives the information necessary for its duties from the police, tax authorities, enforcement authorities and other public authorities.

The Government will explore the possibility of laying down provisions on powers to process and utilise large data resources available from open sources.

Refugee espionage will be criminalised as an offence subject to public prosecution under the Criminal Code.

We will criminalise activities in which a perpetrator, for the purpose of benefiting the intelligence activities of a foreign state or causing harm to Finland, provides an intelligence service with premises, equipment or information needed by that service. Systematic efforts to influence decision-making in Finnish society with malicious intent on behalf of a foreign state and dissemination of false information on Finland's decision-making or social conditions will be criminalised.

## Combating terrorism effectively

The Government recognises terrorism as a crime that seriously endangers the basic functions of society, the legal order and the safety and security of the population. The threat of terrorism remains at an elevated level. We will combat terrorism effectively.

The Government will remove obstacles to the exchange of information in order to protect national security and organised society. In the EU, Finland will work to increase the exchange of information between the public authorities of different EU Member States in order to improve the effectiveness of the fight against terrorism and other crime.

The Government will overhaul counter-terrorism legislation to respond to current threats and to remove the ambiguity of current regulation. Any gaps in what activities are currently criminalised will be assessed. Penal scales will be revised to increase the punishments for terrorist offences.

## Ensuring border security

Russia's aggression against Ukraine and other changes in the security environment require that border security be further strengthened. The Government will ensure Finland's border security.

Sufficient resources, equipment and technology will be provided to the Border Guard. The number of border guards will be secured. In addition, legislation, including that on powers, will be updated to meet the needs of border security.

The Border Guard's presence in sparsely populated areas of the archipelago will be secured. The Government will prepare for the replacement of all-weather vessels. We will secure maritime search and rescue capabilities and the capacity to prevent environmental damage. We will launch a study on the replacement of maritime search and rescue helicopters that are at the end of their life cycle. We will seek a solution for the equipment needed for voluntary maritime search and rescue.

The powers of the Border Guard will be developed in accordance with the requirements of the security environment. The Government will lay down provisions allowing the Border Guard to use technology more extensively when maintaining border security and will develop the regulation of technical surveillance. The Act on Crime Prevention by the Border Guard will be reviewed.

The Government will lay down provisions on the right of the Border Guard to use its capabilities to support intelligence authorities and on the right to disclose information to intelligence authorities.

We will examine the need to increase the powers of the Border Guard at internal borders in accordance with the practices of other EU Member States and we will increase those powers as appropriate.

The Government will ensure that public authorities have sufficient resources to combat hybrid influence activities. If necessary, the Government is prepared to exercise all its legislative powers in situations that seriously endanger border security.

The experiences of the pilot phase will be taken into account in the construction of the fence on the eastern border. The fence will be built as quickly as appropriate.

## **Securing services provided by the rescue services and the Emergency Response Centre Agency**

Changes in Finland's security environment, changes in the structure of society, technological advances and adaptation to climate change and extreme weather phenomena require developing and strengthening the rescue service and emergency response centre system.

The Government will ensure that emergency assistance is available in Finland. The Government sees rescue services and emergency response centres as key internal security services, which also play an important role in serious incidents under normal conditions and in emergency conditions.

The Government will ensure that high-quality rescue services are available throughout the country. The Government will examine and take the necessary measures to tackle the shortage of rescue workers. The Government will ensure that the rescue services are able to attract and retain employees.

The number of people in rescue worker training will be increased. The rescue worker training provided by Emergency Services Academy Finland in Kuopio will be strengthened. The Emergency Services Academy will monitor the need for rescue workers in Finland as a whole and, where necessary, will also organise regional rescue worker courses. The operations of the Helsinki Rescue School will be developed, especially for the needs of Uusimaa and the rest of Southern Finland. The amount of rescue worker training provided by the Helsinki Rescue School in Swedish will be increased.

Rescue worker training will be developed, without making it tertiary education during this government term.

The Government will ensure that the rescue services are capable of participating in international operations. The effects of NATO membership will also be taken into account in the development and capabilities of rescue services.

Cooperation and synergies between rescue services and prehospital emergency medical services will be ensured.

The status and capacity of contract fire brigades will be secured.

The Government will bolster civil defence by reforming the regulation of preparedness for civil defence and by developing the organisation of civil defence work. The Government will enable the use of conscripts performing non-military service for civil defence tasks. We will investigate possibilities to improve the capacity of civil defence shelters in areas where there are not enough shelters.

Individual emergency planning competence will be strengthened in all population groups, for example, through guidance, counselling and supervision.

Accidents and incidents will be effectively prevented. The Government's objective is to halve the number of fires by 2030.

Uniform command and situation centres of the rescue authorities will be launched. National guidance and supervision of the rescue services will be developed.

The Government will implement the second phase of the reform of the Rescue Act. The instructions for operational capability planning will be updated. Questions concerning the working time system used by the rescue services and the interpretation of the Working Hours Act will be examined. The Government will explore the possibilities for rescue personnel to deviate from the provisions of the Working Hours Act and, for example, to work additional shifts in case of serious incidents under normal conditions.

The Government will launch a national project to improve occupational safety in rescue services. The Criminal Code will be amended so that the punishment for violence or threatening to use violence against emergency medical care personnel corresponds to the punishment for violent resistance to a public official.



The Government will place particular focus on well-being at work in the rescue services. The Government will ensure that post-trauma workshops are continued in the rescue services.

The Government will ensure that the Emergency Response Centre Agency has sufficient resources and will develop its operations. The Government will assess the need to increase the training of emergency response centre operators. The Government will assess the measures necessary to improve the Emergency Response Centre Agency's ability to attract and retain employees.

The emergency warning system will be reformed. The Emergency Response Centre Agency's ability to maintain and develop the Erica information system will be secured. Sign language services will be taken into account and their accessibility will be improved.

As part of the development of the Helsinki Rescue School, the Government will examine the organisation of a regular bilingual regional emergency response centre operator course.

## **10.2 Strengthening the rule of law and democracy in Finland**

### **Securing funding for the judicial system**

The Government will secure funding for the actors in the judicial system.

The Government Report on the Administration of Justice (Government Report 13/2022 vp) states that an increase of approximately 1,200 person-years will be required by 2030 in order to secure the operating conditions for the administration of justice and reach the reasonable objectives set for it.

The Government will examine the funding of the criminal procedure chain as a whole with a view to avoiding bottlenecks.

The Government will ensure funding for premises and information system projects so that their implementation does not detract from the funds available for core activities.

## Strengthening the rule of law in Finland

The Government will strengthen the independence of courts by increasing the number of permanent positions of judges.

Court training will be developed into a stage of the legal career that serves the entire judicial administration and promotes recruitments in the administrative branch. The number of trainee judges will be increased and the training of junior judges will be expanded.

The Government will ensure the availability of services in Swedish in bilingual areas.

The Government will prevent the misleading use of legal titles by providing by law that titles such as 'juristi' and 'lakimies' (lawyer in English) may only be used by a person who has completed a Master of Laws degree (OTM/OTK in Finnish). This will also apply to a person who has completed a Licentiate of Laws (OTL) degree or a Doctor of Laws (OTT) degree without first completing the above-mentioned Master's degree.

The Government will seek alternatives to the current selection procedure for lay judges at district courts so that political parties will have no role in the selection procedure.

The Government will support the rights of the Sami people to maintain and develop their languages and culture. The Government will promote constructive dialogue and cooperation with the Sami. The work of the Truth and Reconciliation Commission Concerning the Sami People will continue until the end of 2025. A government proposal on the Act on the Sami Parliament, based on the work carried out by the committee chaired by Permanent Secretary Timonen in cooperation with the Sami Parliament, will be submitted to Parliament by the end of 2023.

The Government will develop and foster the autonomy of Åland in good cooperation and dialogue with Åland. The work to reform the autonomy of Åland will continue.

The procedures for dealing with Åland-related issues will be harmonised and further developed. The Government will ensure that communications in Swedish between the central government and the authorities of Åland continue to function well. The Government will secure the necessary resources for translations and ensure that the Government of Åland will always be consulted on issues and legislative motions affecting Åland in accordance with the Act on the Autonomy of Åland. The implementation of the Government Strategy on Åland will continue.

The Government will secure the possibilities for Åland to exert influence in EU affairs in accordance with the Autonomy Act and Protocol No. 2 on the Åland Islands attached to the Act of Accession of Finland to the EU.

The Government will reform the grounds for compensation under the Act on the Redemption of Immovable Property and Special Rights to strengthen the protection of property in accordance with the proposal presented by the working group of experts and public officials (OM 2019:12) appointed for a project conducted on the matter at the Ministry of Justice (OM022:00/2016). The protection of property will be strengthened by raising the compensation payable for the redemption of property for the purpose of building power transmission lines.

The Government will take measures to protect the public authorities against violence and the threat of violence. The use of protection mechanisms enabled by the current legislation and operating models, such as the operating model for combating threats against public authorities, will be strengthened. Action will be taken to prevent and combat the rise in hostility towards security authorities. The Government will assess and implement the criminalisation of blue light sabotage, in a similar manner to the Swedish model, in order to protect the internal security authorities and emergency medical service personnel.

## Streamlining judicial procedures

The Government will reform the civil procedure, the criminal procedure and the procedure for considering petitionary matters. The aim is to speed up and streamline judicial proceedings while securing the legal protection and fundamental rights of parties. The means to achieve this include increasing the number of written procedures, easing the requirement to appear in court, increasing the use of electronic practices, remote connections and video recordings, assessing the appropriateness of court compositions and expanding the scope of application of plea bargaining. The Government will also assess the possibilities to transfer certain suitable matters, such as applications for debt adjustment and summary debt collection cases, from district courts to other authorities.

The obligation to state reasons will be relaxed in situations where a criminal investigation is not initiated or charges are not brought.

The Government will examine the possibilities of extending the obligation of parties to present evidence within a given time limit.

The Government will create conditions for the prompt resolution of appeals concerning international protection.

Court mediation will be developed and the use of alternative dispute resolution methods will be increased. The responsibility for mediation in criminal and civil matters will be transferred from the administrative branch of the Ministry of Social Affairs and Health to the administrative branch of the Ministry of Justice.

The Government will examine the need to reform the Arbitration Act and prepare the legislative amendments needed to promote the competitiveness of Finnish arbitration activities.

The Government will carry out an overall review and reform of the out-of-court procedure for imposing fines. The aim is to simplify the procedure and assess whether the use of the conversion sentence for unpaid fines could be increased in situations where a fine cannot be collected.

Provisions on the limitation of the right to request a distribution of matrimonial assets referred to in the Marriage Act will be laid down by law.

## Improving access to legal services

The Government will improve the conditions for providing more consistent and high-quality legal aid, public guardianship and financial and debt counselling services by establishing a national legal services authority.

Access to legal aid will be improved and the use of legal aid in mediation will be promoted.

The Government will assess ways to develop legal expenses insurance in cooperation with insurance companies.

The Government will assess the need to develop the activities of the Consumer Disputes Board in order to shorten processing times and improve the legal protection of consumers.

The Government will update the legislation on guardianship and the continuing power of attorney and enable the use of electronic services in these activities.

## Improving prison safety and security and preventing recidivism

The Government will launch a reform of the prison network to ensure the safe and cost-effective enforcement of sentences. The Government will ensure that the prison network is sufficiently extensive, that the units are as appropriate as possible in terms of location, supervision and the availability of personnel, and that the number of prisoner places and high-security wards corresponds to the need.

The Government will explore ways to improve the attractiveness of the Prison and Probation Service as an employer.

The conditions for placing a prisoner in an open prison will be reviewed so that more attention is paid to the dangerousness of the prisoner and the nature of the offence underlying the sentence when making a placement decision.

The Government will examine whether the conditions for granting prison leave should be tightened and whether unauthorised leave from the grounds of an open prison and not returning to prison at the agreed time should be criminalised.

The Government will enable more extensive use of remote connections in the hearing of prisoners.

Legislation on high-security wards will be developed so that prisons can effectively combat crime. The Government will enable the placement of remand prisoners in high-security wards.

The powers of prison staff in wards with intensified supervision will be clarified and expanded.

The Government will make the necessary legislative amendments to enable the exchange of information between different authorities concerning persons involved in serious and organised crime and other persons who may have an impact on prison safety and security.

A stricter obligation for prisoners to participate in work and other activities organised or approved by prison will be introduced.

The Government will take measures to prevent the smuggling and use of intoxicating substances in prison. The current resources will be targeted at substance abuse treatment aimed at recovery from substance addiction. The provision of out-of-prison substance abuse treatment aimed at recovery from substance addiction will be increased among short-term prisoners and prisoners serving a conversion sentence for unpaid fines.

The Government will develop the services for preventing violent and sexual crime and breaking the cycle of such crime, along with the multi-professional rehabilitation of perpetrators to be provided during the enforcement of imprisonment. The Government will allocate more resources for these services. The needs of different client groups, such as women and young people, will be taken into account in prison activities. The Government will ensure the continuity of services after the term of sentence.

The Government will monitor the effectiveness of the treatment and rehabilitation programmes.

The Government will promote the transfer of foreign prisoners to prisons in their home countries.

## Combating over-indebtedness

The Government will take measures to prevent over-indebtedness and help people who are already over-indebted.

Managing personal finances is a set of basic skills that everyone can learn. The Government will focus particularly on promoting of young people's financial literacy. Efforts will be made to prevent indebtedness resulting from gambling addiction.

The Government will carry out an overall review of indebtedness as a phenomenon and of the functioning of insolvency proceedings, and will assess the need to amend the legislation in this respect. In the review, the Government will take into account the reforms carried out during the previous government term and their impacts. The sufficiency of income remaining at the disposal of debtors will be ensured by maintaining the protected portion in debt enforcement at the current level until decisions on further measures have been made.

The Government will examine the possibilities to develop the procedure for recovering undisputed debts.

Cooperation between the enforcement authorities and debt counselling services will be developed so that the enforcement authorities have an accurate situation picture of the debtor's financial position. The Government will examine the possibilities to create a digital system for referring debtors in enforcement to financial and debt counselling services.

The Government will simplify the procedure for the attachment of income and examine the allocation of funds and any needs for changes to enforcement proceedings. The Government will step up the fight against the grey economy and economic crime in enforcement proceedings. The Government will explore ways to intervene more effectively in situations where enforcement proceedings are being evaded.

Efforts will be made to raise awareness of debt adjustment for private individuals and the related opportunities. The Government will examine whether the debt adjustment procedure could be eased and clarified by strengthening the role of the enforcement authorities in the procedure.

Better support will be provided to companies facing difficulties. The Government will take measures to promote the realisation of criminal liability and liability for damages in bankruptcy cases. The Government will explore the possibilities to establish a register for estate administrators. The Government will diversify the range of means available for the restructuring of companies by introducing debt conversion.

## **Strengthening democracy, participation and trust in society**

Our society is based on democracy. The Government will strengthen democracy, participation and trust in society. We will examine new ways to foster these fundamental values with an open mind.

The Government will work for an inclusive and just society and combat segregation.

The Government will prepare and implement a national programme to promote democracy and participation. A particular objective is to improve voter turnout and to strengthen the participation of children and young people.

The Government will promote the development of good practices in democracy education and human rights education. A culture of good discussion and exchange of opinions will be strengthened in society, starting at an early age, while safeguarding the constitutional freedom of expression and opinion.

Open and interactive governance bolsters citizens' trust in public authorities.

Efforts will be made to further improve the clarity and comprehensibility of communications by authorities.

The Government will promote linguistic rights by continuing to implement the measures defined in the Strategy for the National Languages of Finland and in the Language Policy Programme.

An active and vibrant civil society is a key element in a well-functioning democracy. The Government will prepare a strategy on civil society organisations and an implementation plan for it. Within the framework of the strategy, the aim is to lighten the excess regulation concerning organisational and voluntary activities, explore possibilities to develop the fundraising activities of civil society organisations, and improve the interaction between the public authorities and the civil society. In particular, the EU funding opportunities of civil society organisations engaged in the prevention of violence and crime will be expanded.

## Promoting equality and non-discrimination

The Government will take determined measures to promote equality, gender equality and non-discrimination in society. Everyone has the right to be happy and safe in Finland.

Everyone is equal before the law. No one may be discriminated against based on their gender, age, ethnic or national origin, nationality, language, religion or belief, opinion, disability, state of health, sexual orientation or any other personal characteristics.

The Government will draw up a cross-administrative action plan for gender equality. Based on the policies to be outlined in the action plan, the Government will update and promote the joint objectives determined in the Government Report on Gender Equality Policy to eliminate gender-based discrimination and promote equality between women and men. The Government will take the promotion of equality into consideration in the budget process and in key reforms and projects.

More attention will be paid to gender equality issues affecting boys and men, especially in order to prevent the social exclusion of young men.

The Government will strengthen the basic structures of the rule of law by preparing and implementing Finland's fourth National Action Plan on Fundamental and Human Rights.

The Government will promote knowledge-based decision-making by continuing the official reporting on and monitoring of fundamental and human rights.



The division of tasks between the national human rights institutions (the Human Rights Centre, the Parliamentary Ombudsman and the Human Rights Delegation) will be clarified in order to eliminate overlaps.

The Government will strengthen the realisation of the rights of persons with disabilities and older people and support their opportunities to participate in the digitalising society.

The Government will take various measures to help persons who have been forced into so-called religious or cultural marriages not provided for in the Marriage Act. It is particularly important to try to influence attitudes within the religious and cultural communities in question. Other significant measures include raising awareness and helping victims to receive support and assistance.

The Government will promote the realisation of the rights of the child in all sectors of society. The Government will explore the possibilities to improve the position of children in difficult divorce situations and judicial proceedings. The right of the child to both parents will be promoted by strengthening the obligation of the resident parent to contribute to the realisation of the non-resident parent's right of access and by preventing parental alienation.

The Government will examine the duties of the specialised ombudsmen to identify possible overlaps and any potential for savings in this respect.

The Government will monitor the functioning and impacts of the provisions on the annulment of forced marriages and, if necessary, take measures to revise the legislation.

## **Combating different forms of violence**

The Government will take a number of measures to combat different forms of violence:

Violence against women will be combated by strengthening the ability of public authorities, municipal actors and wellbeing services counties to prevent and identify it.

The prerequisites for identifying and intervening in violence against boys and men will be improved.

The ability of public authorities, municipal actors and wellbeing services counties to prevent and identify domestic and intimate partner violence will be strengthened. Victims' awareness of their opportunities to receive protection will be raised.

The Government will work to improve access to services provided by shelters and rape crisis centres. Measures will be taken to identify and combat honour-based violence.

As a rule, mediation in cases involving domestic or intimate partner violence will be discontinued.

The work to ensure non-violent childhoods will continue. The Government will take measures to ensure that in cases of sexual violence against a child, the criminal investigation is in the best interests of the child and that multi-professional support is provided through cooperation between different authorities.

The Government will assess the need to enact legislation that would oblige municipalities and wellbeing services counties to strengthen their structures for the work to prevent and combat violence.

## Developing criminal policy

The objective of criminal policy is to prevent crime, bring perpetrators to justice, and help and support victims.

By its mid-term policy review, the Government will draw up a criminal policy programme and make decisions concerning it within the financial boundaries.

The Government will draw up an action plan for victim policy aimed at securing the funding of support services for crime victims and improving the position of victims in criminal proceedings. The possibilities to raise victim surcharges will be examined. The Government will assess the need to reform the Act on Compensation for Crime Damage in order to strengthen the position of victims and their family members.

The Government will revise the provisions of chapter 1 of the Criminal Code on the territorial scope of application of the criminal law of Finland.

In international contexts, the Government will contribute to ensuring that war crimes, crimes against humanity and other most serious international offences are increasingly considered in international criminal court proceedings.

The Government will examine the possibilities and take the necessary measures to extend the limitation period for the right to bring charges for intentional homicides and sexual offences against children or to abolish the limitation period for the right to bring charges for such offences.

The Government will tighten the legislation concerning child abuse material (CAM) in order to protect children who are victims of serious offences. Possession of a depiction of violence will be criminalised and provisions on an aggravated form of possession of an image depicting a child in a sexual manner will be added to the Criminal Code. In addition, the Government will ensure that possession of other material depicting brutal violence is criminalised in order to protect people and animals.

Chapter 21, section 4 of the Criminal Code (infanticide) will be repealed as unnecessary.

The Government will examine the possibilities of adding humiliation as one of the grounds for aggravation in aggravated assault or as one of the grounds for increasing the punishment for the offence, and will make the necessary legislative amendments. This would include, for example, filming or photographing the act and disseminating the material or using some other particularly humiliating method.

The Government will immediately seek solutions to ensure that prisoners who are the most dangerous to society and to the safety of other people are not released. Preventive detention will be introduced. The assessment of the risk of violence will be developed and its significance as part of the consideration of the release of a prisoner will be substantially increased.

The provisions on conditional release will be amended so that a person can only be considered a first-time offender once.

The Government will examine the punishments for animal welfare offences and take the necessary measures. It will also assess the possibilities to extend the duration of the ban on keeping animals and to intensify the monitoring of the ban.

The Government will examine the need to criminalise coercive control.

Female genital mutilation will be more explicitly criminalised in the Criminal Code. Taking a minor girl abroad to undergo female genital mutilation will also be criminalised.

The Government will take the necessary measures to clarify the punishability of coercion into marriage in the Criminal Code.

The Government will assess the possibilities to develop electronic monitoring and expand its scope of use in monitoring compliance with restraining orders with a view to improving the effectiveness of restraining orders and preventing violations.

The Government will enable applying for a restraining order against a person who repeatedly makes threats or causes disturbance to a company (a so-called corporate restraining order).

Measures will be taken to promote the safety and security of spectators at events.

## 10.3 Migration and integration policy

### **An asylum policy that will allocate assistance to the most vulnerable people and prevent abuses**

In migration policy, Finland will comply with human rights and other international treaties, its obligations under EU legislation and the rule of law. Finland will participate in multilateral international cooperation.

The Government's asylum policy will be based on helping the most vulnerable people, on international cooperation, on guaranteeing security and on defending Western values, such as democracy and equality. Particular attention will be paid to the rights of children, women and persons with disabilities.

Finland will provide full assistance to people who have fled the war in Ukraine and will continue to protect them in cooperation with other EU Member States. Special attention will be paid to vulnerable people, such as unaccompanied children who have fled the war in Ukraine.

An action plan will be drawn up to help people who have fled Ukraine, to support their participation in Finnish society and to help them enter the labour market. As part of the action plan, the employment of Ukrainians will be promoted by increasing workplace education and training, the identification and recognition of qualifications, continuing education, license card training as well as by increasing career coaching and online job search training in Ukrainian.

People fleeing war, persecution and other human rights violations have the right to apply for asylum. The Government's objective at both the national and EU level is that the assistance we provide will be allocated to the most vulnerable people and that abuses of the system will be prevented.

Assistance will be primarily provided to the most vulnerable people in their regions of origin. The use of the asylum mechanism based on crossing European borders and applying for asylum in Finland will be minimised. The Government will bring Finland's key asylum policy statutes up to the general level of Nordic countries.

The Government will conduct a comprehensive study on the processing of asylum applications and asylum recognition rates in different EU Member States. To support the Government's objectives to tighten asylum policy, we will introduce the more stringent provisions and best practices made possible by the Qualification Directive, Asylum Procedures Directive and Return Directive.

Finland's asylum system will be made more efficient and its quality improved. Rejected asylum applicants will return or will be returned to their countries of origin as soon as possible. The principle of non-refoulement will be complied with. The Government will ensure that the asylum process will not become a channel for job seeking and labour immigration.

The system of representatives for unaccompanied minor asylum seekers will be reformed. The role of the representative as the guardian of the child will be clarified.

Finland's annual refugee quota will be 500 persons. The Government will assess the allocation of the quota, including for cultural and ethnic groups persecuted in their country and for persons in a particularly vulnerable position in camps.

The Government will reform the Aliens Act to make it a clear package. The aim is to create a balanced whole: entry, stay or residence in the country, follow-up monitoring of permits and removal from the country. The overhaul will be carried out in phases. During the government term, the residence permit system of the Aliens Act, including conditions for permanent residence permits and family reunification, will be reformed and clarified. During the government term, the provisions on international protection and entry bans will be reformed in the same first phase of the overhaul.

However, during the 2024 spring session at the latest, the Government will submit to Parliament at least the following proposals for amending the Aliens Act:

- The Government will make international protection temporary in nature, and the length of international protection permits will be shortened to the minimum allowed by EU law, i.e. three years for a permit based on granted asylum and one year for a permit based on subsidiary protection. The extension of permits will require an assessment of the need to continue international protection.

- If a person commits a serious offence in Finland that endangers public order and security or if the person endangers national security, their international protection status will be withdrawn, their residence permit based on that status will be withdrawn and an entry ban will be imposed on them. The principle of non-refoulement will not be violated. It will be made possible to withdraw a residence permit from an alien staying outside Finland and to impose an entry ban due to a person being a danger to public order and security or national security without hearing the person in Finland.
- The Government will reform the regulation of the evasion of provisions on entry. The aim is to more effectively prevent the evasion of provisions on entry more effectively.
- The provisions of the Aliens Act on the verification of identity will be clarified. The aim is to make the verification of identity more binding and reliable.
- The Government will introduce a national border procedure with an approach that fully exploits the scope of the Qualification Directive as required by the situation. An accelerated asylum procedure will be introduced in situations permitted by the Asylum Procedures Directive.

In addition, the partial reform will implement at least the following changes with regard to international protection:

- Protection status will be withdrawn once the need for protection ends or if a person, when travelling on holiday to their country of origin, avails themselves of the protection of that country. Obstacles to the exchange of information between the authorities will be removed and an efficient supervision model will be created.
- The conditions for submitting subsequent applications will be tightened and unfounded subsequent applications will be prevented.
- The processing of asylum applications will be made more efficient, which will save resources in reception activities and requests for review. The practice of going over the asylum interview record with the asylum seeker will be abolished in a way that ensures legal protection and that pays special attention to special groups. This will save resources for the asylum interview.

The target for processing times of applications will be shortened to no more than six months. The quality of the procedure and legal protection will be ensured. The focus of the asylum process will be shifted to the asylum interview. The grounds presented during the asylum interview will be given more weight in the procedure. The consideration of the admissibility criteria for applications will be specified and made more efficient.

At the same time, the partial reform of the Aliens Act will amend the provisions on entry bans.

The Government will reform the Act on the Reception of Persons Applying for International Protection and on the Identification of and Assistance to Victims of Trafficking in Human Beings. Reception services will be made more efficient by utilising the scope of the Reception Conditions Directive and the best practices of other EU Member States.

Rejected asylum applicants will be prevented from switching to a work-related immigration procedure. It will be possible to remove a person who has been refused asylum from the country even if they have obtained a job during the asylum process.

The Government will implement a set of measures related to voluntary return and departure including at least the following:

- The Government will introduce effective return counselling, starting at the asylum interview. The amount of the assistance for voluntary return will be raised to the same level as in reference countries. The assistance will be staggered so that it will encourage people to leave the country as quickly as possible and refrain from requesting a review of their asylum decision.
- To enforce returns, the Government will enhance cooperation between the police, the Finnish Immigration Service and other relevant authorities and remove obstacles to the exchange of information.
- The Government will expand the use of the obligation to report and the residence obligation to secure the enforcement of decisions to remove a person from the country.
- The Government will examine and introduce efficient and appropriate precautionary measures within the limits of the EU asylum directives.
- The Government will ensure, with respect for the principle of non-refoulement, that persons who no longer have a residence permit or right of residence will no longer be eligible for a municipality of residence in Finland.
- The Government will examine the possibilities to impose a prison sentence as a punishment for illegal stays in the country, taking into account the impacts of this on general government finances.
- The Government will explore the most effective means to prevent illegal stays in the country and undocumented migration.
- The Government will examine the possibilities to restrict the right to request a review of decisions on denial of admittance or stay and of decisions on deportation so that review may only be requested from one appellate authority.

- Deportations and denials of admittance or stay that are permitted by law will be efficiently taken into use at the appeal stage in situations where their enforcement has not been prohibited by a court decision.
- The amount of the reception allowance will be reduced to the minimum amount permitted by the Constitution and the Reception Directive.
- Reception services during the processing of a subsequent application will be limited to the minimum permitted under the Reception Directive.
- The detention of aliens on grounds of public order and security and the continuation of detention for 12 months will be enabled in place of the current six months. The possibilities to detain aliens guilty of serious offences will be expanded.
- The right of those staying or residing in the country illegally to other than urgent health and social services and to social security will be withdrawn. In other words, the legal situation prevailing before the previous parliamentary term will be restored in this respect.
- The Government will examine the possibilities to allow educational institutions to expel a student on the grounds that a final decision on denial of admittance or stay or on deportation has been issued against the student.
- The Government will examine the possibilities to return people staying or residing in Finland illegally to third countries in situations where they cannot be returned to their home countries.

Bilateral financial assistance to be provided to third countries will be made conditional upon the country readmitting their citizens who are to be returned.

The Government will amend the conditions for family reunification as follows:

- The Government will investigate the possibilities of restricting the definition of family applicable in connection with family reunification so that in all situations it would only cover the spouse and children.
- The Government will introduce an age limit of 21 years required of a sponsor in connection with spousal family reunification, while ensuring the rights of any minor children.
- With regard to minor sponsors, the Government will restore the legal situation that prevailed before the previous parliamentary term, taking into account the rulings of the Court of Justice of the European Union.
- In a family reunification process initiated by a sponsor who has been granted international protection, a requirement of a two-year period of residence will be introduced to ensure the sponsor's integration, while safeguarding the effective realisation of the rights of the child.



- The Government will examine the possibilities to introduce a pre-entry language test. In the test, the spouse of a sponsor who has been granted international protection, seeking to enter the country on the basis of family ties, would have to demonstrate a certain level of language proficiency in the country of origin.
- The Government will review the income limits applicable in connection with family reunification, taking into account their impacts on the availability of labour and general government finances. The income limits will not be lowered. In future, the income limits will be determined by government decree.
- The Government will explore means to use the family reunification system to prevent marriages of convenience and forced marriages.

To promote integration, the Government will differentiate the social security system and social benefits of immigrants and permanent residents of Finland from each other, taking into account the constitutional requirements. The Government will explore the possibilities to tighten the provisions of the Act on Residence-Based Social Security in Cross-Border Situations (16/2019) to extend the required period of residence and raise the required income level.

In EU migration policy, the Government will, in a constructive manner, promote the following issues:

- Highlighting the significance of strong external borders and developing the Schengen acquis to manage migration.
- Strengthening the operating conditions for the EU's external borders and the European Border and Coast Guard Agency Frontex.
- Reducing the opportunities of external actors to instrumentalise migrants with the aim of exerting influence against the Union.
- Utilising the EU's development and trade policy and external relations to promote the conclusion of agreements on the return of third-country nationals.
- Introducing a mechanism within the EU that would, in the event of a mass influx of irregular migrants, allow temporarily suspending the processing of individual asylum applications in a situation where the sovereignty of a state is endangered by, for example, hostile measures taken by a foreign state.
- Voluntary burden-sharing at EU level. Finland also has a reserved attitude towards temporary burden-sharing operations.

## Amending the conditions for permanent residence and naturalisation

The Government will tighten the requirements for permanent residence. The aim is to encourage integration and provide a view of a future in Finnish society. Finnish citizenship is not something that will be granted automatically. It will require successful integration.

The Government will amend the requirements for obtaining a permanent residence permit as follows:

- In future, it will be possible to obtain a permanent residence permit based on a six-year period of residence subject to certain requirements in addition to the current requirements. These additional requirements are sufficient language skills demonstrated in a language test, a two-year work history without recourse to unemployment security or social assistance other than for a very short period of time, and a stricter integrity requirement.
- However, a person of working age may obtain a permanent residence permit based on a four-year period of residence, if the person:
  - has a minimum annual income of EUR 40,000; or
  - has completed a Master's degree recognised in Finland and has a two-year work history without recourse to unemployment security or social assistance other than for a very short period of time during their residence in Finland; or
  - has particularly good skills in the Finnish or Swedish language demonstrated in a language test and a three-year work history without recourse to unemployment security or social assistance other than for a very short period of time during their residence in Finland.
- A permanent residence permit cannot be granted if the person concerned does not actively help in establishing their identity. The integrity requirement will be tightened.

With respect to residence permits for long-term residents, the Government will introduce the additional requirements for integration, i.e. language skills, employment and financial resources, permitted by the relevant EU Directive in a similar manner to how these requirements are applied to national permanent residence permits.

The Government will reform the Nationality Act by tightening the requirements for naturalisation. A government proposal for amending the Act will be submitted to Parliament by the end of 2023. The Government will take the following measures:

- The required period of residence in Finland will be extended to eight years. Only residence under a residence permit will be taken into account when

calculating the approved period of residence. The number of days spent abroad that are approved as part of the period of residence will be decreased.

- Passing a citizenship test and a language test will be made a requirement for naturalisation.
- The integrity requirement will be tightened. The Government will investigate the possibility of including a procedure for a national security assessment in the naturalisation process.
- An actual requirement for sufficient financial resources will be reintroduced as a requirement for naturalisation.
- Citizenship will not be granted if the person concerned does not actively help in establishing their identity.
- The Government will enable revocation of citizenship in a situation where a person has acquired citizenship by acting fraudulently, by providing false information or by concealing a relevant circumstance.
- The derogation pertaining to the period of residence of people who have been granted international protection will be removed. The Government will examine the removal of derogations applicable to stateless persons.
- The Government will shorten the required length of a sentence imposed on a person with dual citizenship for a terrorist, treason or high treason offence based on which the person will lose Finnish citizenship.
- The Government will look into the Danish approach to revoking the citizenship of a person with dual citizenship who participates in the activities of an armed terrorist group or other similar activities abroad.
- The Government will examine the possibilities of introducing the principle of reciprocity in respect of the dual citizenship system, taking into account the rights of the child and family law issues.

## **Streamlining and controlling labour immigration and preventing abuses**

Labour immigration is very important for Finland's economic growth and the securing of services. In Finland, work-based residence permits are based on the right and obligation to work. Supervision will be increased and abuses will be prevented. Labour immigration must improve general government finances.

The Government will maintain the current system of labour market tests and strive to ensure as a matter of priority that unemployed jobseekers already in Finland become employed. In addition, the Government will supplement the labour force primarily from the EU and the EEA. Labour immigration from third countries will focus on people with higher education as well as employees in sectors that can be genuinely identified as suffering from a labour shortage.

Labour immigration is one of the measures to achieve the Government's employment target and it will complement other employment measures.

Work-based residence permits will be tied more strongly to work. This means that a holder of such permit must leave Finland if the holder's employment relationship ends and the holder has not entered into a new employment relationship within three months. The Government will enact provisions to obligate employers to notify the Finnish Immigration Service of the termination of the employment relationship of a person with a work-based residence permit. Failure to meet this obligation will be subject to sanctions. The Government will investigate and implement a more effective system for supervising permit conditions.

In order to prevent the exploitation of employees, the punishments for abuse will be made significantly more severe and supervision will be improved. The Government will implement at least the following reforms:

- We will increase the punishment for exploitation of labour by replacing the current section on extortionate work discrimination by provisions on usury in employment and aggravated usury in employment. The minimum punishment for the aggravated act will be imprisonment. Legislation will be amended so that, in addition to the punishment, the offender in the above-mentioned offences may be prohibited from pursuing a business. Corporate criminal liability will be extended to usury and aggravated usury in employment.
- We will enhance supervision by the public authorities by ensuring that the police have sufficient resources throughout the country in terms of police departments and the anti-trafficking unit and ensuring that the police have the powers to investigate and detect abuses in work-based immigration.
- We will use risk analyses to target occupational safety and health inspections at sectors where the need for protection is greatest. Adequate interpreting services or tools will be guaranteed for inspectors.
- The Government will improve opportunities for cooperation between the public authorities, for example, by ensuring that the public authorities have the right to obtain and provide information on their own initiative. Necessary legislative and other measures will be launched to improve the exchange of information between the public authorities in order to enhance the prevention of exploitation and to inform the competent authorities of abuses.
- The Government will crack down on opportunities to disguise employment relationships as business activities. This will be done by creating a registration obligation for invoicing service companies as well as an obligation for them

to identify their customers using strong identification technology when the customers register for the service.

- We will step up measures to combat human trafficking and ensure the exchange of information between public authorities. Human trafficking will be prevented in a cross-administrative and comprehensive way. Labour exploitation related to immigration will be combated and support services for the victims of crime will be secured.

The income limit for a residence permit for an employed person will be raised to the sector-specific minimum of the collective agreement, however, to no less than EUR 1,600 per month. The Government will commission a study within a short time frame to examine the raising of income limits for residence permits, taking into account the effects on the availability of labour and general government finances.

Legislation will be amended so that the income limits will be decided by government decree in future.

Identification at embassies will be monitored and, if necessary, measures will be taken to prevent misuse.

The Finnish Immigration Service will increase its use of semi-automation. The Government will explore enacting a law on automation in immigration to enable automated decision-making in cases where the permit does not require individual consideration.

We will allow people with a work-based residence permit to work in other jobs in the same sector and in sectors that can be genuinely identified as suffering from a labour shortage.

The Government will strive to process work-based residence permits within a maximum of one month. The Government will strive to process such permits for professionals earning more than EUR 4,000 per month within a maximum of one week.

The Government will introduce a target country model for labour migration. The aim is to focus recruitment efforts on specific groups of experts in the target countries. The target countries are India, the Philippines, Brazil and Vietnam. The effects of the target country model on general government finances will be monitored.

The Government will ensure that education-based immigration is controlled. With respect to education-based residence permits, a practice will be adopted in which a person's permit will be revoked if they resort to Finnish social assistance. Kela will be obligated, upon request and on its own initiative, to provide information on such matters

to the Finnish Immigration Service, taking into account data protection legislation. The possibilities of utilising register data of other public authorities in ex-post monitoring will be investigated.

Upon application, a permanent residence permit will be issued to those who have completed a master's degree in Finland and who have sufficient knowledge of Finnish or Swedish. The applicant must also meet the general conditions for the issuance of a residence permit under the Aliens Act.

Based on an assessment by the Finnish Security and Intelligence Service, residence permits for students and researchers will be examined and restricted in sectors critical to security, such as dual-use technologies.

## Integration in Finland through work

Integration policy will be based on language learning, work, familiarisation with Finnish society and compliance with its rules. Finland is an open society that provides help and encouragement for getting started in a new society.

The Government will ensure that there are opportunities for integration by increasing immigrants' own responsibility for integration and by introducing obligations into the system. The conditions for obtaining a permanent residence permit will be changed to encourage integration.

Finland is determined to combat the emergence of parallel societies.

The Government will reform the integration system to encourage integration. Amendments will be made to the Act on the Promotion of Immigrant Integration (hereinafter, the Integration Act) and the integration system to shift the focus of the system from an emphasis on the rights of immigrants to an emphasis on their own obligations and responsibilities. The Government will implement at least the following reforms:

- The Government will implement the replacement of social assistance and labour market support with integration support for immigrants, which will include an incentive and an obligation to integrate.
- We will promote the flexible availability of language training included in integration services, including at workplaces.
- The Government will raise the participation rate of children with an immigrant background in early childhood education and care, as this will

support the integration and language learning of the entire family. We will ensure that the parents who have children under school age and who receive social assistance are directed to the labour market.

- The Government will step up the use of reductions of social assistance and labour market support as a sanction if an immigrant fails to comply with their integration plan, participate in language training or pass the final test within the prescribed time limit.
- The exchange of information on support granted by Kela to prevent misuse will be improved. The supervision carried out by Kela will be made more robust to detect misuse.
- The Government will ensure that obligations concerning jobseeking and acceptance of work enter into force immediately after a person receives a residence permit and that these obligations are not suspended for the duration of services provided during the integration period.
- The Government will ensure that integration is possible in both national languages. The aim is for about 5–10 per cent of people to integrate in Swedish. The public authorities must provide clearer information on the possibility to integrate in Swedish. Immigrants must be able to choose the language in which they will integrate. Efforts to seek the placement of quota refugees in Swedish-speaking municipalities will be improved.
- We will examine limiting the long-term right to interpretation services to three years, except in special cases, such as for persons with disabilities.
- The Government will shorten the payment period for compensation paid to municipalities and wellbeing services counties for promoting integration of different types of integration clients from three to two years and from four to three years.
- In the new Integration Act, we will cancel additional tasks to be assigned to municipalities, such as assistance with shopping.
- The Government will explore ways to amend the Integration Act so that only one integration plan will be drawn up. For example, the practice of carrying out a separate initial assessment will be discontinued.
- The Government will implement a reform of integration services, which will make the system more efficient and will bring funding under a single umbrella.
- Shorten the duration of integration support. The funding granted to organisers of integration training will be made partly performance-based.
- The Government will formulate clear objectives and testing for preparatory education for primary and lower secondary education, the completion of which will be a prerequisite for transitioning into general teaching. The funding for preparatory education will be extended to a maximum of two years.

- We will implement the introduction of the Norwegian model so that the right to child home care allowance will begin after several years of residence.
- We will lower the Integration Act's age limit for receiving after-care in adulthood to the same level as in child welfare after-care.
- Employment, level of education and the use of social benefits will be used as indicators of integration.
- The Government will recognise and acknowledge the key role of the third sector in the diverse field of integration measures.

Honour-based violence will be identified and combated. Awareness of honour-based violence will be raised and the penalties related to honour-based violence will be increased.

The capability of the public authorities to identify female genital mutilation as a phenomenon and exchange information will be improved. The Government will step up measures to prevent female genital mutilation.



# 11 Get Finland Moving programme

## Objective

The Government aims to increase physical activity in every age group. To achieve this, a cross-administrative action plan will be drawn up to promote physically active lifestyles and functional capacity.

## Situation picture

Exercise and physical activity play a key role in people's holistic wellbeing. A sufficient level of physical activity helps to develop motor skills and improves wellbeing. Physical activity helps people to learn and maintains good mental health. It sustains work ability and reinforces resilience. Physical activity is also very important for mental health. Good functional capacity is essential for older people's wellbeing and their ability to keep living at home.

Physical inactivity poses a major challenge for all Western countries. The wellbeing of too many Finns is threatened by inactive lifestyles, which lead to reduced functional capacity. Only one in three children and young people and one in four adults engage in enough physical activity to stay healthy. Around 40 per cent of students have a level of physical capacity that makes daily life more difficult. Insufficient physical activity affects people's ability to study and cope at work. It also poses a threat to maintaining national defence capability and keeping up general wellbeing. Physical inactivity is also a problem for the national economy. Various programmes and measures have been implemented over the years, but a comprehensive and cross-administrative approach will be needed to reverse this trend.

Research evidence on the effects of physical activity on health, wellbeing and functional capacity is undeniable. Increasing physical activity can improve wellbeing and reduce the costs incurred by society. People with the lowest functional capacity have the greatest need to increase their physical activity.

## General principles

The implementation of the action plan will take place at government level. The Government will set up a ministerial working group tasked with implementation and monitoring. A full-time secretariat will be appointed for the implementation with resources allocated for its communications. The effectiveness of the measures will be evaluated regularly, and the models found to be most effective will be adopted and established.

The action plan will take into account the long-term nature of the measures. For each administrative branch, the action plan will identify the key changes needed in terms of methods, structures and thinking in order to maintain people's physical activity. Decreasing levels of daily physical activity present a growing problem. The action plan seeks solutions for increasing daily physical activity, including identifying opportunities offered by the digital transformation in promoting physically active lifestyles.

The Government will implement the action plan in broad-based cooperation with various interested parties, such as ministries, businesses, labour market organisations, civil society and the media. The action plan will make use of best international practices for increasing physical activity.

The ministries will draw up and implement measures for improving physical activity and functional capacity and select the appropriate indicators for them. The preparations for the action plan will make use of the work of the National Sports Council and the cross-administrative Coordination Body for Physical Activity, along with the expertise of civil society organisations and sports clubs.

## Measures

The Government will implement the action plan through measures such as:

1. Enhancing sports skills and competence in different fields of education and training, such as healthcare and social welfare and education sciences.
2. Incorporating the promotion of physical activity and health into the strategies of municipalities and wellbeing services counties across administrative boundaries. Improving lifestyle counselling and physical activity counselling in municipalities and wellbeing services counties while taking advantage of the opportunities offered by health technologies. Evaluating the allocation of financing intended for promoting health and wellbeing in municipalities and wellbeing services counties.

3. Supporting the promotion of physical activity in families. Adding a ball to the maternity pack and increasing the provision of advice on physical activity for families at maternity and child health clinics.
4. Encouraging municipalities to develop school yards and the grounds at early education centres into diverse local sports facilities. Encouraging municipalities to enable more extensive use of their facilities for sports and exercise provided by student organisations.
5. Incorporating elements of physical exercise into the daily activities at early education centres and schools, including travel to school, and improving opportunities to pursue a leisure activity during the school day.
6. Adding provisions on the promotion of physically active lifestyles to the Act on Primary and Lower Secondary Education. Supporting the work of education and teaching staff by disseminating the best practices. Encouraging municipalities to extend the On the Move programmes to all early education centres and schools.
7. Testing a range of methods, such as leisure vouchers, for providing after-school activities involving sports and exercise. Establishing the resulting best practices in the Finnish model for leisure activities.
8. Providing personal physical activity counselling and guidance based on children's and young people's MOVE! test results as part of the health checks in primary and lower secondary education
9. Exploring the possibility of making physical education a weekly subject in upper secondary education. Encouraging all higher education institutions to apply for the Students on the Move programme.
10. Including the promotion of physical activity and functional capacity in the call-ups of conscripts.
11. Facilitating coping at work by making physical activity an integral part of developing work ability and workplaces. Exploring the most effective ways for employers to promote employees' physical activity together with occupational healthcare.
12. Updating the programme for promoting walking and cycling. Paying particular attention to ensuring safe routes to school and increased opportunities for physical activity. Incorporating the promotion of physical activity in the reform of land use legislation. Promoting walking and cycling in land use, housing and transport (MAL) agreements.
13. Promoting recreational use of natural areas and nature tourism. Reforming the Outdoor Recreation Act while taking account of protection of property. With a view to increasing physical activity, recognising the importance of activities such as hunting, woodcraft and keeping pets.

14. Exploring and evaluating the options for promoting physical activity through taxation. Clarifying the value added tax treatment of sports sector operators to encourage physical activity.
15. Promoting the functional capacity of older people and taking action to prevent falls. Exploring the possibility to guarantee a subjective right to outdoor recreation for older people. Adopting a tax credit for household expenses to promote the functioning of people over 75 years of age and their ability to live at home by facilitating the purchase of sports and rehabilitation services, as proposed by the Finnish Innovation Fund Sitra.
16. Recognising the opportunities of sports sector businesses to provide services.

# Government management and communications

To facilitate the implementation of the Government Programme, common objectives and indicators will be set to assess the effectiveness of the measures. Achieving the Government's objectives will require effective management of resources across administrative boundaries, development of management, and more efficient processes. The management of the Government's operations will be improved during the government term with a particular focus on facilitating the implementation of cross-administrative objectives. The overall management and quality of government-level documents for guidance and direction (strategies and resolutions) will be improved by drawing up a strategy plan and monitoring its implementation.

## Knowledge-based management

To ensure that the limited resources are allocated to effective measures, the Government will make active use of society's information resources and research data in its decision-making.

Efforts will be made to strengthen Statistics Finland's resources so that society's information resources can be made available for decision-making and research more quickly than before. The Government will explore the possibility of making the data room a permanent unit. The Government's analytical capabilities will be strengthened and the use of behavioural foresight will continue as part of the knowledge base for decision-making and the preparation of effective measures.

The Government will use indicators to monitor the achievement of its objectives, including periodically reviewing the progress on the objectives in relation to changes in the operating environment and, if necessary, will decide on additional measures. Tools will be developed for monitoring the implementation of the Government Programme. Up-to-date information about the monitoring will be made openly available to citizens.

## Law drafting

The Government will ensure efficient and high-quality law drafting in order to provide guidance and direction in society and secure the legal protection of citizens and businesses. During the parliamentary term, the organisation and management of law drafting at the ministries will be developed, as will cooperation on law drafting between the ministries.

The openness and transparency of law drafting will be increased by making the monitoring of the full process more open.

The Government will develop the monitoring and ex post evaluation of legislation. The Government will strengthen the role of the Finnish Council of Regulatory Impact Analysis by law.

The Government will draw up a legislative programme for the government term and a legislative plan for each parliamentary session.

## Uniform human resources management of the Government and its ministries

Government activities, services and resources will be made more efficient and flexible. By the end of 2024, the Government will draw up a report on the transition to shared ministry posts and on the consolidation of the government human resources administration under the Prime Minister's Office. With these measures, the Government aims to enable efficient allocation of human resources and flexible use of resources.

To facilitate the implementation of the Government Programme, a shared and clearly defined provision for operating expenditure and an operating model will be created for the Government to enable rapid, efficient and flexible allocation of human resources. The government plenary session will decide on the use of this shared resource on the proposal of the Prime Minister. The shared resource will be located at the Prime Minister's Office.

## Transferring secretaries to ministers, state secretaries and special advisers to the Prime Minister's Office

The secretaries to ministers, state secretaries and special advisers will be transferred to the Prime Minister's Office from the beginning of 2024 to enable flexible use of resources and uniform services.

## **Communications**

A key objective of government communications is to strengthen the democratic environment and democratic decision-making. This means systematic promotion of freedom of expression, openness and equitable treatment.

Communications are an integral part of strategic leadership. The Government will decide on the key guidelines for communications by adopting a government resolution on communications.

## **Renovation of the Government Palace**

To promote productive work in the Government and its ministries and ensure effective cooperation between them, the premises in the Government Palace blocks will be renovated and refurbished, and some of the Government's management will be transferred there.

## **Reform of the legislation on the non-compete period for ministers**

The definition of the non-compete period under the Act on Public Officials in Central Government will be harmonised across the ministries. The Act on the Non-compete Period in the Duties of Government Members will be completed.

## **Panels**

The role of panels and similar multi-member bodies in supporting the Government's work and the implementation of the Government Programme will be evaluated.

# Democratic practices and legislation governing elections and political parties

## Improving the proportionality of the electoral system

The Government will improve the proportionality of the electoral system by launching a parliamentary process to prepare a new electoral regions model for electoral districts where the hidden vote threshold is particularly high. We will primarily focus on the electoral district of Lapland, which will be combined with the electoral district of North Ostrobothnia to form a joint electoral region for the purpose of calculating election results. The method for calculating the seat distribution between parties will be based on the number of votes received by each candidate and the number of Members of Parliament to be elected in the electoral districts relative to the population. Both electoral districts will remain independent and their boundaries will not be changed. Their regional identity will also be taken into account. A similar practice would in future be applied to other electoral districts where the number of Members of Parliament to be elected drops below eight or below seven MPs. The decision on the electoral region model will be made during 2024, and the aim is to introduce the model in the 2031 parliamentary elections at the latest.

## Facilitating voting and campaign work

The Government will ensure the accessibility of polling stations and council meeting rooms through legislation and enhanced guidance and training of local authorities. People entitled to transport services will be granted the right to transportation to a polling station to vote, and people holding political positions of trust and standing as candidates in elections will be granted the right to make a certain number of trips without this affecting their right to make other trips. The Government will improve the provision of information on the possibility for at-home voting. The advance voting period and the time allowed for vote counting will be adjusted to meet the needs of increased advance voting. The Government will ensure that election officials present at polling stations both during the advance voting period and on the actual election day represent the different political parties as comprehensively as possible. The Government will prepare for changes in public and semi-public urban spaces and for the conduct of political campaigning and



the realisation of freedom of assembly in future urban environments. The Government will promote the necessary changes to local detailed plans and examine the ownership and use of routes leading to large public transport hubs in more detail.

The Government will carry out cross-administrative work to explore scenarios for conducting elections during various crisis and emergency situations.

The Government will enable electronic nomination of candidates as the primary procedure while preserving the possibility to conduct nominations on paper. As an immediate measure, the forms used for nominating candidates will be updated. For example, the 'Proposal for a List of Candidates for a Political Party' form will be updated so that it can be filled in dynamically, and the candidate commitment form will be updated to be electronic and require strong identification. The aim is to introduce both of the new forms in the 2025 municipal and county elections. The Government will remove the mandatory requirement for political parties to conduct a vote by members from the Election Act, thus enabling each party to decide on the organisation of a vote by members in their rules and regulations.

The Government will launch a regular dialogue with political parties, financial institutions and supervisory authorities regarding candidates' and political associations' statutory obligation to keep accounts related to their political activities and elections in a clear and appropriate manner. The aim is to ensure that the same information is only asked for once (the once-only principle) in the oversight of election campaign and political party funding. The Government will also clarify legislation in respect of funding that exceeds campaign costs and the definition of the campaign period. Furthermore, the Government will clarify the funding of election campaigns and political parties in respect of loans so that the origin of a loan can always be identified. The list of contributions that are not considered financial support, laid down in the Act on Political Parties, will be updated (elected officials charges, contributions based on the budget of the European Union institutions and other similar international organisations). The Government will specify legislation to allow political parties to partially transfer discretionary government grants to support the activities of a foundation or a limited liability company implementing the objective of the party, which is already an established practice.

## **Candidate eligibility and stronger participation**

The Government will launch an extensive study on any possible overlaps and disqualification issues in decision-making at different levels of government and on the participation of employees of municipalities and wellbeing services counties in the work of municipal and county executives and of the committees subordinate to them. The

study will be completed in the spring of 2025. Parliament will discuss issues related to the development of the citizens' initiative system and other initiative and consultation systems. The age limit for signing a European Citizens' Initiative will be lowered to 16 years. The Government will monitor the functioning of the Transparency Register and evaluate the relevant legislation towards the end of the government term. The Government will amend legislation so that the eligibility of a person moving from Helsinki to a wellbeing services county to stand as a candidate in county elections will be determined in the same way as the eligibility of a person moving from elsewhere in respect of the relevant time limits.

# Annexes

## Annex A. Spending limits

The Government undertakes to adhere to the spending limits that it has set, and to the spending limits decision based thereupon included in the first General Government Fiscal Plan of the parliamentary term. Entries and other measures in the Government Programme will be implemented to the extent that is possible within the spending limits framework.

EUR 400 million of the parliamentary term spending limits will be earmarked annually for supplementary budget needs. The Government may spend no more than EUR 100 million of the supplementary budget provision in 2027. Provisions of EUR 120 million in 2024, EUR 150 million in 2025, EUR 180 million in 2026 and EUR 250 million in 2027 will also be made in the spending limits as an unallocated reserve. The unallocated reserve and supplementary budget provision are dimensioned to cover all unpredictable expenditure (discretionary and so-called automatic amendments). The Government undertakes to ensure that the provisions remain unused and the spending limits will be calculated accordingly if expenditure pressures do not necessitate full use of the provisions.

Spending limits seek to cap the total expenditure incurred by the taxpayer. Corresponding adjustments may be made in the spending limits for a parliamentary term when making budgetary amendments that are neutral from this perspective.

The Government will not use tax relief or tax subsidies to circumvent the spending limits. The Government will likewise not use any share transfers, assignment of debts, funds or other means to circumvent the spending limits in a manner that is contrary to their purpose. A systematic assessment of this will be incorporated in Government policymaking.

Spending limit adjustments will be applied as necessary to ensure that the spending limits do not constrain re-budgeting of expenditure, changes to the timing of expenditure items (including changes in the timing of EU fund expenditures and the EU membership fee), or refunds or compensation of revenues received that are found to be unjustifiably excessive. Spending limit adjustments will also ensure that the spending limits treat changes between tax subsidies and expenditure of equal magnitude in the same way where necessary. Spending limit adjustments will likewise ensure that the spending limits do

not constrain reallocation of Government R&D funding between various targets (changes between authority and appropriation budgeting) when this occurs within an entity under the R&D Financing Act.

Annual inflation adjustments will be made to the spending limits for the parliamentary term. Inflation adjustments will be simplified with respect to spending limits expenditure falling outside the scope of statutory or contractual price adjustments. The price correction for these expenditures will be made annually in future according to a consumer price index forecast. Other than inflation and restructuring adjustments to the spending limits, no other adjustment increases will be made to the overall level of spending limits for the parliamentary term.

If the level of expenditure falls below that specified in the spending limits after supplementary budgets, any difference not exceeding EUR 200 million may be used for non-recurrent expenditure in the following year without reference to the spending limits.

The following items will be excluded from the spending limits:

- Unemployment benefit expenditures (including changes in relevant expenditures allocated to central government transfers to municipalities), social assistance expenditures, pay guarantees and housing allowance. Expenditure effects generated by changes to the criteria for these items and by discretionary decisions affecting their level will nevertheless be included in the spending limits. Spending limits will nevertheless not be increased if a discretionary decision seeks to strengthen general government finances.
- Interest expenditure on central government debt.
- Any compensation payable to other tax recipients for changes in tax criteria decided by central government (including social insurance contributions).
- Expenditure corresponding to technically transmitted payments and external funding contributions.
- A transfer to the State Television and Radio Fund.
- Appropriations for VAT expenditure.
- Financial investment expenditure. A financial investment is nevertheless counted as an expenditure included in the spending limits if it is deemed a final expenditure at the time of making the decision.

An allocation for assisting and supporting Ukrainians has been included in the spending limits. New and temporary defence materiel, civilian material and humanitarian aid intended for supporting Ukraine due to the Russian invasion will also be covered outside the spending limits. The foregoing expenditures based on bilateral or multilateral

agreements will be considered as a restructuring correction to the spending limits, meaning that the spending limits for the parliamentary term will be increased in line with expenditure.

Fighter aircraft purchases have been included in the spending limits. The indexation and exchange rate expenditures under the procurement agreement will be taken into account as part of the spending limits price correction. Reallocations and changes of timing are possible within the package. Any difference arising if the costs incurred for fighter aircraft purchases during the spending limits period fall below the spending limits provision will not be used to increase other expenditure.

The finances of the National Housing Fund and the Development Fund of Agriculture and Forestry will also be brought within the spending limits insofar as the Budget justifications take a position on the levels of their expenditure. Transfers in this respect from the Budget to these funds will correspondingly remain outside the spending limits.

The Government aims to curb the rise in costs of wellbeing services counties and municipalities, and to ensure that budgetary control is maintained. To ensure this, the Government will examine the operations, functions and obligations of wellbeing services counties and municipalities, and will refrain from assigning significant new functions to them.

Measures that reduce, increase or expand functions and obligations will be taken into account in net terms by amending central government transfers or a corresponding 100 per cent appropriation, or by eliminating other functions or obligations.

The spending limits include a dispensation mechanism with a view to ensuring the ability of economic policy to react to highly exceptional and significant external crisis situations that are beyond the Government's control in the manner that the circumstances require, and to limit economic policy manoeuvrability solely to additional appropriations that are essential from the point of view of the crisis without compromising the credibility of economic policy.

Use of the dispensation mechanism may only be triggered by the emergence of an unusual event that Finland is unable to prevent and that has a significant impact on the balance of public finances (such as a pandemic, a war, or circumstances of preparing for extensive terrorism). The factors that trigger the mechanism may involve declaring a state of emergency and applying the Emergency Powers Act.

The Ministerial Committee on Economic Policy will decide whether the criteria for deploying the dispensation mechanism have been met, on the content of the spending limits deviation to be deployed, and on a recommendation to the Government concerning deployment of the dispensation mechanism on the presentation of the Ministry of Finance. The preparations of the Ministry of Finance will include consulting the Bank of Finland, and other specialist parties that the Ministry deems essential, having regard to the nature of the crisis.

Factors to be considered when determining the content of a spending limits deviation will include:

(1) the duration of the deviation, (2) the definition of the measures to be financed, having regard to the nature of the crisis and to expediency, (3) the monetary scale,

(4) the reallocations to be made within the spending limits and other financing opportunities that do not increase public debt, (5) the non-recurrent character of measures to be financed and the corrective measures after the crisis ends, and (6) the milestones for further monitoring of the situation.

## Annex B. Tables on financial decisions

### Summary

\*Iti = long-term impact Note! The table presents measures to improve general government finances as positive figures and increases in expenditure as negative figures. The figures in the table are presented with a comma as the decimal separator.

EUR million	General government finances, total					Central government					Municipalities					Wellbeing services counties					Social security funds					
	2024	2025	2026	2027	2028	Iti*	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Education, training and skills	36	74	111	144	149	149	-5	-42	-60	-27	-22	0	0	0	0	0	0	0	0	0	0	41	116	171	171	171
Health and social services	135	413	826	1 303	1 673	2 061	135	177	245	429	553	0	0	0	0	0	0	236	581	874	1 120	0	0	0	0	0
Social security and benefits	777	1 069	1 116	1 201	1 201	1 201	329	590	623	688	688	-108	-113	-98	-78	-78	0	0	0	0	0	553	589	589	589	589
Index-linked expenditure	169	307	411	519	519	519	150	283	385	488	488	14	17	17	18	18	0	0	0	0	0	5	8	10	12	12
Agriculture, forestry, environment	26	54	78	78	78	78	26	54	78	78	78	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business and industry, transport and housing	257	335	427	476	479	228	257	335	427	476	478	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
National defence, public security, migration and development cooperation	23	37	127	198	216	226	23	37	127	198	216	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration	10	103	154	276	276	276	10	103	154	276	276	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1 433</b>	<b>2 392</b>	<b>3 251</b>	<b>4 195</b>	<b>4 591</b>	<b>4 738</b>	<b>925</b>	<b>1 537</b>	<b>1 978</b>	<b>2 606</b>	<b>2 755</b>	<b>-94</b>	<b>-96</b>	<b>-81</b>	<b>-60</b>	<b>-60</b>	<b>0</b>	<b>236</b>	<b>581</b>	<b>874</b>	<b>1 120</b>	<b>599</b>	<b>714</b>	<b>770</b>	<b>772</b>	<b>772</b>
<b>Total of direct impact</b>				<b>4 195</b>																						
<b>Employment impact of structural measures</b>				<b>1 850</b>																						
<b>Total of direct and structural impact</b>				<b>6 045</b>																						













Target	Item	Planned measures	Timeframe	General government finances, total					Central government					Municipalities					Wellbeing services counties					Social security funds					
				2024	2025	2026	2027	2028	Iti*	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Act on Disability Services and Assistance	28.89.31	It will be ensured that the Act on Disability Services and Assistance remains in force as a special act. Appropriate services for older people and the sustainable funding of these services will be secured. The entry into force of the new Act on Disability Services and Assistance will be postponed to 1 October 2024, and the maximum costs of the reform will be limited to EUR 100 million per year.	Government proposal 2023	100	32	36	36	36	36	100	32	36	36	36															
Changes to the funding model to be decided during the government term	28.89.31	Changes to the funding model to be decided during the government term.	Government proposal 2025	0	0	0	65	225	535	0	0	0	65	225															
Developing the activities of wellbeing services counties and changing existing practices		<p>The activities of wellbeing services counties will be strengthened by boosting and changing existing practices and by increasing coordination at the collaborative area level.</p> <p>Measures include developing the service structure and increasing communal housing, improving the continuity of treatment, strengthening the scheme of at-home hospital care, introducing digital and remote service channels and expanding them regionally, boosting investments, reducing sick leaves, combining duties into larger entities through national guidance, rationalising the use of premises and the service network, boosting competition in procurements (e.g. reducing the share of direct procurements), centralising the procurement of medicines, equipment and supplies at the national level, improving the effectiveness of administrative duties and reassessing transferred public posts.</p> <p>In respect of these measures, the funding of wellbeing services counties will not be cut beforehand, but the realised savings will be allocated to item 28.89.31 on the basis of an ex-post control.</p>	2024	0	236	581	874	1 120	1 195									0	236	581	874	1 120							
<b>Total</b>				<b>135</b>	<b>413</b>	<b>826</b>	<b>1 303</b>	<b>1 673</b>	<b>2 061</b>	<b>135</b>	<b>177</b>	<b>245</b>	<b>429</b>	<b>553</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		



Target	Item	Planned measures	Timeframe	General government finances, total						Central government					Municipalities					Wellbeing services counties					Social security funds					
				2024	2025	2026	2027	2028	Iti*	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	
Making the amount of earnings-related security dependent on the amount of earnings from prior work	33.20.50 33.20.52	The amount of earnings-related security will be made dependent on the amount of earnings from prior work.	Government proposal 2023	16	16	16	16	16	16	1	1	1	1	1	-9	-9	-9	-9	-9							25	25	25	25	25
Phasing of holiday compensation	33.20.50 33.20.52	The phasing of holiday compensation will be reinstated.	Government proposal 2023	28	28	28	28	28	28	14	14	14	14	14	3	3	3	3	3							11	11	11	11	11
Waiting period	33.20.50 33.20.52	The waiting period will be restored from five days to seven days.	Government proposal 2023	10	10	10	10	10	10	5	5	5	5	5	4	4	4	4	4							1	1	1	1	1
Accrual of the prior work requirement in pay-subsidised work	33.20.50 33.20.52	Pay-subsidised work will no longer count towards the prior work requirement.	Government proposal 2023	24	24	24	24	24	24	1	1	1	1	1	-14	-14	-14	-14	-14							37	37	37	37	37
Child increments	33.20.50 33.20.52	Child increments will be abolished.	Government proposal 2023	70	70	70	70	70	70	35	35	35	35	35	6	6	6	6	6							28	28	28	28	28
Age-related exceptions to unemployment security	33.20.50 33.20.52	Age-related exceptions to unemployment security will be abolished.	Government proposal 2023	103	103	103	103	103	103	28	28	28	28	28	23	23	23	23	23							51	51	51	51	51
Exempt amounts of unemployment security	33.20.50 33.20.52	The exempt amounts of unemployment security will be abolished.	Government proposal 2023	56	56	56	56	56	56	28	28	28	28	28	5	5	5	5	5							22	22	22	22	22
Financial base of pharmacies and reimbursement of medicinal products	33.30.60 11.04.03	As part of the reform of the pharmacy sector, a reform of the financial base of pharmacies will be implemented, adjusting the levels of the medicine tariff and pharmacy tax to achieve the planned savings effect.	2024	30	30	30	30	30	30	30	30	30	30	30																
Rehabilitation allowance for young people's vocational education and training	33.30.60	Lowering the minimum amount of young people's rehabilitation allowance and rehabilitation allowance of those in vocational rehabilitation to the level of the minimum amount of rehabilitation allowance	2024	20	20	20	20	20	20	24	24	24	24	24	-4	-4	-4	-4	-4							-0,5	-0,5	-0,5	-0,5	-0,5

Target	Item	Planned measures	Timeframe	General government finances, total					Central government					Municipalities					Wellbeing services counties					Social security funds					
				2024	2025	2026	2027	2028	Iti*	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Criteria for access to vocational rehabilitation	33.30.60	The legislative amendment that from the beginning of 2019 has enabled people aged 16 to 29 to access vocational rehabilitation without a diagnosis of a medical condition or disability will be repealed.	2025	0	50	50	50	50	50	0	31	31	31	31	0	-5	-5	-5	-5						0	24	24	24	24
Comprehensive reform of social assistance	33.10.57	The Government will implement a comprehensive reform of social assistance that will improve a person's ability to live independently, reduce long-term need for social assistance and clarify the role of social assistance as a last-resort discretionary benefit included in basic social security.	2025	0	0	35	70	70	70	0	0	20	35	35	0	0	15	35	35										
Kela rehabilitation allowance during vocational rehabilitation	33.30.60	The amount of rehabilitation allowance will be reduced for the period of vocational rehabilitation to the same level as sickness allowance granted to a rehabilitation client under the Health Insurance Act to which the client would have been entitled had the client become incapacitated for work at the start of the rehabilitation.	2024	3	3	3	3	3	3	0,2	0,2	0,2	0,2	0,2										3	3	3	3	3	
Increased parental allowance	33.30.60	The increase in parental allowance for the first 16 working days of parental allowance will be abolished.	2025	0	13	25	25	25	25	0	13	25	25	25															
Grants for the promotion of health and social wellbeing	33.90.50	The level of discretionary government grants will be reduced.  A savings level of no more than EUR 50 million will be considered in the 2026 government budget session.	2027	0	0	0	100	100	100	0	0	0	100	100															
<b>Total</b>				<b>777</b>	<b>1 069</b>	<b>1 116</b>	<b>1 201</b>	<b>1 201</b>	<b>1 201</b>	<b>329</b>	<b>590</b>	<b>623</b>	<b>688</b>	<b>688</b>	<b>-108</b>	<b>-113</b>	<b>-98</b>	<b>-78</b>	<b>-78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>553</b>	<b>589</b>	<b>589</b>	<b>589</b>	<b>589</b>



## Index-linked entities – estimated effect, EUR million

\*Iti = long-term impact Note! The table presents measures to improve general government finances as positive figures and increases in expenditure as negative figures. The figures in the table are presented with a comma as the decimal separator.

Target	Item	Planned measures	Timeframe	General government finances, total					Central government					Municipalities					Wellbeing services counties					Social security funds								
				2024	2025	2026	2027	2028	Iti*	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028			
All benefits linked to the national pension index or consumer price index (excl. social assistance, pensions, front veteran's supplement, disability benefits, additional reimbursement for medicine)	Several items	Freezing of index increases linked to the national pension index/consumer price index (excl. social assistance, pensions, front veteran's supplement, disability benefits, additional reimbursement for medicine) for the duration of the government term.  Monitoring of inflation and, in case of higher than anticipated inflation, assessment of the level of index adjustments in 2027.	2024–2027	140	250	318	387	387	387	121	226	291	357	357	14	17	17	18	18									5	8	10	12	12
Central government funding for the Evangelical Lutheran Church and grants for ecclesiastical and religious activities	29.01.51 29.01.52	'Index brake' 1 percentage point for 2024–2027	2024–2027	1	3	4	5	5	5	1	3	4	5	5																		
Central government transfers to municipalities	28.90.30	'Index brake' 1 percentage point for 2024–2027	2024–2027	28	54	90	126	126	126	28	54	90	126	126																		
<b>Total</b>				<b>169</b>	<b>307</b>	<b>411</b>	<b>519</b>	<b>519</b>	<b>519</b>	<b>150</b>	<b>283</b>	<b>385</b>	<b>488</b>	<b>488</b>	<b>14</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>12</b>	























## Annex C. Revenue policy

### Income taxation

Item	Impact on tax revenues, EUR million
Reducing taxation of work, with a focus on reductions for low and middle income earners.	-405
Introducing an increase of EUR 50 per child in the earned income tax credit.	-95
Increasing the deposit cap on equity savings accounts to EUR 100,000.	-20
Continuing the temporary increase in the tax credit for household expenses until the end of 2024. Broadening the scope of the tax credit for household expenses to include home rehabilitation services provided by physiotherapy and occupational therapy businesses and corresponding sole traders.	-42 (in 2024)
Prolonging the source taxation employment period of foreign key personnel to seven years	Minimal
Harmonising the tax treatment of rental income from agriculture (fields and forests) with other forms of rental income.	Minimal
Continuing the highest progressive taxation threshold at a level of EUR 150,000 on a temporary basis until the end of the parliamentary term.	43
Gradually increasing the commuting expenses deduction threshold to EUR 900.	40
Reallocating the age-based earned income tax credit by eliminating the increase for people under 65 years of age and doubling the increase for those over 65 years of age to EUR 1,200.	33
Increasing the equalisation provision for agriculture to EUR 25,000.	-3

## Excise and value added taxes

Item	Impact on tax revenues, EUR million
Reducing the CO2 component of fuel taxation.	-100
Increasing tobacco tax.	100
Bringing nicotine pouches within the scope of the Tobacco Tax Act.	50
Investigating the introduction of real-time reporting for VAT collection.	Neutral
Moderately increasing soft drinks tax.	30
Broadening purchaser tax liability in online alcohol sales.	20
Increasing taxation of wines and spirits.	40
Reducing taxation of beers.	-25
Switching to a reduced VAT rate of 14 per cent for incontinence and sanitary pads, and children's nappies.	-10
Switching commodities currently subject to a reduced VAT rate of 10 per cent, other than newspapers and periodicals, to a 14 per cent VAT rate.	205

## Other taxes

Item	Impact on tax revenues, EUR million
Revising mining mineral tax as of the mid-term policy review session and introducing another tax category.	15
Increasing the payment period for inheritance tax to 10 years.	-10
Increasing the forest management tax credit by 15 percentage points.	-20
Introducing a vignette.	15
Reforming taxation practices for bonuses in the financial sector.	30
Increasing the lower limit for ground area real estate tax to 1.3 per cent.	110
Continuing the halving of fairway dues for the duration of the parliamentary term.	-36
Reducing the basic vehicle tax.	-50

## Tax amendments to be investigated

- Investigating the addition of a companionship service for an elderly parent as a tax-subsidised employee benefit in the manner of the care benefit for a sick child.
- Investigating the prospects for replacing inheritance tax with a tax on capital gains from inherited property.
- Investigating equitable adjustment of taxation of financial support for informal care.
- Investigating the tax treatment of offshore wind farms in the Finnish exclusive economic zone. The real estate taxation status of offshore wind farms in relation to onshore wind farms will also be studied.
- Adjusting tax regulations relating to investment funds to match European Union statutory requirements and investigating a strengthening of the tax base.
- Investigating an extension of the limits on the deductibility of interest expenses to benefits under joint administration (including jointly owned forest holdings).
- Investigating the establishment of a tax deduction right for equipment, supplies and weapons suitable for military use, in so far as these are suitable for use at times of crisis and are compatible with the requirements of national defence training arranged by the Finnish Defence Forces or the National Defence Training Association of Finland.
- Investigating the tax deductibility of development cooperation donations or a voluntary donation in the course of taxation.
- Investigating an enlargement of the infrastructure exception to the cap on the deductibility of interest expenses with respect to major energy projects, and implementing this where possible.
- Studying the prospects for introducing an improved tax credit for household expenses of older people.
- Investigating an enlargement of the scope of the Act on the Individual Tax Number and the Tax Number Register to cover the tourism and catering sector.
- Investigating whether tax-exempt benefits in kind corresponding to those enjoyed by a person sent from Finland may be extended to employees sent to Finland from abroad.
- Investigating disparities between taxation and accounting regulations, and any need for harmonisation (IFRS).
- Investigating the need to enhance the dividend TRACE schema for nominee-registered shares.

- Reviewing whether the taxable values of solar power plant structures are current, ensuring that the real estate tax levied on solar power plants is not disproportionately greater than the real estate tax levied on wind power.
- Investigating in broad collaboration the impacts arising from the tax exemption on (postal and goods) consignments between the mainland and Åland.
- Investigating an amendment to legislation whereby occasional and short-term leasing of a person's own dwelling does not affect the two-year continuous residence period required for exemption from tax on the profit from sale of the said dwelling.
- Investigating whether the removal expenses of an employee moving to Finland may become an entirely tax-exempt staff benefit if the removal occurred as a posted worker in the interests of the employer.
- Investigating the prospects for increasing incentives for voluntary pension saving by amending the Income Tax Act to enable withdrawal of personal pension savings already on retiring.
- Investigating an enlargement of the scope of exercise vouchers to include fishing and wilderness guide services.

## Annex D. Structural policy measures

As part of adjustment measures, the Government has outlined structural policy measures that seek to strengthen public finances in a manner that stabilises the debt ratio by EUR 2 billion at the 2027 level. Growth in employment targeting 100,000 new people in work would strengthen public finances by more than EUR 2 billion.

The structural measures divide into an unemployment benefit package, other social security and taxation, labour market reforms, and other reforms to boost employment. The Government will monitor achievement of the employment goal based on Ministry of Finance evaluations over the parliamentary term, and is prepared to issue additional decisions by no later than the mid-term policy review session if the goal of strengthening public finances is jeopardised.

**It is envisaged that eliminating incentive traps will result in some 41,000 new people in work. The impact assessments of these measures are based on an evaluation by the Ministry of Finance.**

Incentive trap elimination item	Employment impact	Strengthening impact of employment on public finances, EUR million €
Increasing the employment condition for unemployment benefit to 12 months (in a 28-month period)	5 700	
Grading of earnings-related benefit: 0 weeks 100%, 8 weeks 80%, 34+ weeks 75%	15 800	
Monetary valuation of the employment condition	1 500	
Restoring the periodisation of holiday compensation	2 200	
Restoring the benefit waiting period to seven instead of five days	1 000	
Ending accrual of the employment condition in pay-subsidised work	1 300	
Abolishing child increases	10 000	
Abandoning age-related dispensations in unemployment benefit	3 900	



Incentive trap elimination item	Employment impact	Strengthening impact of employment on public finances, EUR million €
Abandoning protected portions in unemployment benefit	Minimal	
Package total		1 110

**The package related to other social security and taxation seeks to place some 37,000 new people in work. Measures of the other social security and taxation package have been assessed as mutually separate entities.**

Other social security and taxation	Estimated employment impacts	Strengthening impact of employment on public finances, EUR million €
Indexation measures for CPI/NPI-linked benefits	17 000	417
Reform of housing subsidies	1 900	50
Language requirement for labour market support	1 300	32
Reduction in taxation of labour	8 700	200
Abolition of adult education benefit	8 000	44
Abolition of job alternation leave	Minimal	-

**The following packages to strengthen employment seek to complete the target of 100,000 new people in work. The package includes measures whose employment impact assessment will be specified.**

Other employment-strengthening items	Estimated employment impacts	Strengthening impact of employment on public finances, EUR million €
Labour market reforms: <ul style="list-style-type: none"> <li>• Developing the negotiation system and improving industrial peace</li> <li>• Increasing the use of local bargaining</li> <li>• Dismantling barriers to employment</li> </ul>		
Developing working life and wellbeing at work <ul style="list-style-type: none"> <li>• Employment services reform</li> <li>• Equality in working life and prevention of discrimination</li> <li>• Strengthening the participation of people with impaired working capacity in working life</li> <li>• Maintaining work ability and coping at work</li> </ul>		
Social assistance reforms		
Recruitment measures for international talent		
Strengthening immigrant integration		

**Evaluating the impacts of the pension system on employment and public finances based on measures prepared through a tripartite procedure**

## Annex E. Temporary EUR 4 billion investment programme

Measure	EUR million
Reduction of the repair backlog	520
Infrastructure projects (Development provision, and Land use, Housing and Transport projects)	797
West coast package to promote competitiveness and growth	130
Highway 5 Leppävirta–Kuopio	140
Development of main Helsinki–Tampere rail link, Liminka–Oulu twin track, electrification of Tornio–Kolari track section	535
Capitalisation of Turku One Hour Train Ltd (Espoo–Lohja and Turku–Salo)	460
Savonia railway Kouvola–Kuopio track section speed and capacity increase	50
Helsinki airport train link design	43
Karelia railway Luumäki–Imatra development, stage 2	215
Coastal railway development	80
Clean Energy Finland key projects	160
Finnish Defence Forces materiel procurement	50
Tourism and nature project demolition of dams on the Palokki rapids	20
Industrial policy provision	400
Effectiveness investments in health, social services and regional government services, and clearance of queues for treatment	400
Total	4 000



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