



Finland's national regional development targets for 2011–2015

An economically, socially and
environmentally sustainable Finland

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Finland's national regional development targets for 2011–2015 - An economically, socially and environmentally sustainable Finland			
Tiivistelmä Referat Abstract			
On 15 December 2011, the Government made a decision on national regional development targets for the period 2011–2015 (the decision on targets). This decision concerns regional policy guidelines and focus areas for development measures falling under the Government's remit, to be observed during this term of government. The decision is based on both the Act on Regional Development and the Government Decree on Regional Development.			
The regional development targets under the decision are summarised in the form of three general policy guidelines:			
1. Strengthening the competitiveness and vitality of the regions			
2. Promoting the welfare of the population			
3. Securing a good living environment and a sustainable regional structure			
Maintaining the capability for continuous renewal, utilisation of the full potential and respect for the special characteristics of each region are emphasised as key principles guiding regional development.			
In order to implement the strategic development targets, the administrative branches will take better account of the regional development perspective in their measures. This will implement the Government Programme policy outline on increasing the responsibility of various ministries for regional development performance targets. A regional development perspective is increasingly necessary, especially in matters regarding industrial policy, research and development activities and sustainable development targets. It is also required in ensuring the availability of social and health care services and developing transport and communications links.			
National regional development is complemented and supported by the EU's regional and structural policy and rural development policy. These policies will be integrated into an efficient and effective entity by the time programme work for the new Structural Funds period is finalised. This will ensure that the impacts of national funds and funds from the EU's regional and structural funds are aligned.			
The decision on targets was prepared by the Ministry of Employment and the Economy, under the leadership of the Regional and Structural Policy Advisory Council, in cooperation with the ministries, Regional Councils, regional state administrative authorities and other key actors.			
The ministerial working group on public administration and regional development assesses the achievement of regional development targets on a regular basis, and discusses regional development targets and measures specific to each administrative branch.			
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Foreword

The national regional development targets (decision on targets) for the period 2011–2015 include regional policy guidelines and focus areas for development measures falling under the Government's remit, to be observed during this term of government. The Act on Regional Development (1651/2009) and the Government Decree on Regional Development (1837/2009) create the regulatory framework for the decision on targets.

Combined with demographic development in the regions, the state of public finances puts a great deal of pressure on maintaining and strengthening the vitality of the regions. The impact of population ageing on public finances is reflected in increasing cost pressures, due to a growing need for services and declining tax revenue. In all sectors of regional development, the regions will have to evaluate more carefully the possibilities public funding allows for arranging and securing functions. The reform in local government structures, to be carried out in the coming years, is aimed at a structural reform and strengthening of the basic municipalities to enable them to respond to the needs of the 2020s.

A declining working-age population and a lack of competent workforce pose a real threat to the development of the business sector in many regions across Finland. From the perspective of regional development, it is vital that in the future, workforce is extensively available for tasks within key education, health and welfare services throughout the country. This requires the development of an education structure that meets the needs of the regions and the business sector, as well as forging closer connections with employers at all educational levels.

The demographic development increases the need to strengthen social cohesion both in cities and rural areas. Here, the aim is to prevent social exclusion and adversity and create a safe living environment. Operating models that promote health and early intervention, as well as improving the opportunities for participation and having an influence, will be emphasised in the efforts to strengthen social cohesion.

The Government aims to develop Finland into a pioneering country in the areas of protecting biodiversity and mitigating climate change. As regional-level choices have a significant impact on greenhouse-gas emissions, a key responsibility here lies with the cities and regions. On the other hand, measures to curb and prepare for climate change are a prerequisite for the regions to continue to prosper and maintain their ability to function in the future.

With due consideration of the above factors in regional development, **maintaining the capability for constant renewal, utilisation of the full potential and respect for the special characteristics of each region are emphasised as the key principles of the regional development targets.**

The regional development targets in the decision are summarised in the form of three general policy guidelines:

1. **Strengthening the competitiveness and vitality of regions**
2. **Promoting the welfare of the population**
3. **Securing a good living environment and a sustainable regional structure**

In addition to this, addressing sudden structural changes, strengthening the metropolitan area's competitiveness, securing the operational preconditions for large urban regions, developing sparsely populated areas, developing Eastern and Northern Finland and taking advantage of the Northern Dimension are highlighted in the decision on targets as special issues.

In accordance with the Government Programme, the responsibility of each ministry for regional development performance targets will be increased. In practice, this means preparation of regional strategies for the administrative branches along with increasingly efficient implementation. **The regional strategies for administrative branches specify in more concrete terms the strategic development targets presented in the decision on targets.**

The Government aims to step up the use of the opportunities afforded by EU funds in Finland. Funds from the EU's Structural Funds are primarily used to support the achievement of national and regional targets in accordance with the Government Programme. National regional development is complemented and supported by the EU's regional and structural policy and rural development policy. These policies will be integrated into an efficient and effective entity by the time programme work for the new Structural Funds period is finalised. This will ensure that the impacts of national funds and funds from the EU's Regional and Structural Funds are aligned.

VEIJO KAVONIUS
Director for Regional Development

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1 Purpose and premises of the decision on targets

The national regional development targets (decision on targets) for 2011–2015 includes the regional policy guidelines and focus areas for development measures falling under the Government's remit, to be observed during this term of government. The decision on targets will be implemented within the central government spending limits and budgets.

The Act on Regional Development (1651/2009) and the Government Decree on Regional Development (1837/2009) create the regulatory framework for the decision on targets.

Regional development creates the preconditions for the balanced development of various regions, welfare founded on sustainable development, and economic growth. In accordance with the Act, the objectives of regional development are:

- 1) to strengthen the national and international competitiveness of regions;
- 2) to promote an economic balance and the development of industrial and commercial activity;
- 3) to promote sustainable employment;
- 4) to reduce differences between and within regions in terms of their level of development and enhance their own strengths and specialisation;
- 5) to promote the wellbeing and competence of the population and to support the regional culture;
- 6) to enhance the quality of the living environment and a sustainable regional and community structure.

The decision on targets directs and coordinates the regional development objectives and measures of various administrative branches and the regions. In their activities, authorities should take account of national regional development objectives, promote their implementation and assess the impacts of their measures in terms of regional development.

The administrative branches are accountable for achieving the regional development performance targets and for implementing this decision. The decision on targets presents strategic-level regional development policy guidelines, and the adopted guidelines are specified in more concrete terms in the ministries' planning documents and regional strategies, as provided in Section 5 of the Act on Regional Development.

The ministerial working group on public administration and regional development assesses the progress made with the implementation of the regional development targets on a regular basis and discusses regional development targets and measures specific to each administrative branch.

2 Reconciling national and EU regional, structural and rural development policies

According to the Government Programme, Finland is a dynamic and proactive member of the European Union. The dynamic focus areas of the Europe 2020 strategy will be taken into account in Structural Fund activities, shifting the priority towards measures promoting growth, employment, competence, innovation, social justice and the state of the environment. The emphasis is placed on smart growth, promotion of welfare and prevention of social exclusion, as well as on sustainable ecological development.

In accordance with the Government Programme, in the 2014+ programming period emphasis will be placed on the Structural Fund activities' permanent impact on industrial policy, growth and employment perspectives, and the development of regional economic structure and operating conditions in a sustainable manner. Development of urban regions will receive greater focus in Finland's national EU programmes. In the next programming period, project funding from the European Regional Development Fund should be channelled more strongly for the generation of new sources of livelihood, enhanced employment, growth-oriented entrepreneurial activity, and the reduction of emissions. The areas of priority for the European Social Fund include the employment of people in the most difficult labour market positions, the development of the competencies of the labour force, and the promotion of the employment and integration of migrants.

The implementation of national and EU regional and structural policy and the EU's rural development policy will be integrated into an efficient and effective entity by the time programme work for the new Structural Funds period is finalised. This will ensure that the impacts of national funds and funds from the EU's Regional and Structural Funds are aligned. Coordination on the national level is made more efficient by developing the activities of the Regional and Structural Policy Advisory Council and increasing cooperation between various ministries in the preparation and implementation of the regional strategies for their respective administrative branches.

National regional development is complemented and supported by the EU's regional and structural policy and rural development policy. The aim is to support economic and social cohesion in the member states and reduce differences between regional development levels. In Finland, Structural Fund activities are based on the national regional strategy and regional development guidelines and programmes, while taking account of EU regulations, strategies and guidance. The EU's rural policy is

implemented through regional and local rural development plans. These are key principles also in the preparation of new cohesion and rural policy guidelines and the new programming period 2014+.

During the 2007–2013 period, Finland will obtain around 1.7 billion euros from Structural Funds. Annually, this accounts for approximately 0.3–0.4 per cent of State budget expenditure. In the State budget, the amount of annual co-financing by the State and the EU is approximately 440 million euros. This means that, in practice, a large share of measures impacting on regional development are implemented using national funding. For instance, the Centres for Economic Development, Transport and the Environment (ELY Centres) deploy some 2.3 billion euros regionally each year. Regional State Administrative Agencies use approximately 130 million euros in the same way. Nevertheless, co-financing provided by the State and the EU for the Structural Fund programmes plays an important role in developing business activities in the regions, in creating new practices and removing bottlenecks hindering regional and local development.

The EU's rural development policy provides important tools and resources for the implementation of regional industrial and rural policies, as well as regional and local strategies. In the programming period 2007–2013, the European Agricultural Fund for Rural Development provides approximately 2.1 billion euros in funds. Of this, 0.6 billion euros is targeted at rural development. At an annual level, the ELY Centres have around 80 million euros of EAFRD funds available for such activities, the total amount being approximately 170 million euros with national co-financing included. Local action groups and the European Fisheries Fund participated in the implementation of local strategies in particular, in accordance with their special features. Annually, around 16.7 million euros of EAFRD funds are available to local action groups, the total available funds being 37 million euros with the State's co-financing included.

The Commission's proposal for general regulation on Structural Funds for the programming period 2014–2020 includes a new coordination mechanism for the Structural Funds (ERDF, ESF, CF), the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund (so-called Common Strategic Framework funds, CSF funds). The Common Strategic Framework to be created for the CSF funds specifies the Europe 2020 strategy's objectives of smart, sustainable and inclusive growth as the CSF fund priorities.

Mutual thematic objectives for the Funds concern: (1) research and innovations, (2) communications technologies, (3) enhancing the competitiveness of small and medium-sized enterprises, (4) the shift towards a low-carbon economy, (5) adaptation to climate change and risk prevention, (6) environmental protection and resource efficiency, and (7) sustainable transport and network infrastructures. Further themes pertaining to the welfare of people in particular are: (8) employment and labour mobility, (9) social inclusion and combating of poverty, (10) education and life-long learning, and (11) institutional capacity and an efficient public administration.

Partnership contracts will be drawn up between the Commission and each Member State on the key common matters of the CSF fund programmes for the period 2014–2020.

In the course of the reform of the EU's Structural Fund programmes, the aim is to secure the opportunity to employ resources across the whole of Finland. Finland's total funding should remain at the current level, and the Government is of the view that special funding for sparsely populated areas should remain at least at the current level for Northern and Eastern Finland.

In Finland's view, strengthening the urban dimension in cohesion policy merits support. Cities contribute to the implementation of the Europe 2020 strategy, and cohesion policy funding can be used for urban development. Cities should have sufficient prerequisites to enhance competitiveness, improve international networking and strengthen social cohesion.

In the programming period 2014–2020, three rural development objectives are defined with respect to the European Agricultural Fund for Rural Development: competitiveness of agriculture, sustainable use of natural resources, and balanced regional development of rural areas. The aim is to secure future funding from the EAFRD via a wide range of measures and by targeting funding particularly at sparsely populated and core rural areas.

Structural Fund administration will be simplified in order to enhance the utilisation and effectiveness of funds. This requires reform of the Structural Fund system and the review of intermediary bodies. In order to create a permanent impact on industrial policy, growth and employment perspectives, resources will be freed up from project administration for profitable project work, in future. A simpler implementation system will be created by concentrating on themes and reducing the number of Structural Fund actors. The possible reduction in the number of available support systems simplifies Structural Fund activities. In border zones between various support regions, attention should be paid to not allowing the level of corporate funding to distort competition between companies.

As national rural policy and the Rural Policy Committee transferred from the Ministry of Agriculture and Forestry to the Ministry of Economy and Employment at the beginning of 2012, coordination of regional and agricultural policy is reinforced. EU rural development policy will remain within the mandate of the Ministry of Agriculture and Forestry. This requires special attention in the coordination of EU and national policies.

Europe 2020 strategy

The Europe 2020 strategy's national programme provides an outline for regional development. Key principles and guidelines for regional development are employed in the implementation of the national Europe 2020 strategy and giving prominence to the significance of various regions and their actors in the process.

Adopted by the European Council in June 2010, the new strategy for the economy and employment sets out a vision of smart, sustainable and inclusive growth. The strategy's targets concern employment, research and development spending, the climate, education and reduction of poverty. On the basis of the strategy, Finland's national programme determines the targets and measures through which Finland contributes to the achievement of Europe-wide targets.

Cohesion and rural development policy for the period 2014+ is closely linked to the Europe 2020 strategy. The three key priorities of the strategy – i.e. economic development on the basis of competencies and innovation, pursuing a more resource-efficient, more competitive and greener economy, and promoting a high employment rate that enhances social and regional cohesion – have already been included among the key elements in national regional development. These are also important principles in the national regional development objectives.

3 Regional development targets for the Government's term of office 2011–2015

In regional development, the objective is an economically, socially and environmentally sustainable Finland. In accordance with the Government Programme, particular account is taken of regional development with respect to industrial policy, research, development and innovation activity, availability of social and health care services, sustainable development goals, and transport and communications infrastructure. Environmental issues will be taken into account in regional development through mainstreaming.

As regards regions, cities and municipalities, the Government will support their dynamic vitality, development potential and competitiveness in the global economy.

Consolidation of public finances and its regional impacts

Following the global economic crises, the balance of public finances and securing their sustainability have become key objectives in several EU member states. Finland's current level of national debt is among the lowest in the EU countries, around 50% of GDP. In many countries, such as Greece, Italy and Belgium, this ratio is over 100%. A key target in the Finnish Government's programme is to consolidate public finances and close the sustainability gap. In order to achieve this, public expenditure and revenue adjustment measures will be undertaken. The expenditure cuts will be broad-based and targeted at, among others, central government transfers to local government, the Finnish Defence Forces and other public administration, business subsidies, subsidies for agriculture and forestry, and funding for universities and other educational institutions. If no special measures are taken, such spending cuts could have major regional impacts, and the regions whose economy is heavily dependent on public funding would be affected the most in relative terms. Such regions include most areas in Eastern and Northern Finland but also several other rural areas and small urban regions.

During the long period of economic growth between 1995 and 2008 the various regions' share of public expenditure stabilised. The central government budget has been a key system stabilising regional development, as spending per inhabitant has clearly been the highest in the less prosperous regions. Correspondingly, government tax revenues collected from the regions mainly originate from the large central regions. Division of central government spending has largely been determined by the regions' social and financial needs. Regardless of their place of

residence, the aim has been to provide all citizens with an equal standard of services and living.

As the public finances weaken, spending cuts will affect the funds channelled to regions. This requires that public saving targets included in the Government Programme and other public finances consolidation needs be taken into account and regional development measures enhanced. With regard to the development strategies and programmes for various sectors, the regions must conduct an increasingly careful evaluation of the opportunities provided by public funding for achieving the proposed objectives and implementing measures. Funds must be spent efficiently and in a focused way.

The target is prosperous regions undergoing regeneration

Global changes in the economy and the state of the environment are creating external pressure to regenerate and adapt. Internal pressures for regional development in Finland are chiefly associated with ensuring the welfare of the population, maintaining the competitiveness of regions and achieving climate targets. The regions need to find economically, socially, ecologically and culturally sustainable solutions to address these external and internal challenges.

In a rapidly changing world, it is vital to anticipate changes, identify weak signals and trends and make use of the acquired knowledge. Regions that are aware of their own strengths and are able to adjust and renew their expertise and innovation structures, creative potential and practices to meet the external demands will be in the most competitive position. Skilled workers form the basis of the regions' vitality. Renewal will be possible by utilising the skills of these workers and improving their welfare.

Putting Finland on a strong and sustainable growth path requires that the conditions for economic activity be enhanced and opportunities created throughout the country. The goal is to renew the economic structure and make it more versatile, to strengthen the operational conditions and prerequisites for growth for companies and entrepreneurs and create attractive regional innovation environments. In addition to developing the traditional strengths, such as primary production and basic industries, new sectors of growth should be discovered in the industrial, service and creative sectors.

There are vast differences in the availability of labour force between sectors and regions. Regions rapidly losing their population and labour force need tools to allow them to adapt along with targeted support measures. Labour reserves in the regions should be employed as fully as possible. To this end, gender equality in the labour market and education will also be improved. The competence needs of regional labour markets will be addressed by making education more relevant and by improving its links to working life at all levels of education. In addition, the

opportunities for commuting and remote work will be developed. The availability of the labour force will be ensured, especially in key educational, health and welfare services.

The changing age structure challenges the regions to regenerate. While the decline in the working-age population affects the whole of Europe, this is occurring at the fastest rate in Finland. Thus far, growth in the share of the elderly population has been notable especially in semi-rural areas. In the coming years, however, the population residing in cities and in the surrounding rural areas will age most rapidly. Population ageing affects the growth in service needs and the development of the demographic dependency ratio in the regions. A declining working-age population means the regions will see a decreasing supply of labour, smaller tax revenues and a change in consumer demand – from the viewpoint of sustainable public finances, these are significant changes.

The impacts of population ageing will be felt in all areas of regional development, and the challenges ageing brings about can be only addressed by taking a comprehensive approach. This requires that regions take demographic development into account and develop new solutions in education, employment, social and health care services, transport and community planning as well as in business development. Most importantly, a stronger cross-sectoral approach to development and a re-evaluation of administrative structures is required. The regions can thus take the lead in developing an active age policy.

The reform of local government structures, to be carried out in the coming years, aims at a structural reform and strengthening of municipalities in order to equip them to respond to the needs of the 2020s. Population ageing, an increasing need for services and the consolidation of public finances require that the regions improve the productivity, profitability and efficiency of welfare services. In order to develop solutions related to service provision, the public, private and third sectors need to cooperate and administrative barriers must be lowered in the municipalities.

In securing the social sustainability of the regions, particular attention will be paid to preventing urban poverty and reducing social segregation. The importance of early support will be emphasised in the prevention of social exclusion. In particular, child and youth welfare can be improved by addressing problems quickly and increasing the opportunities for inclusion.

Land-use planning provides the conditions for sustainable regional development. For this reason, it is vital that the national land use guidelines, adopted by the Government in 2008, are taken into account in the State authorities' activities and in regional planning and their implementation is promoted.

A sustainable regional structure will be developed as a polycentric, networked entity founded on good transport connections. Achieving success in a global economy requires good, well-functioning transport and communication links to all parts of the world. Transport policy will be linked comprehensively and across

administrative boundaries to the framework of economic, financial, employment and regional development. A transport policy report will be prepared to outline strategic goals extending beyond this parliamentary term as a foundation for future project entities and the development of key national transport networks. In this, it will be ensured that the land use, housing, transport, service structure and sustainable development perspectives are taken into account, as well as the prerequisites of economic and regional development.

A pure natural environment, natural diversity, clean waters, a well-maintained and dynamic cultural environment and rich natural resources contribute to the attractiveness of Finnish regions. A good living environment supports people's health, and provides social welfare and opportunities for comfortable housing. Promotion of a more integrated urban structure in population centres and nearby areas and improvement of its functioning constitute key focal points in safeguarding welfare as the population ages, in curbing climate change, and in improving the operational conditions for the business sector.

Attainment of climate objectives, along with the increasing scarcity of natural resources, requires a change in both consumption habits and behaviour as well as renewal of traditional industries. Investments in energy production and use will be channelled into the production of renewable energy and the improvement of energy-efficiency. Technologies and energy solutions in line with sustainable development, eco-efficiency and low-emission processes will provide opportunities for new kinds of business concepts, strengthen the operating conditions for entrepreneurship and create employment opportunities across Finland.

From the point of view of regional development, it is vital that everyone has the opportunity and capabilities for unrestricted participation in the information society and the digital world, regardless of their income level, health, financial status or place of residence. For this reason, fast communication connections, enabling the smooth running of everyday life and the competitiveness of industry and commerce, will be extended to cover the whole country. This is of particular importance in sparsely populated, ageing regions where distances to services are great. Use of data technology applications and intelligent solutions, and technology, product, service and cultural innovations bolsters the equality of regions. It also enhances business competitiveness and the population's safety.

Policy guidelines outlined in the decision on targets

This decision summarises the regional development targets that are in line with the Regional Development Act and the Government Programme into three general policy guidelines:

- **Strengthening the competitiveness and vitality of the regions**
- **Promoting the welfare of the population**
- **Securing a good living environment and a sustainable regional structure**

In addition, the decision includes three all-encompassing themes: maintaining a constant ability for renewal, utilisation of full potential and respect for unique regional characteristics.

The policy guidelines take into account the varying development needs of the cities, rural areas and archipelago, and the different development tools based on these needs.

The metropolitan area and large urban regions act as strong drivers of their region, and as diversified and internationally competitive economic, innovation, creativity and expertise environments. Polycentricism constitutes a strong competitive factor in developing Finland. The nodes of a polycentric regional structure will serve as a balancing factor and function as centres specialising in their own strengths in the division of activity across the country. Development of the metropolitan area and large urban regions will improve their ability to provide services to people in their region and the surrounding regions by means of specialised service provision. Key objectives also include increasing international competitiveness, developing an integrated urban structure and ensuring social sustainability. Regional centres, industrial centres and regional towns play a central role when seeking solutions for renewing the business sector, building connections and securing basic services in various types of urban regions.

Rural areas are one source of Finland's wellbeing and future competitiveness. Rural strengths, such as space, quietness, a spacious setting for housing, a clean natural environment and clean natural resources as well as renewable energy and local solutions for utilising it play a key role in sustainable development and responding to the demands of a green, creative economy. These elements provide increasing opportunities to entrepreneurs who have chosen a rural way of life in a rural environment and to those engaged in rural economic activities, to develop customer-oriented local services. The preservation of the infrastructure in rural built-up areas and villages will be promoted by developing rural living and tourism and other leisure functions.

In the development of island and water areas, the emphasis will be placed on the islands' attractiveness for year-round and recreational residence and for tourism and other recreational purposes. Harm and additional costs caused to the business sector and island communities by the structure broken by the sea and waterways are decreased through island policy. Such policy takes into account the cultural, recreational, natural and environmental values of the archipelago.

Regional development that takes into account the special characteristics of each region cannot be carried out by separately developing each field involved. In an urban structure based on interaction, various population centres from villages to large cities, and various types of rural areas, form a network-like entity where the resources and strengths of the various types of regions complement each other.

Regional development targets include further development of the cultural autonomy of the Sami people and development of the conditions for the Sami Parliament's operation, as outlined in the Government Programme.

3.1 Strengthening the competitiveness and vitality of the regions

Diversifying and reforming the economic structure

Regional development strengthens the national economy and the preconditions for business activities and employment throughout the country. The key is to generate new growth founded on sustainable development by renewing and diversifying the economic structure and improving the operational preconditions for entrepreneurship and business activities. This requires new forms of cooperation, networking by regional actors at national and international level, and better utilisation of the main strengths from the point of view of Finland's competitiveness.

Finland needs international top-tier innovation hubs. Large urban regions play a central role in implementing the national innovation strategy and serving as a breeding ground for innovation. International joint marketing of large urban regions will be developed in cooperation with the State, in order to attract foreign investment in Finland.

From the point of view of regional development, it is vital to engage companies and actors outside major hubs in the development of demand- and user-driven as well as work-oriented innovations and encourage their participation in national and international innovation networks.

In order to establish attractive innovation hubs, a negotiation procedure will be prepared to promote cooperation and coordinated utilisation of resources between urban regions and key State actors. Growth agreements are being prepared throughout Finland between the largest urban centres, the State, higher education institutions, economic development companies and other key actors. These agreements are aimed at accelerating economic growth across the whole of Finland and implementing the national innovation strategy.

Demand- and user-driven and work-oriented innovation activity will be promoted by establishing development environments for public services with cooperation between the municipalities, the State and other actors, and by creating lead markets. In semi-rural areas, active actors are needed to build local innovation communities and connect local expertise with wider knowledge and competence networks and resources.

High-quality business advisory services will provide support to entrepreneurship, early-stage business activities and innovation activities. In addition, nationwide subsidised expert and training services will be provided for competence development among SMEs. Such services are also employed to support the growth and internationalisation of companies with potential. The availability of high-quality business advisory services in various regions will be ensured, and entrepreneurship education and the links between education and working life will be enhanced at all levels

of education. The roles, division of responsibilities and resource allocation between regional and sub-regional business services will be clarified through regional agreements regarding business services. Rural areas in particular need versatile and flexible forms of entrepreneurship, such as co-operative entrepreneurship and diversified entrepreneurship.

Service provision is a significant factor contributing to the growth of the national economy. Finland has solid competence that needs to be more efficiently utilised in the creation of new successful products and services. In the global market, linking high-technology products to service concepts can provide major opportunities. Service business that takes advantage of the regions' strengths, for instance in recreation, health promotion, tourism, cultural activities and the experience industry, reinforces industrial and commercial activity in the regions.

Tourism is a sector of growing importance. Finland aims to specialise in tourism services that utilise the regions' unique characteristics. Nature and related activities, the Finnish culture and way of life, and Finland's unique position as Russia's neighbour constitute particular strengths here. In tourism development, special attention will be paid to strengthening tourism centres and networks, expediting business growth and development and improving the infrastructure in tourist regions.

Opportunities related to culture and the creative sectors should be utilised in various policy sectors, at all levels of administration. The creative sectors hold new business opportunities, and efforts will be made to encourage such opportunities by increasing financial contributions and recognising the special characteristics of the sector. Business and export opportunities for the creative sectors will be fostered by means of product and service development, for instance. The impact of cultural and sports services, major events, and development measures aimed at the creative sectors on the competitiveness and vitality of regions will be strengthened.

Sustainable economic development is pursued through green growth by preventing harmful environmental effects, the decline in biodiversity and unsustainable exploitation of natural resources. This trend provides new opportunities for the development of environmentally-friendly industry, employment and technology throughout the country. A change in the public administration's role from restricting to enabling is a key factor in developing the bio-economy.

Along with sustainable development emerged the need to invest in renewable energy, green transport, eco-tourism, eco-construction, the cleantech sector, sustainable waste management and water economy, sustainable agriculture and forestry, and the production of energy- and material-efficient products and related services. An economy based on renewable natural resources requires interaction between urban and rural areas, pooling of resources and reconciling the diverging interests and values of various actors. Profitable business operations call for better management of the supply chain and closer cooperation between companies, research institutions and development and specialist organisations.

The importance of food production and the agrifood industry will increase in Finland in the long term. This is based on Finland's natural strengths, such as clean soil and abundant water resources. The origin of food and responsible production and consumption will constitute future competitive advantages. Business concepts related to regional local food systems will be developed.

The forests are an important part of the living and recreational environment in rural areas and an integral element of Finnish culture. New, sustainable use of forest raw material and non-material services provided by the forests will be promoted by investing in relevant research and product development. Business concepts for nature, environmental and landscape management will be developed, and forest-based entrepreneurship will be increased, along with cooperation between various actors.

The Ministry of Employment and the Economy has launched a strategic key project, the Strategic Programme for the Forest Sector. Running for the duration of the Government's term of office, the programme implements change processes that promote the competitiveness and reform of the forest sector. In addition, the programme monitors and forecasts changes in the sector. Measures across administrative and sectoral boundaries are coordinated within the programme. Furthermore, the national forest programme and regional forest programmes create the foundation for the planning and promotion of a natural-resource economy.

In many regions, the diverse reserves of valuable minerals in the soil provide opportunities for the development of mining activities and creation of new business. Mining-sector expertise will be made Finland's priority in EU industrial policy, and active influence will be exerted on relevant EU decision-making. As the sector grows, account needs to be taken of environmental sustainability, wellbeing of the residents in the region, infrastructure, training needs of the workforce, and services. Product and technological development occupy a key position within the mining industry.

The archipelago, as well as remote and sparsely populated areas, hold plenty of potential from the perspective of industrial policy, particularly with regard to tourism and the development of cultural and sports services. Business development in these areas requires that the conditions for practising a trade, such as housing, transport, the use of fast data-communication links and the availability of basic services, are in order.

Competent workforce through training

The preconditions for strengthening expertise, innovativeness, creativity and renewal will be created through diverse education of high quality. Along with the renewal of the economic structure, the qualitative and quantitative requirements for expertise change rapidly. For this reason, it is vital to strengthen the cooperation of universities, universities of applied sciences, vocational education institutes and upper secondary schools with companies and key

innovation actors in the region, thereby creating the preconditions for meeting the long-term competence needs of the regional labour market and for employment of all the available workforce.

Educational foresight will steer the structure, content and supply of education and qualifications to meet the changing needs of business life and society. The network of educational institutions will be adapted to demographic trends and foreseeable demand for labour while ensuring cultural equality and access to education throughout the country.

By improving the quality of basic education, everyone will be ensured a general education as broad as possible and the opportunities for learning and developing their creativity, competencies and various talents. Municipalities will be assigned more responsibility for the guidance and counselling of young people completing their basic education.

Educational opportunities for young people will be ensured by securing the position of liberal adult education. The education opportunities provided by folk high schools contribute to young people's willingness to study, and they prevent social exclusion in cases where young people have not otherwise been able to continue their studies after completing their basic education.

Reform of the funding basis of general upper secondary schools and utilisation of distance learning will guarantee the quality and regional availability of education as the age groups become smaller. Upper secondary vocational education and training will produce high-quality professional skills required in working life. A sufficient provision of vocational education will be ensured, and it will be targeted according to regional needs.

When carrying out the structural reform of the universities of applied sciences, account will be taken of the needs of the business sector in the regions and the strengthening of positive regional development. Particular emphasis will be placed on high-level expertise required in working life and the provision of education and development services to the business community in the region, in support of developing production and service innovations. Close cooperation with secondary level vocational education is required here. The share of research and development activities in the funding of the universities of applied sciences will be increased and their specialisation strengthened.

Each province in Finland should have at least one higher education institution. The current network of higher education institutions will be merged into expertise environments of sufficient size, quality and innovation capacity. Strategic cooperation of higher education institutions with other actors in the region will be fostered in the development of innovation environments, paying attention to areas of expertise and specialisation needs in the regions. The efficiency, effectiveness and internationalisation of higher education will be enhanced.

In order to improve the quality of higher education and secure regional coverage of secondary education, the joint use of premises, support services and teacher

resources crossing the boundaries of secondary and higher education institutions will be promoted. Regardless of their place of study, education of a consistent quality and services supporting studies will be secured for all students.

The role of adult education organisations in regional development has become stronger on account of their duty to develop and provide services for working life. Adult education is aimed at securing the availability and competencies of the workforce, ensuring education opportunities for the entire adult population and strengthening cohesion and equality in society. Life-long learning will be promoted by providing everyone with the opportunity to learn new things and update their skills throughout their lives.

In various parts of the country, adult education centres are key providers of cultural and recreational services and adult education services. Functioning of the adult education centre network at a regional level will be improved.

All means available will be employed to enhance the integration of immigrants into Finnish working life. The aim is to increase the employment rate of immigrants and to halve their unemployment rate. Special attention will be paid to groups with low employment rates. The integration and employment of immigrants and updating of their previously acquired skills will be promoted through education, culture and sports. The level of language training related to the integration of immigrants will be improved and its scope expanded in order to provide them with the capabilities required for participating in training aimed at preparing immigrants for vocational education. More specific national and regional objectives will be drawn up for the long- and medium-term labour and education needs of immigrants.

Sustainable growth and employment

The availability of a competent workforce and a well-functioning labour market are key operational prerequisites for businesses in the regions. There are vast differences in the availability of the workforce between sectors and regions. From the viewpoint of Finland's competitiveness, it is vital that regional differences in the unemployment and employment rates are strongly reduced and regional reconciliation of labour supply and demand improved. Particular attention will be paid to supporting young people.

In pursuit of sustainable growth and employment, entrepreneurship will be promoted, education improved and the extension of working lives supported. A development strategy for working life will be drawn up to improve the quality of working life and wellbeing at work. Best practices will be passed on and transferred into practice between various parts of the country and at national level.

Supply of labour-market training will take account of the demand for labour in various sectors and professions, as well as regional needs. The needs of working life and the provision of education will be better matched through regional anticipation

of workforce and educational needs, especially in cooperation with Regional Councils, and through cooperation between the education providers and the business sector. New national, regional and local practices supporting employment will be promoted through tailored measures and various agreement procedures.

Youth unemployment fluctuates more strongly with economic trends than unemployment among the rest of the population. Moreover, the negative impacts of unemployment are considered to be especially harmful for young people. In order to support the regeneration of the regions, youth unemployment, social inclusion and prevention of social exclusion among the young will be focused on. The social guarantee for young people will be implemented as of the beginning of 2013, ensuring that all young people under 25 and all recently graduated people under 30 are provided with a job or training, study placement, or workshop or rehabilitation placement no later than three months into the period of unemployment. Implementation of the social guarantee will be supported by regional cooperation. In addition, the responsibility of municipalities for the guidance and counselling of young people completing their basic education will be increased. For this to be viable, electronic monitoring systems must be rendered functional. Outreach youth work and workshop activities for young people will be promoted, and such activities will be expanded to cover the entire country.

Special measures will be targeted at the utilisation of labour potential among groups outside the workforce, such as those partially capable of working and immigrants residing in Finland. Also, retired people have plenty of skills and resources that could be employed in working life and business activities. Employment of various age groups and coping at work, as well as the activation of the long-term unemployed and people partially capable of working to enter the labour market, will be supported by improving the quality and flexibility of working life. Cooperation between the State and municipalities in reducing long-term unemployment will be developed by means of a municipal trial, to be launched in 2012 and which will last for the duration of the Government's term. As of 2014, Labour Force Service Centre activities will be made statutory and extended throughout the country.

The Ministry of Employment and the Economy has launched a strategic key project, the Strategic Programme for Structural Change and Well-functioning Labour Markets. The programme evaluates the content of labour policy and the functioning of structures and presents related development proposals. In the spring of 2012, the Government will adopt a resolution on the basis of the programme, defining labour policy outlines and providing guidelines for developing the content and structures of labour policy.

There will be investment in development of the workers' competencies in order to increase productivity and improve the quality of working life. All sectors and workplaces require improvement of productivity in a way that is sustainable in terms of quality. The employees' ability to work and their wellbeing determine the length of their career and whether careers can be extended. Promotion of practices based on

continuous, broad-based involvement of employees, utilisation of initiatives and creativity, and development of cooperation between the management and staff is vital. Working life should be developed to match the various stages in people's lives.

A development strategy for working life will be prepared under the guidance of the Ministry of Employment and the Economy. This will be followed by launching an extensive national cooperation project at workplaces. As part of the project, Tekes – the Finnish Funding Agency for Technology and Innovation will commence a separate development programme for work organisations in various sectors and companies of various sizes. The strategy and programme work will involve searching for solutions suitable for each region in cooperation with regional and local actors. Services aimed at developing the quality of working life and improving productivity will be introduced to companies as part of existing regional and local enterprise services.

Work-based immigration and the employment of immigrants will be promoted on the basis of regional labour markets and the regions' identified needs.

Renewable energy and sustainable use of natural resources

In order to achieve the climate targets, investments will be channelled into the production of renewable energy and the improvement of energy efficiency. Decentralised energy systems using renewable sources delivering growth will be developed alongside traditional energy technology. Technologies and energy solutions in line with sustainable development, eco-efficiency and low-emission processes will provide opportunities for new kinds of business concepts, strengthen the operating conditions for entrepreneurship and create employment opportunities across Finland.

The aim is for Finland to become the leading country in terms of expertise in sustainable, economic and innovative utilisation of natural resources and materials, relying on the different sources of natural wealth of its regions. This also opens up major opportunities for export development.

Natural resources will be utilised in the production of renewable energy by enhancing support and steering systems, for instance. The new energy solutions will strengthen the operating conditions for businesses and entrepreneurship and generate employment opportunities, especially in rural areas. Efficient decentralised energy production requires a well-functioning infrastructure across the whole of Finland.

The use of wood-based energy, refuse-derived fuels, heat pumps, biogas and wind energy will be heavily increased. Particular emphasis will be placed on investing in the sustainable utilisation of forest biomass and wind energy. Considering that the market for the utilisation of forest biomass is only taking shape just now, the State should pay attention to enhancing market performance. Wind-power construction will be directed at optimal locations from the environmental and economical point of view, and the operating models required for improving the acceptability of wind power will be looked into.

The State will encourage and support increasing the share of renewable energy in the energy production of large cities. Preparation and implementation of climate and energy-policy strategies for urban regions will be promoted.

Emphasis will be placed on national-level networking and cooperation between regional actors in the promotion of energy-efficiency. Energy and material efficiency will be improved through more efficient utilisation of natural resources and by preventing the generation of waste and increasing the material and energy recovery from waste. Utilisation of waste also provides new business opportunities.

Growth-inducing, decentralised bio-economic systems related to the energy economy and nutrient recycling will be developed. The adoption of environmental management systems and material and energy-efficiency reviews by companies will be promoted, and the logistics and monitoring related to the use of materials will be developed. Social responsibility in the public sector will be enhanced by means such as sustainable procurement and reduction of the sector's environmental footprint. Energy and natural resource strategies, including increasing the utilisation of waste, should be included in regional planning.

A clean natural environment, natural diversity, clean waters and rich natural resources contribute to the attractiveness of the Finnish regions. Sustainable use of natural resources will be promoted on the basis of the national natural resource strategy. Maintaining biodiversity, achieving the ecological status targets for surface waters, groundwater reserves and other environments, and promoting the recreational use of nature create the preconditions for a good living environment, rural housing, a renewable economic structure and recreational use of nature.

The conservation and sustainable use of nature in Finland is aimed at halting the decline in biodiversity by 2020, while the objective of the water management plans, prepared via broad-based cooperation, is to achieve a good ecological status for waters by 2015.

3.2 Promoting the welfare of the population

Viable municipalities and the availability of services

The nationwide reform in local government structures is aimed at establishing a sustainable, thriving municipal structure built on economically robust municipalities. The aim of the new municipal structure is to safeguard municipal services that are equitable and of high quality across the whole country.

Economically robust municipalities consist of customary commuter areas large enough to be able to provide basic public services. Robust municipalities will also be capable of addressing urban sprawl in population centres that face growth pressures as well as conducting successful industrial policy. They are in a position to take care of welfare services and create the conditions for boosting the municipality's vitality and implementing democracy.

Population ageing, an increasing need for services and the consolidation of public finances require that the regions improve the productivity, profitability and efficiency of welfare services. Social welfare and services will be restructured in order to ensure the equal availability of services.

During the local government structure reform, due consideration will be given to the diverse nature of different areas, such as the special characteristics of growth centres, sparsely populated areas, long distances, vast stretches of archipelago, and language-related conditions by identifying an appropriate municipal and service structure for each region. Services in remote areas will be safeguarded by applying a model where certain municipalities bear primary responsibility and services are brought together into sufficiently large units.

The system of central government transfers will be revised in connection with the local government reform. The preparation for the central government transfer system reform will commence in the autumn of 2012, with the aim of having a new system of central government transfers in force as of the beginning of 2015.

In order to implement the reform of social welfare and health care service structures, an act governing the provision, funding, development and supervision of social welfare and health care services will be introduced. Both the content and schedules for legislative drafting relating to the act on the provision of social welfare and health care and to other legislation in various administrative branches will be synchronised with the nationwide local government reform.

Municipalities need to carry out a strategic examination in order to arrange and develop services. Service strategies prepared by municipalities should elaborate and make concrete the guidelines provided for service provision and development. Linking the industrial policy perspective to services provision requires close cooperation between companies and organisations in the region and municipal bodies responsible for social welfare and health care services and economic policy. The productivity of municipalities' operations and production will be promoted through the broad-based development campaign for municipal productivity and effectiveness, as outlined in the Government Programme.

The Ministry of Employment and the Economy is implementing a strategic key project for labour and industrial policy development in welfare management (the HYVÄ project). Running for the duration of the Government's term, the programme promotes the Government Programme's objectives of improving the productivity of welfare services and developing the service sector. The programme is being executed in cooperation with the Ministry of Finance, the Ministry of Social Affairs and Health, the Ministry of Education and Culture, the municipal sector, the trade associations and entrepreneur organisations for the welfare service sector, as well as personnel organisations and NGOs. MEE administrative branch procedures in the field of employment, economic and innovation policy and in regional development are employed as development tools.

Operating models that promote health and early intervention will be reinforced in order to curb the growth in service demand. Services promoting wellbeing and

health, such as cultural and sports services, should be available to everyone and they should be integrated as part of social welfare and health care services and working-life development.

The second National Development Programme for Social Welfare and Health Care (KASTE II) will be commenced, with the focus areas laid out in the Government Programme. Aimed at improving the quality and effectiveness of services and reducing regional disparities, the KASTE programme serves as a tool to increase inclusion, health and wellbeing.

The availability of public administration and public services will be secured in all regions by developing the network of Citizen Offices, expanding their range of services and utilising technical solutions. With regard to the availability of retail and other services, the needs of all population groups, including people without a car and older people, should be taken into account. In order to improve the mobility of people who do not have cars, new, cross-sectoral traffic solutions will be developed for providing transport to access services. Retail services in sparsely populated areas will be secured by developing new methods of service production. New forms of services will be developed for the provision of cultural, art education and sports services.

Social exclusion of young people and adults without any qualifications will be prevented and their integration into society supported by ensuring a sufficient and properly targeted supply of education. The opportunities available for education, recreational activities and participation play a central role in the prevention of social and health-related problems.

Ensuring social sustainability

In both cities and sparsely populated rural areas, the prevention of social exclusion is a key challenge for regional development. Preventative activity is the best way to combat social exclusion and deprivation. In order to increase the effectiveness of services, an above-average level of resources will be directed at the regions and at the interstices in the service system. Welfare of the children and the youth in particular can be improved by addressing problems quickly and increasing the opportunities for education, personal development and participation. Operating models and services providing early support and preventing social exclusion will be developed with a long-term view.

Everyone must have the opportunity to live and work in a healthy, safe environment that enables personal development. Achieving social sustainability requires openness, networking and cooperation, across sectoral boundaries too, and it requires an investment in multiculturalism and combating racism.

The State and urban areas will conclude agreements with a commitment to strengthening social sustainability in urban areas. Particular attention will be paid to reducing urban poverty and social segregation.

Measures of positive special treatment must be applied to urban regional development. Appropriations will be channelled to regions where the unemployment rate is high, a large number of people live in rented housing, and where immigrants constitute a larger than average proportion of the population.

As the baby-boom generation reaches retirement age, a new way of thinking as well as facilitating measures are required to engage the senior citizens in work and communal activities. After all, many senior citizens have the strength and desire to participate actively after retiring. Solutions that take ageing into account are needed for the ageing population in the living environment, apartments, work and communal spaces. A nationwide target is to establish a connection between the retiring generations and the working-age generations and the lives of children and the young.

As the local government structures change, particular attention will be paid to fostering grassroots democracy and to the opportunities of various population groups to participate and have an influence in the development of their own region. Horizontal forms of local activity that are already operational, such as action groups, village associations and other organisations engaged in broad-based local development work will be strengthened. In addition, means will be provided for them to influence political decision-making in their region. Well-functioning local services are a prerequisite for social sustainability in semi-rural areas.

The promotion of wellbeing and health, the prevention of environmental health hazards, and the reduction of inequality will be taken into account in all societal decision-making and incorporated into the activities of all administrative branches and ministries. The aim in decision-making is to support people's health and support choices that improve their quality of life.

3.3 Securing a good living environment and a sustainable regional structure

High-quality living environments, cohesive urban structure

Regional development pursues the creation of a high-quality living environment that supports the wellbeing of the population and the maintenance of such an environment. A key focus area in this is making the urban structure more integrated and functional while taking account of the characteristics of various regions and their future development. The urban structure will be developed with a view to providing ease of access to services and workplaces for various population groups.

It is vital to strengthen the attraction factors and promote these in order to attract a workforce and ensure that the existing population in the region, especially young people, feel comfortable. When companies choose their locations,

how the employees' regard and value certain places of residence plays an important role.

People choose their place of residence on the basis of factors relating to a smooth everyday life, such as job opportunities, housing, services, education available and cultural offerings, transport links, recreational opportunities, the water and energy supply, as well as a healthy environment, the cultural environment, pleasantness, links with nature and safety.

Improving the cohesion of the urban structure in large urban areas and rendering it more functional is a key focal point in mitigating climate change, securing welfare and enhancing the conditions for business activities. A sustainable urban structure will secure ecosystem services in cities and the preservation of biodiversity. Good land-use planning, letters of intent and legislative amendments will be employed to enhance the cohesion of the urban structure in large urban areas and make regional land use more effective. In land use, housing and transport-policy solutions, better account will be taken of directing services and trade and industry.

The mismatch between housing needs and supply of housing, as well as high costs of living, have become a problem especially in the Helsinki region and in the largest growth centres. In future, the key is to balance the housing market by promoting new construction of housing units, for instance. In urban areas and centres, housing construction will be concentrated in locations with good public transport links, as necessitated by the climate-policy emission reduction targets and the demands of an economical urban structure.

In growing urban areas, the standard of public transport services in particular will be improved, with the aim of increasing passenger volumes and reducing the use of private cars. Transport solutions in the Helsinki Metropolitan Area and other large cities are vital to national competitiveness. The standard of public transport services will be improved and sufficient park-and-ride facilities ensured in order to promote the use of public transport.

Sustainable community development in rural areas close to cities is based on villages and population centres that can provide services. Their development can be promoted by means of good land use and construction planning. Where villages and population centres are growing, new construction and services should support the functioning of current services.

A dynamic cultural environment and heritage increases the sense of community, strengthens regional identity and attracts residents and tourists alike. The vitality of sparsely populated rural areas stems from living alongside the natural environment, from a well-maintained cultural environment and from small local communities.

The safety of the living environment requires preparation for a changing climate and water conditions, as well as rapid communication and access to local and regional expertise in case of disturbances and accidents. All regions must be able to ensure basic water and energy-supply services as well as the safety and security of supplies even under exceptional circumstances. A higher flood risk and

increasing winds will impact on the practices relating to land use, housing and construction.

The regions' adjustment to climate change will be promoted on a local basis by identifying their vulnerabilities and risks, and the changes affecting the environment, as well as by preparing a plan for managing these factors. Such adjustment can give rise to new kinds of business activities in local communities, regarding the repair of storm and flood damage for instance.

A well-functioning network of regions

The regional structure will be developed as a polycentric, networked entity founded on good transport connections. Home to expertise and economic activity, urban regions across the country, along with their regions of influence, are crucial to polycentredness. Such centres will be developed as nodes of the regional structure on the international, national and local level.

In order to achieve sustainable solutions, the transport system will be developed in connection with the guidelines for long-term development of the regional structure. Transport solutions will be integrated into economic, employment and regional development. The transport connections required will be provided chiefly by developing existing main transport connections and improving the conditions for forms of transport that burden the environment less. The good condition and coverage of the transport network will be ensured in a sustainable way.

Strengthening polycentredness requires networking among urban regions and promotion of specialisation and division of responsibilities on the basis of factors relating to each region's location, strengths and conditions. Alongside the polycentric regional structure, the strengths of areas outside these centres will be identified, and various types of rural areas will be developed through appropriate means. Well-functioning villages and sparsely populated areas make up the regional structure in rural areas. Being a sparsely populated country, the interaction of urban regions with rural areas should be further strengthened in Finland.

In cooperation with Regional Councils, large cities and other stakeholders, the Ministry of Employment and Economy, the Ministry of the Environment, the Ministry of Transport and Communications and the Ministry of Agriculture and Forestry will prepare a target-oriented scenario with a long-term view for the development of the regional structure and transport system. In the same context, they will also define how polycentredness can be efficiently employed in the planning and implementation of functions. Consideration will be given here to connections to international transport networks.

The development of a balanced regional structure requires good transport connections between centres and a sufficient level of transport services to meet the transport demands of the population and businesses in all regions. By developing a

well-functioning road network with main and local roads that are in good condition and by providing sufficient resources, the prerequisites for housing and business activities will also be created in rural areas where private cars are used for most everyday travel. The existence of public transport in rural areas is especially important to children, young people and older people.

The Government will submit a Transport Policy Report in the spring of 2012, outlining strategic goals extending beyond this parliamentary term as a foundation for future project entities and the development of key national transport networks. In this, it will be ensured that the land-use, housing, transport, service structure, equality, accessibility and sustainable-development perspectives are taken into account, as well as the prerequisites of the business sector and regional development.

Transport-system work at regional level and in urban regions should be linked in a coordinated manner to transport-development guidelines prepared at the national level. Transport projects of national importance will be taken into account in regional and urban planning. Cross-regional cooperation concerning the regional structure, transport development and land use will be promoted.

In order to secure Finland's competitiveness, good and well-functioning connections to all parts of the world will be ensured. Smooth international connections to the largest ports, airports, border-crossing points and large industrial plants are required for the business sector to be competitive. It is absolutely vital to develop Finland's maritime transport and ensure its competitiveness, as some 90 per cent of Finland's exports and 70 per cent of imports are carried by sea.

Finland's transport networks will be more closely integrated as part of the transport networks in Europe and neighbouring areas. Focus will be on environmental values in the planning, construction and maintenance of new and existing routes. Transport chains will be designed to be eco-efficient.

Well-functioning data-communication links for inhabitants and enterprises will be secured throughout the country by promoting the provision and use of high-speed broadband connections. Separate measures will be taken to ensure that sufficiently fast broadband connections are available in companies' offices, educational institutions, libraries and at public service points, even in sparsely populated and remote areas.

4 Special issues with regard to regional development

4.1 Addressing structural change

The Government will respond to structural change proactively, rapidly and effectively. In extensive and sudden situations of structural change affecting a region or industry, special measures will be employed to create new jobs and strengthen social sustainability.

The measures required for addressing structural change problems will be intensified, improved and differentiated on a case-specific basis by making efficient use of expert networks. Regional and local contingency plans will be prepared for situations of change. The responsibility of companies and urban regions for preparing support packages and promoting the re-employment of those made redundant will be emphasised.

Predictive systems for structural change will be developed by enhancing collaboration between various administrative branches and by introducing new risk-analysis methods.

The Government can designate a certain region or sector as an area or industry of sudden structural change on the basis of a sudden decline in employment, business closures and redundancies. The Ministry of Employment and the Economy has an established operating model for addressing sudden and extensive structural change problems. Upon assessing the situation in the affected region, the measures to address structural change will be launched immediately with cooperation between the ministry, local actors and businesses.

In addition to traditional sectors, such as the forest industry, structural change increasingly affects growth sectors, such as the technology industry and maritime industry, which are characterised by heavily networked production and subcontractors operating in several locations. Companies in the sector are strongly focused on research and development and are usually located in university towns. Consequently, structural change also impacts on larger urban regions and the highly educated workforce. Following the structural change in the ICT industry, in 2010 the Jyväskylä region developed a new operating model that can be applied to other comparable problematic areas. As the emerging problems are of a different nature and type, more versatile measures and procedures must be launched immediately to address future structural change.

Long-term reform of the economic structure and businesses is the best way to respond to the challenges posed by structural change. On the other hand, it is important to forecast development in the regions and sectors in order to prepare for possible, sudden structural change as early as possible. Identifying the development prospects

for the near future and development of proactive measures requires regional- and sector-based expert networks, with representation from the ELY Centres, Regional Councils, companies in the sector and sectoral organisations.

4.2 Strengthening the competitiveness of the metropolitan area

The Helsinki Metropolitan Area is of major importance to the development of the entire national economy. The aim is to continue comprehensive development of the metropolitan area as the driver of Finland's national economy and as an internationally competitive metropolitan area. To achieve this, services in the area, a sustainable community structure, land-use planning, transport and communication networks, housing and the conditions for developing business and innovation activities need to be further improved. Particular focus will be placed on preventing segregation and urban poverty, strengthening education and employment policy and devising new operating models for cultural policy, for instance, in order to promote employment and integrate people of immigrant origin.

The letter-of-intent procedure between the State and cities in the metropolitan area will be further developed and its binding effect and effectiveness improved.

Issues regarding the development of administrative structures in the metropolitan area will be handled as part of the nationwide reform of local government structures. The ways in which the reforms in the municipalities and service structures are resolved have a significant bearing on the metropolitan area in terms of Finland's international competitiveness and potential for growth. In the course of the local government reform, an appropriate municipal and service structure for the metropolitan area will be identified, and key ministries will investigate the need for a separate legislative act concerning the metropolitan area.

The wider Helsinki Metropolitan Area is of key importance to the development of the entire national economy. In order to fully harness and strengthen the resources in the area, a separate metropolitan policy is required. Such a policy enhances the area's international competitiveness and helps balanced development in order to promote favourable progress across the country and to mitigate the special challenges in the metropolitan area.

As the metropolitan area has the highest population and company density in the country, securing the public sector's resources and ensuring its operational efficiency in the area is vital.

4.3 Securing the operational conditions for large urban regions

Large urban regions have significant bearing on the whole of Finland's welfare and competitiveness. Their competitiveness will be improved and challenges specific to them will be addressed via collaboration between the State and the cities, as well as through national development taking into account regional characteristics and strategic choices.

Letters of intent will be signed between the State and the large cities, and existing letter-of-intent procedures will be further developed, paying particular attention to their binding effect and impact. Such agreements will bolster the competitiveness of large cities, enhance the cohesion of the urban structure and strengthen social sustainability in urban regions. This letter-of-intent policy between the State and the large urban regions will be developed within the Urban Policy Committee and its division for large cities.

Such policy is aimed at reforming the economic structure and creating businesses and jobs with high added value, as well as strengthening the competence base of urban regions and developing strong centres of expertise and innovation in Finland that are of international standard. The agreements will further assist in creating a more cohesive community structure and contribute to more comprehensive community planning, environmentally efficient land use and reduction of greenhouse gases. In addition, the operating conditions for and standards of public transport services will be improved. Social sustainability of urban regions is also strengthened through the agreements, with special attention given to reducing urban poverty and social segregation and addressing youth and long-term unemployment.

4.4 Development of sparsely populated regions

With their mosaic covering more than half of Finland's surface area and their permanent population at some half a million, the sparsely populated areas require strong and targeted development in order to achieve balanced regional development and equality between citizens. As at the level of the European Union, sparsely populated areas also need a national policy that is based on their own special characteristics, as well as solutions and development measures that differ from those required in the rest of Finland.

Rapid decline of sparsely populated areas, which defeats a lot of business potential, poses a threat. While sustainable development of the bio-economy is a part of the growth scenario for Finland's national economy, this requires well-functioning structures in sparsely populated areas too. The strengths of such areas are related to immaterial resources in the natural and living environments as well as to material natural resources. In order to harness these resources, the areas need residents and a workforce. Sustainable economic activities and service provision require a skilled

workforce. Accessibility – well-functioning telecommunication links, maintenance of the basic network and the functioning of other infrastructures – is the lifeline of sparsely populated rural areas.

As the dependency ratio weakens, it should be ensured that villages and parish villages are able to better attract both the native population and immigrants as their permanent residents. This requires more efficient integration, determined development of building and living opportunities, and strengthening of local development work.

Vitality in sparsely populated areas requires accessibility, well-functioning telecommunication links, the incorporation of the area into development and learning networks, and a diverse business and service structure based on local solutions. Regeneration will be a necessity, requiring a new kind of cooperation between the public and private sector, the development of service-procurement procedures, innovation and the mutual support of various administrative branches' activities. Issues such as the security of citizens will demand new solutions based on cooperation between the public sector and civic actors.

4.5 Development of Eastern and Northern Finland

The long distances and sparse population in the regions of Eastern and Northern Finland pose major challenges to the sustainable development of business activities, housing and service structures, as well as the regional structure. A clear strategy will be prepared for the sustainable utilisation of resources and potential in Eastern and Northern Finland, and the role of the EU's regional and structural policy will be defined in this respect.

Eastern and Northern Finland have an abundance of forest, minerals and other natural resources, which are rapidly gaining significance in a global economy. Finland has plenty of high-level expertise and equipment manufacture related to the utilisation of such natural resources. Moreover, these regions provide great opportunities for the development of tourism and winter and refrigeration technologies. The local importance of tourism particularly stands out in tourist centres located in remote areas.

The vitality of the regions can be enhanced through close cooperation with the Barents regions of Norway, Sweden and Russia, as well as the entire Arctic region. Supporting and developing the Sami people's traditional way of life, language and culture will further reinforce the region's vitality as a part of its sustainable development.

A clear strategy and special measures are required to facilitate the exploitation of resources and potential. Preparation of the strategy for Eastern and Northern Finland commenced in the autumn of 2011, and it will be ready for implementation in 2013. The strategy identifies special measures demanded in the region, while taking

account of possible environmental impacts. In addition, the Sami people's rights as an indigenous people are taken into account in the strategy.

4.6 Utilisation of the Northern Dimension

The Baltic Sea region, the Barents region and the Arctic region, as well as Russia in general, offer Finnish actors vast economic opportunities which should be actively seized.

The national Russia Action Plan will be updated in order to achieve closer, clearer cooperation between Finland and Russia, and the operations of the Russia Forum will be developed. When updating the Russia Action Plan, attention should be paid to the major opportunities opening up to Finnish businesses due to the vicinity of the St. Petersburg area, the development of the markets and the growth in purchasing power.

Companies will be offered services and expert advice in order to improve their chances of operating in Russia. Border-crossing formalities will be simplified and made easier. Cooperation between the northern regions of Finland and Russia will be strengthened, particularly with regard to development activities in the field of energy and logistics, as well as in community and environmental innovations and technology.

The Baltic Sea Strategy will be promoted, and measures aligned with the Northern Dimension policy will be strengthened in the strategy's implementation. Programmes for the next Structural Funds period 2014+ will take account of the strategy and its implementation.

The Northern regions of Russia and the entire Barents region will gain international importance. Utilisation of the energy and natural resources of the Northern regions and new logistic opportunities, such as the Northern Sea Route, open up new opportunities for Finland too. In north-western Russia, the housing, municipal infrastructure, the energy supply of cities and built-up areas, the water and environmental systems, and the traffic infrastructure are also in need of renewal. These are areas of strong expertise for Finnish companies. In order to take advantage of the opportunities, both information on the possibilities and support for business activities and cooperation among businesses is needed. Knowledge of Russian culture and language will be promoted by enhancing related education throughout the country.

Border crossing points need to be developed and handling of border formalities enhanced to enable the utilisation of opportunities provided by Russia. The possible implementation of visa-free travel must be prepared for by creating the necessary prerequisites through development of border-crossing points and resources available to authorities. In addition, the required transport connections to the Barents region must also be developed. The transport policy report to be prepared must therefore address the required transport and logistics connections to north-western Russia.

In neighbouring-area cooperation between Russia and Finland, the authorities' presence, active approach and gathering of information in the Russian market play an important role. Such cooperation should take a broad-based approach, with a view to increasing welfare and promoting socio-economic development and the education and cultural sector in neighbouring areas. For this, close cooperation between the regional state administrative authorities, Regional Councils and largest cities is required.

Russia also provides opportunities to Finnish tourism and programme-provider companies looking to expand their international operations. To achieve this, cooperation with Russian tourism companies and programme providers and authorities must be developed. Finnish tourism will be developed by increasing cooperation and development investments and by emphasising the tourism-related potential of Northern Europe as part of European tourism development and the implementation of the Northern Dimension Cultural Partnership. Marketing efforts in Russian will be intensified.

The Nordic Council of Ministers has confirmed guidelines for regional cooperation with north-western Russia and the Baltic states. These activities will aim to take into account potential synergies with the EU Baltic Sea strategy and the Northern Dimension policy. For Finland this is important, as it provides a tool to promote the strategy's implementation throughout the country, and in the Structural Fund programmes in Eastern and Northern Finland in particular. In the programming period 2014+, the cross-border cooperation programmes in the Baltic Sea region should be clearly bound to support the targets outlined in the strategy.

For Finland, it is important to continue environmental cooperation with Russia, with a view to improving the state of the Gulf of Finland and the Baltic Sea and reducing environmental risks and cross-border environmental impacts. This is linked to supporting environmental cooperation between the EU and Russia. Moreover, environmental cooperation with Russia has a significant economic dimension that can support business activity in the border regions of Finland and Russia.

In developing the Arctic region, attention should be paid to the environmental perspective, human development, engagement of the Sami Parliament and the role of the Advisory Board on Arctic Affairs.

5 Strengthening the regional development system

A joint stand taken by the regions and a commitment to common goals are pre-requisites for regional development. Cross-sectoral operations and cooperation between the public, private and third sectors at all regional levels and the national level is essential.

In the coming years, the regional development system will be affected by the reform in local government structures and further by the possible decisions on the governance experiment in Kainuu and on governance of the metropolitan area and by letters of intent signed with large cities. In addition, decisions made in the next EU Structural Funds period may give rise to a need to review the entire system. Planning practices might also need reviewing due to possible changes in the division into regions.

An overall assessment of the regional development system will be carried out during the Government's term of office.

5.1 Regional and local level

In accordance with the Government Programme, the role of the central government steering system, vis-à-vis the local government, will be clarified and harmonised. In order to improve the effectiveness of resources employed by the State, it will be ensured that the activities of the various sectors and actors involved in regional development are aligned.

In addition to promoting nationwide goals, the State's decision-making concerning regional and local government, steering, and targeting of regional development resources will emphasise the regional development approach, observing the special characteristics of each region.

The regions' intent and national regional development targets will be reconciled in regional strategic programmes and the annual regional strategic programme implementation plans, as well as in the strategic performance agreements drawn up with the Centres for Economic Development, Transport and the Environment (ELY Centres) and Regional State Administrative Agencies. Regional strategic documents will be clarified jointly by the ministries steering regional state administrative authorities, regional state administrative authorities and Regional Councils, also improving the division of duties between regional strategic documents in the process.

Performance reviews held between central government administration and regional state administration will be based on the development guidelines and proposals presented by the regions, as well as on national sectoral strategies and strategy documents of the regional state administrative authorities. The Regional Council, as

the regional development authority, will be strongly involved in the strategic planning carried out by regional state administrative authorities.

The regional strategic programme expresses the region's intent and key development targets for the coming years. Cooperation between regions will give more weight to this document, as development areas of key strategic importance are discussed across a wider area than just one region. The negotiation procedure between central government administration and the regions will be developed in order to implement the development proposals presented in the regional strategic programmes. The negotiations are aimed at reaching a joint agreement on implementing measures that affect several regions, and they aim to commit the various parties to long-term development efforts.

The Government report on the implementation of regional state administration, to be submitted to Parliament by the end of 2012, will assess, among other things, the functionality of the division into regions, the steering system and management, and the real impact of the regions' stand on measures taken by the State. Reforms in local government structures will be taken into account in possible structural changes made in the Regional Councils and the ELY Centres. Consistency between the ELY Centres' areas of operation and the regional borders will be addressed in the possible reform of the division into regions.

Cooperation between areas at sub-regional level is necessary in order to strengthen the area structure within the regions and to steer regional policy measures, primarily in the context of industrial policy. Due to changes in local government structures and current established cooperation, the existing division into sub-regions is already outdated. For this reason, the division into sub-regions will be abandoned. Areas of cooperation for municipalities can be defined more flexibly than at present in the context of preparation of the regional strategic programme, in accordance with Section 25 of the Act on Regional Development. Statistics Finland will ensure that statistics are produced for the aforementioned areas and for each commuting area.

As the municipalities grow in size, so does the importance of horizontal actors at the local level. To ensure the opportunities for participation by the residents, the relationships between the municipalities and local actors need to be reorganised. Procedures for local development will be developed and possibly distributed to various funds in urban regions too, in line with the Commission's guidelines.

5.2 Regional strategies of administrative branches at the national level

The responsibility of the administrative branches for regional development performance targets will be increased. In practice, this means placing more emphasis on the regional strategies of the administrative branches, and increasingly efficient implementation. The effectiveness of regional development

will be assessed on a regular basis in the ministerial working group on public administration and regional development.

The administrative branches will identify the development needs of different regions and specify, in accordance with the Act on Regional Development, regional development targets and measures (regional strategy). Section 5 of the Decree on Regional Development (1837/2009) lays down provisions regarding the content and preparation of regional strategies. The targets and guidelines presented in the decision on targets guide the preparation and content of the ministries' regional strategies.

The ministries approve their regional strategies by mid-September in each Government's second year in office. With a view to improving effectiveness, the ministries' regional strategies will be included in other strategic planning documents of the administrative branches and in the implementation of sectoral policies. The regional strategies are prepared in cooperation with the regional state administrative authorities and other government agencies and departments within the administrative branch.

Regional strategies are prepared by ministries central to regional development: the Ministry of Employment and the Economy, the Ministry of the Environment, the Ministry of Education and Culture, the Ministry of Transport and Communications, the Ministry of Agriculture and Forestry, the Ministry of Finance and the Ministry of Social Affairs and Health. Also, the Ministry of the Interior will prepare a regional strategy, as its activities have an indirect impact on regional development.

Cross-administrative coordination and effectiveness of measures impacting on regional development will be enhanced as part of the Regional and Structural Policy Advisory Council's work. The Ministry of Employment and the Economy will be the responsible party.

At the end of the Government's term in office, the administrative branches will submit a report on the implementation of their regional strategies to the ministerial working group on public administration and regional development.

The Urban and Rural Policy Committees and the Island Committee will prepare and monitor the implementation of measures and report to the Regional and Structural Policy Advisory Council.

5.3 National special programmes

Regional development involves themes that require the coordination of various sectoral policies and measures taken by various actors. When necessary, the Government may launch new special programmes related to themes of its choice. One or more ministries may be assigned the responsibility for managing such programmes.

Centre of Expertise Programme

The Centre of Expertise Programme (2007-2013) operates on the principle of exploiting expertise of an internationally high standard on the basis of regional strengths. A specific goal for the current period is to increase cooperation between the Centres of Expertise.

Among current policy tools, the Centre of Expertise Programme is the most important tool in strengthening mutual synergies between national and regional development of innovations and in achieving the aforementioned targets set by the Government. Generating business from expertise, the Centre of Expertise Programme can be employed to link efforts at the local level with the focus areas defined in the innovation strategy, thereby supporting the exploitation of expertise across the country as a national resource.

The Centres of Expertise support the utilisation of expertise in generating new business openings and promote cooperation in the field of innovation among key actors in urban regions. In addition, the Centres pool expertise from various parts of the country into a national resource by utilising thematic networks.

Measures and resources within the Centre of Expertise programme will be refocused after the end of the programme period in 2013. The new instrument will be prepared with the aim of strengthening the synergies between national and regional innovation policy measures.

The national Cohesion and Competitiveness Programme

The restoration of public finances calls for stringent saving measures within the public administration. This also concerns the appropriations allocated to regional development. Consequently, the Cohesion and Competitiveness Programme (COCO) will be terminated as a special programme for national regional development at the end of this year.

The COCO programme has supported development based on regional strengths and reinforced a local approach. While good practices have been identified and disseminated in an innovative way, they have been slow to take root in the recipient regions. The COCO programme was not successful in integrating into the development system at the regional level, and in the programme's assessment, carried out in the autumn of 2011, Regional Councils took a critical view of the COCO programme's effectiveness.

Termination of the programme will thus simplify the system, reduce the administrative burden and strengthen the democratic channelling of development funds in the regions. In the future, development funds will be more strongly directed at a development and planning system that rests on the strategies and performance agreements guiding regional development.

Funding will continue to be directed at national urban, rural and island policy. Although the COCO programme will end, the Innovation and knowledge, Creative sectors and culture, Wellbeing and Russia networks within the programme will also receive funding in 2012. If they so wish, the regions may use the appropriations available to them to fund development work in the former COCO areas in 2012. Funds granted to the programmes in 2011 will be available throughout 2012.

5.4 Government resolutions

Action plans for urban, rural and island policy will be prepared for the Government's term in office.

In accordance with a proposal made by the Government Programme monitoring project, the preparation of reports and resolutions will be abandoned or it will be entirely reorganised.

However, the administration needs a steering tool for defining key tasks and measures for the Government's term in office for established regional policy sectors partly governed by legislation – these include urban, rural and island policy. Such tools include the action plans, which are prepared by the Urban and Rural Policy Committees and the Island Committee, drawn up jointly by the ministries and regions for the Government's term in office, and finally adopted by the Ministry of Employment and the Economy after discussion by the Government's ministerial working group on public administration and regional development.

When necessary, the Government may decide on preparing new resolutions.

The roles and responsibilities of various parties in regional or theme-based development will be agreed through a procedure utilising negotiations and agreements. Cooperation agreements, as specified in Section 28 of the Act on Regional Development, will be one tool employed in this.

5.5 Regional development resources

Regional development measures will be implemented within the financial framework specified in the State budget.

In connection with budget preparation, the ministries compile, on the basis of their regional strategies, a report on the regional targeting of their activities and resources and changes in this. This procedure will support decision-making by the Government and provide the Parliament with information on the regional allocation of resources and their regional impact. The aim is to gain better knowledge of changes in the policy or in appropriations in the State budget and improve the possibilities of assessing regional impacts.

At the beginning of each budget year, the ministries will present at one government plenary session the appropriations allocated to regions within their administrative branch, in accordance with Section 4, Paragraph 3 of the Government

Rules of Procedure. The Ministry of Employment and the Economy will announce the day of presentation to the other ministries and compile a summary of the appropriations directed to various regions, on the basis of draft lists of the matters to be presented. Statistics compiled by Statistics Finland on regional development will be used to get an overall picture of realisation at regional level.

6 Required legislative amendments and further investigation

Further investigation concerning the following statutes will be commenced:

- The possibility of merging the Act on Regional Development (1651/2009) and the Structural Fund Act (1401/2006, amended by 1653/2009) will be investigated, in order to bring the national and EU system and programme work under the same Act. As the negotiation and agreement procedure expands, the need for amending the Act on Regional Development will be investigated.
- Harmonisation of basic provisions governing the application for, and granting, payment and recovery of aid will be looked into. The aim is to at least have a harmonised set of basic provisions for aid granted by the ELY Centres. The Financing Act of the Ministry of Employment and the Economy can be used as a basis for this.
- As part of the local government reform, an appropriate municipal and service structure for the metropolitan area will be looked into and the need for a separate act concerning the metropolitan area investigated.

7 Monitoring and evaluation of the decision on targets

The Ministry of Employment and the Economy is responsible for monitoring the implementation of the decision on targets. The Regional and Structural Policy Advisory Council will monitor the implementation of the decision and the administrative branches' regional strategies, as well as the related steering of regional state administration.

The ministerial working group on public administration and regional development will assess the achievement of regional development targets on a regular basis, and discuss regional development targets and measures specific to each administrative branch. The decision on targets will be revised and amended as necessary on the basis of proposals by the ministerial working group.

Implementation of the decision includes continuous qualitative monitoring. In practice, such monitoring is closely linked to the preparation and implementation of the regional strategies of various administrative branches. The regional strategies of administrative branches ensure that the targets defined in the decision are made concrete and scheduled in accordance with assigned responsibilities.

By utilising contextual indicators on general development, the Ministry of Employment and the Economy will monitor developments and the direction of change in the regions. In addition, the Ministry of Employment and the Economy produces forecasting data on development trends in the regional economy on the basis of key indicators.

Regional strategic programmes should take account of the policy guidelines defined in the decision on targets. Possible revisions can be made to the regional strategic programmes in connection with the implementation plans, which are drawn up annually. Performance management is used to ensure that regional state administrative authorities implement the targets and policy guidelines defined in the decision in their activities.

A mid-term assessment of the decision's implementation and effectiveness will be prepared in the autumn of 2013 and submitted to the Cabinet Committee on Economic Policy.

8 Impacts of the decision on targets

The Act on the Assessment of the Impacts of the Authorities' Plans and Programmes on the Environment (200/2005) imposes an obligation to assess the decision's environmental impacts. In addition, pursuant to the Act on Equality between Women and Men, authorities must promote gender equality. Where decision-making has regional impacts, it must also pay attention to impacts on rural areas. In the following qualitative assessment, the aim is to identify the impacts of the strategic development targets and focus areas defined in the decision, as well as the direction of such impacts. Various assessment perspectives are covered in the examination of impacts.

8.1 Impacts on the economy, business and industry and the regional structure

The decision on targets will not have any direct impact on central government finances. The targets will be implemented within the central government spending limits and budgets. Appropriations for regional development measures by the State are allocated to various administrative branches in the State budget. Priority is placed on improving the efficient targeting of existing resources in all administrative branches, in order to enhance the effectiveness and productivity of measures.

A key goal of the decision is to strengthen the regions' competitiveness and economic growth by harnessing existing strengths in the regions. A more balanced regional growth will best promote overall economic growth through a more optimal use of production factors. Moreover, improved balance between production, employment and the regional structure might strengthen local and central government finances. Achievement of the targets will increase the attractiveness of the regions, which in turn influences people's decisions on where to live and companies' choices of location.

The decision contains several targets that relate to improving the conditions for business and innovation activities, reforming and diversifying the economic structure, and developing energy production and energy technologies as well as service provision. When implemented successfully, these targets will create new jobs requiring new kinds of expertise, as well as opportunities for entrepreneurial activities, in urban regions and rural areas alike.

Efforts to improve the functioning of labour markets are aimed at securing the supply of workforce to companies in various types of regions, employment of job seekers, and versatile development of skills. The targets outlined in the decision promote the relevance of education and close links to working life at all levels of

education as well as the quality of working life. From the perspective of regional development, it is vital that in the future also, labour is available extensively for tasks within key education, health and welfare services throughout the country.

The decision aims at developing the regional structure as a networked entity founded on good transport connections. This will promote interaction between various regions, as well as between cities and rural areas. In addition, cross-regional cooperation, the creation of development zones and more integrated urban structures will be promoted, with a view to providing good access to services and jobs for various population groups.

The targets on making urban structures in the capital region, other growing urban regions, and built-up areas and villages more integrated are aimed at improving the functionality and efficiency of the urban structure. Supporting the villages and other rural centres may also contribute to improving the conditions for the development of the surrounding sparsely populated areas.

As the targets outlined in the decision place a general emphasis on generating economic growth and improving accessibility, they might also contribute to an increase in traffic volumes. However, possible disadvantages can be mitigated through good planning and cooperation between various actors. Securing fast communication connections can also reduce the need for transport.

In urban regions and centres, housing construction will be focused on locations with good public transport links, as necessitated by the climate-policy emission reduction targets and the demands of an economical urban structure. Successful realisation of these targets might increase migration of the population to areas where the construction is focused. On the other hand, achievement of the targets will reduce wastewater loads.

8.2 Impacts on people and communities

The regional development targets are aimed at increasing employment, improving the availability of services, enabling the development of expertise throughout life, and ensuring a good and comfortable living environment, a clean natural environment and biodiversity. Meeting these targets will have a direct impact on people's welfare.

From the point of view of the people and communities, development of trade and industry and regional labour markets mostly has a positive impact. Strengthening business activities and the business sector will increase employment, thereby improving the households' income levels. Achieving economic growth and improvement in employment levels in various types of regions and different parts of the country, as outlined in the targets, will provide families with better opportunities to choose their place of residence.

The conditions for expertise, innovativeness, creativity and regeneration will be created through a versatile education of high quality, simultaneously providing as

broad a general education as possible. Development of education will reinforce social and human capital in the area and promote the welfare of the people. In addition, the availability of and good access to educational services will have a positive impact on different population groups, but especially on the quality of life of children and the young and on their opportunities for development.

The reform in local government structures is aimed at safeguarding the provision of equitable municipal services throughout the country. In this, a particular challenge relates to safeguarding access to services for ageing households and households with no cars, in both sparsely populated areas and urban regions. A more integrated urban structure could make services more accessible in population centres. New ways of service provision will be developed in rural areas in order to ensure the equal availability of services, which simultaneously gives improved access to services.

While the decision will not have any direct impacts on the position of various population groups, it will affect people's living environments and conditions in a number of ways and consequently it may affect various population groups. The decision recognises the importance of social sustainability and provides guidelines for its enhancement. Prevention of social exclusion is considered to pose a major challenge to regional development, both within cities and in sparsely populated rural areas. For this reason, active citizenship, societal participation and functioning of the civil society will be further strengthened. Attention will be paid to the welfare of children and young people by taking preventative measures. Achievement of these targets will reinforce social cohesion and reduce the disparities in welfare between various population groups. Promotion of gender equality will be taken into account when implementing the targets.

Developing comprehensive integration of immigrants and the promotion of multiculturalism are taken into account in the targets. Failure to integrate immigrants will have significant negative impacts on the welfare of immigrants and local native population alike.

The regional development targets aim to exert influence so that everyone would have the opportunity and capabilities for unrestricted participation in the information society and the digital world, regardless of their income level, health, financial status or place of residence.

One of the targets outlined in the decision is to develop the vitality of rural areas and the archipelago. In this, particular attention will be paid to improving the living conditions for the population and safeguarding public services. When successful, these targets will have positive impacts on the people, communities and actors in rural areas. Rural impacts will be taken into account in the decision's implementation.

8.3 Impacts on the environment and natural resources

The targets and their implementation under the decision will take account of environmental issues through mainstreaming. Several objectives, such as promoting the green economy, improving energy and material efficiency, utilising renewable energy, making the urban structure more integrated, and developing the transport system with a comprehensive approach while reducing the need for transport, are included in the decision in order to meet the climate targets. Successful implementation of the targets will promote the sustainable, economical and innovative utilisation of natural resources and materials.

Renewing and diversifying the economic structures of the regions and strengthening regional economies will have impacts that increase the use of natural resources, traffic volumes, energy consumption and emissions. Negative impacts may also occur regionally or locally when the strengths of a given region are heavily based on the utilisation of natural resources. The decision thus emphasises that environmental sustainability and welfare of the area's population must be taken into account in the utilisation of natural resources in the region.

Measures aimed at increasing the use of renewable energy and supporting energy efficiency have a positive overall effect on the environment. When utilising renewable sources of energy, it is crucial to the environment to pay attention to sustainability and the load capacity of the natural environment. By using renewable sources of energy, emissions can be reduced, the emissions resulting from energy use will be cleaner, and energy sources can be used in a sustainable way. Decentralised energy production will reduce the need for transport as well as transport emissions.

The impacts of renewable energy production on the soil, water, air and natural organisms are mainly positive. However, a significant increase in the use of energy may pose risks, for instance, to biodiversity, the landscape, welfare of the population, the flora and fauna, and the ecological status of waters and water quality. Energy production plants may also make their surrounding environment less attractive. Key elements of risk management include careful and open preparation of placement decisions, providing more information on possible environmental impacts and good practices, and public steering.

Accessibility is emphasised in regional development as one factor crucial to the attractiveness of regions. A more integrated urban structure in population centres will lead to emissions from traffic being centralised in a smaller area, which in turn might highlight the local negative impacts of emissions. However, the negative impacts resulting from an increase in traffic volumes can be reduced through steering of land-use planning and through other good planning. Efficient communication connections and services reduce the need for travel, and, consequently, emissions from traffic. More environmentally friendly transport fuels and more fuel-efficient vehicles play a key role in cutting traffic emissions.

Meeting the climate targets requires a change in people's consumption habits. It also requires energy saving measures, improvements in material and nutrient cycling, and increases in energy efficiency in housing and construction. In addition to contributing to an increase in the use of natural resources, construction causes emissions and noise locally, although this is mostly temporary.

The targets outlined in the decision are aimed at promoting the regions' adjustment to climate change. In local terms, the vulnerabilities, threats and opportunities need to be identified for each region, alongside actors in case of accidents and disruptions. Based on this, a plan for managing these factors must be drawn up. All regions must be able to ensure basic water- and energy-supply services as well as the safety and security of supplies, even under exceptional circumstances.

The targets promote the preservation of a dynamic cultural environment and heritage and their consideration as a resource for regional development.

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Valtioneuvosto päätti 15.12.2011 valtakunnallisista alueiden kehittämistavoitteista vuosiksi 2011–2015 (tavoitepäättös). Päättös sisältää tällä hallituskaudella noudatettavat, valtioneuvoston toimivallassa olevat aluepoliittiset linjaukset ja kehittämistoimien painopisteet. Päätöksen sisältö perustuu sekä lakiin alueiden kehittämisestä että valtioneuvoston asetukseen alueiden kehittämisestä. Alueiden kehittämistavoitteet kiteytetään päätöksessä kolmeen yleiseen linjaukseen: 1. Vahvistetaan alueiden kilpailukykyä ja elinvoimaisuutta 2. Edistetään väestön hyvinvointia 3. Turvataan hyvä elinympäristö ja kestävä aluerakenne Alueiden kehittämisen keskeisinä periaatteina korostetaan jatkuvan uusiutumiskyvyn ylläpitämistä, kaiken potentiaalın hyödyntämistä sekä alueellisten erityispiirteiden kunnioittamista. Strategisten kehittämistavoitteiden toteuttamiseksi hallinnonalat ottavat entistä paremmin huomioon aluekehitysnäkökulman oman hallinnonalansa toimissa. Näin pannaan toimeen hallitusohjelman linjaus eri ministeriöiden tulostavuuksiin lisäämisestä aluekehittämisessä. Aluekehitysnäkökulmaa tarvitaan enenevästi erityisesti elinkeinopolitiikassa, tutkimus- ja kehitystoiminnassa, sosiaali- ja terveyspalvelujen saatavuuden varmistamiseksi, kestävä kehityksen tavoitteissa sekä kehitettäessä liikenne- ja viestintäyhteyksiä. EU:n alue- ja rakennepolitiikalla sekä maaseutupolitiikalla täydennetään ja tuetaan kansallista aluekehittämistä. Nämä politiikat integroidaan tehokkaaksi tulokselliseksi kokonaisuudeksi uuden rakennerahastokauden ohjelmatyön viimeistelyyn mennessä. Näin varmistetaan, että kansalliset ja EU:n alue- ja rakennerahastot vaikuttavat samansuuntaisesti. Tavoitepäättöksen on laatinut työ- ja elinkeinoministeriö alue- ja rakennepolitiikan neuvottelukunnan johdolla yhteistyössä ministeriöiden, maakunnan liittojen, aluehallintoviranomaisten sekä muiden keskeisten tahojen kanssa. Hallinnon ja aluekehityksen ministeriryöhyssä arvioidaan säännöllisesti alueiden kehittämistavoitteiden toteutumista sekä käsitellään hallinnonalakohtaisia tavoitteita ja toimenpiteitä alueiden kehittämiseksi. Julkaisu on saatavilla myös suomen- ja ruotsinkielisenä (Valtakunnalliset alueiden kehittämistavoitteet 2011-2015, Työ- ja elinkeinoministeriön julkaisuja, 5/2012)			
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Tiivistelmä Referat Abstract Statsrådet beslutade om de rikstäckande målen för regionutvecklingen 2011–2015 (målbeslut) den 15 december 2011. Beslutet innehåller de regionalpolitiska riktlinjer och de tyngdpunkter i utvecklingsåtgärderna som faller inom statsrådets kompetensområde och som ska följas och vidtas under den pågående regeringsperioden. Innehållet i beslutet baserar sig både på lagen om utveckling av regionerna och på statsrådets beslut om utveckling av regionerna. I detta beslut sammanfattas målen för regionutvecklingen i form av tre allmänna riktlinjer: <ol style="list-style-type: none"> 1. Att förbättra regionernas konkurrens- och livskraft 2. Att höja befolkningens välfärd 3. Att trygga en god livsmiljö och en hållbar regionstruktur Bland de viktigaste principerna för regionutvecklingen betonas förmågan att upprätthålla en fortgående förnyelse, att ta vara på all potential och en respekt för regionernas särdrag. För att de strategiska utvecklingsmålen ska kunna nås ska de olika förvaltningsområdena bättre än tidigare i sin verksamhet beakta regionala utvecklingsaspekter i de åtgärder som vidtas inom området. På detta sätt verkställs regeringsprogrammets föresats om utökning av ministeriernas resultatansvar för regionutvecklingen. Det regionala utvecklingsperspektivet behövs i ökande grad särskilt i näringspolitiken, i forskning och utveckling och innovationsverksamhet, för att tillgången på social- och hälsovårdstjänster kan säkerställas och målen för hållbar utveckling uppnås samt för att trafik- och kommunikationsförbindelserna kan utvecklas. EU:s regional- och strukturpolitik samt landsbygdspolitik kompletterar och stödjer den nationella regionutvecklingen. Dessa politikområden integreras till en effektiv resultatinriktad helhet senast då programarbetet för den nya strukturfondsperioden slutförs. På detta sätt säkerställs att de nationella resurserna och EU:s regional- och strukturfondsmedel verkar i samma riktning. Målbeslutet har utarbetats av arbets- och näringsministeriet under ledning av delegationen för regional- och strukturpolitik och i samarbete med ministerierna, landskapsförbunden, regionalförvaltningsmyndigheterna samt andra viktiga intressegrupper. Ministerarbetsgruppen för förvaltning och regional utveckling följer fortlöpande hur målen för regionutvecklingen nås samt diskuterar målen och åtgärderna för utveckling av regionerna inom de olika förvaltningsområdena. Dokumentet är också utgivet på finska och svenska (Valtakunnalliset alueiden kehittämistavoitteet 2011-2015, Työ- ja elinkeinoministeriön julkaisuja, 5/2012). Kontaktpersoner vid arbets- och näringsministeriet: Regionavdelningen/Veijo Kavonius, tfn 0400 199 511, Mari Anttikoski, tfn 050 396 0016			
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Finland's national regional development targets for 2011–2015 - An economically, socially and environmentally sustainable Finland

In accordance with the Act on Regional Development (1651/2009), the Government decides on national regional development targets for a fixed period, for the purpose of directing and coordinating the regional development objectives of various administrative branches and regions. On 15 December 2011, the Government made a decision on national regional development targets for the period 2011–2015.

Combined with demographic development in the regions, the state of public finances puts a great deal of pressure on regional development. In order to prosper in the coming decades, Finland needs to enhance the competitiveness and vitality of its regions, promote the welfare of the population and secure a good living environment and sustainable regional structure.

Authorities should take account of the strategic targets outlined in the decision, promote their implementation and assess the impacts of their measures from the perspective of regional development.

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