

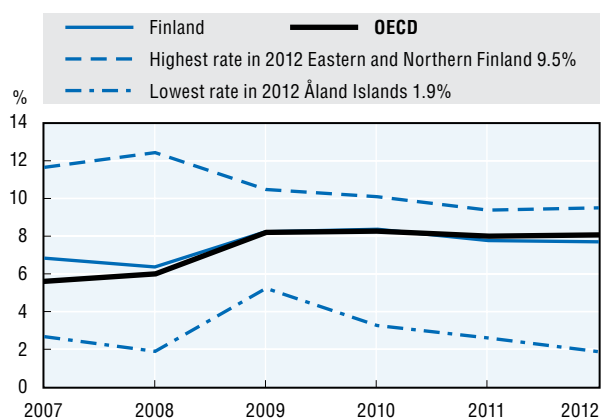
Finland

Recent policy developments

- Growth agreements (focusing on competitiveness and resilience) between state and major cities defining key actions for long-standing development of city-regions have been created. Thematic scope of these growth agreements lies in competitiveness and resilience.
- For regional development, the government targets for the 2011-15 period focus on three policy guidelines: strengthening the competitiveness and vitality of the regions; promoting the welfare of the population and securing a good living environment; and sustainable regional structure.
- The municipal reforms aim to build economically robust municipalities through voluntary mergers (although municipalities facing strong economic difficulties may be forced to merge). The Municipal Structure Act came into force in July 2013, obliging municipalities to present decisions for mergers by July 2014. Previous mergers had reduced the number of municipalities from 431 in 2006 to 336 in 2011; with additional mergers in 2013.
- The metropolitan area of Helsinki is granted a specific statute within the context of municipal reforms. The government could impose municipal mergers in other large urban areas.
- The government has stopped the Kainuu experiment in regionalisation, a test case for possible generalisation of regionalisation of the whole country.
- Finland has launched the Strategy for the Arctic Region (Government Resolution 2013).
- In 2014, ministries will introduce a long-term development of spatial structure and traffic system in Finland. The aim is to give these a sustainable direction by supporting Finland's competitiveness and eco-efficiency, as well as citizens' well-being.

Government structure	Municipal-level governments	Intermediate-level governments	Regional or state-level governments
Unitary	320		
Regional development policy			
Lead ministry(ies) or committees	Ministry of Employment and the Economy		
Regional development framework	The 2014 Act on Regional Development set out the broad objectives for regional development, notably the potential for economic growth and employment, a reduction in inter-regional disparities, balanced regional development and quality of living conditions.		
Urban development policy			
Lead ministry(ies) or committees	Ministry of Employment and Economy; Urban Policy Committee		
Urban policy framework or strategy	The Urban Policy Operational Programme (2012-15) set some common objectives for developing urban areas.		
Rural development policy			
Lead ministry(ies) or committees	Ministry of Agriculture and Forestry; Ministry of Employment and the Economy; Rural Policy Committee		
Rural policy framework or strategy	The Rural Policy Operational Programme (2012-15) and the Rural Policy Programme 2014-2020 outline the policies applied in developing its rural regions.		

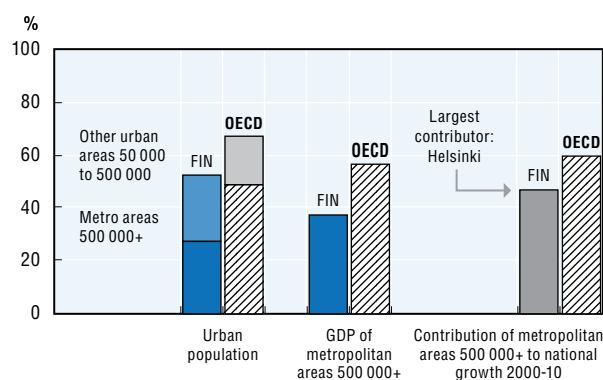
Regional disparities in unemployment trends



In 2012, the highest unemployment rate is found in Eastern and Northern Finland (9.5%), the region with the highest youth unemployment rate (22.2%).

StatLink <http://dx.doi.org/10.1787/888933107693>

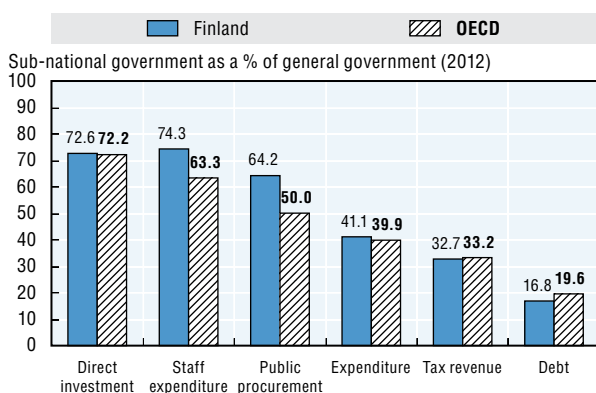
The importance of urban areas



In Finland, 52% of the population lives in cities of different sizes. The share of population in the metropolitan area of Helsinki (the only urban area with more than 500 000 inhabitants) is 27%, compared to 49% in the OECD area.

StatLink <http://dx.doi.org/10.1787/888933107712>

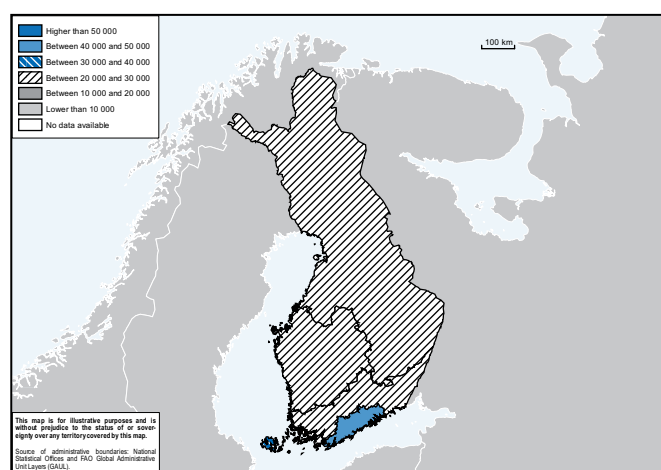
The role of sub-national governments in public finance



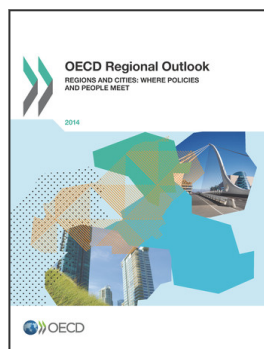
Health and social protection are the two largest spending items for SNGs in Finland: together they represent 54% of sub-national expenditure, compared to 30% in the OECD area.

StatLink <http://dx.doi.org/10.1787/888933107731>

Regional differences in GDP per capita levels



Finland had the 17th largest regional disparities in GDP per capita in OECD countries in 2010. In the previous decade, regional growth varied from +2.2% annually in Helsinki-Uusimaa to +0.6% in Southern Finland.



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