



## European Rural Parliament 2015

# National Report from Finland

prepared by

Village Action Association of Finland (SYTY)

The Village Action Association of Finland (SYTY) has a Local Development Programme for the years 2014-2020. During the preparation of this programme, in 2013-14, ideas were collected throughout the Finnish countryside. Lively discussion took place around the main development themes and the concrete actions suggested in the programme. This discussion continues. The programme suggests that local development consists of four elements - activity in rural communities; activity in the urban environment; the LEADER/CLLD method; and local democracy. A strengthened common strategic approach is needed despite existing divergent opinions.

The ERP 2015 national campaign. SYTY organised regional discussions and seminars during 2015, based on the main suggestions in the Local Development programme. During these meetings, ideas were also collected for the purposes of the second European Rural Parliament. LEADER groups and regional village associations were given the opportunity to participate in the process through an internet questionnaire. They were asked to bring forward any issue, good or bad practice that they would like to inform the ERP about. The rural area type was also asked. The matters were discussed face to face at the Board meetings. Finally the General Assembly of SYTY had a discussion on local development in Finland. The main messages from Finland are as follows:

### **1. Village development on the move – structures and financing**

The Finnish village movement started in the late 1970's. Everything was very informal until Finland joined EU. Membership of the EU opened new possibilities for local development and village development. An organisational restructuring process began and has been going on until today. From approximately 4200 villages, 3100 are registered as NGO's. Regional coverage of Finland is ensured by regional development NGO's since 2000. Local development actions are implemented at all structural levels from the village level to international cooperation. LEADER and the Local Actions Groups have been the main financing tool to local development and of great help for 30 out of 70 village ombudsmen working in Finland. The ombudsman can be considered as the contact person between local actors and administration. The ombudsman informs, looks for financing and organises educational seminars and forums on actual matters.

By goodwill or government action, municipalities have grown to bigger entities administering larger areas, and more such mergers are still to come. The role and functions of the villages (especially in the peripheral regions) are changing. A good number of villages get stronger than before with new responsibilities, but some have announced feeling a lack of democracy.

Local development and village action have progressed well during 40 years and the work on LEADER and Community led local development (CLLD) has become a lot more professional. Even so, we have to fight yearly to keep an acceptable level of state aid to local development in Finland. The distribution of LEADER funding is debated afresh at the end of each EU programme period. Local development, as an integrated policy in rural areas, does not have the strongest position in the negotiations. Also the field of action has become more demanding due to regulations on water, energy and environmental policies. An ageing population is also an issue. Democratic relations between decision makers and local inhabitants/actors have not progressed very well, a top-down

mentality being still alive. Representative democracy should be supported by direct (or participative) democracy, with cooperating elements. Too many administrative levels at national and EU-level, and sectoral officials with narrow and sectoral views on multi-sectoral matters, lead to excessive bureaucracy and inefficient implementation in the field. A lack of local knowledge is due to excessively centralised administration and decision making. The changes between the EU programme periods have been made difficult.

Urban CLLD/LEADER is at the same level that the village movement was in the 1980's. Good relations with the municipalities and a few officials were seen as necessary and sufficient. Work is being done to get the LEADER/CLLD approach to all urban centres in Finland. However, City officials and citizens are not yet ready for CLLD as seen by EU. For example, Helsinki has so called activity groups, but on avoluntary basis without legal entity : it cannot yet be considered as using the LEADER method as seen in rural areas. However, there are good signs in smaller and medium-sized towns. Some Leader groups have contracts with town administrations to take care of CLLD activities, and others are in the negotiation phase.

So, the ingredients for a stronger local development are there in Finland. The processing and restructuring needs to be done. Partner relations must be strengthened in many ways.

#### **Messages and ideas :**

- Develop the four elements of local development in parallel – have sufficient resources and tools for it (both rural and urban CLLD with representative and direct democracy in parallel and cooperating). Give tools also for urban local actors.
- Local actors and local administration to the same level for a successful local democracy and partnership
- Educated community/village ombudsman – development-, informative- (two-way), educative tasks.
- Redistribution of tasks – responsible tasks for local actors, NGO's with possible contractual relations.
- Less administrative levels and definitively less bureaucracy for smaller projects.

## **2. Contents of local development in Finland**

Important issues to be dealt with in the near future are security issues in remote rural areas; developing service-centres/multiservice points; actions on local infrastructure and housing; amelioration of the quality of life in the villages; ensuring the ombudsman activity and educating new actors. The effects of rural policy, entrepreneurship and local development should be better taken into account in public decision-making. The field of action is large and gives opportunities also for the third sector actors. There are many tasks the municipalities or the enterprises are not willing to realise. Therefore local actors should pick one or more specific tasks that they are able to implement alone or together with other actors in partnership. This is a demanding process but rewarding both economically and politically. The village and local development activities are cross-sectoral which is both a strength and a problem. Many things are done, but the big picture remains unclear for the large public and the media.

#### **Messages and ideas 2**

- Organise political, legal and economic structures giving the possibility to the 3rd sector to implement existing tasks that others are unable or unwilling to implement.
- Could a specific policy and/or budget line be created for security issues (elderly, ill people...) in the funding programmes ?

#### **Other ideas that came up through the questionnaires**

- Tele- and E-activities, mobile services are solutions to keep people in the villages and communities. There are examples like library-, grocery-, health-buses. Teleworking is

possible in most parts of Finland, but it's not systematic and depends on the employer. There is no specific policy. Also, Finland is not yet totally covered by broadband /optical fiber, which are needed in remote areas

- Development of energy cooperatives
- More efficient networking and a better (quality) information flow
- No unnecessary bureaucracy
- Security of inhabitants in remote areas
- Infrastructure, community houses, employment-especially youth, youth issues, innovativeness

### **3. Village action – local development. Basis of the financing**

Village action in Finland is considered as a strong movement, but not yet completely ready as an organisation. Public services are disappearing and getting centralised. A good number of local development associations do just collect a minimal membership fee, if any. The lack of basic financing limits possibilities of looking for other financial tools and limits cooperation opportunities with other local actors. Could we think of a process which would lead to large memberships of community inhabitants, paying fees for the common good? Locals would pay, but they are also the main beneficiaries of the actions. The change would be quite radical and the following severe obstacles have to be overcome:

- a. Village action has traditionally been based on voluntarism.
- b. People expect still too much from local authorities, from strong municipalities in Finland
- c. If you already pay taxes to get services, why pay more to the local development organisation.

SYTY has also published for the NGO's a guide for self-funding, hoping that it would activate the local actors. Suggestions include reversing the thinking - *from* "What can this NGO offer to me so that I can consider paying the fee and become a member" *to* "We all are members and I pay the fee for a common good, for example collective services and acquisitions". The results of such a shift could be that the actions would be more visible and the village/community would be a stronger actor and partner politically and financially. Common actions with local authorities and actors would become more feasible and realistic.

### **4. Clear objectives to the CLLD process**

EU programme policies have for 20 years been considered as problematic because of the non-communicating sectoral funds. Different rules, different documents, different electronic systems not only create extra bureaucracy, but also place limitations on development and innovation, not to mention the costs of such a show. Multi-sectoral and place-based local development would need a single fund or at least very well communicating funds.

During the 1995-1999 period in Finland, financing from different funds was distributed to applicants through one channel. It was a very well working multi-fund system where needs and actions had the main role, not the sectoral regulations.

All development should be based on partnership, not on dictation or domination of some partners. The Finnish tripartite system (private, public, inhabitants of the rural areas) in LEADER group boards has been an excellent way of ensuring equitable democratic decisions and avoiding domination of the activity by a single interest group.

#### **Messages and ideas 3**

- One fund or channel of financing permitting innovative combinations within the same project
- A tripartite decision-making in LEADER/CLLD.

**5. The Swedish Rural Parliament in Finland sends a strong message to the ERP15 about the importance of a Place-based Policy and the need for strengthening the local level in the decision making.**

Place blind policies are not able to meet socio-economic or environmental challenges. For example, European-level protection of endangered species sometimes creates serious over-population at the local level

A Place-based Policy also needs a base of a strong rural policy and Rural Proofing is a necessary tool.

Place-based Policy should not be targeting only geographical places. Minorities and socially defined groups should also be recognized as a place.

Local communities level need more influence and possibilities to make decisions about their own affairs. Planning is important for development but the local level needs more power in the process.

Local groups should develop the community way of thinking in their activity.

Place-based Policy needs Governance. We need to build strong partnerships between municipalities and NGO:s on local level.

The growing inequality between individuals has also a regional dimension and should be dealt with, for instance in taxation.

Bio-economy is a big possibility for rural areas, but it needs to be developed in a Place-based way. The new elected government would like to strongly develop the bio-economy, which it sees as a big opportunity for rural economy and businesses

(see [http://www.tem.fi/files/40366/The\\_Finnish\\_Bioeconomy\\_Strategy.pdf](http://www.tem.fi/files/40366/The_Finnish_Bioeconomy_Strategy.pdf))