

# FINLAND

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## GENERAL COUNTRY INFORMATION

### - Geography

Finland is a northern European country, neighbouring Sweden in the west, Norway in the north, Russia in the east and Estonia in the south. The area is around 338,145 square kilometres. The north-south distance is some 1,165 km and the east-west distance some 550 km as its furthest. Some 65% of the territory is covered with forest, and around 10% is swamps. Arable land covers some 8% of the total land area. There are a total of 187,888 lakes in Finland.

### - Population

The population of Finland is some 5,244,749 (est 2007). The population density is 17 persons per square kilometre. The share of the population living in urban areas (“densely populated areas”) is some 81%. These urban areas are on an average quite sparsely built; the population density is some 750 inhabitants per land square kilometre. Population growth is low at 0.11%. Finland is a relatively wealthy country with \$ GDP PPP 185.9 billion and GDP per capita of 35,50 (2007 est). However unemployment is at 6.9 %

### - Built environment

Because of late urbanisation, the building stock is new: 85% of all existing buildings have been constructed since 1950. Despite sparsely-built settlements, Finns live quite confined in their dwellings: the average living space per person is 35 square metres. The average size of a household is 2.3 people. Most common residential buildings are detached houses and blocks of flats, which are almost equally represented (40% and 44%, respectively, of all dwellings in 2003). About two-thirds of the housing stock consists of owner-occupied homes. The summer cottage is an integral part of the Finnish way of life: there are some 466,000 summercottages (2003), and 46% of the Finns over the age of 15 have a summer cottage in their use for free (e.g. owned by their parents).

### - Economy

The economic system in Finland is based on a market economy. The GDP is some 28 640 € per capita (2004).



Map 1: General land use

## PART I: PLANNING FRAMEWORK

### • Administrative structure

Finland is a parliamentary democracy based on competition among political parties, power being divided among the highest organs of government. Power in Finland is vested in the people, who are represented



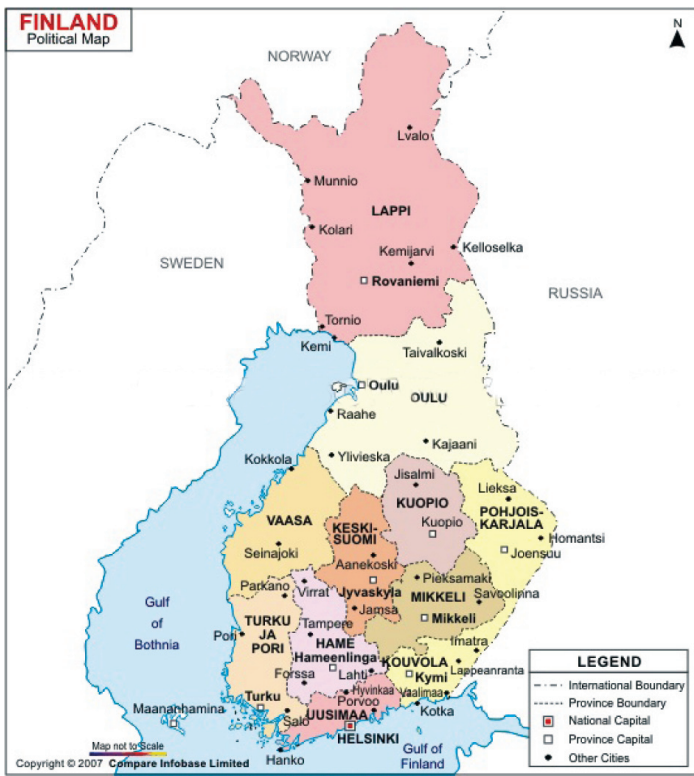
by deputies assembled in Parliament. Legislative power is exercised by Parliament, the President of the Republic having a minor role. The members, 200 altogether, are elected in direct elections every four years by universal suffrage. The president is elected in direct elections every six years. Relations between Parliament, the Government and the President of the Republic are governed by the principles of European party-based parliamentarism. The Government must enjoy the support of a majority in Parliament, which elects the Prime Minister.

The highest level of government of the state is the Council of State (Government) which consists of a Prime Minister and a requisite number of ministers. Judicial power is vested in independent courts of law, at the highest level in the Supreme Court and the Supreme Administrative Court.

The State administration consists of three administrative levels. The level of central government includes the ministries and the government agencies. The State also has its own business activities.

The ministries (12) function as administrative and political experts and prepare Government decisions within their sectors of administration. They also direct and supervise agencies and institutions operating within their sectors. They have gained a stronger position as the central agencies were mostly abolished in the administrative reforms in the 1990's. Several new agencies have been established within the last twenty years, as State service institutions have been transformed into State companies and State enterprises, the business activities of which require directing and supervision. Agencies established in this context include the Finnish Communications Regulatory Authority, the Finnish Rail Authority and the Finnish Vehicle Administration.

The second level is made of State's regional administration. This includes, e.g. Provincial State offices and Regional environment centres. There are six provinces. The regional co-operation between the local authorities (municipalities) includes e.g. joint regional authorities and regional councils. The third level is the State's local administration. This includes state local districts, employment offices, tax offices, customs offices and legal aid offices.



Local government is based on local self-government, made of individual municipalities (now altogether 432). This strong and long tradition of local self-government is enforced and safe-guarded by the Constitution of Finland. The municipalities have the right to levy taxes: 47% on the total income comes from tax revenues (both local income tax paid by local residents, and a share of corporate tax, plus, with a minor role, real estate tax), some 17% is state subsidies. Every four years residents elect a local council in free and democratic elections. The council is the decision-making authority in municipal finances and operations. The municipal executive board, which is appointed by the council, is responsible for the municipality's day-to-day administration and financial management. In Finland, the municipal manager is an official appointed by the local council, who serves under the municipal executive board. Municipalities provide citizens with basic services, the most important of which relate to social welfare, health care, education, culture, environment and technical infrastructure.

political map



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On the average, municipalities in Finland are quite small both in population and in area. 60% of them have less than 6000 inhabitants, and the average size is some 750 square kilometres. Thus, local authorities often set up a separate organisation, a joint municipal authority, to perform joint functions. Joint authorities often provide educational, social and health-care services. Several local authorities can establish a joint health centre or vocational institutions together. Joint authorities include hospital districts, which are responsible for specialist medical care, and regional councils, which define regional policy. Finland is divided into 19 regions, plus the autonomous province of Åland. They are all composed of local authorities.

- **Planning legislation**

- **Main planning legislation**

The use of land and the environment in urban areas was legally regulated in Finland for the first time by the Local Detailed Plan Act in 1931. As a general law regulating the use of land and the environment it was followed by the Building Act in 1958, much based on the previous one, and prepared in a societal situation of post-war industrialisation and the early beginning of the rapid urbanisation of a then mainly agrarian country. Strong new development on previously unbuilt land characterised the following decades. The reforming of the planning and building legislation started already in 1969, but it was only in 2000 when the new Land Use and Building Act finally came into force.

The main starting points of the legislation reform were as follows. Since the mid-1980 's new development had been planned mainly within existing urban structures. The protection of nature and the built environment had become an integral part of spatial planning. Spatial planning had also become an important topic for public discussion and the media. The Building Act (and the previous ones) included the order that all the local land use plans which could have legal consequences should be submitted for ratification by upper tiers of state administration. This 250-year-old principle was left out from the new Act, and the rights of local authorities to decide on the control and guidance of their own spatial planning and development were further extended. At the same time, and in the spirit of Montesquieu, the treatment of appeals was changed from the administrative bodies (County Administrative Boards and the Ministry of Environment) to administrative courts. The new Act retained the traditional right of land owners to build isolated buildings without a land use plan in rural areas which do not seem to need planning.

The Land Use and Building Act is the general law concerning land use and building, as well as other physical development details if they are not regulated elsewhere. As land use planning is integrating and comprehensive in its nature, it has to be coordinated with other specific, and in Finland quite sectoral legislation concerning the various kinds of uses of the environment. The most important of these specific laws are:

- Protecting nature and landscape: Nature Conservation Act (1996)
- Protecting the built environment: Act of the Protection of Buildings (1985), Antiquities Act (1963)
- Economic regulation of natural resources: Land Extraction Act (1981)
- Prevention of environmental deterioration: Environmental Protection Act (2000), Water Act (1961),
- Environmental Impact Assessment Act (1994), Waste Act (1993), Health Protection Act (1994),
- Adjoining Properties Act (1920)
- Other acts concerning land use: Public Roads Act (1954), Private Roads Act (1962), Electricity Market Act (1995).

- **Administrative competences for planning**

The division of labour in planning administration is as follows:

- **State**

The parliament decides on spatial planning legislation. The land use department of the Ministry of Environment is responsible for the legislation and national land use guidelines, as well as environmental protection and the management of land resources. Therefore, the Ministry has an important role in the national coordination,



guidance and supervision of land use planning. In regional development issues the MoE operates in close cooperation mainly with the Ministry of Internal Affairs.

The Regional Environment Centres, belonging to the State administration, are in charge of guiding and supervising land use planning and building activities, as well as environmental issues in their area. In particular, they must exercise control to ensure that national land use guidelines and other goals pertaining to land use and building mentioned in the Land Use and Building Act are taken into account. There is a standardised procedure of negotiations about local plans between the municipality and the Regional Environment Centre.

The five provinces that belong to the State administrative system have no spatial planning powers.

### - Regions

Regional Councils (19) were established in the early 1990 's to replace the former regional planning associations and thus to establish strong actors for development strategy and policy making. The Regional Councils have the right to prepare their own land use plans and allocate resources to implement regional development strategies. Regional land use plans are submitted to the Ministry of Environment for ratification.

### - Municipalities

In Finland, all the 432 municipalities – whether big or small - have the same basic administrative structure, decision-making system and extensive self-government. This includes the right – and responsibility - of the local elected council to control, guide and implement land use planning within its territory. Municipalities have a land use planning monopoly: no development is in principle allowed without a relevant plan, and the local council is the only legal body to approve the plans.

## PART II: PLANNING SYSTEM

### • Planning system

#### - Plan making

The Land Use and Building Act of 2000 includes a planning system which guides change or conservation of land use and new development and the protection of historical buildings in urban as well as in rural areas. The Act also includes land disposal and acquisition for public purposes.

The Act aims, firstly, to organise land use and construction to create the basis for high quality residential environments; secondly, to promote ecologically, economically, socially and culturally sustainable development; thirdly, to ensure that everyone has the chance to participate in open planning processes; and fourthly, to guarantee the quality of planning decisions and solutions and to ensure that a wide range of planning expertise is available.

The land use planning system operates on regional and municipal levels. National land use goals set by the Finnish Government additionally cover key infrastructure networks as well as natural areas and built-up areas of national significance.

The Finnish legislation on land use and building includes certain general minimum requirements and conditions for building permits. More detailed building regulations are set out in the National Building Code for Finland.

The land use planning system has three levels of land use plan	
LEVEL	TYPE OF ARRANGEMENT
Central Government	National land use guidelines
Regional Councils	Regional land use plans
Municipal Councils	Local master plans, local detailed plans



At the regional level, regional land use plans are drawn up by Finland's 19 regional councils, which are made up of the representatives of local authorities.

More than 400 local authorities (municipalities) independently plan land use at the local scale through local master plans which define land use patterns, and local detailed plans which control construction.

Municipalities may also cooperate and prepare joint municipal master plans. The local authorities may delegate the drawing up and approval of the joint master plan to the regional council, to some other suitable joint municipal board or to some other joint body of the local authorities.

National land use goals set by the Finnish Government additionally cover key infrastructure networks, together with natural areas and built-up areas of national significance. This policy document does not include any maps. National goals are spatially expressed in regional land use plans. They are the only plans that need to be submitted for government approval.

#### - **Development control**

Local (municipal) plans, both master and detailed plans, are approved by the Municipal Council. They do not have to be submitted for ratification to other tiers of government.

Approval of a joint municipal master plan may be delegated to the regional council, some other suitable joint municipal board or some other joint body of the local authorities. A joint master plan that has legal consequences is submitted to the Ministry of Environment for ratification.

Development permits are issued by the local authorities.

Regional land use plans are first approved by the regional council, and then submitted to the Ministry of the Environment for ratification.

#### - **Participation and appeal**

Public participation is emphasised at the local level, and is encouraged from the earliest stages of open planning processes. Procedures for participation and impact assessment must be set at the start of every planning project. Landowners and anyone else whose work, home or other activities may be affected by plans must be kept well informed by the planning authorities.

Land Use and Building Act 62§: Planning procedures must be organised and the principles, objectives and goals and possible alternatives of planning publicised so that the landowners in the area and those on whose living, working or other conditions the plan may have a substantial impact, and the authorities and corporations whose sphere of activity the planning involves (interested party), have the opportunity to participate in preparing the plan, estimate its impact and state their opinion on it, in writing or orally.)

The planning proposal must be made public in an appropriate manner in view of the purpose and significance of the plan. Inhabitants of the municipality and interested parties shall be provided with an opportunity to express their opinions on the matter (e.g. objections). The local authority's decision on the objection with its reasons must be made known to the objectors without delay.

Negotiations between authorities: land use plans that concern national or important regional land use objectives, or which are otherwise important in terms of land use, natural values, cultural environment or implementation of objectives of government authorities, shall be prepared in contact with the Ministry of Environment, Regional Environment Centre, and neighbouring regions and municipalities.

Appeals against planning decisions approved by the regional council may be submitted to the Ministry of Environment by any municipalities, registered organisations or residents affected by the decisions. Ministry of the Environment also circulates regional land use plans among other ministries for their official comments. Where the comments of different ministries are in conflict, plans must be approved by the



national government. Appeals concerning the legality of regional land use plans approved by the Ministry of Environment or the national government may be submitted to the Supreme Administrative Court.

If the parties involved (i.e. interested parties; they can be individual citizens, private organisations or non-governmental organisations) do not accept the planning decisions by local level authorities, they can appeal against them through an administrative court. Also the Regional Environment Centres and other authorities, including Regional Councils, in question within their sphere of administration, have the right to appeal decisions by which a plan is approved.

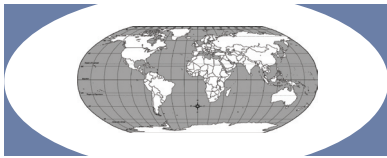
Administrative structure and planning implementation					
LEVEL	SIZE	DESCRIPTION	NAME	SCALE	DESCRIPTION
National	5.2 Million	the Government, Ministry of the Environment	National land use guidelines	Words	Policy document supporting and promoting the issues of national interest
Region (19)	Varying from 90.000 to 1.3 Million	Regional Councils; made up of representatives of the municipalities	Regional land use plan	Words, diagrams, plans Between 1:100 000 and 1:250 000	Fairly general plans that set out medium-term and long-term objectives (scope 10-20 years) for regional land use patterns. They are binding with regard to municipal planning and the activities of other officials. They can also directly control construction and other land uses through conditional building restrictions and protection orders.
A group of municipalities co-operating		Municipal councils or a joint body of the municipalities or the regional council	Joint municipal master plan	Words, diagrams, plans	This is a possible alternative to municipalities for making own separate master plans. Binding with regard to detailed planning and the activities of other officials. They also directly control construction and other land uses in areas outside detailed planning. Local master plan can also be approved so that it lacks the legal consequences.
Municipality (432)	Varying from 131 to 560.000	Elected Municipal Council	Local master plan	Words, diagrams, plans Varying from 1:20 000 to 1:4000	Binding with regard to detailed planning and the activities of other officials. They also directly control construction and other land uses in areas outside detailed planning. Local master plan can also be approved so that it lacks the legal consequences.
			Local detailed plan	Words, diagrams, plans Varying from 1:20 000 to 1:1000	Binding document for a specific area. Aims directly at implementation.

### PART III: EVALUATION

- Application of the planning system in practice

Finland is a sparsely and unevenly populated country with long distances and a cold climate. The highly urbanised areas cover only one tenth of the total land area. These features have a deep influence on planning.

Finland has urbanised quite late – the main change from a mostly agrarian country to a mostly urbanised one has started only in the 1960 ´s and early 1970 ´s. This change was rapid and led, among other things, to around 250 dispersed and quickly planned and constructed satellite apartment block neighbourhoods around bigger cities and towns in Finland. Nearly half of the apartment blocks and a quarter of the population in Finland are located in these neighbourhoods. Arguably, Finland was not urbanised in the traditional European sense; instead it was what could be called “forest-urbanised”. Although Finns prefer detached housing, 43 per cent of dwellings are in apartment blocks. Low rise and high density types of “town houses” are quite rare in



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Finland, however, at present there is a strong interest in developing these kinds of house types as they are considered a better match of both the Finnish housing preferences and the needs of more compact urban forms.

Because of the sparse population, historically land use has been based essentially on the principle that anybody can build anywhere for her/his own purpose, provided there are no restrictions in place. This spirit is still recognisable both in the land use and planning legislation and in the decision-making practice concerning building permits in rural areas. This issue raises concerns as such an approach leads to urban sprawl and hinders the effectiveness of land use planning in the future, especially in the urban fringes.

The most difficult planning problem today is probably urban sprawl and the dispersal of the settlement structures in general. This is connected to another major problem which is the increasing inequality of accessibility to services. It is felt that local municipalities issue building permits too easily in the rural areas, and accept derivations (exceptional building permissions) in urban fringe areas which would require formal planning. It is also felt that policies for land owned by the local municipality tend to be too weak. The problem is not the land policy legislation itself, but the unwillingness of municipalities to invest in purchasing land by resorting to all the tools available in the legislation (e.g. expropriation).

In Finland, municipalities have the sole right to guide development by planning, and local self-government has been further strengthened in the present Land Use and Building Act. However, related to this, one major problem for planning, especially in the growing urban areas, is the division of urban areas into many independent municipalities which compete with each other for the best tax payers (inhabitants and businesses) in the absence of a strong regional common body to steer spatial development.

The present Land Use and Building Act is relatively new. However, the main principles of this legislation have not changed very much compared to the previous Act. The functioning of the new Act has been quite extensively studied during the five years it has been in force.

According to these studies, the planning system is seen to be working quite well in general in different kinds of planning situations, both in the growing agglomerations and elsewhere in the country. However, especially planning practitioners working in the local authorities have pointed out some problematic issues.

Planning resources have reduced since 1990 in the municipalities by some 10%. Also other related actors, like regional environment centres and state sectoral authorities suffer from a lack of resources, which slows down the planning processes further.

Information about planning has become more open, and the interest of the citizens to participate has increased. However, it is felt difficult to adjust the information and participation resources to the needs of the particular planning cases. It is sometimes seen that participation takes too much time of the actual planning work.

The new Act gives more weight to the assessment of the planning impacts and the need to provide sufficient studies and initial analysis. It is sometimes seen that these take too much time of the actual planning work. According to the planners a common problem is that demands for investigations are put forward too late, especially by the state sectoral authorities.

It is generally considered that the ability to estimate the length and timetable of the planning process has declined. This is partly due to the broadly written provisions of the new Act, and the lack of established legal praxis regarding the new Act.

Despite these difficulties, the total amount of plans which underwent appeals has not increased. However, it is felt that the deliberation of appeals in the administrative courts takes too much time. There is now discussion about restricting the right to appeal to the Supreme Administrative Court.

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2005