

32nd SESSION**Local and regional democracy in Finland**

Recommendation 396 (2017)¹

1. The Congress of Local and Regional Authorities of the Council of Europe refers to:

a. Article 2, paragraph 1.b, of Statutory Resolution (2015)9 relating to the Congress, which provides that one of the aims of the Congress shall be “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

b. Article 2, paragraph 3, of Statutory Resolution (2015)9 relating to the Congress, stipulating that “The Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member States and in States which have applied to join the Council of Europe, and shall ensure, in particular, that the principles of the European Charter of Local Self-Government are implemented”;

c. Recommendation 66 (1999) on regional democracy in Finland;

d. Recommendation 311 (2011) on local and regional democracy in Finland;

e. Resolution 307 (2010) REV2 on procedures for monitoring the obligations and commitments entered into by the Council of Europe member States in respect of their ratification of the European Charter of Local Self-Government;

f. Congress Resolution 299 (2010), which provides that the Congress will use the Council of Europe Reference Framework for Regional Democracy [MCL-16(2009)11], in its monitoring activities, and the reply by the Committee of Ministers to Congress Recommendation 282 (2010) [CM/Cong(2011)Rec282 final], which encourages the governments of member States to take account of the above Reference Framework in connection with their policies and reforms;

g. the explanatory memorandum on local and regional democracy in Finland drawn up by Artur Torres Pereira (Portugal, L, EPP/CCE) and Karim Van Overmeire (Belgium, R, NI-NR), rapporteurs, following an official visit to the country from 17 May to 19 May 2016.

2. The Congress notes that:

a. the Republic of Finland acceded to the Council of Europe on 5 May 1989 and signed the European Charter of Local Self-Government (CETS No. 122, hereinafter “the Charter”) on 14 June 1990 before ratifying it without reservations on 3 June 1991. Since the entry into force of the Charter in respect of that country on 1 October 1991, Finland is bound by the Convention in its entirety;

b. Finland ratified the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (CETS No. 106) on 11 September 1990. The Outline Convention entered into force on 12 December 1990 in respect of Finland. The country ratified the Convention on the Participation of Foreigners in Public Life at Local Level on 12 January 2001 and the Convention entered consequently into force on 1 May 2001. On 1 February 2012, Finland also ratified the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the

¹ Debated and adopted by the Congress on 28 March 2017, 1st sitting (see document [CG32\(2017\)08](#), explanatory memorandum), co-rapporteurs: Artur TORRES PEREIRA, Portugal (L, EPP/CCE) and Karim VAN OVERMEIRE, Belgium (R, NR).

affairs of a local authority. The Additional Protocol came into force in respect of that country on 1 June 2012;

c. the situation of local and regional democracy in Finland has already been the focus of Recommendation 311 (2011) adopted by the Congress on 18 October 2011;

d. the Monitoring Committee decided to review the situation with regard to local and regional self-government in Finland in the light of the Charter. It tasked Mr Artur Torres Pereira (Portugal, L, EPP/CCE) and Mr Karim Van Overmeire (Belgium, R, NI-NR), rapporteurs on Finland, with drawing up a report on local and regional democracy in that country and submitting it to the Congress;²

e. the monitoring visit took place from 17 to 19 May 2016. The Congress delegation met representatives of the associations of local and regional democracy in the country, mayors and municipal councillors, regional representatives, representatives of the government, ministries and other central institutions of Finland. The detailed programme of the visit is appended hereto;

f. the delegation wishes to thank the Permanent Representation of Finland to the Council of Europe and the secretariat of the Finnish delegation to the Congress, who assisted with the organisation and smooth running of the visit. They also express their gratitude to all the interlocutors met during the visit for their excellent welcome, their availability and the valuable information they provided.

3. The Congress notes with satisfaction:

a. the overall positive situation of local and regional democracy in the Republic of Finland;

b. the culture of consultation and close co-operation between central and local authorities as a good practice among the member States of the Council of Europe;

c. the apparent initiative taken by the Finnish authorities to foster decentralisation through the creation of a second tier of local government at regional level;

d. efforts to modernise the equalisation system as well as new rules and procedures introduced in order to help municipalities to balance their finances and avoid excessive indebtedness;

e. the strengthening of the role of the Parliamentary Ombudsman at local level, particularly through the use of new technologies;

f. Finland's ratification on 1 February 2012 of the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207), which shows a political will to strengthen local democracy.

4. The Congress notes that the following points call for particular attention:

a. the weak legal status of the Charter in the domestic legal system of Finland and, particularly, the absence of direct applicability of its provisions;

b. the lack of financial resources corresponding to the additional tasks transferred to municipalities;

c. the fact that the nature of the regional entities that will be created in 2019, in the context of the ongoing reform of regional government, is still unclear, as well as the application of the Charter to these future regions;

d. the weakness of the constitutional basis for a new tier of local self-government at regional level, especially concerning the right to levy taxes and own resources of the new autonomous regions as well as the potential absence of available resources of a sufficiently diversified and buoyant nature;

² The rapporteurs were assisted by Pr. Nicolaos-Komninos CHLEPAS, member of the Group of Independent Experts on the European Charter of Local Self-Government, and the Congress Secretariat.

e. the absence of exceptions for large cities, in accordance with the subsidiarity principle, to the transfer of competences such as tasks related to social and healthcare services to the regional level;

f. the lack of special status for the city of Helsinki and its metropolitan area as regards its specificities as capital city.

5. In the light of the above, the Congress recommends that the Committee of Ministers call on the Finnish authorities to:

a. ensure the direct applicability of the European Charter of Local Self-government within the domestic legal system and in particular, that the Charter be given due consideration in court proceedings;

b. ensure that municipalities are provided with commensurate financial resources in order to enable them to perform their competences in a proper way;

c. opt, in the framework of the regional government reform, for the creation of genuine self-governed regions to which the Charter will apply and provide the clear legal and, if necessary, constitutional basis for new self-governed regions, including their right to levy taxes;

d. give to new regional authorities freedom of action with regard to their own resources and the use of future state grants;

e. provide exceptions to the ongoing transfer of competences to the regional level so as to allow the largest cities to keep the tasks related to social welfare which they are most capable of coping with, based on the principle of subsidiarity;

f. grant Helsinki and its metropolitan area a special status, in order to ensure a more efficient and expedient decision-making system on the general problems and policies affecting the city as a whole.

6. The Congress calls on the Committee of Ministers to take account of this recommendation on local and regional democracy in Finland and the accompanying explanatory memorandum in its activities relating to this member State.