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Kenneth Nordberg, Åbo Akademi University, Vasa Finland

Strengthening of Regional Governance in Finland - The Case of Ostrobothnia

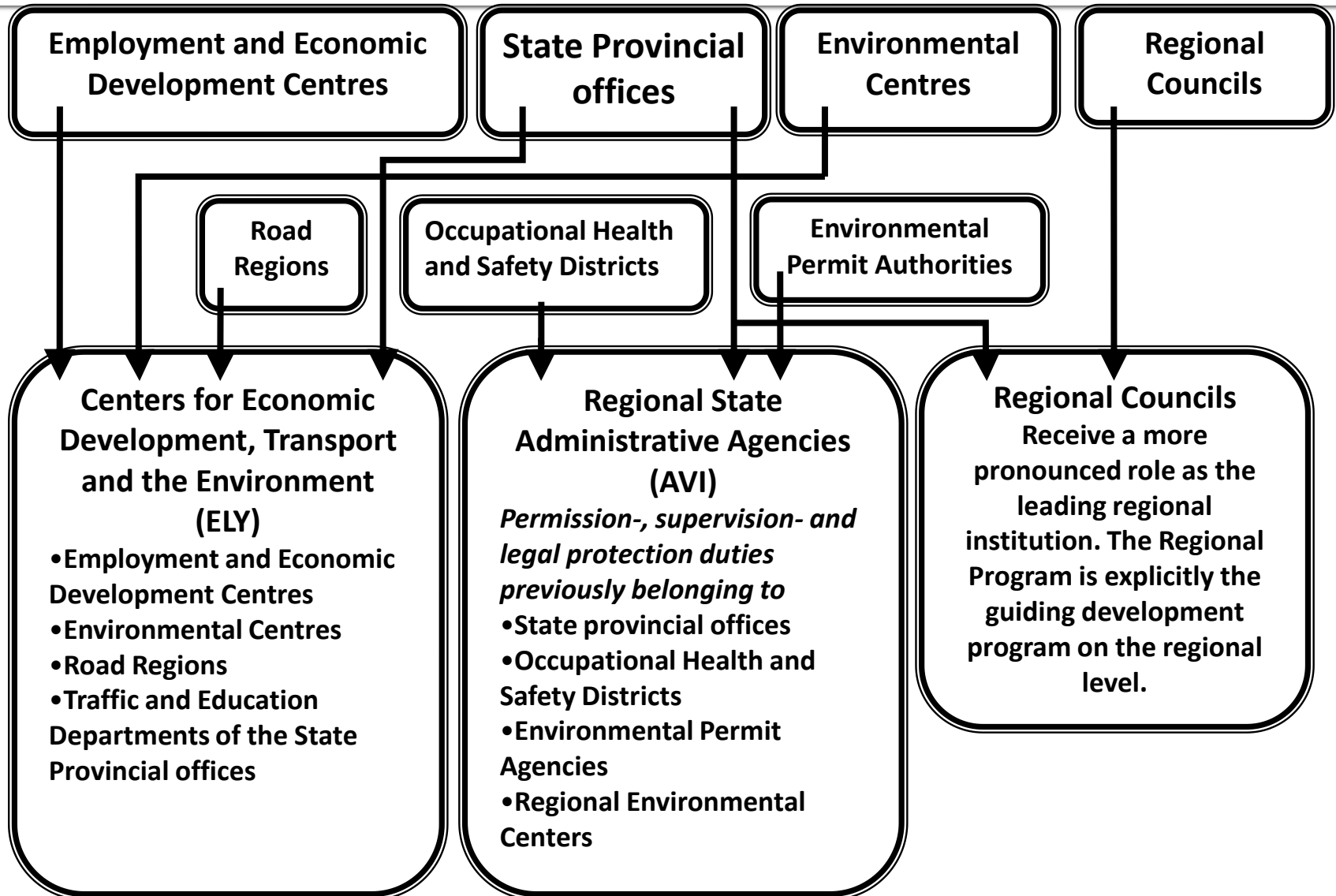
Strengthening of Regional Governance in Finland

- 2003 and 2010
- Two main factors:
 - Reformation of regional government (Reform Project for State Regional Administration, ALKU, Project to Restructure Municipalities and Services, PARAS)
 - The new programme period for regional development (The Rural Development Programme, the Structural Funds, national regional development programmes)

1990's reforms

- Finnish regional administration affected by NPM and EU regional policy
- New institutions: Regional Councils (municipal) and Employment and Economic Development centres (in Finnish TE-centres)
- Responsibility for regional development placed on the Councils, funding through TE-centres
- Regional Scheme and Regional Development Program
- Regional Management Committee take part in implementing

Reform Project for State Regional Administration (ALKU)



Factors affecting regional governance in 2003

Regional Government Structure

- **The regional councils still have a financially weak position.** This inevitably weakens the regional mobilization in Finland.
- **The regional level has gained some independence through regional networking, but financing still is controlled by state authorities.**
- **The Regional Committee (RMC) has an important position in regional governance.** Will its prominent position develop even further?
- **Regions and territorial government is not uniform.**
- **Municipalities in rural Finland are unsustainably small.** Enlargement of municipalities and further cooperation is needed. The region as a whole would gain if the **regional councils would receive more authority to coordinate project development.**

Development Programmes

- **The Structural Funds use different objective areas for distributing its finances.**
- **LEADER and ALMA have improved the possibilities for projects in rural Ostrobothnia.**
- **The national development programmes raise the level of regional organisation and development, but mainly focus on urban growth centres.**

Important changes in regional governance as a result of the ALKU- and PARAS-reforms:

- ✧ **The Regional Councils will receive a more prominent role.**
- ✧ **The duality of regional government will continue.**
- ✧ **The number of state institutions on the regional level has decreased significantly.**
- ✧ **The regional administration reform ALKU created a more uniform territorial government.**
- ✧ **The municipalities in Finland will grow in size as a consequence of the PARAS-reform.**

Regional Development Programmes

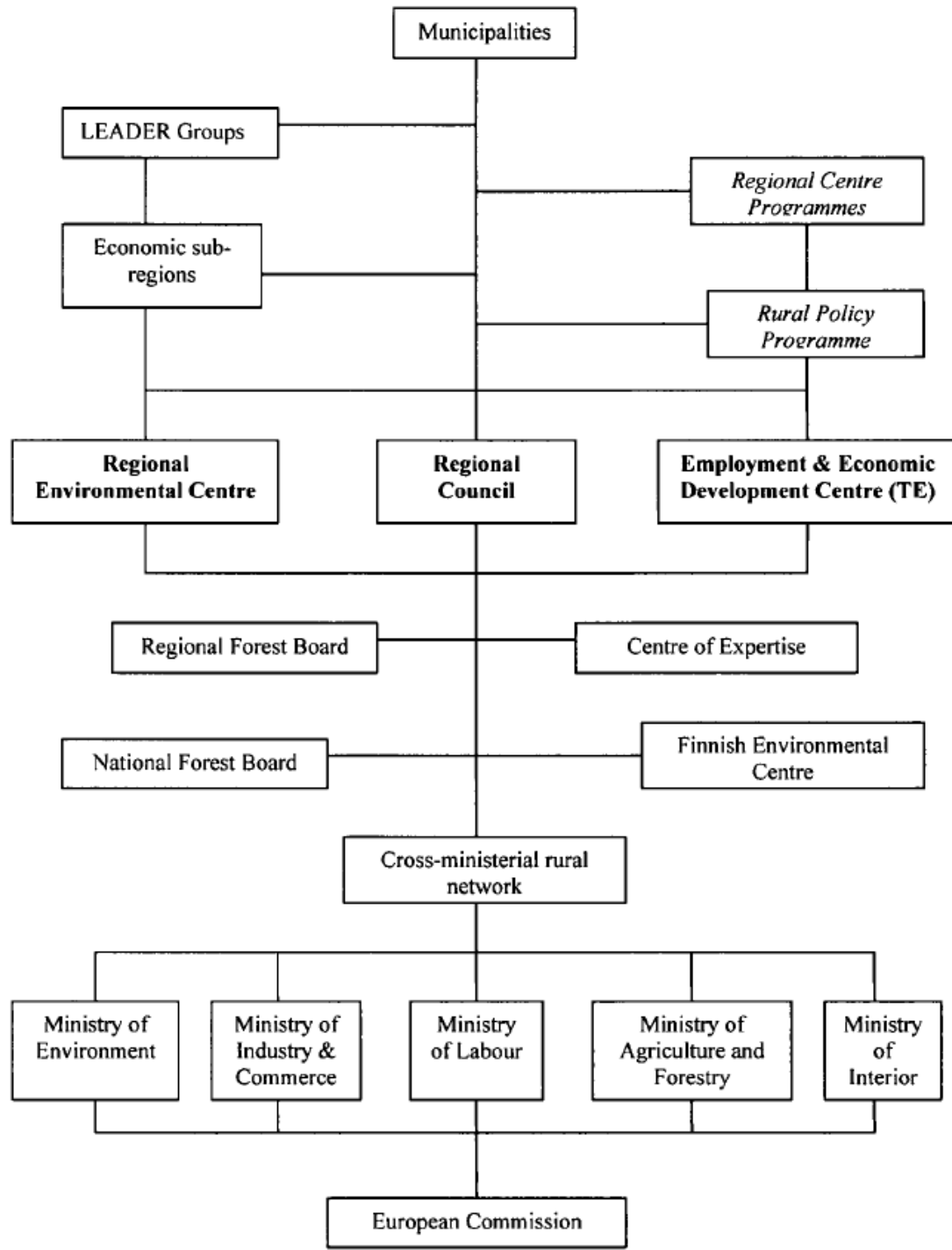
- Structural funds:
 - Joint working table
 - Finnish regions collected under the same objective area
- Rural Development Programme
 - Separate fund for rural development in 2005
 - Single programme with four axis

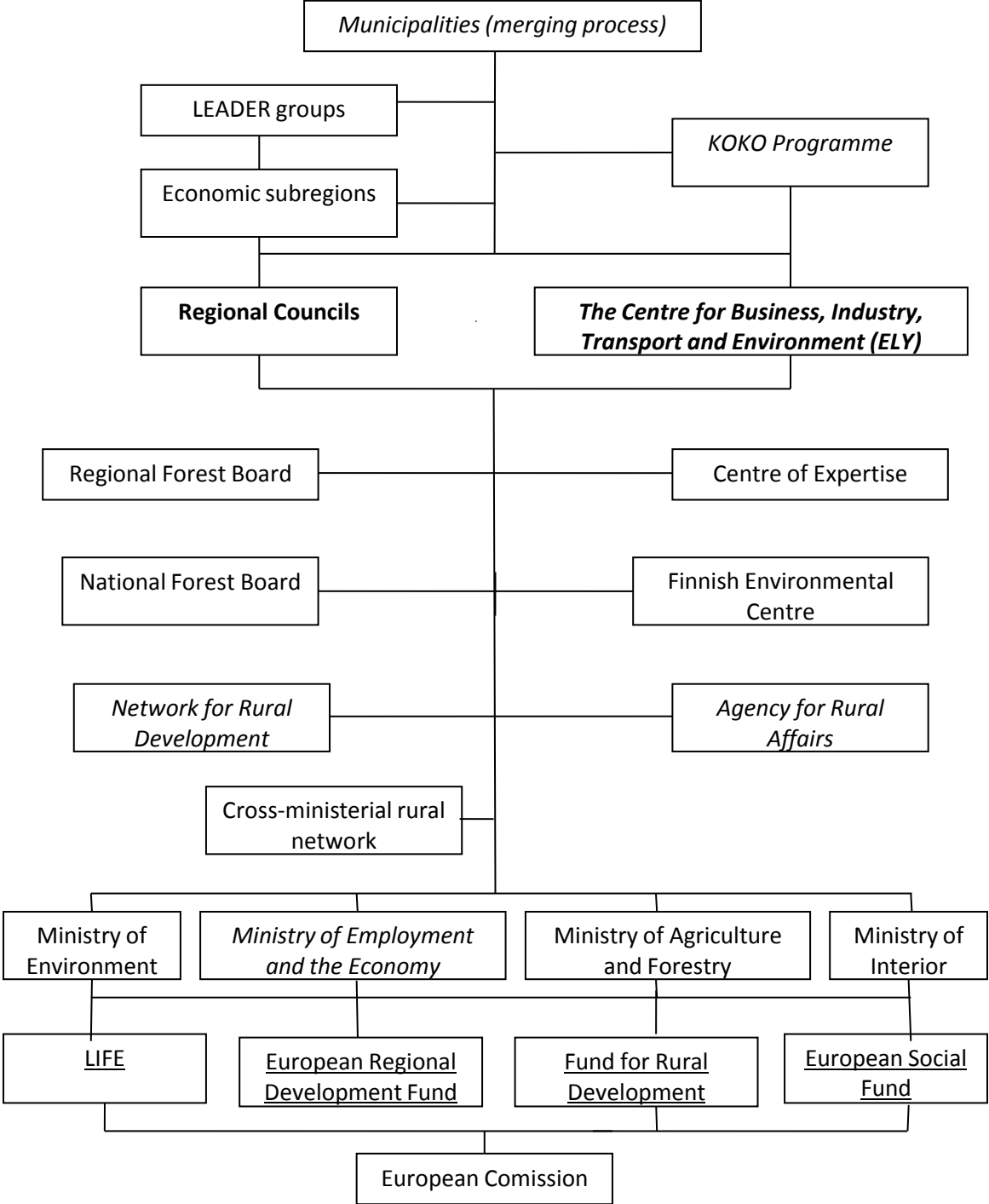
Regional Development Programmes

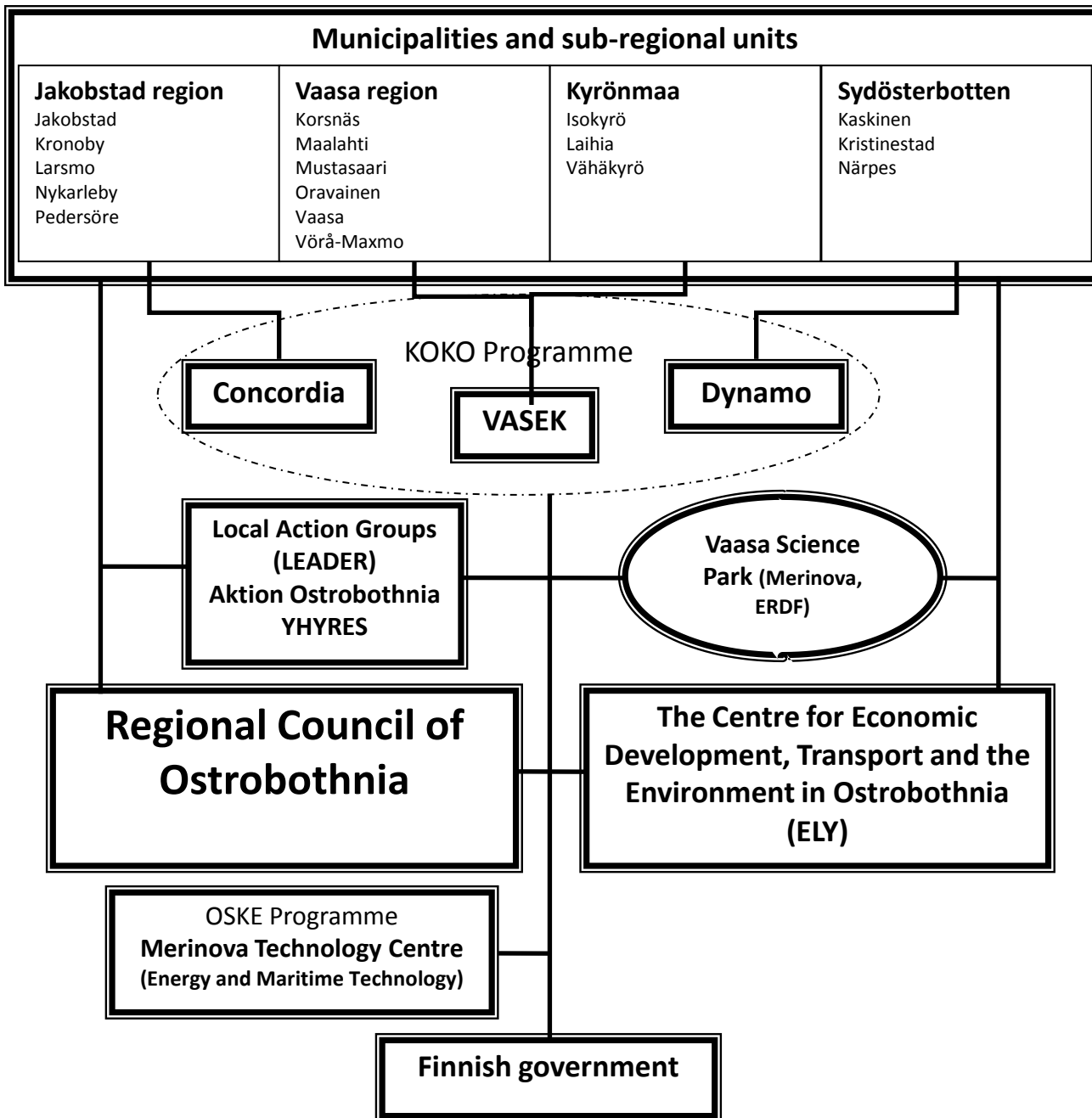
- National regional development programmes
 - 2003:
 - Centres for Expertise Programme (OSKE 1994)
 - Regional Centre Programme (AKO 2001)
 - Regional Section of Rural Areas (AMO 2007)
 - 2010:
 - OSKE continues
 - AKO and AMO merges to form Programme for Cohesion and Competition (KOKO 2010)

Important changes in regional governance as a result of the new Regional Development Programmes

- **Even more emphasis is put on joint action.**
- **In rural funding, more emphasis is put on the second pillar for rural development.**
- **The LAG groups of the LEADER-approach are further institutionalised and strengthened.**
- **The KOKO-programme merged different development programmes, with the intention of improving coordination and regional cooperation.**
- **Will the rural aspect of regional development be appointed the same amount of funding when fusing previously separate rural and urban development programmes?**







Factors affecting regional governance in 2003 – What has changed in 2010

- The regional councils have gained a stronger position
- The territorial government is more uniform
- The PARAS reform create more sustainable municipalities
- No more differences in objective areas of the structural funds
- LEADER has gained in importance
- The national development programme is more established and now cover rural areas
- RMC maintain an important position

- **Negative: financing still is controlled by state authorities**

In conclusion

- Reforms during 2000's continue on the path started in early 1990's
- A joint working table for each region
- All society sectors are invited
- Regional Councils stronger position
 - Only programme writing

The identification problem

- TE-centres and Environmental Centres existed for 13 and 15 years
- Recurrent reformation of regional administration and the construction of new regional units counteract the efforts to improve society involvement