



# FINLAND

No short cut  
to success - the other side  
of urbanization

No hay una vía rápida  
el éxito - el otro aspecto  
de la urbanización

## Introduction

The rapid and drastic change in the economic structure that took place over a single decade in the 1960s changed Finland from a predominantly agricultural to an industrial society.

The Finnish audio-visual project *No short cut to success — the other side of urbanization* describes: the problems brought by this structural change both in the declining rural areas and in the growing urban centres; the reasons behind this relatively fundamental change; the measures to assist out-migration areas and the gradual shift in national policies from specific developing area policies to a comprehensive regional development policy aimed at the balanced growth of all regions of the country. The main line of thought in the film is that the road to the development of the rural depopulated areas is a long one with no short cuts. Experience shows that regional development policy should form a single entity with other social policies. Agriculture, which will always be an important source of livelihood for a large part of the population, has to be developed on a par with industrialization; and development of the economy has to be accompanied by the improvement of public services and other measures aimed at a balanced structure of human settlements.



## Introducción

El muy rápido y fuerte cambio en la estructura económica promovió a Finlandia desde una sociedad predominantemente agrícola en una industrial en sólo una década, durante los años sesenta. El proyecto audio-visual finlandés *No Hay una Vía Rápida Hacia el éxito. El Otro Aspecto de la Urbanización* describe los problemas que acarrea el cambio estructural tanto en las áreas rurales en declive como en los centros urbanos en crecimiento, las causas tras este cambio relativamente fuerte, las medidas para ayudar a las áreas de emigración y al cambio gradual en las políticas nacionales desde políticas de áreas en desarrollo específicas hacia una política de desarrollo regional general con el objetivo de lograr un crecimiento equilibrado de todas las regiones del país. La idea central del film es mostrar que la vía hacia el desarrollo es larga. La experiencia muestra que una política de desarrollo regional debería constituir un todo único con otras políticas sociales. La agricultura que será siempre una fuente importante de subsistencia para una gran parte de la población debe ser desarrollada a la par con la industrialización y el desarrollo de la actividad debe ser acompañado con el mejoramiento de los servicios públicos y otras medidas con el objeto de lograr una estructura equilibrada de los asentamientos humanos.





# FINLANDE

Le chemin du succès n'est pas un raccourci - l'autre côté de l'urbanisation

Нет быстрого пути к успеху. Другая сторона градостроительства.

## Introduction

La rapide et très grande transformation de la structure économique a fait passer la Finlande d'une société à prédominance agricole à une société industrielle en une seule décennie durant les années 1960.

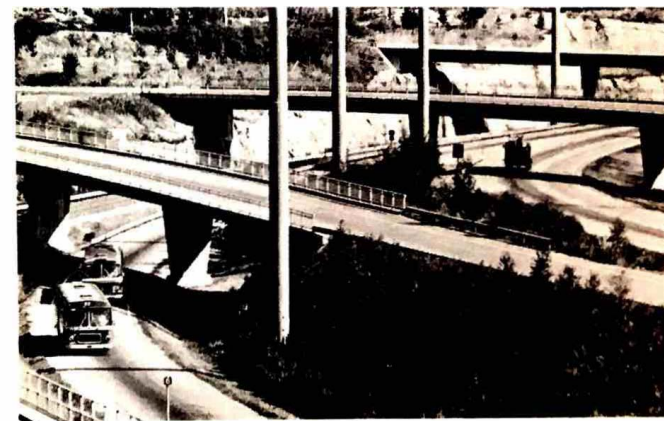
Le projet audio-visuel finlandais *Le chemin du succès n'est pas un raccourci — l'autre côté de l'urbanisation* décrit les problèmes apportés par la transformation structurelle tant dans les régions rurales en déclin que dans les centres urbains en croissance; les raisons de cette relativement forte transformation; les mesures pour venir en aide aux régions d'exode et le passage graduel, dans les politiques nationales, des politiques spécifiques pour les régions en développement à une politique globale de développement régional visant à la croissance équilibrée de toutes les régions du pays. Le film la pensée principale qui guide le film est que le chemin qui mène au développement des régions rurales dépeuplées est long et ne comporte pas de raccourcis. L'expérience montre que la politique de développement régional devrait former une seule entité avec les autres politiques sociales. L'agriculture, qui constituera toujours une importante source de moyens d'existence pour une grande part de la population, doit être développée de pair avec l'industrialisation; et le développement de l'activité économique doit être accompagné de l'amélioration des services publics et d'autres mesures visant à une structure équilibrée des établissements humains.



## Введение

Очень быстрое и сильное изменение в экономической структуре передвинуло Финляндию из преобладающего аграрного общества — в индустриальное, в течение только десятилетия, в 60-х годах.

Финский документальный фильм «Нет быстрого пути к успеху. Другая сторона градостроительства» описывает проблемы, вызываемые структурным изменением как в ухудшающихся сельских районах, так и в растущих городских центрах; причины, стоящие за этим относительно сильным изменением; меры для содействия районам, страдающим от эмиграции и постепенного изменения в национальных политиках от политик специфических развивающихся районов к всесторонней региональной политике развития с целью достижения сбалансированного роста всех районов страны. Главная идея в документальном фильме — это то, что путь к развитию обезлюдивших сельских районов длинный. Опыт показывает, что политика регионального развития должна быть составлять одно целое с другими социальными политиками. Сельское хозяйство, которое будет всегда важным источником существования для большей части населения, должно развиваться наравне с индустриализацией и развитие экономической деятельности должно сопровождаться улучшением бытового обслуживания населения и другими мерами с целью достижения сбалансированной структуры поселений.





HABITAT

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# FINLAND

NATIONAL REPORT 1975

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## NATIONAL REPORT 1975

### Contents

	Page
1. BACKGROUND	1
1.1 General characteristics of the country	1
1.2 Administrative framework	3
2. NATIONAL SETTLEMENT POLICIES	5
2.1 General goals of societal policy	5
2.2 Planning organization	6
2.3 Regional development policy	9
2.4 Agricultural policy	11
2.5 Housing policy	13
2.6 Land use planning and planning for the use of water resources	17
2.7 Environmental policy	20
3. PLANNING AND MANAGEMENT OF HUMAN SETTLEMENTS	22
4. SHELTER, INFRASTRUCTURE AND SERVICES	29
5. HUMAN SETTLEMENTS AND THE NATURAL ENVIRONMENT	31

## 1 BACKGROUND

### 1.1 General characteristics of the country

Finland is one of the northernmost states in the world and the most northerly industrial country where farming is possible. The country extends for a long way in the north-south direction and lies between the 60th and 70th degrees of latitude. Due to the Gulf Stream the Finnish climate is nevertheless relatively favourable, and as a consequence Finns represent a good third of the population living north of the 60th degree of latitude.

The most essential feature of Finland's environmental conditions is the long and dark winter. The south of the country is covered by snow for about three and a half months and the north for 7 months. Conditions in the north are severe and the population density in Lapland is only 2-3 persons per square kilometre. In Central Finland the population density varies between 15 and 40 persons per square kilometre, and the most densely populated area is the south coast, where there are nearly 100 persons per square kilometre on an average.

Around 1900 the population of Finland was 2.7 million, 3.2 million in 1920, and 4.0 million in 1950. The present population is about 4.7 million. With the exception of 1969 and 1970 the Finnish population has until recently increased, but growth has gradually decelerated.

The change from an economy dominated by agriculture to an industrialized state has been especially marked and rapid since the 1950s.

The rate of this change is illustrated by the following table giving the percentage of employed persons by industry of the total economically active population.

Employed persons by industry as a percentage of economically active population

	1950	1960	1970	1975 <sup>x)</sup>
Agriculture and Forestry	46	36	20	15
Manufacturing	20	20	25	27
Construction	6	9	8	8
Services	28	35	47	50

x) Estimate

The change in the structure of the economy has been accompanied by strong migration from rural to urban areas.

The migration in Finland flows from the sparsely populated rural areas to urban centres and from the north and east to the south, often to the region around the capital, Helsinki.

However in the recent years the interregional migration has grown less imbalanced; thus, e.g. the net gain of the Helsinki area was only 2 500 persons in 1974 as against 15 000 - 20 000 persons per year in the 1960s.

Emigration from many parts of the country - chiefly to Sweden has also been significant. Emigration has slowed down the growth of the population, and caused it to decline in 1969 and 1970. Another cause for the slow population growth is the declining birth rate, which is now one of the lowest in the world. Migration and the birth rate have together led to the ageing of the population structure in the rural areas. The average age of farmers is fairly high, about 53 years. Those that move are chiefly young; about 80 per cent of those moving into the towns are aged 18-24. In 1975 about 58 per cent of the population lived in towns or urban centres. The change that took place in Finland in the 1960s took 20 years in Sweden and 30 years in Norway.

The regional imbalance of development produced by the change in the economic structure has become a major social issue.

The out-migration has not only resulted in a skew age structure but also in a weaker economic base in the areas affected. Due to the declining population, many local shops and schools are closed down; in short, the network of services grows thinner in rural areas. Social expenditures cannot be reduced to match the population decline; therefore the local tax rates must be raised, which makes the out-migration communes less attractive from the viewpoint of entrepreneurs and may also give added impetus to out-migration. In the urban centres, on the other hand, it is hard to provide housing, schools and social services at a pace commensurate with population growth. At present, housing shortages prevail in centres of all categories, while many houses of satisfactory standard stay empty in sparsely populated countryside.

Regional imbalances and their implications were recognized rather belatedly, and also the framing of regional development policies was at first piecemeal and gradual. During the last ten years, however, the arsenal and the effectiveness of the regional policy measures has been increased considerably. Hence, it is possible to at least arrest, if not reverse, widening of imbalances in regional development. Nevertheless, issues pertinent to population changes and regional development still remain major concerns of societal policy in Finland.

## 1.2 Administrative framework

The administrative system in Finland is two-parted. On the one hand there is state administration and municipal self-government on the other hand. (Public functions have been also assigned to self-governing ecclesiastical bodies).

### Administration at national level

In the central government there are at present 11 ministries. In addition to these, there is the Office of the Council of State, which is under the direction of the Prime Minister. Characteristic for the central government system in Finland is that there are many Central Offices or National Boards which, subordinated to the ministries concerned, handle matters belonging to their competence. As an example may be mentioned the National Housing Board, subordinated to the Ministry of the Interior.

### Administration at intermediate level

#### State administration at intermediate level

For purposes of public administration Finland is divided presently into 12 provinces. In each province there is a Provincial Government which acts as the general administrative authority handling most of the matters that belong to the intermediate level of the central government.

The province of Ahvenanmaa (Åland Islands) has, partly based on international treaties, an advanced system of provincial self-government.

At intermediate level, and acting with the Provincial Governments there are also several district administrative authorities under the direction of the central administration, mainly under Central Offices (National Boards).

#### Municipal self-government at intermediate level

In order to manage the widespread field of tasks, often extended to an area of several municipalities, the municipalities can establish intermunicipal federations of municipalities, the function of these being e.g. building and management of



hospitals and vocational schools, the drawing up of regional physical plans (regional planning associations). Annex 1 presents the main administrative bodies at different levels of administration.

### Administration at local level

#### Local state administration

State administration is extended also to local level. Police tasks, taxation, population registration and employment service are among the tasks of local state administration.

#### Municipal self-government

Municipalities in Finland are mainly in charge of public administration at local level. According to the Constitution, municipal administration shall be based on the self-government of citizens. The municipalities have the right to levy taxes.

## 2 NATIONAL SETTLEMENT POLICIES

It is evident that all decisions made within societal policy have an impact on human settlements. Here, however, to national settlement policies are included only those which play a major role in directing the development of human settlements, i.e. regional policy, agricultural policy, housing policy, planning of land and water resources and environmental policy.

### 2.1 General goals of societal policy

Goals for societal policy have been expressed in the form of legislation, in the government programmes; some are put forth in the course of the preparatory work for legislation, i.e. in different committee reports. Goals are further set by different authorities for their administrative field.

Specific legislation, also regulating the planning framework, exists for health care, comprehensive school, for the furthering of regional development, children's day care and housing production programmes. Planning and building legislation includes goals of achievement of good living environment. Generally accepted and equally basic, but stated in less operational form are goals concerning the increasing of the welfare of citizens, equality, and democracy in the decision making in different sectors of the societal policy. Other goals for societal policy are the strive for full employment and steady economic development which have been stated e.g. in government programmes.

The setting of goals has developed fragmentarily. Goals have been set independently for certain administrative fields, for certain sectors of societal policy e.g. for health care. There remains the need to coordinate these sectoral goals into a common framework and to state the goals in a more concrete form to allow the evaluation of the results achieved. Intra-sectoral coordination is also needed i.e. as has been done in health care planning in 5 year plans.

## 2.2 Planning organization

The organization of societal policy planning is tied to the administration system outlined above and plans drawn up are implemented through this system.

General responsibility for societal policy is borne by Parliament and the government. Societal policy planning in Finland takes place at the national, intermediate and municipal level. Interaction between the central administration authorities and the municipalities is tried to be achieved by multilevel planning. Societal policy planning can be divided into two: planning of functions and coordinative planning.

### Planning of functions

Planning of functions means the planning of various sectors, such as health services, education, etc.

The preparation of national plans for these sectors proceeds in principle as follows:

- a central office subordinate to the ministry issues annual directives for the municipalities, giving directions for the preparation of 5-year plans in a specific sector, e.g. health services
- the municipalities prepare the plan
- the intermediate level administration issues a statement
- the central office collects and approves the plans
- the Council of State, ministry or central office ratifies the national plan.

Annex 2 shows a diagram which from the point of view of municipal planning gives a general picture of the types of planning taking place at the various levels and the connections between them.

### Coordinative societal policy planning

There have long been two major means of coordinative planning: money i.e. planning of financial resources, for which the Ministry of Finance and the municipalities, within their administrative area, are primarily responsible, and land, that is coordinating siting arrangements and land allocations for various functions - in other words, planning land use - for which the Ministry of the Interior, the municipalities and the regional planning associations are responsible. In other respects co-ordinative planning has not yet taken on established forms.

A special planning department was founded at the Office of the Council of State in Finland in 1973 as one step towards the advancement of coordinative planning. The main tasks of this planning department are the coordination and direction of regional and other societal policy planning, the determination of goals in these spheres and the compilation of alternative proposals for action.

In principle, all the ministries which must take the plans made in other sectors into account in their planning are involved in co-ordination. From the point of view of human settlements, however, the most important bodies are still the Office of the Council of State and the Ministry of the Interior, which have to coordinate the land use planning of the various authorities and environmental protection.

#### Planning at national level

Planning at this level is discussed in detail later in connection with those policies which are regarded to play the main role in the development of human settlements.

#### Planning at intermediate level

Planning of functions at the intermediate level is carried out by several State authorities, the district organizations of ministries and central offices, the provincial governments and certain municipal federations (e.g. for hospitals and vocational training).

Coordinative planning is mainly the task of regional planning associations and provincial governments.

#### Planning at the municipal level

Planning for human settlements takes on a concrete form in the planning done at the municipal level. This is dealt with

in detail in the chapters on Planning and Management of Human Settlements, and Shelter, Infrastructure and Services.

### 2.3 Regional development policy

Development has been regionally less balanced in Finland than in many other countries. The most problematic areas are in the north and east, and the archipelago. These areas have a higher level of unemployment and greater migration than other parts of the country.

Differences in regional development are also reflected in other sectors of societal policy, such as income level and accessibility of services.

#### The aims and goals of regional policy

Regional policy proper began in the mid 1960s, in the form of developing area policy. The goals from then until the mid 1970s were to raise the level of production and standard of living, and to safeguard employment in parts of the country where economic development was considerably behind the rest of the country. In 1975 the legislation on regional policy was reformed, and a national regional policy took the place of developing area policy. The main goal of regional policy is to improve the living conditions of the population. The aim is to ensure that people living in all areas of the country have an equal opportunity of getting permanent employment, of a rising income level and of accessibility of important services, and to promote in other ways the balanced development of the occupation and community structure in various areas. These aims are promoted by supporting industry, by the suitable siting of business and by directing public services. Similarly, a start is being made on the compilation of regional development plans which will help to attain these goals. To back up regional policy planning, population and employment prognoses have been

drawn up which the Council of State has ratified. These targets will be used as a basis for planning by state authorities.

Regional development policy is a means of making the economic and community structure in different areas as balanced as possible. A balanced economic structure requires not only a balance in the supply and demand of labour but also a consideration of the diversity and appropriateness of the branch and professional distribution of the labour markets. In developing a balanced community structure attention also has to be paid to social factors, the supply and quality of services and the suitability of the social economy.

#### Regional policy measures

Due to the nature of regional development problems State action has been aimed primarily at promoting industry in the developing areas. Business investments has been subsidized and assisted by measures covered by the regional policy legislation, and efforts have been made to improve vocational education in the developing areas.

A special State-owned financing institution called the Regional Development Fund has been established for business in the developing areas. This grants credit and makes a limited amount of grants. As well as attempting to improve the operating potential of businesses in the developing areas, the aim is to prevent excessive growth in south Finland. Measures to this end include the decentralized siting of government offices and departments outside Helsinki and plans to limit business location in the Helsinki region. There is also a secretariat for business location control at the Ministry of Labour which provides enterprises with information about opportunities for setting up in various parts of the country.

## Execution of regional development policy planning

Preparations aiming at intensifying planning concerning regional development policy are now being made. This preparatory work is directed by the planning department specially established in the Office of the Council of State.

According to the 1975 legislation on regional policy regional development plans will be drawn up at intermediate level and also the ministries are to draw up regional development plans in conjunction with planning in their own field. At the basis of these plans the Office of the Council of State will prepare a regional development policy plan covering the whole country.

### 2.4 Agricultural policy

#### The impact of a change in economic structure on forestry and agriculture

The proportion of the total population employed in agriculture and forestry has fallen sharply. In the mid 1940s more than half of the population was still employed in agriculture and forestry. In the early 1960s the proportion was about one third, and today it is barely one fifth. Of the economically active population in 1970, 20 per cent were in agriculture and forestry.

Within forestry and agriculture there has been functional specialization, and this has been particularly clear since the mid 1960s. Forestry used to be work of a seasonal nature for the farming population and in part also for the rest of the rural male population. Logging today is increasingly passing into the hands of permanent professional forest workers employed by industry, and as a result it is becoming more and more difficult to find men to carry out silvicultural measures. \_/

On the crop-production and livestock side there is clear specialization in production, as can be seen from the rebuilding that accompanies it. Whereas in the 1950s and even in the early 1960s the design of cattle sheds was still based on the raising of several species and types of animals, the buildings going up at the moment are based on highly-specialised production.

### Agriculture and regional development policy

The goals of agriculture and regional development policy have been made to harmonize e.g. by channelling loans on easier terms (land utilization loans) towards the developing areas. Basic agricultural loans, which are in themselves favourable in both rate of interest and amortization period, are generally used to meet financing requirements in southern Finland and the other more prosperous areas, since the formation of capital in these areas is more vigorous. The new Farm Bill is to include financing principles by which the interest on state-subsidized loans will be graded by developing area zones.

The regional support paid by government, which is part of the support for farm economy, is of great significance for the developing areas, where agriculture accounts for a relatively large proportion of the total income.

### Physical planning in rural areas

Though the most important measures aimed at developing rural areas are connected to the development of the industries of these areas, primarily agriculture and forestry, the improvement of the living conditions of rural population is also attempted by improving land use planning.

Regulation based on the planning and building legislation mainly affects the development of agglomerations. Such detailed control is not considered necessary in areas with sparse



development. Building in these areas has thus proceeded largely without public control. Only a few proper land use plans have been made for rural areas.

The problems of land use planning in rural areas include the spread of housing into the outskirts of urban centres, the decrease in shore areas needed for general recreational purposes with the spread of private holiday building, and the deterioration of traditional rural communities, man-made environments and rural landscapes.

Land use planning in rural areas is being developed in connection with regional physical planning and master planning.

A land use plan for rural areas cannot indicate land use as exactly as a detailed plan for agglomerations. It should only show the main features of land use. In accordance with the principles adopted in the recent physical planning of rural areas a land use plan for rural areas should define those village centres, which can provide the necessary conditions to maintain all the most important basic services. It should also show the basic road network and areas to be reserved for agriculture and forestry as well as areas of nature conservation and culturally valuable landscapes and buildings or building groups to be protected.

The planning of the settlement structure is most important for the inhabitants in rural areas as the maintenance of sufficient basic services in spite of the decrease of the population is essential to them.

## 2.5 Housing policy

The steady and rapid process of structural change in society has made special demands on housing policy and building. As a consequence of the movement towards the centres there has

been a constant shortage of housing even though the number of dwellings produced in recent years (60,000 - 70,000 dwellings a year) is very high by international standards - as much as 12-15 dwellings per 1,000 inhabitants.

One feature of public housing policy in Finland has been the partial financing of new building by long-term, low-interest state loans. The organizations financing the building of farm housing and housing in towns were created after the Second World War. In the early 1950s partial loans from the state covered 60-80 per cent of what was then still minor production of new housing. The emphasis was on financing housing in the rural areas, chiefly as a result of the settlement of the evacuated population. Despite its extensive proportion state housing financing was still regarded as a temporary solution dictated by special conditions. For example, the Arava organisation, which was entrusted with the state financing of urban housing production, was set up as a temporary organ.

As the demand for housing in rural areas fell the part played by partial state financing decreased in the latter half of the 1950s and the beginning of the 1960s to 20-40 per cent of new production. The emphasis in public support for housing was then on indirect subsidies, i.e. on the ten-year tax-exemption benefit for new production aimed at raising the number of housing investments by improving their yield. The tax-exemption benefits on new housing were, however, withdrawn in the early 1960s as they favoured those with high incomes and permitted various forms of speculation. In order to compensate for indirect subsidies partial financing by the state was increased, and in 1966 this new form of financing officially became a permanent system. At the same time a permanent central bureau, the National Housing Board, was established to handle housing matters. Since the establishment of the National Planning Board the state financing has been about 50 per cent of total new production.

Today the state partly finances about half of all new output. It grants 60 per cent loans chiefly for building rented accommodation owned by municipalities. The loan period is 25 years and the interest during the first five years is 1 per cent, thereafter 3 per cent. The interest has temporarily been reduced on new houses by one percent.

The loans granted for the purchase of owner-occupier dwellings partly financed by the state are graded from 10 to 60 per cent according to the applicants income. Loans are granted for the purchase of detached houses and of apartments in housing companies. Housing companies are in Finland a form of ownership giving the apartment owners the full right to participate in making the decisions on the running of the company.

The need for planning in the housing sector has steadily increased and the entire public housing policy is at present undergoing extensive reform. The government is taking wider responsibility for satisfying the demand for housing in the country as a whole. An attempt is also being made to link the goals for planning the housing sector more closely with social policy in general. A proposal for a national housing programme covering housing building in its entirety during the period 1976-1980 will be ready by the end of 1975. The programme aims, by various means, at levelling out fluctuations in housing production and thus at regulating the total number of housing investments and adapting them to the total resources. Housing policy will further be used to increase the effective use of the existing housingstock and thus to eliminate inequality in housing.

Parallel with the reform of housing policy the state housing loan system is being developed. Until now the chief aims of the financing system have been production policy goals and the interest subsidy given has not been graded according to the resident's income or need for subsidy. In the course of

the financing system reform the general aid included in housing loans is to be determined and directed more appropriately. Housing costs are also to be timed more appropriately in relation to the time a dwelling is used and the financial standing of the resident, and the great differences in housing costs between dwellings of varying ages are to be reduced.

As the relative importance of new output decreases due to the slowing down of the structural change process in society, special attention will be paid in future to the elimination of inequality in the standard of housing and to more effective use of the housing available.

The current target considered reasonable for housing density is one person per room, including the kitchen. In spite of the rise in the average level of housing and the fact that the target has already been reached on average, cramped housing has not been abolished in the country as a whole (Annex 3). In the last few years extremely spacious housing has spread faster than cramped housing has decreased, and this has led to a rise in the average level of housing. Differences in housing standard cannot, it seems, be eliminated simply by extensive new building.

According to consumer research, the proportion of total expenses going on housing, including light and heat, averaged 20 per cent in 1971. The percentage rose towards the lower income groups. When households were divided into fifths according to size of income, the fifth with the smallest income spent 33 per cent of their available income on housing, but the fifth with the biggest income only 17 per cent.

There is a need to develop special aid systems helping to raise the standard of housing and to cut housing costs among people with low incomes. The improvement of the housing allowance system and its expansion into a general system covering all those with a low income in need of greater

support are in turn aimed at reducing the number of people living in cramped conditions.

Use of the existing housing stock is also to be made more effective and inequalities in housing standard are to be reduced by means of an extensive basic repairs scheme backed by the state. So far the majority of housing investments and in practice almost all state housing financing have been directed at new production. Even though the bulk of the existing housing is in fact fairly new (more than half of the present housing has been built since 1960) and the amenity level of new housing in recent years has been very high (more than 95 per cent of new dwellings have all the basic amenities), a fairly large proportion of the existing housing still lacks some or all of the basic amenities. According to the census, somewhat less than 30 per cent of dwellings lacked running water and sewage, 40 per cent lacked an indoor toilet, 44 per cent lacked central heating and 48 per cent lacked hot water. The lack of bathrooms, however, is compensated for in Finland by the sauna, which especially in rural areas belongs to the basic equipment of almost every house.

Up until now the government has financed entire rented property complexes. The result has been the creation of separate housing areas for people with low incomes in which many social problems have come to a head. According to the plans there is in future to be a move to loans for individual apartments, so that a single house will contain both rental and owner occupied apartments built with state aid.

## 2.6 Land use planning and planning for the use of water resources

The chart in Annex 4 describes the main features of the land use plan system in Finland. The plans: regional, master and detailed plans form a plan hierarchy. The more general plan

gives directions and serves as a guide when more detailed plans are drawn up.

The present legislation does not include a national physical plan in the planning system but provisions for that have been made in the report of the Committee on the Revision of the Planning and Building Act.

Without a framework given by national physical planning it has proven impossible to guide regional physical planning. The need for national physical planning has further arisen from the necessity to co-ordinate the land use planning of different state authorities. It is also of great significance in solving the serious conflict over land use that certain major building projects have often given rise to. Such projects are the location and organization of new nuclear power stations, oil refineries, power transmission lines, waterways and other large production and servicing plants with significant impact to the environment.

Therefore development work for national land use planning has been initiated. The work is divided in three lines  
1) the indication of principles for locating activities with significant impact to the environment, 2) coordination of the land use plans made by various government authorities, and 3) the direction and coordination of land use planning at the lower (intermediate, i.e. provincial and regional as well as local, i.e. municipal) levels.

Planning work is to proceed gradually, regionally and by land use types. The first zone of the country chosen for examination is the coast. Next will probably come the fell regions. The types of land use to be planned first are those for recreation, nature reserve and holiday settlement, since it is possible to influence the location of these directly by intensifying the direction of planning and building.

An inventory of the projects of national significance is at present being carried out. The implementation of national physical planning due to inadequate legislation will be carried out through consultations between different authorities and different levels.

Plans for the water protection policy have been made at national level. The policy defines the need and objectives for water pollution control measures and presents the general principles needed to reach these objectives. The plan deals with: water conservation, water pollution control measures and their financing and expected effects. The objectives and the measures are general in character. The aim of the plan has been to create a framework for more detailed planning.

According to the law pertaining to water administration subject to the Ministry of Agriculture and Forestry the National Board of Waters is endowed with the task of drawing up comprehensive plans that take into consideration all types of water use. For this purpose the land is divided into 19 areas for each of which a comprehensive water resources development plan is made. The plan endeavours to find such guidelines for the development of different water uses and of water conservation, that would take into consideration all the needs meeting waters. The planning work is carried out in close co-operation with the regional planning associations.

Land use planning at regional level (regional physical planning) in Finland is programmed by the government so that regional planning associations (municipal federation) carry out various types of land use planning within the framework of a nationally unified programme.

The first task of regional planning associations was to draw up a preliminary regional plan, called a "skeleton plan". These

plans are now completed in the whole country between 1968 and 1975.

The next phase was to draw up a structure plan. These plans are going to be completed in the beginning of 1976. The most important components of the structure plan are the network of the settlements, the connection network and plans for technical maintenance. The structure planning has also much in common with the regional development planning.

According to the instructions from the Ministry of the Interior, regional physical plans for ratification are to be drawn up in stages. The first one is a regional plan mainly concerned with recreational and natural protection areas.

Further the associations make an overall plan which corresponds rather closely in practice to the skeleton plan. This plan also includes a separate implementation plan in which the implementation of the intended use of the areas is examined. The planning of rural areas has been described earlier. All these plans are kept up-to-date in that they are revised at intervals of about two to four years in accordance with a uniform timetable.

The regional physical plans are to serve as guidelines in drafting and amending master plans, town plans, building plans and shore plans and in undertaking other land use projects.

## 2.7 Environmental policy

### The goals of national environmental policy in Finland

The main objectives of environmental protection in Finland may be characterized as follows:



- The ecological balance, productivity and beauty of nature must be maintained.
- All citizens have a right to a healthy, safe and attractive environment.
- Activities affecting harmfully the environment must be adapted to the ecosystems.
- Unnecessary and wasteful use of natural resources must be prevented.

The more traditional fields of activity in the protection of the environment are nature conservation, protection of monuments and sites and water pollution control.

Due to the sensitivity of the waters especially in the case of the lakes which cover 9,4 per cent of the area of Finland the water pollution control has been given the highest priority during the last 10 or 15 years. The sensitivity of Finnish waters to pollution is caused by climatic factors as well as a very small average depth, slow water change, a certain natural load of organic material and low nutrient content of the water in the lakes. A very important additional factor is that pulp and paper industry which in itself is a major polluter of the waters is the leading export industry of Finland.

The "polluter pays principle" has been approved for the basis of financing water pollution control measures in Finland. A notification, licence, control measurement and sanction system has been created for water protection purposes. A corresponding system is planned for air protection and noise abatement. As to the state of waters the polluting phenomena and the anti-pollution measures are not far from being brought to balance.

The most important shortcomings at present are the inadequately

20

advanced legislation and the insufficient resources of administration. There are not yet special laws on air pollution control, noise prevention, regulation of the quarrying and mining or the advance inspection and control of substances and products. Much of the present legislation on the environment is in part, at least, out-of-date. Finland has today a representative network of national parks and nature reserves only in the northern parts of the country. Creating one covering the whole country will be possible for a few years to come. The most pressing and vital issues are a reform and amendments of the legislation, the setting up of an efficient environmental control system and the extension of the network of national parks and nature reserves.

### 3 PLANNING AND MANAGEMENT OF HUMAN SETTLEMENTS

Planning and management of human settlements is much the task of relatively independent administrative units - municipalities. Municipal administration is based on the self government of citizens.

In 1975 Finland had 477 municipalities. Municipalities have the right to levy taxes. Inhabitants pay a fixed percentage of their income in municipal tax. This tax unit varies from one municipality to another. In addition to its income from taxes the municipality receives funds as state aid for certain activities assigned to it by law.

The municipality is bound by law to provide citizens with certain basic services as regards health and medical care, education and social services. The more affluent municipalities are able to supply more varied services than the poor ones. The difference in affluence between municipalities is considerable as a result of inhabitants' affluence and the amount of business in the area. State aid is used to even

out the municipalities' chances of achieving a uniform service level.

In the case of services eligible for state aid the extent to which a service is aided in each municipality is generally regulated by law. On the other hand, the municipality itself usually decides on the service items of primary importance.

#### Organization of local administration

Authority in a municipality is held by a municipal council elected for four years at a time. Municipal administration and the execution of affairs are the responsibility of a municipal board appointed by the council.

To assist the municipal board there are various committees for the executive and administrative tasks. The members to these committees are elected. There are nowadays more than 100.000 elected trustees in various municipal tasks.

#### Tasks of the municipalities

The production of public services in Finland is the responsibility of the state and the municipalities. In practice the state takes the main responsibility for the general lines of social policy, economic policy, etc., and the municipalities adapt social policy decisions to local conditions and are responsible for the supply of services.

Of the public services provided by the society the municipalities produce the majority. The scope of the municipalities as providers of public services has taken shape either on the basis of their own initiative or so that once society has agreed to handle certain tasks, some of them have through legislation been assigned to the municipalities. The division of tasks between the state and the municipalities is the result

of a historical development and is generally based on what is considered most expedient. Tasks that require an insight into local affairs have usually been placed in the hands of the municipalities.

#### Municipal economy and financing of municipal tasks

In view of the extensive tasks of municipal administration, municipal economy is becoming a bigger and bigger part of the public economy. The municipal sector's share of the gross national product, which in 1963 was about 6 per cent, is at present slightly more than 8 per cent. Comparison of the total expenditure by the municipal sector with the total expenditure by the state shows that in the last few years expenditure by the municipal sector has been 65-70 per cent of expenditure by the state.

The municipalities' biggest expenditure items are health care, education and welfare, which together account for about 2/3 of their running expenses.

The municipalities have an independent taxation right. They can along the principles stated in the law determine the tax rate to be applied in their municipality. Municipal tax is by nature proportional income tax. The biggest proportion of the municipalities' income is in fact income from municipal tax.

About half of the municipalities' income comes from taxes. Since the state and the municipalities together handle certain activities (e.g. health care, education) the state helps to finance the municipalities' expenditure by means of a state aid system. Various state income transfers account for about 17 per cent of the municipalities' income. Municipal charges (sales of goods and services, business income) cover 12-13 per cent of the municipalities' total income. Loans account for

some 6 per cent of the municipalities' income. The rest of the income comes from miscellaneous sources as from rent revenues, from land and forest sales etc.

### Municipal planning

Municipal planning covers three fields:

- planning of activities
- economic planning
- land use planning

Planning of activities concerns organizing the production of services by various administrative fields with a view to future needs so that all municipal services can be produced in the right amounts, at the right time and in the right place.

Economic plans give an account of the economic resources in the municipal unit. It is the task of the plan to indicate how, and according to what schedule, plans concerning activities and land use can be implemented.

The task of land use planning is to determine how much land will be required for various activities and to be responsible for the proper location of activities.

Although there is no legislation on comprehensive municipal planning covering all the above sectors (the new local government act includes regulations on this), all towns and 75 per cent of all municipalities prepare comprehensive (corporate) plans.

### The present legislation concerning municipal tasks in planning

The existing legislation borders on sector planning. This paper is restricted to an examination only of the obligations

that concerns planning by the municipalities and municipal federations.

### Housing production

In towns, boroughs and rural districts with a population of at least 10.000 the council must annually approve the housing production programme for the next five years.

### Childrens's day care

The municipality is obliged by law to see that day care organized or supervised by the municipality is available to the extent and in the form required in the municipality. The resources have, however, often been inadequate to reach this objective. The municipality must annually make a children's day care plan for the next five calendar years for approval by the municipal council and endorsement by the National Board of Social Welfare.

### Health care

The provision of basic health services and hospital services is the responsibility of the municipalities, which can form municipal federations to carry out these responsibilities. Through guidelines of planning and with the provision of state aid these activities are directed and supervised by the state authorities.

Municipal health care operates at two levels: basic care and associated activities at the local level and specialized care at the regional level. Health care planning takes place at local, regional and national levels.

### The comprehensive school

The change-over to the comprehensive school faced the municipalities with a new planning obligation, admittedly a single

occurrence in effect. According to the law on the principles of the education system the municipality must set up a school planning committee to plan and prepare education. The committee is disbanded once the municipality has transferred to the comprehensive school system.

The municipality must draw up a school plan and submit it to the National Board of Education for inspection within a period specified by the Council of State. The plan must contain an account drawn up on the basis of the estimated need for education, of the measures the municipality intends to embark on to organize the education system in the municipality and to develop its school conditions.

#### Municipal land use planning

Land use planning in municipalities is divided into master (general) planning and detailed planning. Master plans can be drawn up in stages, separately for each activity or each part of the municipal area. This possibility has been well made use of. Thus, master plans have been drawn up for town centres, road networks, recreational areas and shore areas. The drawing up of master plans and the development of their content are considered important both in municipalities and in state administration. Many different factors have increased the need for general land use planning. Among them are, that detailed planning has not always been able to take into account the fact that the area should be used as expediently as possible, that equal principles should be followed regarding land-owners and that the dimensioning of the plans should correspond to the objectives required by the community's functionality and amenity.

Master planning has three functions. Firstly it presents a comprehensive land use policy, which is implemented by detailed plans in different parts of the municipality,

further it coordinates location of different activities. The second function of master planning is to give guidelines for detailed planning such as the form of building sites, traffic network and the location of services and recreation areas. The third emerging function of master planning is to designate the sites, that will be taken into use during the next five years. This plan provides basic information for economic planning and planning of activities and so coordinates different fields of municipal planning.

Usually master plans are approved by the municipal councils and sent to the Ministry of the Interior for information. When the detailed plans are ratified in the Ministry, the basic principles of the master plan must be followed.

#### Land ownership and land policy

When we examine the municipalities opportunities for expedient land use planning, we must take into account both land ownership and the land policy measures open to the municipality. The table in Annex 5 shows the land ownership situation in 1969 in municipalities as a whole and in planning areas. According to this table 70 per cent of land in towns and nearly 90 per cent in boroughs was in private ownership.

Up to the beginning of the 1950s the situation in municipal land policy was still relatively good. After this the land reserves in many towns ran dry and at the same time the pace of urbanization was greatly accelerated. As the municipalities did not own enough land and were not prepared for fast growth, especially in the areas under growth pressure, building mainly took place where the building companies happened to own land. Thus building projects did not usually harmonize with the general land use planning in the municipalities. Land ownership thus had a disproportionate influence on planning. In consequence there was unnecessary dispersion of the urban structure



as the areas built were rather a long way from actual town centres. (See chapter on Shelter, Infrastructure and Services).

The municipalities acquire land mainly through voluntary deals. Streets, parks and other public areas indicated in a detailed plan can however be immediately expropriated on the basis of the plan. Expropriated property has to be compensated at current market price.

There has been discussion since 1964 on the reform of the legislation on land policy with a view to strengthen the position of the municipalities in land policy and to control the price increase on land. The bill for the new expropriation act has however not yet been approved by the parliament.

#### 4 SHELTER, INFRASTRUCTURE AND SERVICES

##### Direction of the quality of the living environment

The daily environment of inhabitants and its physical framework is a very essential area where the general societal goals become concrete. Principally, according to the right of self-government, the municipalities determine the quality of the living environment in their areas.

In the course of planning it is repeatedly necessary to solve the conflict between the space and connection requirements of various activities and between these and the local natural environment and other requirements and to weigh up the impact of solutions on the whole.

Directions on the physical environment can be issued at national level as norms partly affecting town planning and partly building. Adherence to the norms is supervised in the plan inspection and ratification procedure, in the issuance of building permits and in building supervision.

Planning and building legislation contains, however, very few real norms concerning the quality of the living environment. Thus the advance direction performed by the Ministry of Interior has an important role in ensuring the quality of the living environment. This direction takes place in the form of relatively comprehensive planning principles which can be applied to different local circumstances.

With this kind of advance guidance it is attempted to back up the municipalities to determine themselves by democratic decision making procedures the level of the quality of life of the inhabitants. In the so called area building which started last decade and became prevalent during the period of rapid building, the municipalities have had to approve plans which did not wholly satisfy the basic needs of the residents. Among these problems are the inadequate or totally unrealized basic services, for which the municipalities lack resources and the private sector regards as unprofitable due to too small population base in these areas.

The most important goals in the development of the structure of human settlements is to curb the dispersion and integrate the spatial structure in order to create the premises for the development of the housing areas.

The functional enrichment of the housing environments is attempted to be achieved by directing the location of working places into the immediate connection to the housing. This also forms a better basis for the realization of services. The functional variety includes also the satisfaction of inhabitants' needs for recreation by supplying appropriate areas for playing, staying outdoors etc.

The premises for the implementation of the basic services includes such location of the housing areas which takes into consideration the regional services and service centres;

the housing areas so composed that there is a sufficient amount of population in the areas for the realization of services. The heterogeneous structure of the population is one of the most important means to even out the demands of services (especially those connected to age groups) and to guarantee the realization of those services based on inhabitants' purchasing power in various residential areas.

Efforts are also being made to use natural, cultural and social resources economically so that the resources are not needlessly wasted. The whole concept of the economy of town planning and building has been reassessed. The long-term operating costs are of great importance, as they often are much higher than short-term building costs.

## 5 HUMAN SETTLEMENTS AND THE NATURAL ENVIRONMENT

In the 19th century Finland was an almost completely agrarian society. Throughout the country a considerable part of human settlements still was attached to newly cleared land. As a matter of fact, clearing of land for cultivation did not lose its importance before the 1960's. A majority of population lived, however, before the urbanization in rural village communities. A general reparceling of farm land in the 18th, 19th and 20th centuries in order to create farms with unified farm lands gradually dissolved the compact structure of the traditional villages. In the rural society of the 19th century forest land was to a great extent cleared for cultivation by cutting down the trees and burning over the area. Trees were used only as firewood, as timber for building and for making charcoal and tar. Man had close relations to nature but at the same time he was at the mercy of nature and the elements. An almost exclusive concentration in grain production in the agriculture and very adverse climatic phenomena caused an extensive famine and starvation in the 1860's. After that

time a considerable change in agriculture took place and turned Finland into a dairy farming country. The industrialization also was made even more desirable by this famine catastrophe.

At the end of the 19th century and in the beginning of 20th century Finland was a country in the state of early industrialization and urbanization but with a solid base in the agriculture. Cutting forest for industrial purposes was started. Sawmills and cellulose factories were established. The inter-relationship between man and nature still was close but man struggled to gain the upper hand of nature and did it with success. The life conditions of the multitudes of tenant farmers, landless rural population, lumbermen, and industrial workers were primitive, the settlements frequently having the standard of slum.

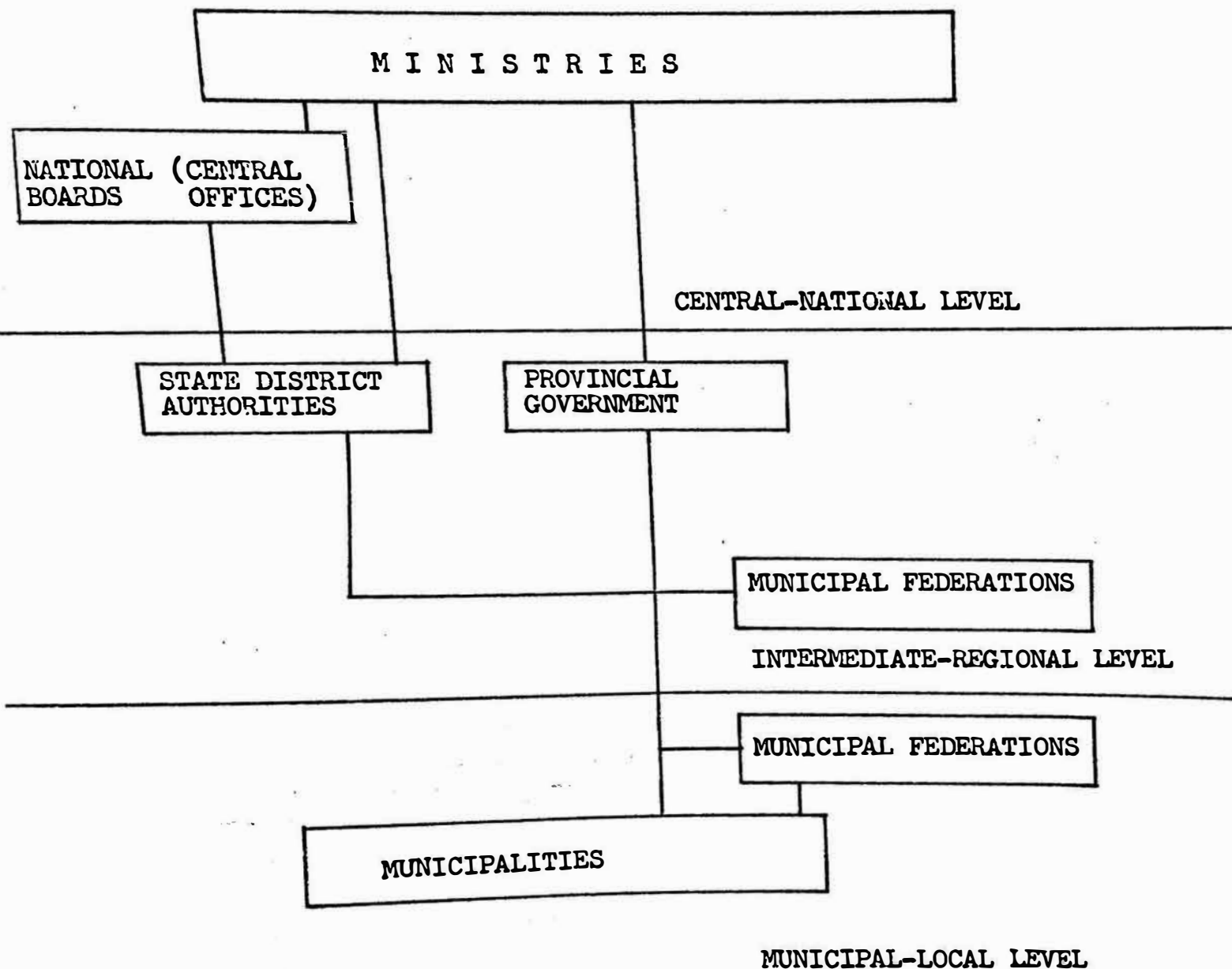
After the proclamation of the Independence 1917 and the Civil War 1918 the tenant-farm system was abolished and a land reform was carried out. The industrialization and urbanization continued but before the Second World War Finland still was a more or less agrarian country. After the Second World War the resettling of the evacuated population and an extensive clearing of new land took place. However, industrialization and urbanization have thence been so rapid that today only about 16 per cent of the population is active in primary production, i.e. agriculture and forestry. On the other side, forest industry still is the main export industry. Thus a great part of the Finnish national economy is based on a renewable natural resource. The agriculture produces enough to maintain the country self-supporting in food. But Finnish agriculture is today considerably dependent on imported fuel, imported animal feed and imported chemical fertilizers.

In the agriculture there is a clear tendency towards specialization which makes the production ecologically vulnerable and less balanced than before. The structural changes in the industries of the nation as well as the changes

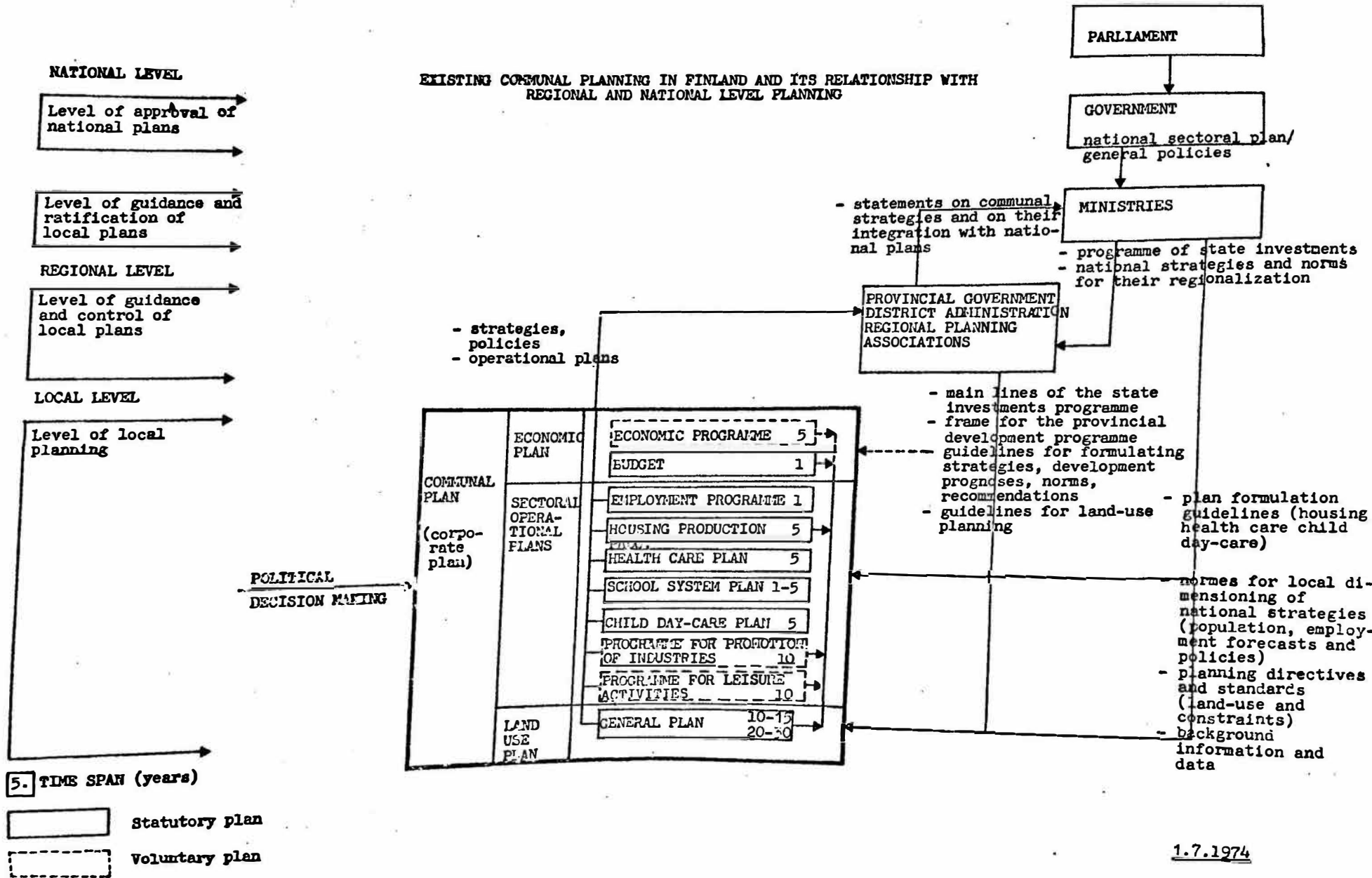
within agriculture and forestry have greatly influenced the relation of man to nature. Nature is today at least technically the weaker of these two former competitors. Even agriculture and forestry have been mechanized and industrialized. Human settlements are near to loose the contact with the natural environment; even holiday houses which are built to give the owner a possibility to have a vacation near to the nature often badly deform the landscape as they are frequent in Finland and built with rather loose control.

The concentration and reduction phenomena have affected adversely the relationship between human settlements and the natural environment. In the reduction area, i.e. the rural settlements, the lowering of service standard has greatly impaired the possibilities of people to continue to live in a close contact with the natural environment. In the concentration area, i.e. the urban settlements, the growth may be too rapid and uncontrolled which leads to unsatisfactory communities with a more or less incoherent structure and destruction of ecological entirities as well as the recreational value of the natural environment. This phenomenon is further accentuated by the fact that the land-use policy lacks adequate legal instruments.

The situation can be improved by various planned measures. Regional development policy will affect the concentration and reduction tendencies. Amendments in the planning and building legislation will strengthen the control of scattered dwellings, especially holiday houses. Improvements in the legislation concerning land use policy and in the land use planning, in the detailed land use planning and in the design of holiday houses will also be important.



EXISTING COMMUNAL PLANNING IN FINLAND AND ITS RELATIONSHIP WITH REGIONAL AND NATIONAL LEVEL PLANNING



## ANNEX 3

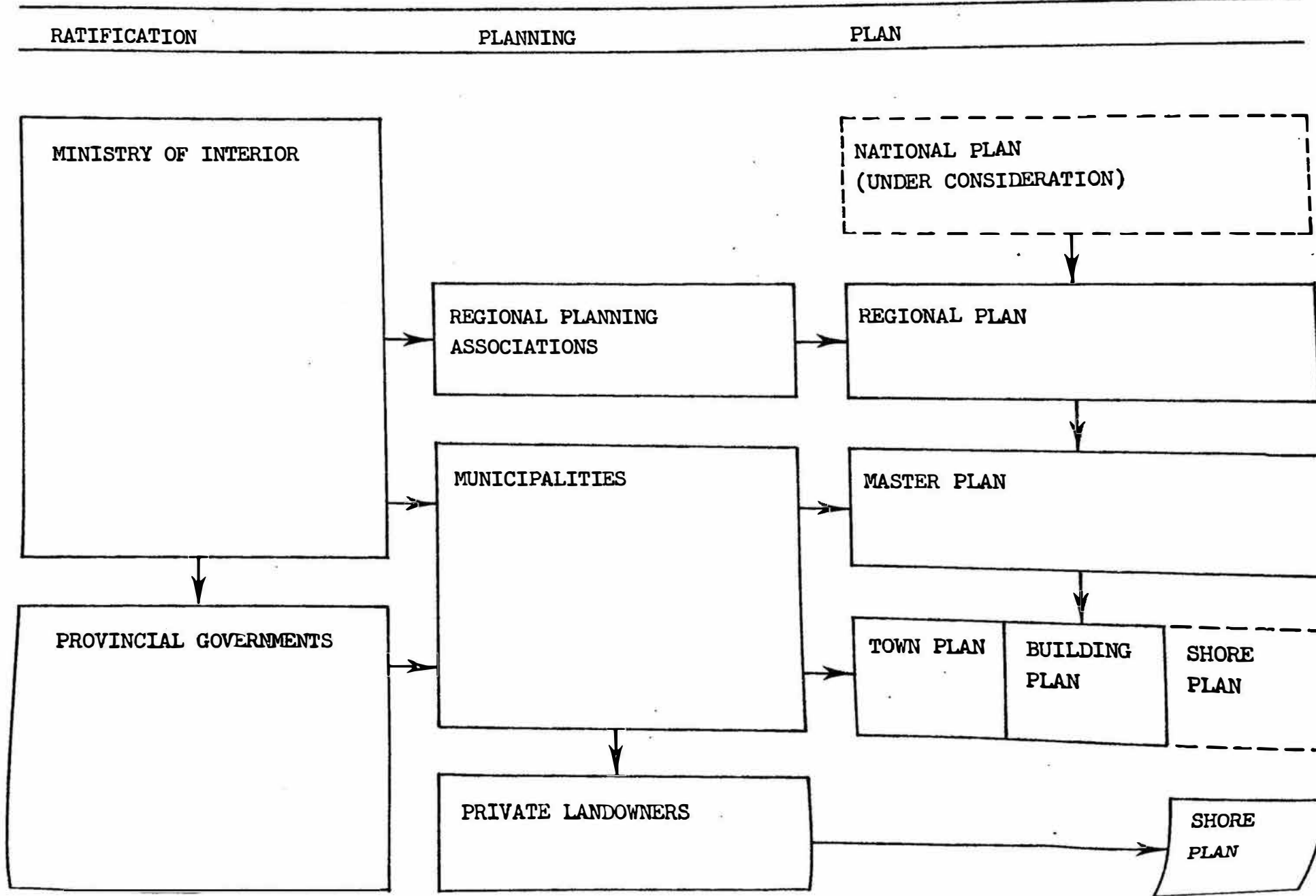
## Indicators of housing stock and housing level in 1960 and 1970

	Type of administration			Type of building			Area of dwelling		Persons per 100 rooms	No. living in cramped conditions <sup>1)</sup>
	owned	rented	no permanent resident or unknown	Small detached	multi-storey	others	average m <sup>2</sup>	m <sup>2</sup> per person		
1960	60	39	1	73	23	4	51	14	131	24
1970	54	37	4	56	40	4	60	19	103	10

1) = 2 per./room, including kitchen.



Main features of land-use plan system in Finland.



## Landownership in percentages.

Landowner	In the entire municipal area			
	Cities	Boroughs	Rural municipalities	All municipalities
Municipality	23.4	4.4	1.3	1.7
Other municipality or municipal unit	0.5	0.6	0.3	0.3
Parish	1.4	0.8	0.5	0.5
State	4.0	4.4	30.1	29.0
Enterprises exercising building development	0.2	0.2	0.0	0.0
Others	70.2	89.5	67.8	68.5
Total	100	100	100	100

Landowner	In planning areas			
	Cities	Boroughs	Rural municipalities	All municipalities
Municipality	50.7	30.2	6.6	17.4
Other municipality or municipal unit	0.7	1.2	0.8	0.8
Parish	1.9	1.4	2.9	2.5
State	5.4	3.6	3.2	3.6
Enterprises exercising building development	0.7	2.6	0.9	1.1
Others	40.6	61.0	85.6	74.5
Total	100	100	100	100