



MINISTRY OF FINANCE
Finland

Reform in Local Government Structures

2011->

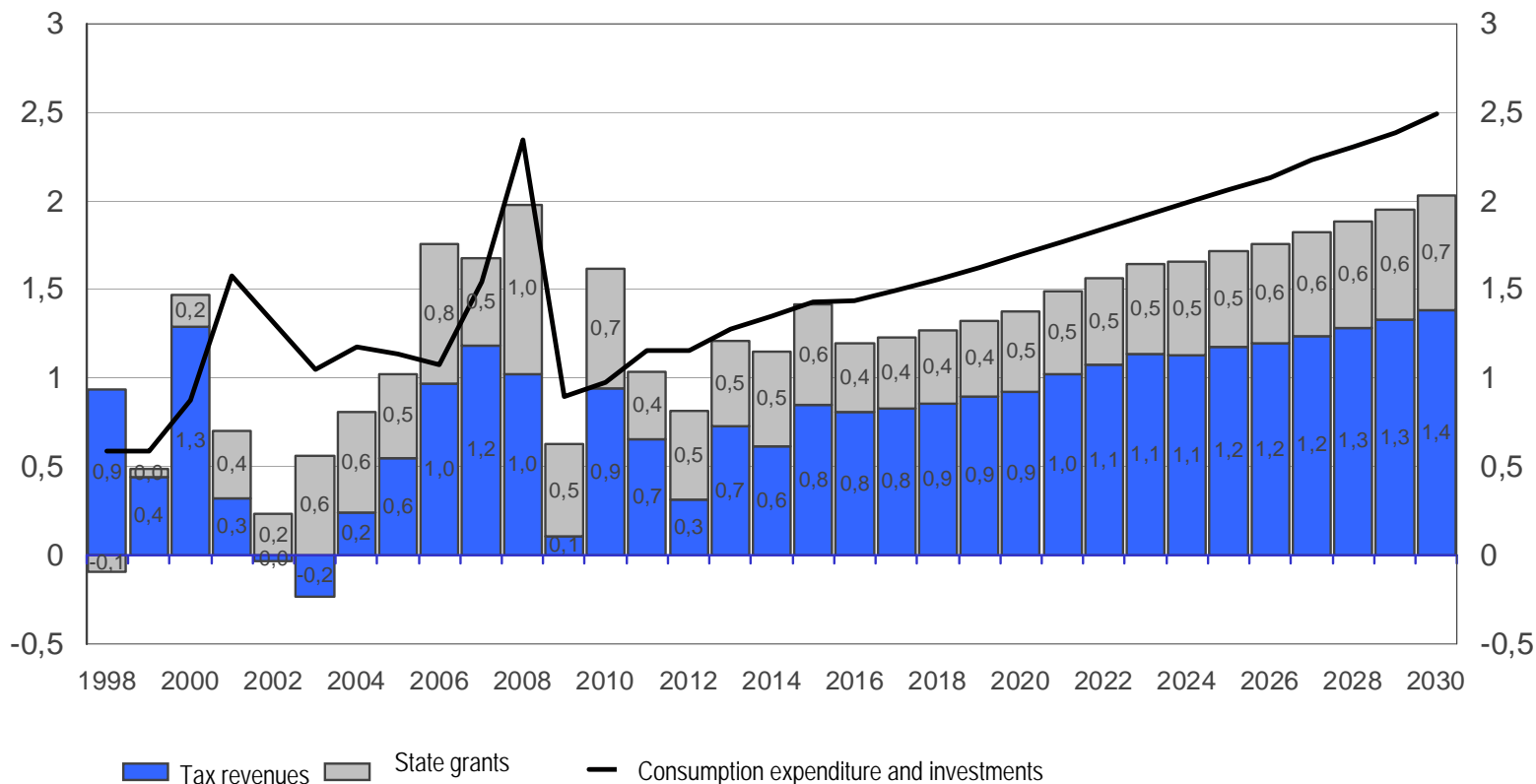


Sustainability gap in public finances: municipal problem too

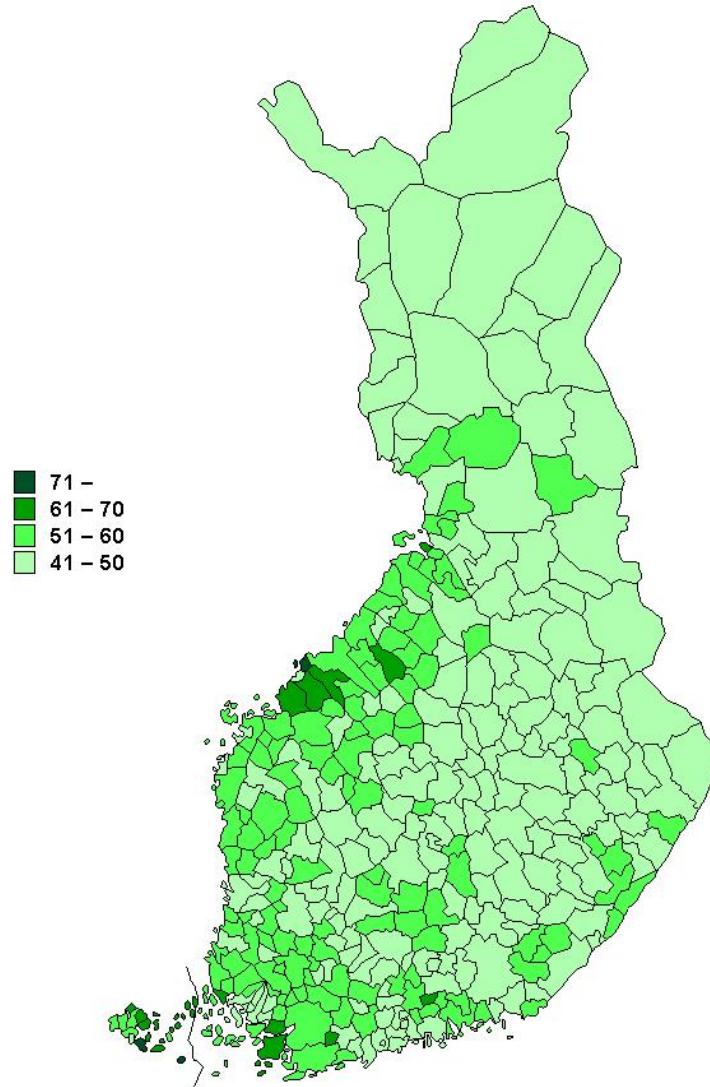


- half of the increase in public finances due to ageing will be funded by the social and welfare services, which are services provided by local government

”Sustainability projection” of local government finances, 2030



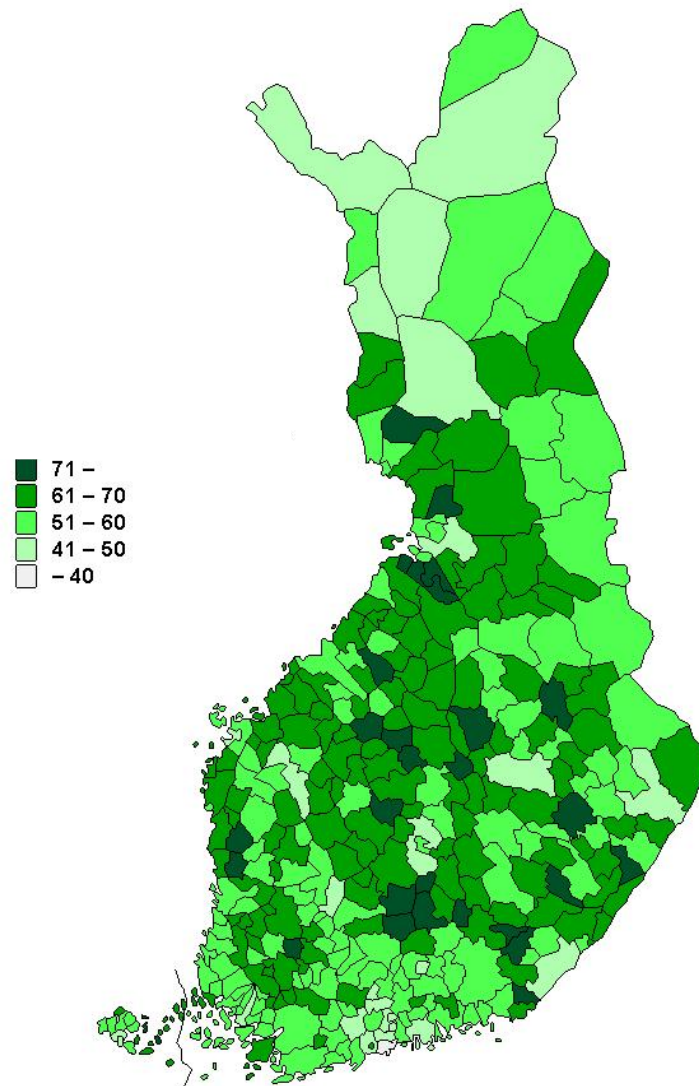
Demographic dependency ratio in 1980



Municipal boundaries on 1 January 2011 – 336 municipalities

Source: Statistics Finland

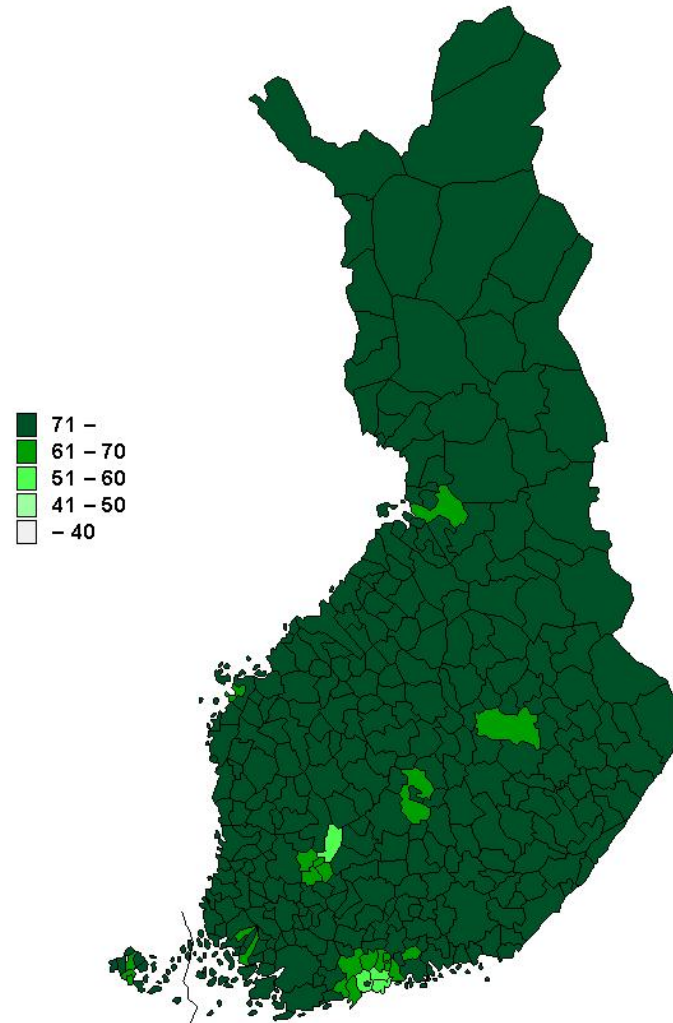
Demographic dependency ratio in 2010



Municipal boundaries on 1 January 2011 – 336 municipalities

Source: Statistics Finland

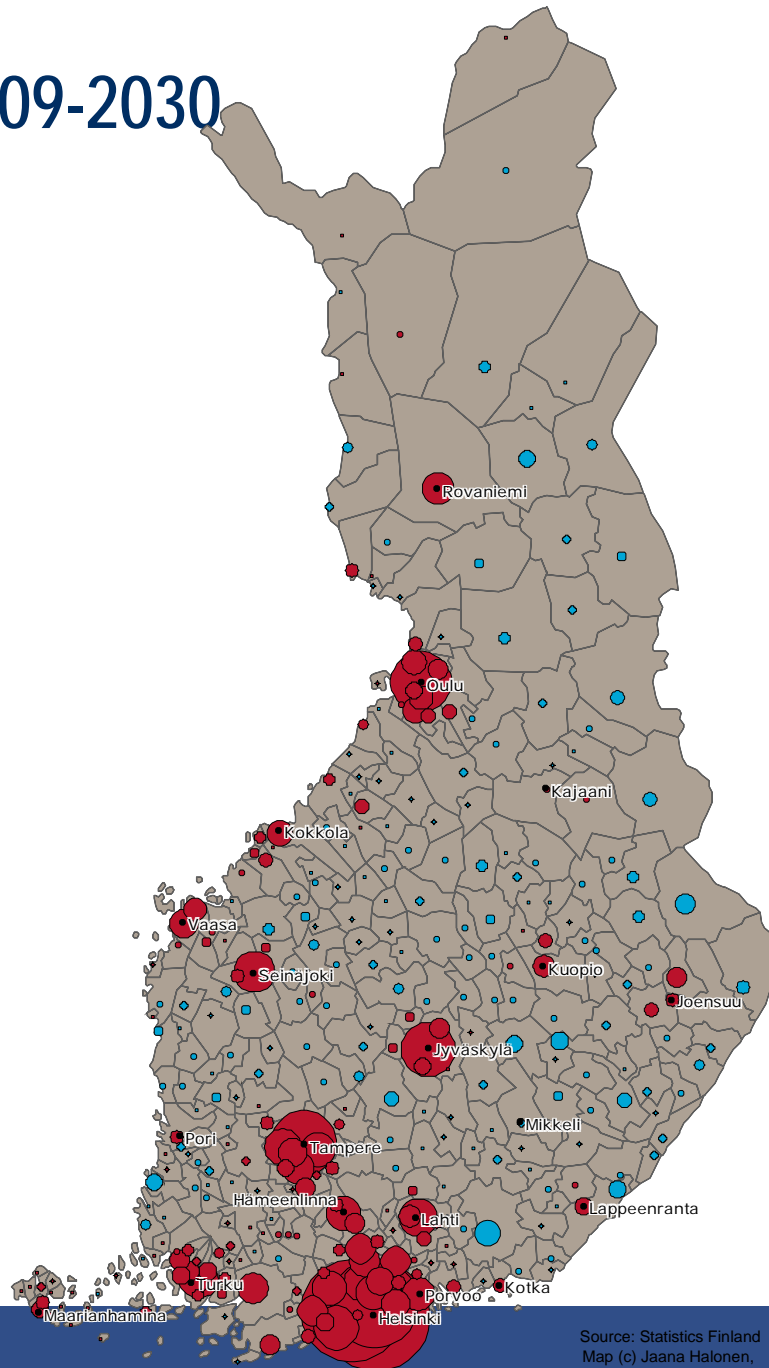
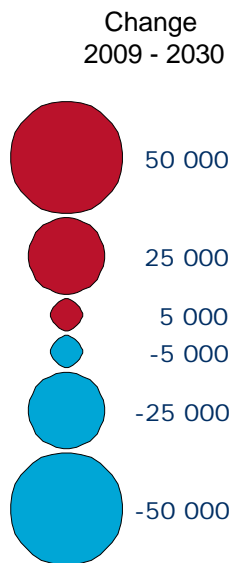
Demographic dependency ratio in 2030



Municipal boundaries on 1 January 2011 – 336 municipalities

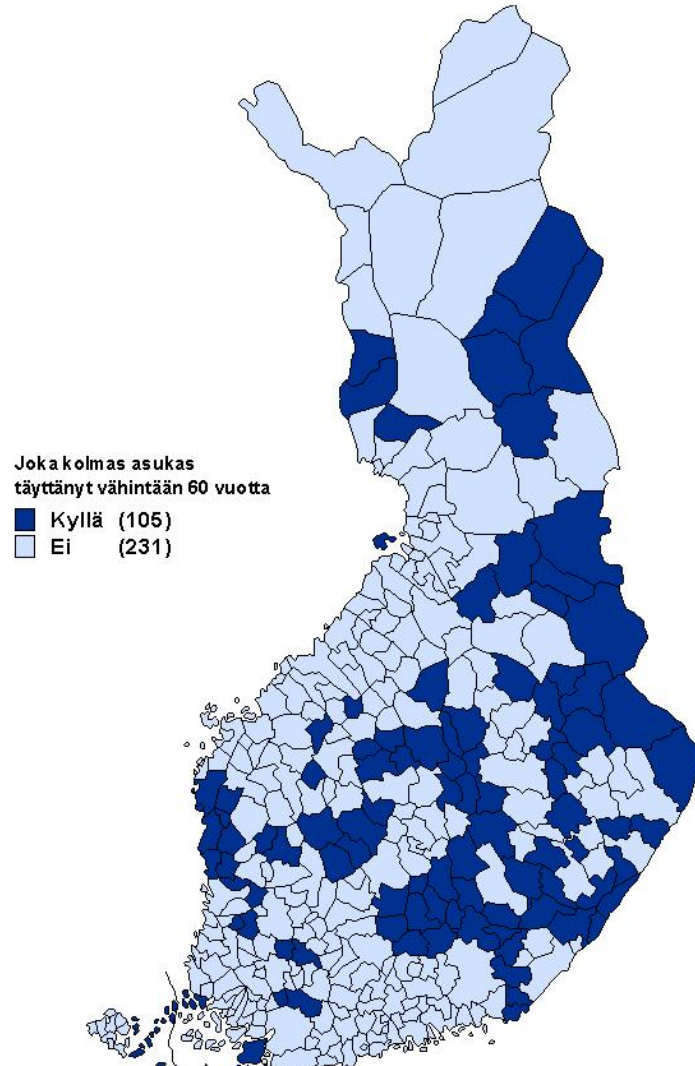
Source: Statistics Finland

Population change 2009-2030



Source of illustration: Association of Finnish Local
and Regional Authorities

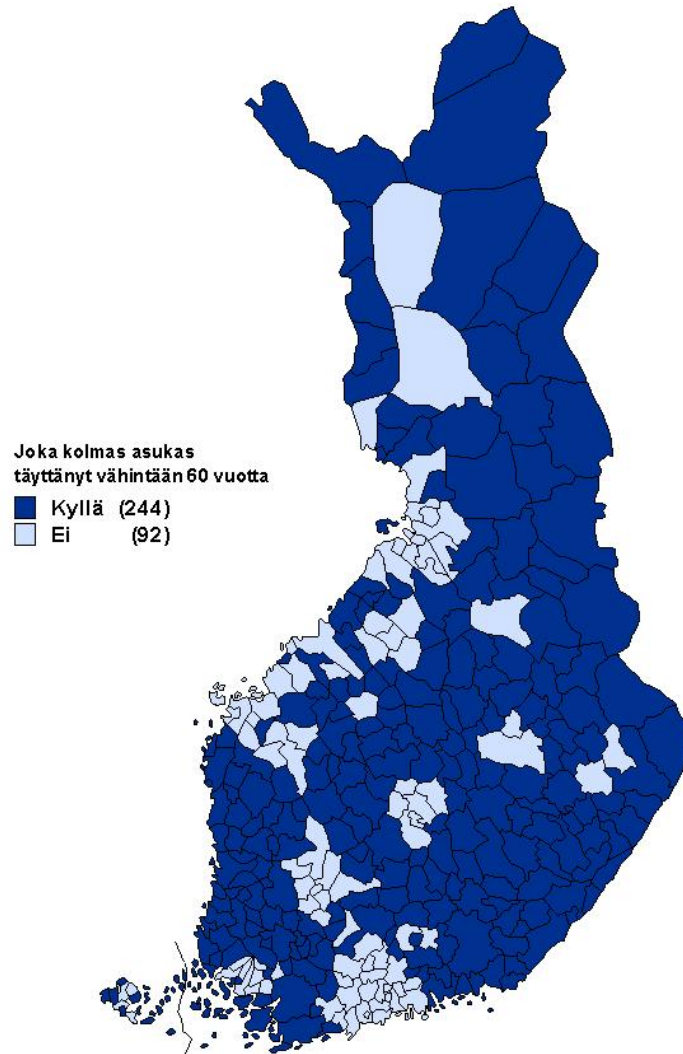
Municipalities where at least one in three inhabitants is over 60 years old (2010)



Municipal boundaries on 1 January 2011 – 336 municipalities

Source: Statistics Finland

Municipalities where at least one in three inhabitants is over 60 years old (2030)



Municipal boundaries on 1 January 2011 – 336 municipalities

Source: Statistics Finland,
Population projection 2009-2030



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New municipalities 2015





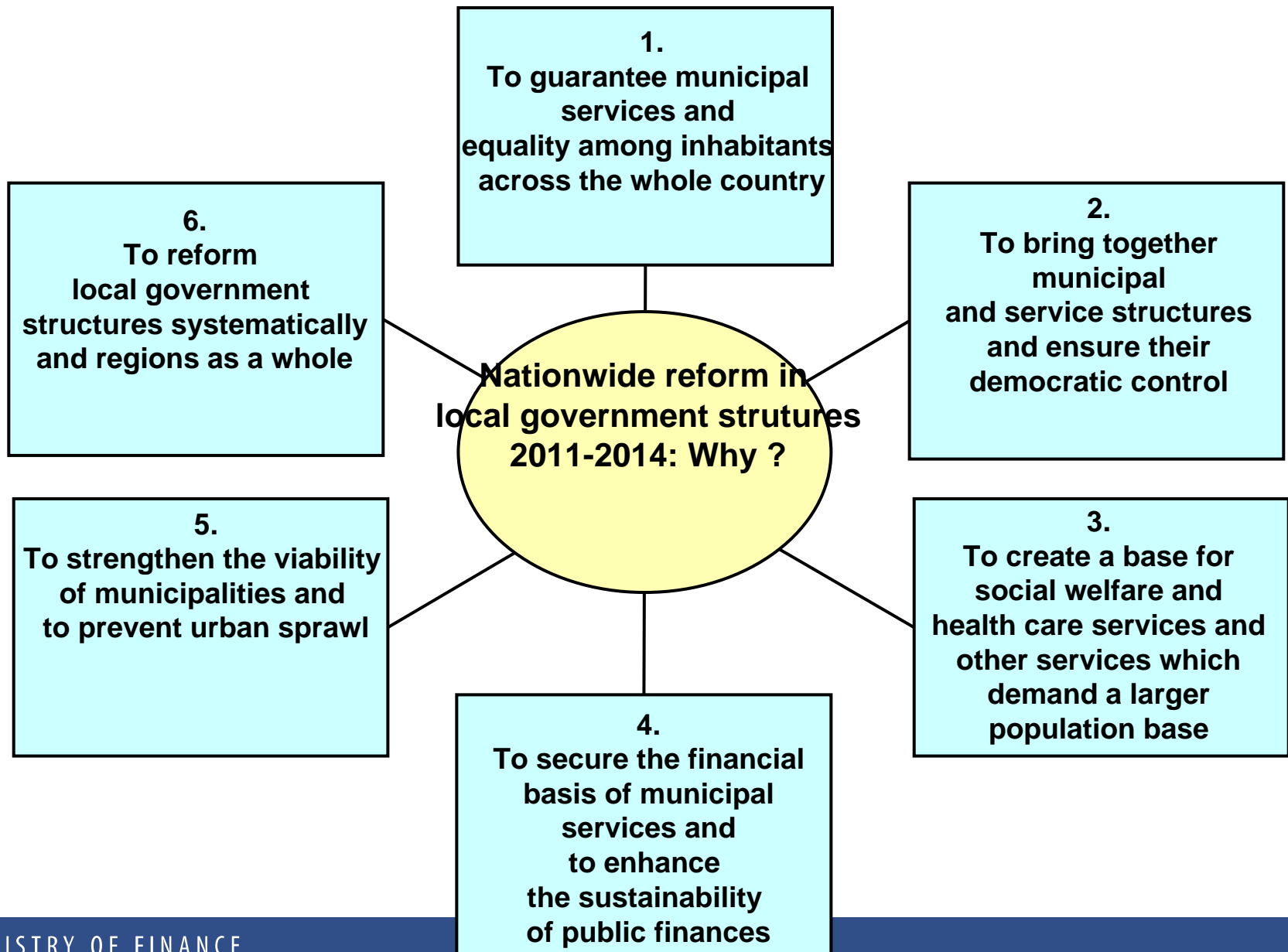
The Government will carry out a reform in local government structures across the country

- The aim is to create a thriving local government structure built on economically robust municipalities.
- Economically robust municipalities
 - consist of customary commuter areas large enough to be able to provide basic public services
 - are capable of conducting successful policies in business and industry, development strategies, and preventing urban sprawl
- By the end of 2011: a nationwide survey to establish what type of municipal and service structures are most expedient for each region.
 - covers both urban and rural areas

Legislation based on the new local government structure



- The reforms in the structure of municipalities serves as the basis for a comprehensive amendment of the Local Government Act.
- The system of central government transfers to municipalities will be revised in connection with the reforms in local government structures.
- An act governing the provision, funding, development and supervision of social welfare and health care services will be introduced in order to implement the restructuring of services. Both the content and schedules for legislative drafting related to the act on the provision of social welfare and health care and other legislation in different administrative sectors will be synchronised with the nationwide reforms in the municipalities.



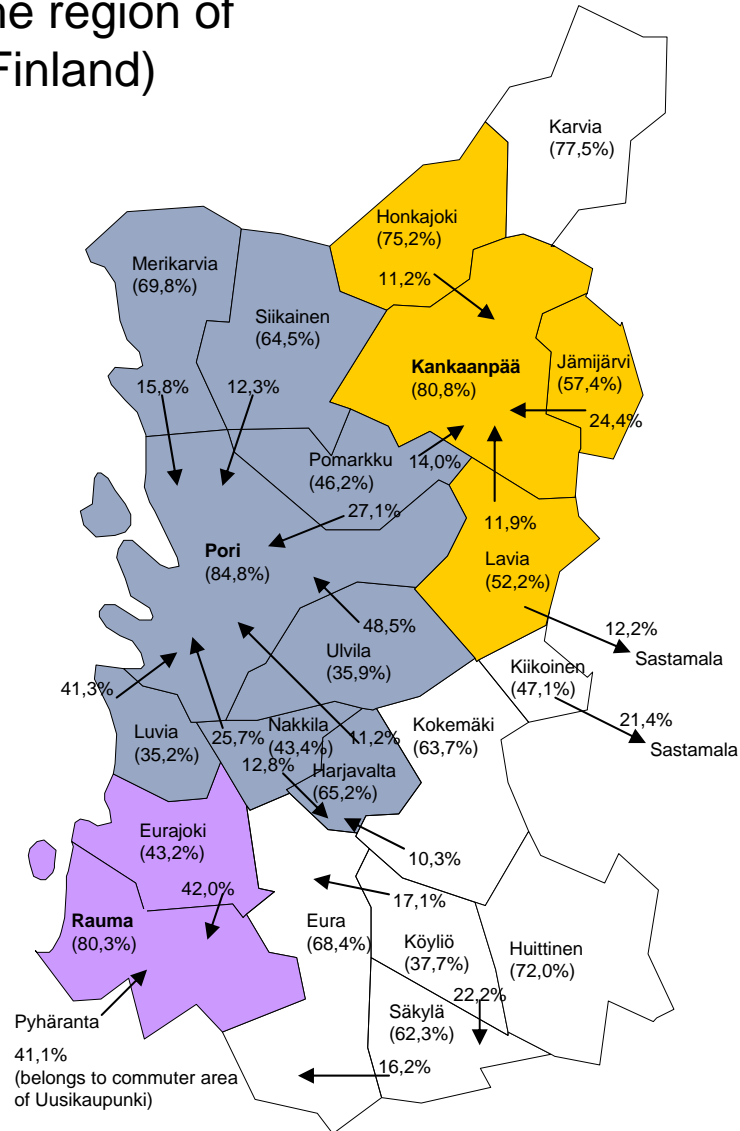


Commuter areas in the region of Satakunta (Western Finland)

Pori commuter area: Pori (83 032), Merikarvia (3347), Siikainen (1654), Pomarkku (2460), Ulvila (13 606), Harjavalta (7540), Nakkila (5788), Luvia (3322) total 120 749 inhabitants.

Kankaanpää commuter area: Kankaanpää (12 135), Honkajoki (1878), Jämijärvi (2041), Lavia (1994) total 18 048 inhabitants

Rauma commuter area: Rauma (39 715), Eurajoki (5923) total 45 638 inhabitants.





Time schedule for the reform in local government structures

2011		2012			2013		2014
					Act on Local Government Structures		
	Expert consultations	Preparation of bill	Gov't bill	Bill submitted to Parliament			
Working group on local government structures (Minister Tölli)	Working group on local government structures (Minister Viikari)				Decisions on the new local government structures		
	Survey and criteria	Local government consultations					
PREPARATION PHASE					DECISION-MAKING PHASE		



Organisation

- A political steering group
 - political steering
 - political definitions and guidelines: support for project manager and working group on local government structures
- Working group on local government structures
 - civil servants
- Project manager 1 Sept. 2011 – 31 Aug. 2013
 - Mr Arto Koski, Ph.D.



Working group on local government structures

- Assignment
 - Nationwide survey (Government Programme) to establish what type of municipal and service structures are most expedient for each region.
 - Proposal on the criteria and implementation of the reform, on the basis of which
 - > the government will define the exact criteria and progress of the reform
 - > an Act on Local Government Structures will be drafted
 - Also a cartographic presentation of the proposal
- Members from several ministries
- Permanent experts from the Association of Finnish Local and Regional Authorities
- Term until end of 2011