



RUPRI FARM BILL POLICY BRIEF #2

What Does Finland Have That We Don't?

Wayne Myers MD
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Introduction

The United States has an enormous body of farm policy, but no coherent rural policy. The Congress reworks our farm policy every five years and will do so in 2007. Changes in world trade, mediated through the World Trade Organization, are putting added pressure on long standing farm subsidies in the developed countries, including the US. Other new rural factors include telecommuting and opportunities requiring broadband connectivity, and the emergence of renewable energy as a mainstream concern.

This is the first of a series of RUPRI policy briefs which will explore the experience of other countries with comprehensive rural policy approaches. The rural challenges in most developed countries are quite similar. ...migration from the countryside to cities, and lagging rural economies, to name a couple. Last summer, first at a RUPRI sponsored meeting of the International Rural Network in Virginia and later in meetings with European Union officials in Brussels as part of the RUPRI /EU Policy Fellowship program, I heard a succession of references to things happening in rural Finland. It seemed a good place to begin looking for new models.

Finland's Rural Policy Framework

Finland isn't a big country. With 5.2 million people it resembles Wisconsin, but with twice the land area. It starts with Helsinki at the latitude of Anchorage and stretches north from there. The Economist magazine regards it as the least corrupt country in the world. (The U.S. ranks 18th.) A bit over 40 percent of the Finnish population is rural compared with half that figure in the U.S. Agriculture, with four percent of the economy, plays twice as large a role as in the U.S., but at those latitudes it can't be an easy way to make a living. Gas costs about \$6/gallon but the trains and busses run on time.

The Rural Policy Committee

At the center of Finland's special approach to rural affairs is its Rural Policy Committee. This body includes 28 members from nine of the thirteen departments of the national executive branch cabinet and several national rural organizations. Established in 1988, the Rural Policy Committee has evolved through a succession of national administrations. The Committee was established by

career national civil servants, but after several policy cycles has gained the interest and involvement of elected political figures, and with it the political clout to be more effective. It is staffed by the Department of Agriculture and Forestry and works closely with representatives of several national non-governmental organizations. It weaves strands from various levels and sectors into coherent policy fabric. Sources of these policy strands include the European Union, with its various labor and trade policies and the Leader Plus rural development program, initiatives based in the various cabinet departments, the positions and plans of a very robust Village Action movement with over 2300 chapters, and the experience of a national network of 59 Local Action Groups, or "LAGs".

Formal Committee Meetings are held two to six times per year, but negotiations with the various cabinet departments and Committee participant organizations are ongoing and complex. The Committee sets forth a new Rural Policy (spoken of as the "Programme") every four or five years. Budgets for various elements of the rural policy generally remain within the cabinet departments, but the Committee oversees and funds some projects. The overall policies are evaluated at midterm and near their conclusions. These are in addition to project-specific evaluations. The current, fourth Programme was released in 2005. It includes 133 proposals to be implemented by 2008. Government cabinets or work groups have primary responsibility for 90 of these provisions, with lead responsibility for the other 43 falling to non-governmental organizations.

The Rural Policy Programme

This policy statement, or Programme, grew out of the work of many regional and national networks and depends on them for implementation. Approved by the national elected government, the Programme includes challenges for individual cabinet departments, non-governmental organizations and working groups combining various government and nongovernment players. It includes sector-specific (health, education, transportation etc.) and region-specific projects. Implementation of these provisions is coordinated and monitored by the Committee and its staff, though the Programme depends heavily on the empowerment and efforts of local and regional groups for its implementation. These, in turn, rely on ongoing negotiation and mediation by the Committee staff.

The one hundred thirty three recommendations of the current Programme, "Viable Countryside; Our Joint Responsibility", fall into five sets: (1) the mechanics of developing rural policy (2) strengthening rural organizations (3) rural jobs and industries (including agriculture) (4) strengthening infrastructure; roads, telecommunications, basic education etc, and (5) higher education and research in and for rural communities. In another column we'll look at some of these recommendations in more detail.

The Finnish Programme Implementation Framework

The effectiveness of the Committee may be attributable to several factors, not the least of which is its founder and Secretary General, Eero Uusitalo. In addition to chairing the Committee he staffs the Parliament's Rural Caucus and chairs the Village Action Association of Finland. Current U.S. federal regulations constraining involvement of civil servants with the legislative branch and contracting NGOs would prohibit such effective coordination here. Perhaps the traditional incorruptibility of Finnish society is evident in this arrangement.

Fifty nine Local Action Groups, or "LAGs", are important in implementing E.U. and nationally funded economic development programs. The LAGs are governed by regional boards representing municipalities, regional enterprises and associations and at-large citizens. They typically work in and represent regions of 20,000 to 60,000 people. Core support for a particular LAG may come from European Union "Leader Plus" funding or from Finnish national programs. LAGs can invest in a very wide variety of community development projects provided that local matching funds can be secured from the involved municipality and private investors. Eligible projects must be small, with projected employment of five or fewer people. Examples are extremely varied. Most significantly, the projects reflect local investment in local needs, values and opportunities.

Parallel but separate are the 2400 Village Action groups organized into 19 regional associations and a national association. Whereas the LAGs are primarily involved in economic development and serve sizable regions, the Village Action Groups focus on social capital, community cohesion and support for infrastructure in very small communities. These may include home nursing for the elderly, local road maintenance and many other functions which contribute to quality of life for people in very small communities, a level of organizations which we in the US may have written off as obsolete.

The Finnish Asset-Based Development Approach

Two comments from senior officers within this Finnish governance framework summarize these priorities:

"Johanna's Law: All you need for local economic development is thirty meters of rope and a nail. Drive the nail in the ground. Attach the rope. Draw a circle. Everything you need: people, knowledge, tradition, local resources, is within that circle."

Johanna Heikkila, Senior Officer, Ministry of Agriculture & Forestry, Finland

"The mainstream Local Action Group method will supersede the E.U.'s agriculture based approach [*to rural economic development*], which is conceptually obsolete."

Eero Uusitalo, Secretary General, Rural Policy Committee, Finland

For more information on these Village Associations, Village Action and Local Action Groups see www.maaseutuplus.net, and for the Rural Policy Committee, see www.maaseutupolitikka.fi.

For further information regarding this Farm Bill Policy Brief or other RUPRI rural policy information, please contact Lori Christopher, RUPRI, 214 Middlebush Hall, Columbia, MO 65211. (573) 882-0316, Fax: (573) 884-5310, lori@rupri.org, or visit RUPRI's website, <http://www.rupri.org>.