

Towards The Finland we want by 2050

The state of sustainable
development in 2020
in light of indicators and
comparative studies

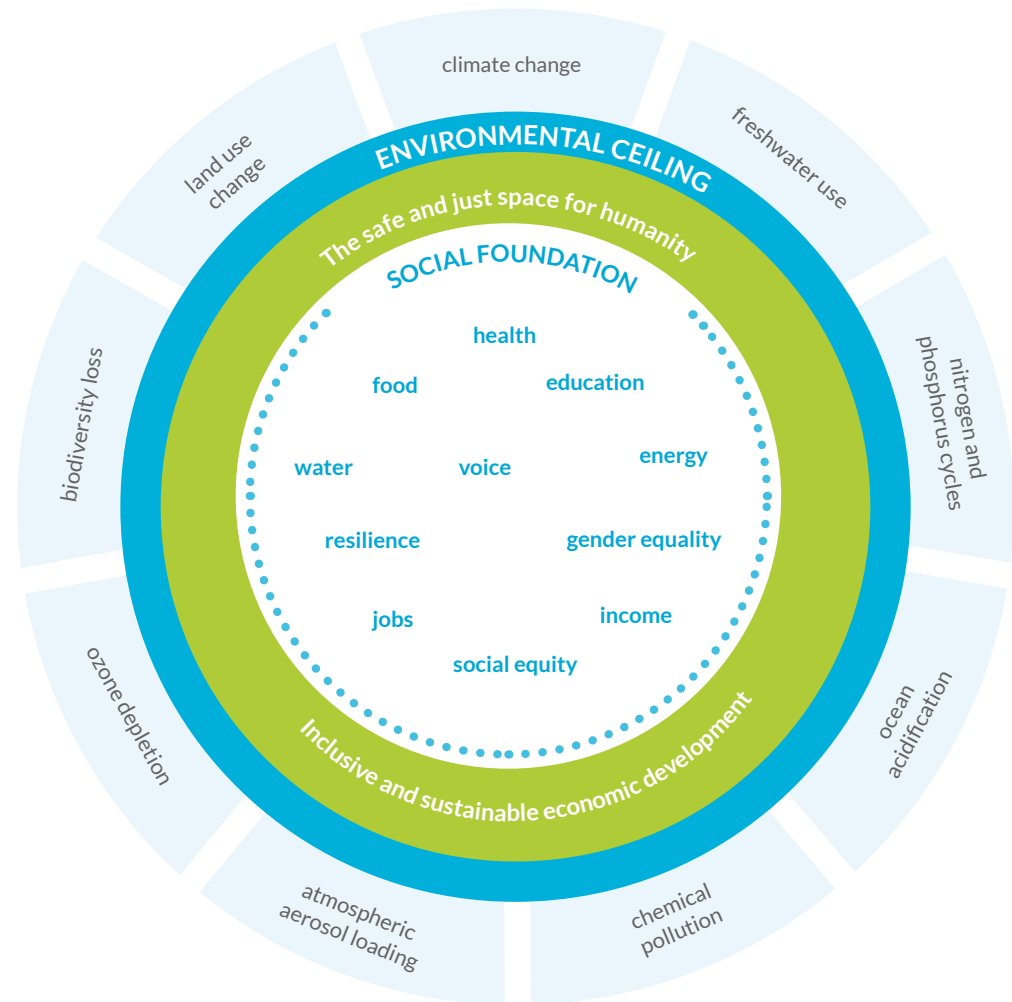
STATE
OF SUSTAINABLE
DEVELOPMENT



Sustainable development

means human wellbeing within the Earth's carrying capacity

According to economist Kate Raworth (2017), sustainability is like a doughnut, where the inner circle contains the social foundation for a life of dignity and the outer circle shows the Earth's carrying capacity. The challenge for the modern world is that, while not everyone's human needs are fulfilled, other people are living beyond the capacity of natural resources. Sustainable development aims at human wellbeing within the carrying capacity of the Earth. This calls for the kind of economic development that takes account of both the limits of the Earth's carrying capacity and the fundamentals of human progress and life.





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The 2030 Agenda's 17 goals, Finland's 8 objectives and 10 monitoring baskets

The 2030 Agenda for Sustainable Development was adopted at the United Nations Sustainable Development Summit in New York in 2015. The Agenda includes 17 Sustainable Development Goals (SDGs) and 169 targets for the whole world.

Finland is implementing this global Agenda for Sustainable Development by means such as the national Society's Commitment to Sustainable Development. The 8 objectives of the Society's Commitment carry out the 17 goals of the 2030 Agenda.

Finland wants to make decisions that support the achievement of the global goals and national objectives for sustainable development. A monitoring system has been created to support decision-making processes, containing expert analyses on the state of sustainable development in Finland. These analyses – i.e. interpretations – have been divided into ten equally important themes, functioning as monitoring baskets, which are presented in more detail on the following pages. This publication is largely based on information from these baskets.

The monitoring baskets are as follows:

- 1 State of nature and the environment
- 2 Resource-wise economy and carbon-neutral society
- 3 Consumption and public procurement
- 4 Housing and communities
- 5 Prerequisites for health
- 6 Social inequality
- 7 Social exclusion and inclusivity
- 8 Working life, quality and change
- 9 Education and development of competence
- 10 Global responsibility and policy coherence

How Finland is implementing the goals of the 2030 Agenda for Sustainable Development

OBJECTIVES OF THE SOCIETY'S COMMITMENT



Equal prospects for well-being



A participatory society for citizens



Sustainable employment



Sustainable society and local communities



A carbon-neutral society



A resource-wise economy



Lifestyles respectful of the carrying capacity of nature



Decision-making respectful of nature



GOALS OF THE 2030 AGENDA



Summary

Finland and other Nordic countries have performed well in international studies on sustainable development. Nevertheless, there is still some distance to cover to achieve the jointly agreed goals. Finland is committed to achieving the goals of the 2030 Agenda by 2030. Finland's national strategy, i.e., the national Society's Commitment to Sustainable Development defines the Finland we want by 2050.

Studies have identified high-quality education and the resulting competence, as well as the overall stability of social systems, as Finland's key strengths in sustainable development. Its key challenges include the fight against climate change and excessive consumption of natural resources.

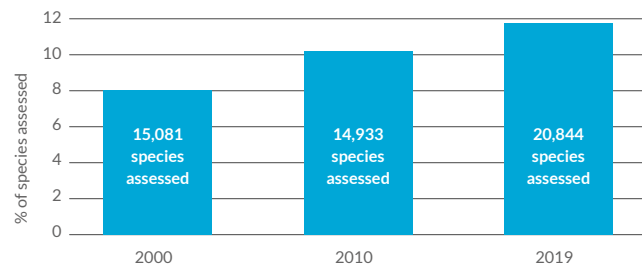
This report outlines the state of sustainable development in Finland in 2020. The report is largely based on information from the national indicators for sustainable development and it is structured in keeping with the ten baskets of the monitoring system.

1 State of nature and the environment

The state of the environment has been improving as a result of successful efforts to cut down emissions from major individual sources of pollution. Air quality in Finland is good by international standards. However, the loss of biodiversity continues. While emissions into waters have decreased, the Baltic Sea is still suffering from eutrophication.

SHARE OF SPECIES THREATENED WITH EXTINCTION

Source: Finnish Environment Institute



■ Percentage of endangered species

At least 2667 species are threatened with extinction in Finland.

2 Resource-wise economy and carbon-neutral society

Finland is among the top countries in the European Union in the use of renewable energy. Nevertheless, Finland's greenhouse gas emissions slightly increased from the previous year. Most of Finland's greenhouse gas emissions originate from the energy sector and traffic. Forests form Finland's most important carbon sinks.

3 Consumption and public procurement

An average Finn's carbon footprint is about 10.3 tonnes per year. The carbon footprint of housing has decreased while the footprints of food products, other goods and services and transport have remained unchanged or have increased. A road map for fossil-free transport is being prepared to achieve carbon-free transport by 2045. Between EUR 30 and 35 billion is spent on public procurement every year, but there is no quantitative follow-up data on the impacts of procurement.

4 Housing and communities

Housing and communities are changing as a result of the ageing population, urbanisation and climate change. Most construction activities in Finland are focused on larger cities, which means that their population density is increasing. This will further improve the conditions for well-functioning public transport. Access to services is declining in smaller urban centres and rural areas, but new service models are developed. Households in rented housing are burdened with high housing costs. An increasing proportion of older people live in their own homes. Living at home is supported by home services and improving accessibility of homes.

Over **90%** of Finns aged 75 or over live at home.

5 Prerequisites for health

Finns' perceived quality of life has improved. Perceived wellbeing is linked to socio-economic status so that those who are better off also tend to enjoy a higher quality of life. Finns living in the south and west are healthier than their peers in the east and north. Intimate partner violence is a threat to women in particular. Finland is the second most violent country for women within the European Union.

6 Social inequality

The standard of living and quality of life have improved for a large proportion of Finns over the last few decades. The growth in income disparities and low-income rates seems to have come to a halt, but the differences are still high. Nevertheless, income disparities in Finland are among the lowest in the European Union. Differences in wealth have increased during this millennium. The number of recipients of basic social assistance has decreased from the previous year.

7.2% of the population receives basic social assistance.

7 Social exclusion and inclusivity

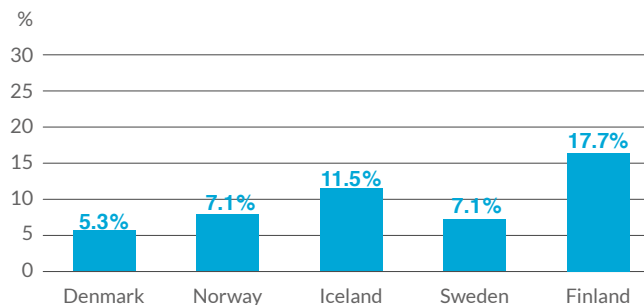
The number of young people not in employment, education or training has decreased slightly in Finland in recent years. One out of ten school-children feels lonely. The proportion of young people with no close friends, boys in particular, has declined over the last ten years. Finland is performing well in rankings on corruption and press freedom.

8 Working life, quality and change

The world of work is changing rapidly. The employment rate has improved, but the labour productivity growth is slowing down. Fewer and fewer working people earn a low income, however, the share of the underemployed workers of all in employment has increased. Although by international standards there is a sustainable basis to many aspects of the Finnish working life, inequalities between women and men still exist. The pay gap is not shrinking at the desired rate and women have less autonomy at work than men. The pay gap between women and men is above the EU average. A growing number of Finnish companies pay attention to corporate social responsibility practices.

GENDER WAGE GAP BY NORDIC COUNTRY

Source: OECD



9 Education and development of competence

Finland is known as a leading country in education and training. Its library utilisation rate is also at world-class level. Research and development expenditure has picked up after a hiatus. Sustainable development is being taken more and more effectively into account at schools and nursery schools. However, while reading literacy has traditionally been strong among young Finns, it is now declining. Learning differences between girls and boys are among the largest of all OECD countries. Men also acquire less education than women.

10 Global responsibility and policy coherence

Finland's level of commitment to improving lives in the poorest countries is good by international standards. According to the Good Country Index published in early 2019, Finland contributes most to the common good of humanity relative to its size. Finland also plays an active role in civilian crisis management operations. However, Finland falls short of the other Nordic countries in terms of the level of development cooperation funding. According to the 2019 Government Programme, Finland will scale up climate finance as a part of its development finance.

Very little is known about the global impacts of Finland's actions, i.e. spill-overs, due to lack of adequate data.

Main messages of Finland's Voluntary National Review 2020

Finland reports to the United Nations in 2020 on the national implementation of the 2030 Agenda. Finland's second VNR focuses on the progress achieved between 2016 and 2020. The following is an excerpt from the VNR 2020 report that is available at <https://kestavakehitys.fi/en/voluntary-national-review>. The main messages of the report are:

SDG Progress 2016-2020

Finland has almost reached the SDGs related to social and economic sustainability. Key challenges are related to consumption and production patterns, climate action and the state of biodiversity. Obesity is an increasing problem and gender equality challenges still remain. Finland bears global responsibility by contributing to international crisis management, but it has not reached the target level set for the official development assistance. Spillovers require more attention.

Leaving no one Behind

Universal social security, service systems and good educational opportunities for the entire population have prevented exclusion. However, persons belonging to visible minorities and persons with disabilities still experience discrimination. Finland pursues a human rights-based foreign and security policy. The role of civil society is essential in reaching people in vulnerable positions at home and abroad.

Incorporation of the SDGs into national processes and policies

The current Government aims to transform Finland into a socially, economically and ecologically sustainable society by 2030. A sustainability assessment has been integrated into annual cycle of policy planning, budgeting and reporting. Policy coherence and trade-offs pose a significant challenge.

Tools and innovations for implementation

A multi-stakeholder approach is highly valued in Finland. The national monitoring system includes innovative participatory elements. Society's Commitment to Sustainable Development, the Expert Panel for Sustainable Development and Agenda 2030 Youth Group are instruments for engaging the whole of society in the VNR process.

Governance for sustainable development

The Agenda 2030 is implemented in multiple ways in governance. The Government and Parliament engage in regular dialogue on its implementation, the National Audit Office has integrated it into its audit programmes and the engagement of youth, the private sector and cities has further increased. The preparation of a national 2030 Agenda roadmap in 2021 supports achieving transformations in sustainability.

1



State of nature and the environment

Ecological sustainability is the foundation of sustainable development. In Finland, the focus of environmental protection is shifting from reducing emissions to preventing them, especially in terms of promoting the circular economy. The state of the Finnish environment has been improving as a result of successful efforts to cut down emissions from major individual sources of pollution. A major concern in the state of nature is the continuing loss of biodiversity, which has not been stopped. Environmentally harmful subsidies have various direct and indirect impacts.

The 2018 report by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) suggests that global land and habitat degradation has reached a critical level, affecting 3.2 billion people. The report estimates that, by 2050, habitat degradation will be the single most significant reason for species extinction. Combined with climate change, it will force an estimated 50–700 million people to migrate from their home territories. The report indicates that less than approximately one quarter of the Earth's land surface remains in its natural condition, free from substantial human impacts. IPBES experts estimate that, by 2050, the figure will have dropped to less than 10%, which will also include deserts, mountainous areas, tundra and polar areas unsuitable for human settlement.

According to the WWF Living Planet 2018 report, the size of the entire Earth's vertebrate wildlife populations declined by an average of 60% between 1970 and 2014. Finland was one of the first countries to sign the key convention aiming to safeguard biodiversity, i.e. the Convention on Biological Diversity (CBD). The goal of the Convention is, by 2050, to safeguard biodiversity and ensure that natural resources are used so as to maintain the viability of ecosystems while not exceeding the Earth's carrying capacity.

The actions taken by Finns have a bearing on the state of the environment the world over. A growing proportion of the environ-

mental impacts caused by Finns is generated outside the country through international trade, transport and travel. Alongside our own actions, the state of the Finnish environment is affected by factors such as global climate change, the potential spread of alien species into its land and waters, and long-range transport of air pollution. The use of fossil fuels is one of the leading causes of climate change. The means of combating climate change include international cooperation and changing social structures and approaches.

Economic steering is a key instrument in reducing the environmental damage. In Finland, environmentally harmful subsidies are primarily granted to the energy sector, the transport sector and the agricultural sector. Their total sum has been estimated to be around EUR 3.5 billion. The majority of these subsidies are reduced tax rates and other indirect subsidies aimed at, for example, maintaining employment in a particular sector or region. In principle, the objective of ecologically sustainable development is for no environmentally harmful subsidies to be granted at all. However, the definition of environmentally harmful subsidies is difficult as subsidies have many different direct and indirect impacts.

Continuing loss of biodiversity in Finland

One of the indicators used to measure the status of ecosystems is biodiversity. According to a comprehensive national assessment, 11.9% of Finnish species are threatened. Besides climate change,

our native species are threatened by alien species. The rate at which the species in forests and rural areas are becoming threatened has slightly decreased over the last few decades, whereas more and more species found in mires, aquatic habitats, fields and fell habitats have become threatened. The biggest individual reasons for them being threatened are a decline in biodiversity, the fragmentation of nature and the increasing intensiveness of agriculture. Furthermore, changes in forests are the primary cause for 733 species becoming threatened. The majority of threatened species live in Southern Finland. In the last decade, the situation of 461 species has deteriorated and that of 263 species has improved. The biggest change in a negative direction has taken place on the shores.

According to a study coordinated by the Finnish Environment Institute (SYKE), 48% of just under 400 Finnish habitat types were estimated to be threatened throughout the country. The proportions of threatened habitat types in Southern and Northern Finland were 59% and 32%, respectively. Those determined to be critically endangered included meadows, grasslands, wooded pastures and rich fens. The habitat groups with the highest numbers of endangered and vulnerable habitat types included mires, forests and shores of the Baltic Sea. The study assessed that the primary causes of habitat types becoming threatened include forest management activities, drainage, clearing of areas for arable land, construction, and eutrophication of waters.

Forests are exploited in Finland to a large extent, which is reflected in their species composition. The amount of dead and decaying wood is regarded as an indicator of the diversity of forest species. Decaying wood increases the biological diversity of a forest because, as it decomposes on the ground, it provides nourishment and nesting places for thousands of different organisms, such as fungi, insects and polypores. Most Finnish forests are production forests where trees are cultivated and harvested for useful purposes. As a result, the amount of decaying wood in forests has decreased and many organisms dependent on it have become threatened. There are efforts to increase the amount of decaying wood in production forests by leaving some trees in logged forests to decay naturally. During the 21st century, the amount of deadwood in forests has increased in Southern Finland but decreased in Northern Finland.

Moreover, there are fewer and fewer farmland areas of high nature value. The numbers of small-scale livestock farms, rough grazing areas and permanent pastures have declined, particularly in Southern Finland. Finland is committed to halting biodiversity loss by 2020. If the current trend continues, achieving this objective is unlikely.

The state of the Archipelago Sea and the Gulf of Finland is worrying, but lakes and rivers are generally in good condition

Emissions into water bodies have been clearly reduced in Finland over the past few decades as a result of new pollution abatement technologies and prohibiting the use of the most harmful sub-

Around **12%** of Finnish species are estimated threatened.

stances. The ecological status of 85% of the surface areas of lakes and 65% of the length of rivers is excellent or good. The situation is worse in coastal waters, as over half of these are in no more than satisfactory condition or poorer, while only a quarter are classified as excellent or good. Reaching and maintaining a good state of water bodies requires emission abatement, preparing for the risks posed by climate change and, in some places, remediation of water bodies. The study coordinated by the Finnish Environment Institute estimates that all of the streams in Southern Finland are threatened and that their quality is affected by water-level regulation and clearing operations. Small brooks and rivers are challenged by drainage and nutrient loads from agriculture and forestry.

The Baltic Sea is suffering from eutrophication; the state of the Archipelago Sea and the Gulf of Finland is particularly worrying. Eutrophication is driven by nutrients accumulated on the seabed over centuries. The volumes of nutrients flowing down rivers into the Baltic Sea have remained relatively stable since the 1970s. While oil emissions have been reduced, the increasing frequency

of oil and chemical transport operations heighten the risk of environmental accidents. Microplastic litter also poses a new environmental threat. It is unlikely that the condition of waters will improve significantly in the next few years without the implementation of substantial additional measures.

Air quality is good in Finland, but particulate matter poses a health risk

By international standards, air quality in Finland is very good. However, outdoor particles have been estimated to cause 2000 premature deaths and the loss of around 20,000 healthy years of life every year. More than one half of particulate emissions are caused by small-scale combustion of wood in the fireplaces of homes and holiday cottages. A large amount of particles are produced by urban traffic in the spring.

Long-range transport = Spread of harmful substances, such as acidifying air pollutants, lead, radioactive pollution or other impurities, from emission sources to large areas over long distances.



Positive developments:

- + The rate at which forest and rural species are becoming threatened has slowed down.
- + Emissions into water bodies have decreased.
- + Finland's air quality is good by international standards.



Causes for concern:

- Loss of biodiversity.
- Eutrophication of the Baltic Sea.
- Long-range transport of air pollution.
- Impacts of international trade, transport, travel and environmentally harmful subsidies.



2



Resource-wise economy and carbon-neutral society

The resource wisdom of an economy stems from efficient production and energy-efficient solutions. Finland is among the top countries in the European Union in the use of renewable energy. In 2018, the total amount of Finland's greenhouse gas emissions was 56.5 million tonnes in carbon dioxide equivalents. Emissions increased by 2% from the previous year.

For a long time now, Finland has aimed to increase the proportion of renewable energy while cutting that of fossil energy sources. Finland's renewable sources of energy are hydro and wind power, solar energy, geothermal heat, biogas, recovered and waste fuels, wood-based fuels as well as other biofuels derived from vegetable oils or animal fats. Finland's cold climate, long distances and fairly energy-intensive industry have a bearing on energy consumption. The final consumption of renewable energy sources increased by 2% in 2018, thus rising to a new record level. These accounted for just over 40% of all energy end use. The National Energy and Climate Strategy estimates that renewable energy will account for 47% of final energy consumption in 2030, while the target is 50%.

Most of Finland's greenhouse gas emissions originate from the energy sector and traffic

In 2018, the total amount of Finland's greenhouse gas emissions was 56.5 million tonnes in carbon dioxide equivalents. Emissions increased by 2% from the previous year. Finland has cut its emissions by approximately 21% compared to the 1990s. Domestic traffic accounts for about one fifth of total greenhouse gas emissions in Finland.

In 2018, 75% of total emissions were generated in the energy sector through fuel combustion and evaporative emissions. According to rapid advance data, emissions from the energy

sector amounted to 42.4 million tonnes of CO₂ equivalent and increased by 3% compared to 2017. An increase in the consumption of peat and natural gas in the energy sector accounted for most of the increase in its emissions. Industrial processes and product use accounted for 10% of total emissions, while the figures for agriculture and waste treatment stood at 11% and 3%, respectively. Emissions from agriculture have decreased by almost 16% since 1990. This reduction is mostly due to the declining use of industrial fertilisers, but the structural change in agriculture has also played a role, as it has resulted in fewer and larger farms.

Forests form Finland's most significant carbon sinks

Forests constitute one of Finland's key natural resources and its most significant carbon sinks. Carbon sequestration is strongly contingent on a tree's growing phase and growth rate, which is slower in the north of Finland than in the south. The increment of growing stock has continued at a good level ever since the 1970s. This is due to improved forest management, the age class structures of forests and global warming. The annual increment amounts to 108 million cubic metres. This is nearly double the growth from 50 years ago.

Although the use of wood has increased among Finns, over one fifth of the growth will remain in the forest to increase timber

resources and carbon sequestration. In 2018, the volume of trees in our forests increased by about 14 million cubic metres. Retaining forest biodiversity will also require active and sustainable forest management measures as well as forest conservation and protection efforts in the future. Forests are increasingly vulnerable to weather and climate risks. Preventing risks of tree damage and disease as well as growing forests with multiple species promote stock growth.

The Finnish Ministry of Agriculture and Forestry and the Natural Resources Institute Finland (Luke) has submitted to the European Union an estimate of the carbon sink levels of Finnish forests for 2021–2025. The estimate submitted in 2019 was -27.64 million tonnes in carbon dioxide equivalents per year, with harvested wood products included in the calculation. If harvested food products are excluded, the estimated level is -21.16 million tonnes per year.

Carbon neutral = Carbon neutral refers to a situation where an activity has a zero carbon footprint.

Carbon dioxide equivalent = Quantity used in climate science, describing the climate impact of greenhouse gases from human activity.

Carbon sink = A carbon sink absorbs and stores carbon.

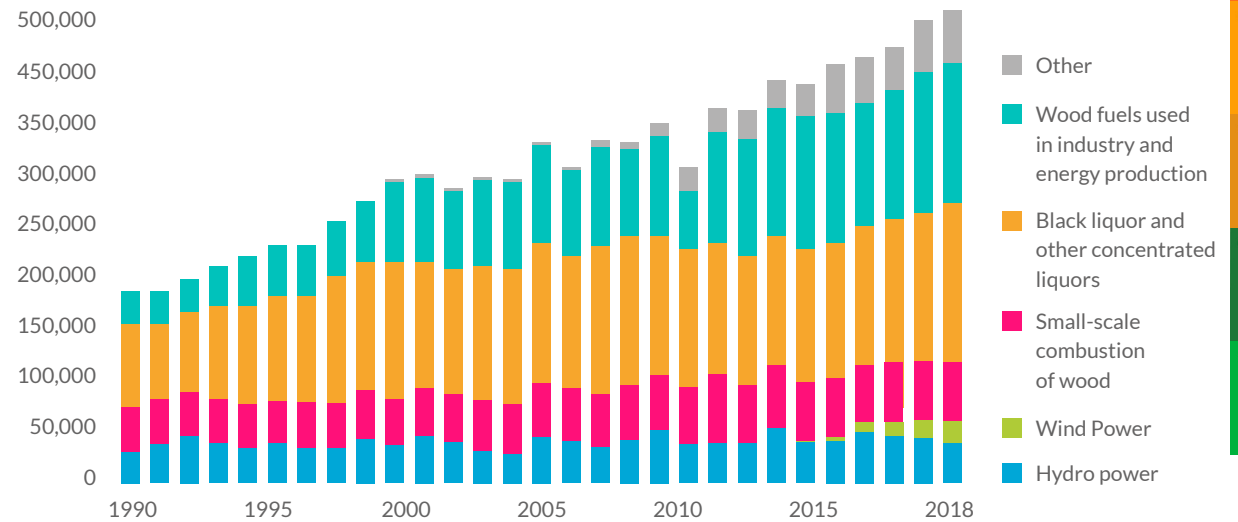
Examples of natural carbon sinks include seas, mires, forests and plants.



Renewable energy accounts for more than 40% of Finland's final energy consumption.

CONSUMPTION OF RENEWABLE ENERGY SOURCES 1990-2018

Source: Statistics Finland



Positive developments:

- + Forest resources continue to increase.
- + Finland is among the top countries in the European Union in the use of renewable energy.



Causes for concern:

- Greenhouse gas emissions must be reduced more swiftly.



3



Consumption and public procurement

In the autumn of 2018, the Intergovernmental Panel on Climate Change (IPCC) published a report revealing new information on the importance of limiting global warming to 1.5 degrees Celsius. Slowing down global warming requires everyone to take rapid action. Changes to consumption volumes and priorities are key. Accordingly, Finland is paying more and more attention to the environmental impacts of both public and private consumption. Finland is aiming for an 80% reduction in greenhouse gas emissions from 1990 levels by 2050. The Finnish Innovation Fund Sitra estimates that all Finns need to halve their carbon footprint in order to avoid over-consumption of natural resources.

The carbon footprint of an average Finn amounts to a total of 10.3% tonnes per year. It has varied from 10 tonnes to more than 12 tonnes in recent years. The footprint is made up of living (33%), transport and tourism (22%), nutrition (20%), and other consumption (25%), such as goods and free time. Greenhouse gas emissions that are the result of household consumption expenditure account for about 70% of all consumption-based greenhouse gas emissions in Finland, which also include emissions from investments and public consumption.

In 2015, the carbon footprint of public procurement was around 1.5 tonnes per capita. Municipalities accounted for about 57% of the carbon footprint of public procurement. State procurements accounted for just over 20%, as did those of joint municipal authorities. Individuals can influence their own carbon footprint through their consumer choices. The Prime Minister's Office runs a web-based Commitment2050 service (Sitoumus2050), where individuals can calculate their own carbon footprint and make a plan to reduce it based on the suggestions provided.

Finnish enterprises have paid attention to their carbon footprint and today's investors are increasingly mindful of the climate when deciding what to include in their portfolios. It is also possible to influence the carbon footprint through new technologies and

low-emission products and services. Furthermore, consumption can be steered by means of energy and fuel prices, regulations concerning construction and renovation, transport infrastructure, and transport pricing.

Everyone can make a difference on climate through food choices

Through their food choices, individuals can make a difference concerning global warming, environmental eutrophication, increasing pollution loads and biodiversity loss. Food production and consumption account for about one fifth of the carbon footprint of all consumption. Most of the climate impacts of food are created in primary production. Animal-based products have more adverse effects on climate than plant-based goods.

Meat consumption has been growing slightly in Finland; in recent years, Finns have consumed about 80 kg of meat each year. Women and young people favour poultry meat over beef or pork. The consumption of fish has declined slightly. Vegetable and fruit consumption is steadily growing, but there is still some way to go to reach the recommended daily portion of half a kilo.

An average Finn's carbon footprint is

10.3
tonnes



Test your carbon footprint

and make a commitment at
www.sitoumus2050.fi/lifestyles

Decline in CO₂ emissions from cars registered for the first time

One of the objectives of the National Energy and Climate Strategy is to cut traffic emissions by half from 2005 levels by 2030. Domestic traffic accounts for around one fifth of total greenhouse gas emissions in Finland. As electric and gas-powered vehicles are becoming increasingly popular in Finland, the CO₂ emissions of vehicles registered for the first time have declined. However, total emissions from road transport have not decreased notably, as there are many old cars in traffic and the total number of kilometers driven has also increased.

A road map for fossil-free transport is under preparation. The aim of the road map is to set out means for halving emissions from transport by 2030 and achieving carbon-free transport by 2045. The road map will cover the emissions reduction commitments made in the different fields of the transport sector.

Aiming to promote the circular economy and reduce the amount of waste destined for landfills or incinerators

The amount of municipal waste generated annually in Finland amounts to about 510 kg per person, while the recycling rate has increased from about 30% to over 40%. During the 21st century, the per capita amount of municipal waste generated in Finland has stayed below the EU average. It is possible to increase waste recycling by measures such as promoting ecological product

design, developing producer responsibility schemes and business models as well as encouraging people to change their consumer habits. The European Union has revised its waste legislation in order to move towards a circular economy. According to the new rules for waste management and legally binding recycling targets, the member states have to recycle 55% of their municipal waste by 2025 and 60% by 2030.

Sustainable development is poorly considered in public procurements

Municipal and regional authorities can contribute to the sustainability of production and consumption through their procurement decisions. Public procurement accounts for about 16% of Finland's national economy every year. If selection is made solely on the basis of price, it may ignore supply chain issues such as work-related, human rights and environmental aspects.

The Public Procurement Act (1397/2016) was reformed in 2017, improving the opportunities of public bodies to take responsible production into account in their procurement processes. An estimate by the Finnish Environment Institute (SYKE) indicates that about half of Finnish municipalities are considering sustainability goals as part of their procurement strategies or other guidance on procurement. Based on the report, about a quarter of municipalities had defined more detailed sustainability criteria for their procurements, such as requiring that devices have the best energy ratings. According to a study conducted by Finnwatch, a non-governmental organisation focused on global corporate social responsibility, only a few Finnish municipalities include criteria to guarantee social responsibility in their invitations to tender.

Carbon footprint = The climate impact of a product, activity or service, i.e., the amount of greenhouse gases generated during the life cycle of a product or activity.



Finns use up their fair share of the Earth's yearly natural resources as early as in April

The overshoot day marks the date by which people have used up all the renewable natural resources that the Earth can generate. For the rest of the year, we are living on credit. The Global Footprint Network has worked out the dates on which different countries have used up their respective shares of the Earth's natural resources for the year. In this comparison, Finland's overshoot day for 2019 was 5 April. The average overshoot day for the entire world was not until 29 July. In other words, Finns used up their fair share of the Earth's natural resources well in advance. Today, the world's population as a whole consumes the equivalent of 1.75 Earths' natural resources.

- Global Footprint Network, www.overshootday.org/

The influence of imports on the evolution of greenhouse gas emissions is significant. There should be more information available on the carbon footprints of products. This would help consumers and businesses to make choices and to advance the development process of societal steering instruments.

- Carbon footprint and raw material requirement of public procurement and household consumption in Finland -report (SYKE 2019)



Positive developments:

- + A road map for fossil-free transport is being prepared.
- + The CO₂ emissions of cars registered for the first time have declined.



Causes for concern:

- Finns' diets do not follow recommendations.
- The total amount of municipal waste has increased.
- The Finns have a relatively large per capita carbon footprint.



4



Housing and communities

Communities that adapt to changes proactively and flexibly and are safe and functional for their residents are a prerequisite for sustainable development. In Finland, housing and communities are changing as a result of the ageing population, urbanisation and climate change. Finland's population density has risen in large urban areas in particular. Regional differences are increasing as new construction activities are focused on the largest cities. Ageing demographics draw more and more attention to the accessibility of living environments. Influencing the community structure and flood preparedness are examples of climate change mitigation and adaptation measures.

A solid community structure ensures demand for public transport services. As a result of urbanisation, population density has been growing in recent years, particularly in large urban areas. They are therefore best positioned to develop well-functioning public transport systems. Sufficient density and inhabitant base guarantee demand for frequently operating public transport services. The minimum population density that supports organising profitable public transport is considered to be 20 inhabitants per hectare. An increasing number of Finns live in such areas.

In medium-sized and small urban areas, population density is generally highest in the central area and its peripheral zones. In medium-sized urban areas, goal-oriented infill development helps retain public transport services in housing estates. New transport services may also introduce smaller-scale public transport solutions to small and medium-sized urban areas. The transportation carbon footprint of Finnish people living in city centers is about 40% lower than that of those living in rural areas close to cities.

Rising inequality between residential areas

Inequalities between residential areas have been rising at least in the Turku, Tampere and Helsinki areas during the 21st century. According to research carried out by the National Institute for Health and Welfare (THL), the poor and wealthy, as well as Finnish and foreign-born people, are becoming concentrated in separate areas in Finland's largest cities. The research indicates that this segregation affects children the most.

Differences between regions are growing throughout the country as new construction activities are solely focused on larger urban areas, which, in turn, have the best opportunities to influence the development of community structures. Correctly located and sufficient housing production will restrain home prices and rents.

In 2018, housing costs exceeded 40% of net income in around 165,000 households which is 6% of all Finnish households. A few years earlier, the amount was as high as 190,000 households. High housing costs put pressure on those living in rented housing in particular, depending on their place of residence. In 2018, the tenth of households with the highest incomes spent about 14% of their net income on housing, whereas the tenth of households with the lowest income spent 30% of their net income on housing.

Over 90% of Finns aged 75 or over live at home

The percentage of people aged 75 or over who live at home has been growing since 2012. While those belonging to the age group are in better shape when compared with previous generations, there are also elderly people in frailer condition than before still living at home. Living at home is supported by home care and meal services. The number of persons receiving a large number of home care services has more than doubled in the span of a decade. In 2018, approximately 20,000 people of those who live at home and are provided home care services received more than 60 visits a month. Finland's national objective is to further increase the number of people living at home by paying attention to the accessibility of homes and living environ-

ments. The Housing Finance and Development Centre of Finland (ARA) grants renovation subsidies for the purposes of refurbishing homes for elderly and disabled people, removing barriers to mobility and building new lifts in blocks of walk-up flats.

Elderly inhabitants find it important that various services are easily accessible. Since 2012, the accessibility of grocery shops has declined slightly in larger urban areas, moderately in many small urban areas and considerably in rural areas. The accessibility of local shops has declined in recent years due to factors such as concentration of trade. In the near future, e-commerce and the emergence of new types of transport services may reduce the significance of the location of shops for the consumer.

Flood risks to grow in the years to come

Based on estimates by the Finnish Environment Institute (SYKE), flood risks will double or triple in Finland by the year 2100. According to a long-term forecast, climate change will especially increase flood risk on sea coasts. It is necessary to prepare for flood risks because they may cause considerable damage to people, environments and economic activities. This can be done by means such as flood maps. Flood risks must be considered in the construction of new residential buildings and land use planning, among other things. When compared with many other countries, however, the flood risks in Finland are relatively low. The lakes level out flow rates and people know how to manage flood risks.



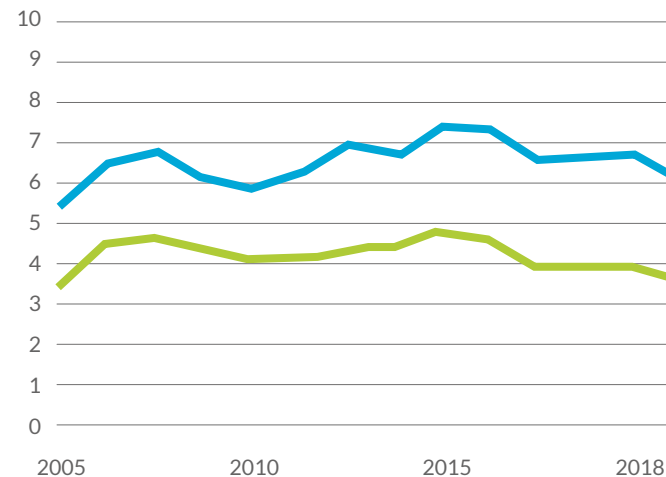
In most cases, people want to live at home for as long as possible, if they feel that they have access to enough help in coping with everyday life if necessary.

- kestavakehitys.fi/en/monitoring

SHARE OF HOUSEHOLDS AND PERSONS THAT SPEND OVER 40% OF INCOME ON HOUSING (%)

Sources: Statistics Finland

■ Households ■ Persons



INDICATORS OF FINLAND'S AREAS OF SIGNIFICANT FLOOD RISK

Source: SYKE



around
25,000
households



around
40,000
persons



around
1,800
kilometers of
transport network



Positive developments:

- + Prerequisites for well-functioning public transport are improving.
- + Accessibility of homes is improved to support living at home of the elderly.



Causes for concern:

- Regional inequality is on the rise.
- Flood risks are growing.
- Access to services has declined, but new service models are developed.



5



Prerequisites for health

Various studies indicate that Finns' quality of life has improved. A comparative OECD study indicates that, alongside education, health is one of the areas where Finland has achieved its targets relating to the 2030 Agenda for Sustainable Development. These targets focus on aspects such as child mortality, accident fatalities, alcohol consumption and the incidence of various epidemics. According to the morbidity index produced by the National Institute for Health and Welfare (THL), Finns are getting ill less and less frequently. However, as the proportion of elderly people in the population increases, diseases are becoming more prevalent. Finns' health status also reflects social inequality. The health problems that Finns tend to wrestle with involve obesity, elevated blood pressure, tobacco, alcohol and depression.

The THL quality of life indicator suggests that perceived quality of life among Finns aged over 20 improved from 2013 to 2018. Women and men estimated their quality of life to be equally good. Broken down by region, perceived quality of life in 2018 was best in Uusimaa and poorest in Satakunta.

The majority of Finns rate their quality of life as good well into advanced age. While the quality of life starts to decline after the age of 80, more than half of this age group still rated their quality of life as good. However, one in ten of those aged 80 or over perceived their quality of life as poor, whereas this was rare in other age groups. The THL 2017 National FinHealth Study nevertheless indicates that the quality of life experienced by older age groups has developed positively. By way of example, their vision has improved and their lives are more social than before.

The quality of life is influenced by social status. Besides old age, the highest risk factors for poor quality of life include disability, unemployment and poverty. The best defences against poor quality of life include good education, good health, secure employment, an adequate income, an intimate relationship, and living in at least a two-person household. Risks for poor quality of life are mostly linked to problems with income and housing among young people and to reduced functional capacity among older people.

Finns living in the south and west are healthier than their peers in the east and north

According to the THL morbidity index, the overall morbidity of Finns has been steadily declining since 2000. People are healthier in Western and Southern Finland than in the east and north. When comparing cities with a population of 50,000 or more, the healthiest Finns live in Espoo, Helsinki and Vantaa, while morbidity is highest in Kuopio, Oulu and Joensuu. Coronary disease, musculoskeletal diseases and mental health disorders are more common in the large cities of Eastern and Northern Finland than in those located in the western and southern parts of the country. Cerebrovascular diseases and cancers are fairly evenly distributed across the country. The incidence of accidental injuries is highest in Joensuu and Rovaniemi, while the number of dementia diagnoses is highest in Kotka.

There are many factors behind regional differences in morbidity. Lifestyles such as smoking, alcohol consumption, physical activity, sleeping and eating habits are relevant, but unemployment, financial standing and education are also reflected in the population's health. The effectiveness of health and social services as well as cultural and genetic factors play a role, as well. Most diseases are much more common in older age groups than among young people. Although morbidity has declined and this positive trend seems to be continuing,

the proportion of elderly people in the population is growing, which means that the number of people suffering from illnesses will increase.

The index takes account of the following groups of diseases: cancers, coronary disease, cerebrovascular diseases, musculoskeletal diseases, mental health disorders, accidental injuries and dementia. When comparing the figures in the morbidity index, it must be borne in mind that an effective healthcare system may also contribute to a higher level of morbidity as diseases are screened, diagnosed and treated efficiently.

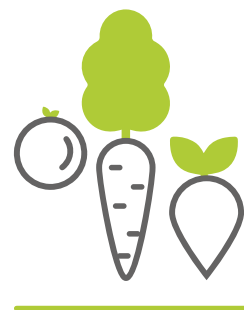
Binge drinking and smoking on the decline; weight gain and depression on the rise

The 2017 National FinHealth Study indicates that positive signs in Finnish lifestyles include a decline in daily smoking, increasing prevalence of sobriety and decreasing rates of binge drinking among the working-age population. Adults also get more physical exercise than before. The population's total cholesterol levels have taken another downward turn, which may significantly reduce the incidence of cardiovascular diseases. Elevated blood glucose levels have not become more prevalent either. The persistent increase in allergic symptoms would seem to be levelling off.

However, Finns do have many health-related problems. Despite the declining trend, the proportion of adults who smoke daily is still far from the objective specified in the Tobacco Act (549/2016), which aims to put an end to the use of tobacco and nicotine products by 2030. Drinking to inebriation has become more prevalent among retired people. Obesity is one of the major public health problems and affects people of all ages. In particular, obesity has increased among working-age adults. Elevated blood pressure is still very common in Finland. Many adults also suffer from psychological stress and depression. Depression symptoms have become more prevalent across the board, while psychological stress has especially increased among working-age women. Musculoskeletal pains are also common. A previously observed improvement in the population's perceived working capacity has stagnated or even slightly declined. The proportion of people who perceive their oral health as good or fairly good has also decreased.

Intimate partner violence pose a threat to women in particular

The 2017 National Crime Victim Survey indicates that the risk of intimate partner violence is clearly higher among women than men. The survey suggests that violence and threats by a current or former partner seem to have declined from 2012 to 2017 among both men and women, whereas violence and threats by unknown perpetrators have increased. A significant difference between the genders is the fact that women experience violence or threats by a current or former partner more frequently than men. No such gender difference can be found in other groups of perpetrators. According to an EU-wide survey conducted by the European Union Agency for Fundamental Rights (FRA) in 2014, women in Finland experience more intimate partner violence than the EU average. The survey suggests that Finland is the second most violent country for women within the European Union.



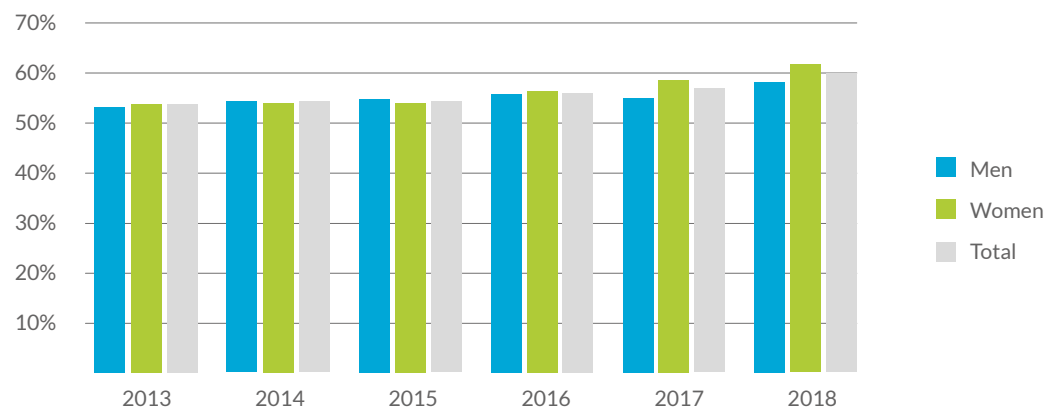
Nutrition commitment promotes a healthy diet

Nutrition commitment is a Finnish operating model, which helps and encourages food business operators and stakeholders to improve the nutritional quality of the Finnish diet and to encourage nutritionally responsible practices. A target-oriented and measurable commitment provides an excellent tool for such bodies as companies and corporations to improve their own nutritional responsibility. Nutrition commitment's vision is that in 2020, everybody in Finland can have a diet that is in accordance with the food based dietary guidelines.

- sitoumus2050.fi/en/tietoa-ravitsemussitoumuksesta

PERSONS WHO RATE THEIR QUALITY OF LIFE AS GOOD

Source: THL



Positive developments:

- + Finns' perceived wellbeing has improved.
- + Binge drinking and smoking have decreased.



Causes for concern:

- Obesity is becoming more prevalent.
- Depression has increased in all age groups.





Social inequality

Social inequality is a global problem and a challenge also in Finland. The indicators suggest that the sharp expansion of income disparities and the increase in low-income rates have come to a halt, but the differences are still high compared with the early 1990s. The number of people receiving basic social assistance has decreased.

It is important to reduce inequalities because both affluence and deprivation tend to accumulate. Inequality is manifested in aspects such as income disparities, health, social exclusion, perceived well-being and life satisfaction, education, and confidence in the future. A level playing field guarantees more equal opportunities for younger generations to advance in society, while also ensuring social peace. The standard of living, quality of life and lifestyles have generally improved for a large proportion of Finns since the mid-1970s.

Finland's income disparities among the EU's lowest, proportion of basic social assistance recipients decreasing

One way of measuring inequality is to look at the proportion of people on low incomes. In 2017, the figure was 12.1% in Finland, which means that 654,000 people lived in low-income households. Income disparities can also be measured using the Gini coefficient, which assigns the value of zero to a society where everyone receives the same income. It is generally recognised that income disparities are small if the Gini coefficient is less than 25%. In 2017, the Gini coefficient in Finland was 27.7%. Income disparities in Finland are among the lowest in the European Union. According to Eurostat, the statistical office of the European Union, only the Czech Republic, Slovenia and Slovakia have lower income disparities than Finland. The average Gini coefficient in the European Union is over 30%.

Wealth inequality is a key factor indicative of economic inequality. According to Statistics Finland, differences in wealth have increased during this millennium as well as after the 2008 economic crisis. Statistics Finland defines wealth as net assets. Net assets can be determined by adding up the value of one's own residence, other real assets and financial assets. Debts will then be deducted from these.

Another good indicator for analysing inequality is the proportion of people on basic social assistance. In 2019, approximately 397 000 people received basic social assistance in Finland, accounting for 7.2% of the population. The amount decreased from the previous year. The proportion of recipients was highest in Päijät-Häme, followed by the Uusimaa region and Central Finland. The numbers of people on basic social assistance are directly linked to economic upturns and downturns.

Life satisfaction declining among young adults

The satisfaction of young adults reflects their attitudes towards the future and the opportunities provided by society. The European Social Survey 2016 indicates that 85% of young Finnish adults are satisfied with their lives. In contrast, in 2006, the percentage was as high as 91.9%. After the 2008 recession, dissatisfaction has increased as a result of growing unemployment and financial problems among young people.

Discrimination is a serious problem in Finland

Ending discrimination is one of the UN Sustainable Development Goals for 2030. Nevertheless, discrimination, physical violence and hate speech are still current concerns. A survey conducted by the EU Fundamental Rights Agency (FRA) shows that Finland was one of the most discriminating countries in Europe in 2017. While discrimination was most frequently experienced in connection with looking for employment, it was also common in public and private services, such as shops, restaurants and banks. Experiences of discrimination are particularly prevalent among second-generation immigrants. Conversely, the 2018 World Happiness Report suggests that the happiest immigrants in the world could be found in Finland between 2005 and 2017.

Finland's refugee quota has slightly increased

Inequality is also linked to the vulnerable position of refugees. Globally, there are over 65 million people who have been displaced due to wars and conflicts as well as changes in their living environments. The consequences of climate change have barely been taken into account in the current conventions on refugees. According to UN forecasts, about 200 million people will be forced to abandon their homes for reasons such as drought. The IPBES report estimates that climate change will force 50–700 million people to migrate.

young adults
are satisfied
with their
lives

85%

about

54t

families
with children
received basic
social assistance
in 2019

In Finland, refugee status is granted to people who are given asylum or who are admitted as part of Finland's refugee quota. The number of quota refugees in Finland is 850 persons per year. The numbers of asylum seekers took a sharp upswing both in Finland and elsewhere in Europe in 2015, and started to decline in the following years. However, based on a report by the European Asylum Support Office (EASO), the number of asylum applications increased by 13% in the European Union, Switzerland and Norway between the years 2018 and 2019. According to the Finnish Immigration Service, 2,723 applicants were granted asylum in Finland in 2018. In comparison, a total of just over 5,000 asylum applications were submitted in 2017 and the total number of decisions made was 9,418. The number of applications for residence permits received by the Finnish Immigration Service has clearly increased in recent years. The total number of decisions on residence permits made in 2017 amounted to more than 85,000, whereas the figure for the previous year was less than 24,000.

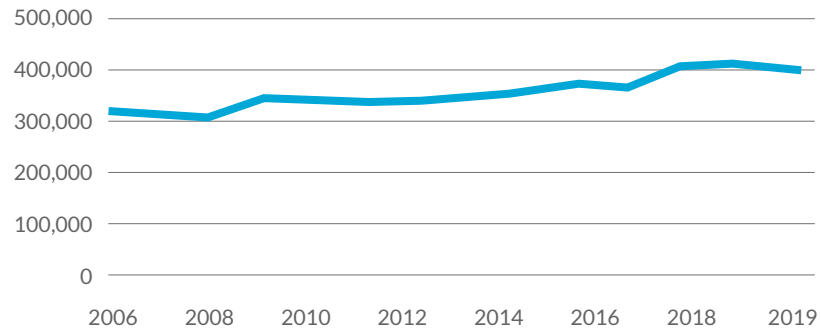
REFUGEE RESETTLEMENT QUOTAS FOR 2019 IN SWEDEN, NORWAY AND FINLAND

Source: UNHCR

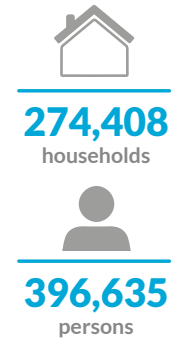


THE NUMBER OF PEOPLE RECEIVING BASIC SOCIAL ASSISTANCE IN 2006-2019

Source: Kela, THL



IN 2019 BASIC SOCIAL ASSISTANCE BY KELA WAS PAID TO A TOTAL OF



Positive developments:

+ Income disparities are among the lowest in EU countries.



Causes for concern:

- Experiences of discrimination are particularly prevalent among second-generation immigrants.





Social exclusion and inclusivity

The number of young people not in employment, education or training has decreased slightly in Finland in recent years. Young people's trust in society has also improved. However, one out of ten schoolchildren feels lonely from year to year. Finns turn out to vote in elections less frequently than before, but other forms of participation have emerged in lieu of voting. Finland is still performing well in international country rankings on corruption and press freedom.

There is no established definition for 'social exclusion'. Nevertheless, young people occupy a key place in any exploration of the subject. Experts have therefore selected the proportion of young people aged 15 to 24 not in employment, education or training (NEETs) as one of the indicators of social exclusion and inclusion. In 2018, the proportion was 51 000 people which is 8.3% of the age group. The figure has been decreasing slightly every year since 2015.

Social exclusion is also linked to the issue of loneliness. A child or young person with no friends might accumulate many risks related to health and wellbeing. The School Health Promotion Survey carried out by the National Institute for Health and Welfare (THL) reveals that one out of ten schoolchildren feels lonely. In 2019, just over 11% of boys in grades 8 and 9 (aged 14–15) had no close friends, while the corresponding figure for girls was about 7%. However, the proportion of young people with no close friends, boys in particular, has declined over the last ten years.

Varying confidence in Finland as a future country of residence

Young people's trust in Finnish society varies. According to the 2018 Youth Barometer, 77% of responders believed that Finland would be a good country of residence in the future, whereas in 2016, the figure was 55%. The sense of belonging to Finnish society is also experiencing rapid fluctuations. The 2017 Youth Barometer showed a reversal towards a closer sense of belonging, back up to 2012 levels. Researchers suggest that these fluctuations may reflect current public debate about themes that affect young people's lives, such as the economic situation or immigration, but this is not a certainty.

Voter turnout increased in 2019 parliamentary elections

Voter turnout is often used as an indicator of political participation because reliable data is easily available. According to democracy indicators, voter turnout in Finland has declined over the last few decades at a rate exceeding the Western European average. Voting is no longer perceived as a civic duty to the same extent as some decades ago. The concept of citizenship is undergoing a transformation in other respects as well. In a follow-up report by civil society organisations (CSOs) entitled 'Finland and the 2030 Agenda', Finnish Environmental Organisation Dodo points out that many Finns see themselves primarily as consumers rather than citizens. Only a small fraction is involved in politics. Participation in civil society organisations is more common, but Dodo states that they are not having their voices adequately heard in politics.

Especially young men vote infrequently. At the most recent municipal elections in 2017, over two thirds of all voters aged under 25 failed to vote. In contrast, in the 2019 parliamentary elections, the turnout among Finnish citizens living in Finland was 72.1%, which is slightly higher than in the previous parliamentary elections. Voter turnout also increased among voters living abroad, as 12.6% of them voted in the 2019 parliamentary elections. However, voter turnout is a limited indicator of participation in society. Many new forms of participation have cropped up alongside the more traditional ways, including the citizens' initiative, online participation and voluntary activism. In particular, the citizens' initiative is becoming an established channel for political participation. As an increasing number of citizens' initiatives clear the

threshold of 50,000 supporters, several initiatives have been sent to Parliament for consideration during the 2015–2019 electoral term.

Finland ranked the third least corrupt nation in the world

Social inclusion also entails freedom of expression and free media. Finland is performing well in rankings on corruption and press freedom. Transparency International's Corruption Index ranks Finland the third least corrupt nation in the world, only surpassed by New Zealand and Denmark. However, the organisation has pointed out that the index fails to capture the kind of structural corruption typical of Finnish society. Finland is nevertheless one of the least corrupt countries in the world.

Finland is also doing well in terms of press freedom when compared with many other countries. Finland was ranked first in the World Press Freedom Index for many years. In 2019, it moved up in the ranking from fourth to second place.

Structural corruption = Structural corruption often occurs in the interface between the public and the private sectors. High-risk areas for corruption are the construction sector, public procurement and competitive tendering, urban planning, political decision-making, and party and campaign funding. Corruption typically takes the form of giving and accepting undue advantages, conflicts of interest and favouritism. Source: the Ministry of Justice

The Agenda 2030

Youth Group



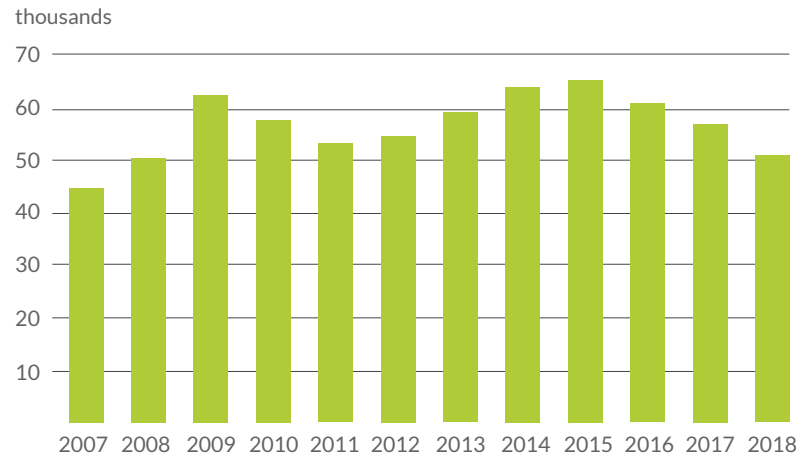
Photo: The Agenda 2030 Youth Group

The Agenda 2030 Youth Group was set up in spring 2017, under the Finnish National Commission on Sustainable Development led by the Prime Minister. The Commission saw the need to increase youth participation in the national planning and implementation of the Agenda 2030, which gave the idea of providing a platform for young people interested in sustainable development. The Agenda 2030 Youth Group has two aims: to serve as an advocate for the goals and participate in the national planning and implementation of the Sustainable Development Goals.

- kestavakehitys.fi/en/agenda2030-youth-group

NUMBER OF YOUNG PEOPLE AGED 15 TO 24 NOT IN EMPLOYMENT, EDUCATION OR TRAINING 2007-2018:

Source: Statistics Finland



Finland's ranking in the World Press Freedom Index

4. 2.
2018 2019



Positive developments:

- + More and more young people aged 15 to 24 are in employment, education or training.
- + Young people's trust in society has improved.
- + The citizens' initiative is becoming an established channel for political participation.



Causes for concern:

- One out of ten schoolchildren feels lonely from year to year.
- Young men vote infrequently.





Working life, quality and change

The world of work is changing at a dizzying pace. Although labour productivity is declining in Finland, the employment rate continues to grow and is already catching up with the levels preceding the latest economic crisis. There are no major changes in the numbers of employees who find their work mentally or physically strenuous. Opportunities to influence work have slightly improved. Inequalities between men and women are still visible in working life. The gender pay gap is shrinking slowly and the rise in educational level of women has not had expected effect on their position in the labour markets. A growing number of companies pay attention to corporate social responsibility practices.

According to Statistics Finland, employment has developed positively after the recent recession and the employment rate is already close to the levels preceding the latest economic crisis. However, labour productivity in Finland has taken a slight downward turn compared to other economies after the two-year-long upward trend. The economic recovery can be attributed more strongly to employment trends among men than women. The differences in employment rates between men and women were at their lowest level in 2014, after which they have again taken an upward turn. In 2018, the average employment rates among men and women aged between 16 and 64 stood at 72.7% and 70.6%, respectively.

The share of underemployed workers of all employed people has increased considerably in recent years, whereas the share of low-income earners has shrunk. According to the most recent data, the low-income rate of employed persons was 3.1% and the underemployment rate was 5.5%. Underemployment refers to the share of employed persons who work part-time and want to work more hours. A low-income worker is one whose household's disposable income is below 60% of the median income of the whole population. In 2018, the limit for one-person households was EUR 14,970 per year, or about EUR 1,250 per month. In international comparisons, share of low-income persons in Finland is one of the lowest in the world.

No change in the physical and mental strain of work

The proportion of employees who find their work physically and mentally strenuous has remained unchanged. Slightly over one third find their work physically demanding and about 60% find it mentally demanding. A lack of autonomy at work contributes to the level of strain experienced at work. According to the Working life barometer 2018, 84% of employees felt that they could learn new things in their workplace. The opportunities to influence one's work tasks and rates and the division of work have slightly improved from the previous year. Despite the moderate development of the past few years, opportunities to influence are still at quite a high level by European standards. Men have more opportunities to influence their work than women.

Finnish working life has been changing and there is no end in sight. According to the Work 2040 scenario report produced by think tank Demos Helsinki, employees' competencies have increased as a result of factors such as technology. The report indicates, however, that this has only been reflected in increasing productivity instead of also benefiting employees. Employees can perform a larger number of more versatile tasks than before. Job descriptions are becoming fragmented while the contents of professions are diversifying. Working hours, physical workplaces and incomes have been reorganised.

Pay gap between women and men shrinking slowly

The gender pay gap has only shrunk by about five percentage points in the last 20 years. In 2018, a woman earned 85% of a man's average monthly pay, while the figure for 1995 was 80%. In other words, the pay gap has shrunk only five percentage points, even though women have become more educated. In 2018, the pay gap was 15%, as women and men earned an average of EUR 3,112 and EUR 3,681 per month, respectively. A significant part of the pay differential can be explained by the fact that men and women often work in different fields, occupations and positions. There are also more men than women in management roles. Furthermore, women do a larger share of family care work and are therefore absent from working life more frequently than men. The absences and uneven division of care responsibilities affect women's career development and perpetuate pay differentials. According to an OECD study entitled Measuring Distance to the SDG Targets, Finland is far from its targets for gender equality.

Corporate social responsibility difficult to monitor comprehensively

A good working life also entails responsibility. In Finland, an organisation focusing on corporate social responsibility (CSR) called FIBS carries out annual interview surveys exploring CSR practices



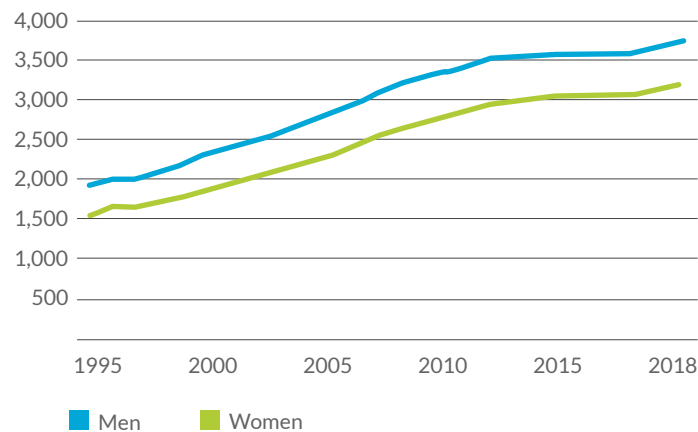
in large and medium-sized companies. Its 2018 report indicates that corporate social responsibility in Finland has made progress from the previous situation. More than half the companies have included objectives relating to sustainable development as part of their strategies. Larger companies report on various measures more frequently than smaller businesses. Finnish companies have ranked well also in international indices that measure responsibility. The Global 100 Most Sustainable Corporations in the World in 2020 index includes six Finnish companies. Moreover, according to the PWC Corporate Social Responsibility Barometer 2018, more and more Finnish companies include descriptions in their reporting of the human rights-related measures they have implemented in their own activities and in the management of their supply chains.

Monitoring CRS within companies operating in Finland is challenging because there are no adequate indicators or comprehensive follow-up data. One of the ideas suggested as a solution is enacting a law on corporate social responsibility, which would require enterprises to undertake to comply with certain obligations and, if irregularities are detected, to correct the situation.

Labour productivity = the amount of value added or output gained per hour worked.

GENDER PAY GAP (€/MONTH)

Source: Statistics Finland



GENDER WAGE GAP BY NORDIC COUNTRY (%)

Source: OECD



Positive developments:

- + Unemployment is decreasing.
- + Fewer and fewer working people earn a low income.
- + Businesses focus on CSR practices.



Causes for concern:

- Gender equality is not reality in working life.
- Work is perceived as strenuous to the same extent as before.
- Underemployment has increased.
- Skills development concentrates to those already skilled.



Education and development of competence

Finns are known around the world as an educated people. Accordingly, a comparative OECD study indicates that Finns have achieved the Sustainable Development Goals in terms of education. Reading literacy among schoolchildren remains above the OECD average. According to the most recent Programme for International Student Assessment (PISA) survey from 2018, however, there has been a decline in literacy among young Finns. Another concern in the PISA results was the skills gap between boys and girls, which is the biggest in all the countries surveyed. The GDP share of research and development expenditure continues to grow.

Since Finland became an independent state, the level of educational attainment among its population has been constantly increasing. The growth has been steady over recent decades. By the end of 2017, 72% of people aged 15 or over had completed a post-compulsory educational qualification. Since the start of the current decade, however, the level of educational attainment among younger age groups has ceased to rise. In 2010, people holding at least vocational qualifications accounted for 78.2% of the 30–34 age group, whereas the figure had slipped to 77.4% in 2017.

There are major differences between men and women. In 2016, just over 71% of 30-year-old men had completed at least a vocational qualification and almost 30% held at least a higher education degree, whereas the corresponding figures for women stood at over 80% and almost 46%, respectively. Participation in adult education has decreased slightly in recent years, but Finns still pursue adult education at high rates by international standards.

Decline in literacy among 15-year-olds

While reading literacy has traditionally been strong among young Finns, it is now declining. The international PISA surveys have examined reading literacy among 15-year-olds. From 2000 to 2006, young Finns scored high in reading literacy, at 547–543 points, while the OECD average was 500. In 2018, however, the literacy scores of young Finns slipped to 520 points. This is among the

sharpest drops in proficiency within the OECD countries. Notionally, about 30 to 40 points correspond to the syllabus of one school year. The PISA survey has determined different proficiency levels for reading literacy, where level 2 is considered necessary for being able to participate in modern society. The percentage of Finnish students with excellent reading proficiency, 14.5%, is roughly the same as in 2009. However, the percentage of low-performing readers has increased significantly. While 8.1% of students were below Level 2 in 2009, by 2018 the percentage had risen to 13.5% of all students.

In all countries participating in the PISA survey, girls performed better in reading literacy than boys. In Finland, however, the skills gap between girls and boys is the largest of all OECD countries. While regional differences have traditionally been negligible in Finland, the Helsinki Metropolitan Area fared better in the most recent survey than other regions. In Finland, the link between students' socio-economic background and learning outcomes has become more marked since 2009. However, Finland was the only country where both reading proficiency and students' own assessment of their satisfaction with life were at a high level. According to the Youth Barometer 2017, 72% of young people considered environmental awareness as a very important or important skill. In the 2018 survey, young people's interest in politics related to social influence has increased, and it is now at its

highest during the period it has been monitored starting in 1996. Human-caused climate change was the most common reason for feelings of uncertainty and insecurity.

Finland's library utilisation rate at world-class level

Libraries play an important role in the context of civic knowledge and skills as they reach all population groups. There was an increase in borrowings and physical visits to libraries up until 2004, after which both borrowing and visitor rates started to decline. Nonetheless, Finland's library borrowing and visitor rates are still among the highest in the world. In the peak year of 2004 for library visits, there were nearly 67 million visits to the country's libraries. The number of physical visits has declined since 2005. In the past few years visit levels have evened out to approximately 50 million visits a year.

At the same time as physical visits have decreased, library services have moved online. Above all, this development is a result of digitalisation. There was a dramatic increase in online visits in the first years for which statistics on the topic were compiled. The instructions on compiling statistics were specified as of 2014, which is reflected in a drop in online visits. 2017 and 2018 are again fully comparable and online visits increased in 2018.

A certificate attests to commitment to sustainable development

In view of the future, it is important to determine what is learnt about sustainable development at schools and nursery schools. Sustainable development certificates are being granted to an increasing number of nursery schools, schools and other educational institutions. A certificate attests to commitment to sustainable development. In 2018, 267 organisations used the Green Flag, 80 organisations had a Certificate on Education for Sustainable Development and a total of 134 organisations were members of the UN Schools network in Finland. Moreover, 5.4% of primary, secondary and upper secondary schools have the right to use the Green Flag and 4.6% are members of the UN Schools network. The concepts of 'eco-social education' and 'sustainable development' have also been enshrined in the National Core Curricula for basic education and general upper secondary schools.

Research and development funding is growing

Research advances society. One of the targets included in the 2030 Agenda is to significantly increase public and private funding for research and development (R&D) activities by 2030. In Finland, public and private spending on research and development has decreased in the current decade. The decline in R&D investments has been particularly significant in the private sector. The reduction in public sector investments bottomed out and the rate of decline in private sector investments slowed down in 2016. In the state budget for 2019, the total appropriations for R&D activities amount to EUR 1,991 million. The appropriations increased by 3.8% in real terms compared to previous year. The Government's Research and Innovation Council has set an objective for Finland to increase its investments in research and innovation activities to the level of 4% of GDP by 2030.

PISA survey = *The Programme for International Student Assessment (PISA) is a joint research programme of OECD countries, producing information about the status and outcomes of education as well as about learning outside school settings in an international frame of reference. The survey explores the extent to which young people aged 15 master key skills essential for the future, the kinds of factors that influence these skills, and the ways in which the skills develop over time.*



An eco-socially educated citizen is an agent of social change leading to sustainable lifestyles and culture, ensuring that the ecological foundation of life will endure and the prerequisites for human rights will be preserved. The economy is an instrument for fair distribution of the material good instead of economic growth for its own sake. The core values of all-round education are predicated on responsibility, moderation and human interaction.

– Arto O. Salonen, Associate Professor, University of Eastern Finland, Faculty of Social Sciences and Business Studies

Literacy Movement promotes the literacy and multiliteracy of Finnish children and youth

The Literacy Movement is an ongoing governmental programme aimed at promoting the literacy of Finnish residents, especially children and young people. It aims to expand the concept of literacy and to bring forward the importance of both multiliteracy and multilingualism.

Lukuliike.fi



Positive developments:

- + The level of educational attainment among Finns has increased.
- + Young Finns' satisfaction with life is at a high level.
- + R&D expenditure continues to grow.



Causes for concern:

- Young Finns' reading literacy has plummeted.
- Differences between girls and boys in reading literacy are among the largest in the world.
- Men acquire less education than women.





Global responsibility and policy coherence

Taking global responsibility means that Finland and other highly developed, high-income countries participate in international cooperation and promote the achievement of the Sustainable Development Goals across the world. Support from developed countries such as Finland is highly significant for developing countries in issues such as the fight against climate change. However, a considerable proportion of the environmental impacts caused by Finns is generated outside the country. The climate financing offered by Finland to developing countries increased considerably around the turn of the current decade, but plunged in 2016. The level of Finland's development cooperation funding is low when compared with other Nordic countries.

Finland promotes sustainable development globally by, for instance, participating in international crisis management and prevention and in post-crisis recovery by military and civilian means. The aim is to promote peace and security, which creates the preconditions for sustainable development. In relation to its population size, Finland sends more participants to civilian crisis management operations than any other EU country.

Through its trade policy, Finland can contribute to the realisation of, for example, equality and human rights and to more sustainable use of natural resources. Finland plays an active role in the implementation of clauses on trade and sustainable development in EU free trade agreements. Finland promotes exports of environmental products and aims to prevent fossil fuel subsidies at the international level. At the same time, however, the goods imported to Finland from abroad include plenty of products manufactured using non-renewable natural resources, while Finnish exports include significant amounts of renewable wood and processed wood-based products. Because a rapid reduction in the use of fossil fuels is necessary to mitigate climate change, imports

of fossil materials can be expected to decline. Many products also involve so-called hidden material flows. Indeed, a considerable proportion of the environmental impacts caused by Finns is generated outside the country.

Every year, a non-governmental organisation called the Center for Global Development ranks 27 of the world's richest countries on their commitment to improving the status of people living in the poorest countries using the Commitment to Development Index (CDI). Finland performs well in this ranking: in 2018, Finland scored 5.32 on the index, ranking third after Sweden and Denmark.

According to the Good Country Index published in early 2019, Finland contributes most to the common good of humanity relative to the size of its national economy while burdening the planet the least among all countries. In the latest ranking of 153 countries, Finland climbed from fourth place to number one. Other top countries are Ireland, Sweden, Germany and Denmark.

Finland's development cooperation appropriations far from the target share

The support Finland and other donor countries have given to developing countries has made a difference. The percentage of the world population living in extreme poverty has halved since 1990. The vast majority of girls and boys can go to school. Mortality rates among mothers and children under five years of age have decreased significantly. The number of people living without water supply and sewerage has halved.

In the long term, Finland is committed to increasing its development cooperation appropriations to 0.7% of its gross national income (GNI). The target was close in 2014, when the figure was 0.59%. Cuts in 2016 as part of the balancing of government finances changed the situation significantly. In 2018, Finland used 0.36% of its GNI on development cooperation. That amounted to EUR 833 million and made Finland the ninth biggest donor country within the European Union. The estimated figure for 2019 is 0.42%. Finland has lagged behind other Nordic countries in terms of development funding.

Climate financing for developing countries dropped from peak years

Like other industrialised countries, Finland also has an obligation to support the reporting measures of developing countries as part of the Climate Change Convention as well as their actions to mitigate and adapt to climate change. As a result, Finland's climate financing has been rising in the 21st century. However, the substantial cuts in development cooperation appropriations have had some implications to the climate related support provided to developing countries.

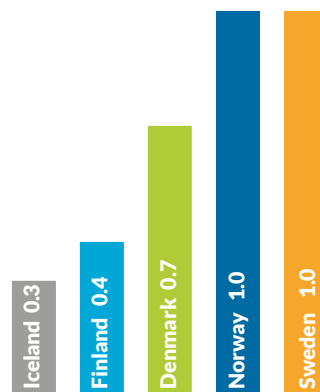
The Government also allocates resources through investment funding of which substantial part has and will be allocated to climate action. Therefore, the total annual amount of climate funding has varied considerably ranging from EUR 43 million in 2016 to EUR 119 million in 2017. According to the 2019 Government Programme, Finland will scale up climate finance as a part of its development finance, taking due account of its contribution based on the Paris Agreement. Finland has financed climate action through additional support granted in 2016 to Finnfund, which is involved in climate projects, and through the climate fund jointly founded by Finland and the International Finance Corporation (IFC). The IFC climate fund's first disbursement was made in 2017, totalling EUR 68 million. There were no similar major support investments in 2018, and Finland's GNI share of climate finance was 0.02%.

Hidden import flows = Hidden flows consist of the kinds of direct material and energy inputs used for manufacturing products abroad that are not visible in the weight of the raw materials and products. Examples of hidden flows include land use and greenhouse gas emissions created in the country from which the product is exported.

Official development assistance (ODA) = A quantity commonly used among OECD countries to describe the percentage share of development expenditure in gross national income (GNI).

GNI SHARE OF DEVELOPMENT COOPERATION APPROPRIATIONS IN NORDIC COUNTRIES (%)

Source: OECD, Ministry for Foreign Affairs



Spillover

In the context of SDGs, spillovers can generally be seen as positive or negative effects of country's actions to other countries' ability to reach the SDGs. In the SDG Index Report 2019 Finland gets an average result in spillovers, scoring 67.1. More and better indicators for annual monitoring of spillovers would be needed both in Finland and at the EU level.

- Finland's Voluntary National Review 2020

Finland's participation in international crisis management



Participation focuses in

- Middle East
- Afghanistan
- Africa

Source: OECD



Positive developments:

- + Active participation in civilian crisis management operations.



Causes for concern:

- Cuts to development aid and climate financing.
- Comprehensive assessment of spillovers caused by Finland is not possible due to lack of adequate data.



Finnish Expert Panel's Six Paths Towards Sustainability

The world evolves through interconnected systems, human activities, and creative solutions. This is why finding interlinkages is the key instrument in the transformations.







The Finnish Expert Panel for Sustainable Development contends that the path towards sustainable development requires transformation in six systems and actions in four levers.

Further information about the Expert Panel for Sustainable Development and the report is available at:

<https://www.kestavvyspaneeli.fi/en/>



Action points for key systems of society

	Governance	Economy and business	Individual and collective action	Science and technology
1. Sustainable and just economies 	lower taxes and subsidies for circulating and repairing services; new indicators for measuring well-being	sustainability criteria; new business models	decreasing material intensive consumption	research into transparency of cash flows
2. Food and nutrition 	refocusing public procurement, agricultural subsidies and taxation	vegetarian-based business models; health as a marketing aspect	promotion of everyday food culture and seasonal diets; decreasing food waste	research on multiple impacts of food production; food consumption behaviour and culture
3. Energy 	subsidies for sustainable energy solutions and removal of barriers	pricing of the energy services	decreasing the carbon footprint of the individuals (consumption, and transport)	technologies for carbon storage; promotion of wood construction
4. Urban and peri-urban areas 	sustainable use of the urban space and activities through Land-use and Building Act	multi-purpose use of the existing resources; sharing economy and circular economy	solutions for community-based living, transportation and spare-time	knowledge-based urban planning and land-use
5. Global environmental commons 	land-use planning and governance safeguarding nature areas; compensation mechanisms	inclusion of externalities in market prices	landowners providing compensation services	regional analysis of land-use changes
6. Well-being and capabilities 	systemic thinking and imaginary skills; co-creation forums	innovative and engaging economy; media supporting well-being	co-creating nature connections; trust building through community-based activities	interdisciplinary research to support cultural transformation and well-being in broad terms

The view of the Citizens' Panel on the state of sustainable development in Finland

In early 2020, the Prime Minister's Office put together a Citizens' Panel on sustainable development for a second time. The Citizens' Panel was made up of 500 Finns who assessed the current state of and recent changes in sustainable development in Finland on the basis of the national indicators for sustainable development.

With regard to issues relating to the Earth's carrying capacity, the panellists were particularly satisfied with Finland's good air quality. Moreover, the increasing proportion of renewable energy in the final use of energy must be ensured in the future. The environmental issues that the panel was the most worried about were the continuing loss of biodiversity and the amount of environmentally harmful subsidies. Further causes for concern included the carbon footprint of consumption in Finland, greenhouse gas emissions and the nutrient load from rivers to the Baltic Sea. The CO₂ emissions from cars registered for the first time were still considered too high.

With regard to issues relating to human wellbeing, the panel was particularly satisfied with the quality of life, high level of educational attainment and low morbidity rates. The panellists were most concerned about young people's future and their declining literacy skills. In contrast, the panel considered young people's trust in Finnish society, their life satisfaction and their interest in societal matters to be at a good level. The efforts to reduce the number of young people not in employment or education from last year have also been successful. A considerable gender pay gap and availability and accessibility of grocery shopping possibilities caused concerns among the panellists. They estimated that the number of people receiving basic social assistance or working part-time involuntarily is still large and the current development does not look promising.

According to the assessment of the Citizens' Panel, Finland is shouldering its global responsibility effectively by playing an active role in international crisis management. In contrast, Finland's development cooperation funding received poor marks.

Further information about the Citizens' Panel is available at kestavakehitys.fi/en/monitoring.

THE CITIZENS' PANEL ON SUSTAINABLE DEVELOPMENT



Acknowledgements and sources

The content of this publication is largely based on articles published on the State of Sustainable Development website. We would like to thank the national network of experts on sustainable development.

kestavakehitys.fi/en/monitoring

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PUBLISHED BY

Prime Minister's Office

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