

FINLAND 2015

Finnish success factors and challenges for the future 5

The Finland 2015 programme

The purpose of the Finland 2015 programme is to develop the knowledge, expertise and networks of senior decision-makers in Finnish society to help them prepare for the challenges of the future. Participants

- are given a wide range of information on current affairs and issues crucial to the future;
- take part in discussions with both Finnish and foreign experts from different sectors and with other decision-makers;
- assess the main challenges facing Finland in the future;
- familiarize themselves with strategic policies at national level; and
- prepare a report for further work on the most important new strategic policies for the future.

The Finland 2015 programme supports SITRA's goal of placing Finland among the three most successful nations in the world by 2010.

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PREFACE

The fifth course in the Finland 2015 programme began with a seminar in Beijing during the week China's National People's Congress assembled in the city for its annual session. In Beijing, the course participants acquainted themselves with their developing host, which had a few months earlier been accepted as a member of the World Trade Organization (WTO). The opening up of China to the world economy and the development of Chinese society in the years ahead will inevitably have implications for Finland and the rest of Europe.

Russia and Germany, the other countries visited during the fifth course, are equally important to Finland. As one of our immediate neighbours, Russia will remain a vital partner for cooperation in the years ahead, while the importance of the reunified Germany can only be enhanced by its central position in the enlarged European Union following the coming accession of new members. Thus, Finland's operating environment is facing rapid change and expansion. This will bring new challenges in both the economic and the political arenas.

This will also demand determined action by SITRA, which has set the goal of placing Finland among the three most successful nations in the world by 2010.

SITRA's work in the years immediately ahead will focus on projects to:

- equip decision-makers with knowledge on the coming changes and their significance for Finland;
- expand the income base of Finland's national economy by stimulating growth;
- boost the cost-effectiveness of the welfare state; and
- critically assess SITRA's own work with the help of outside experts.

SITRA pursues its mission through research, providing funding for innovations, business finance and training.

The Finland 2015 programme is one of the means employed by SITRA in pursuit of its basic objectives. The programme provides Finnish decision-makers with an introduction to national and international scenarios on the future. They also discuss strategic approaches and practical measures to meet the challenges of the future.

The Finland 2015 programme comprises a series of six courses. The programme will continue up to autumn 2003, when the participants on all six courses will come

together in a final joint seminar. The idea is for each course to publish a report on its own work. Taken together, the reports will provide an overall assessment of Finland's future.

SITRA would like to thank all those who participated in the fifth course of the Finland 2015 programme, the partners involved in planning and implementing the course, and the experts from Finland and abroad who contributed to its sessions.

We should also like to express our cordial appreciation to Jaakko Iloniemi, who has held the chair from the outset. The SITRA training team has been responsible for practical arrangements for the programme as a whole.

The final report for the fifth course is based on work done on the course and discussions between participants, and was put together by Ms Tuovi Allén of SITRA and the writer and editor Mr Matti Karhu.

SITRA hopes this report will contribute to achieving the targets we have set for meeting the challenges of the 21st century.

Helsinki, June 2002

Finnish National Fund for Research and Development (SITRA)

FINLAND IN 2015 — THE VISION

The fifth course in the Finland 2015 programme set out on the basis of the vision of Finland in 2015 developed on the earlier courses.

Society

Finland will be a just, pluralist society providing incentive and opportunity and taking good care of its citizens. The Finnish economy will be stable, developing and diverse in structure. The system of decision-making will be fair and flexible and designed to encourage participation.

People

In 2015, Finland will be home to a free, responsible, skilful and flourishing people. The country will use the efforts of all its citizens to create prosperity and will provide opportunities to succeed both nationally and internationally.

Strengths

Finland's strengths will lie in a high level of expertise allied to social cohesion and stability. Finland will be an active shaper of the international scene and play a leading role in many sectors. The country will have a wealth-generating and competitive economy.

Environment

Finland will be a safe place in which to live, with a clean natural environment, quality housing, a strong and distinctive national culture, and a knowledgeable and cultured citizenry.

If you want to rule the country, first put your house in order. If you want to cultivate your morality, first put your heart right. To put your heart right, you must be sincere.
(Confucius)

IN WHAT DIRECTION ARE FINLAND AND THE REST OF THE WORLD HEADED?

During the seminars in Beijing, Moscow and Berlin, the participants on the fifth course in the Finland 2015 programme discussed the mega trends that are presently shaping developments all over the world. The course also sought signs of possible changes in future trends. How can Finland keep its head above water in the whirlpool of change? What trends will be decisive to Finland's future?

Key trends from Finland's point of view that arose during the course included the following:

- Traditional labour-intensive industrial sectors are losing ground to countries with cheap labour at the same time as Asia is growing in importance as a player in the world economy. As a result, old growth economies will see their position weaken. Will this also mean the end of the Finnish success story?
- There are growing differences in prosperity globally, nationally and regionally. Will this lead to a destabilization of the balance of power at world level, global security and internal stability within individual countries? How can we take care of the losers?
- Countries are become increasingly interdependent globally and there is therefore a need for better international cooperation and the global management of problems. How should international systems be reformed to enable us to keep on top of developments?

- The European Union is growing and Russia integrating with the West. This poses new challenges for existing Member States and other international actors. Will the European Union become a new superpower, or does it face the threat of disintegration?

- The interests of decision-makers, citizens and large corporations are moving further apart. This is increasing alienation within societies. Decision-makers and companies are required to bear a new type of social responsibility. How can they respond to this challenge?

Our operating environment and our own capacities provide an opportunity to respond to these questions and succeed in solving them. However, in a worst-case scenario, Finland could also drift onto a road leading not to the paradise of the new economy, but to an arctic hell. What would Finland's future look like then?

If mutual trust and the ability for self-renewal within our social system were to become weakened, the result would be a crisis of democracy and the legal system: security and equality would break down, the labour market would drift into serious trouble and the opportunities and rights of the individual would be restricted. Selfishness would increase and collective responsibility be weakened.

Erosion of expertise and the capacity for technological renewal would lead to economic stagnation and the flight of expertise from the country. This would result in rising unemployment coupled with a deteriorating shortage in skilled labour. The collapse in the income base would lead to a crisis in the public finances and the level of taxation would have to be raised to provide sufficient services for an ageing population.

The effort to build a balanced multicultural society would fail and immigration would lead to social problems. The running down of the welfare state would mean the destruction of social capital and the undermining of the quality of life. We would then lose our reputation as a secure operating environment for businesses and people alike. The end result would be a vicious circle in which the basic structures and value base of society and the economy would be seriously shaken.

What should we do in order to avoid this threatening scenario?

STRATEGIC AIMS: FINLAND IN 2015

The fifth course in the Finland 2015 programme discussed many of the above-mentioned topics. This report, however, concentrates on factors that make Finland an attractive country, justice and public safety, the family and health. The fifth course also continued the discussion of expertise and innovation begun on the earlier courses. In contrast, less attention was given to topics that had already been given particular attention on earlier courses.

The earlier courses constructed a vision for Finland and considered key strategic objectives for the future plus the opportunities for achieving these objectives and the potential threats which stand in the way of their achievement. The present course examined the same basic factors and set four strategic objectives for Finland to achieve by 2015:

- Finland is a leader in expertise and innovation.
- Finland provides an attractive living and operating environment for people and businesses, with prosperity and competitiveness among the best in the world.
- Finland is a socially secure and environmentally aware country governed by the rule of law, which has redefined the content of justice, collective responsibility and sustainable development and the means for achieving them in order to succeed in the global economy and prevent social disintegration.
- Finns exercise personal and collective responsibility for their health and their families.

Finland has numerous strengths that support the achievement of these objectives. We have a stable and open society, a high level of education and culture and extensive expertise in high technology. We live in a safe country governed by the rule of law and we take good care of our environment. We also have a strong industrial heritage and a set of values that respects collective responsibility and expertise. Membership of the European Union supports our competitiveness. We must ensure these strengths continue to flourish in the future as well.

EXPERTISE AND INNOVATIONS

Finland's competitiveness, positive social development and prosperity are generated by high productivity and employment. All this is in turn based on a stable internal and external operating environment, effective incentives, expertise and innovation. We have an effective dialogue between the private and the public sector. We are also sufficiently open to new influences, and the young in particular are well equipped for adopting new technology and other expertise.

Globalization has reduced the obstacles to expertise-based business activities. There is, however, the problem of whether we can retain skilled workers in Finland or even attract additional skilled workers into the country. We must reform the rules of play on labour market and taxation so as to attract the best expertise into the country. The loss of expertise through emigration must give way to immigration.

Creativity and innovation do not apply solely to spearhead technology, but must be extended to cover the whole of society. We already have useful social innovations such as the clinic system and school meals, occupational health care and programmes for maintaining work ability. We need to seek more such creative solutions, especially by combining high technology and a variety of public policy solutions. We must demonstrate the ability to flexibly develop and apply technology and innovations in all sectors of society.

Above all, we must find a way to use information technology more than at present in supporting balanced development, producing public services, education and cultural life. Information technology has a key role to play in improving the cost-effectiveness of the welfare society. The same sort of steering systems are also needed in the fostering of social innovations.

The labour market of the future will require diversification, multiskilling and the ability to operate with an open mind. The education of the future will increasingly involve the acquisition of qualities and skills that will facilitate working in different sectors and many different sorts of profession during the course of a single working career. A good basic education will include the learning of basic social and civic skills. Children and young people will have to be brought within the scope of innovation systems by increasing technological and entrepreneurial education in the schools.

A more international approach to education

Augmenting expertise and innovation will require greater flexibility and capacity for renewal within the education system. The polytechnics must be provided with a clear profile that distinguishes them from the universities. It is important to emphasize their practical orientation, while at the same time ensuring the level and quality of the education they provide. They must not be allowed to develop into second class universities. Their proper role is that of educational institutions dedicated to the development of practical skills and the sort of expertise needed on the labour market. The basic model for vocational education would be a two-year course of basic training and a four-year course of specialized vocational training.

We need to create a critical mass between the universities and schools of higher education by networking them and guiding them in the direction of applied research. International networking is important in this context. Our schools of economics and business administration in particular are too small and dispersed, and the system urgently requires to be reformed and made more effective, cooperation increased and multidisciplinary links reinforced. In addition to the universities, the system should be complemented by the introduction of schools of higher education that foster creativity by combining the arts and sciences.

In the future, all students should be offered the opportunity to study and pursue practical training abroad. We should aim for two-thirds of university graduates and one in every two polytechnic graduates spending some time studying in a foreign seat of learning or research unit or pursuing practical training in a business enterprise abroad either during their degree studies or thereafter. Institutes providing vocational education at upper secondary level must also internationalize their operations. All university towns should be provided with international comprehensive schools and upper secondary schools in which teaching is given primarily in foreign languages.

Education with a foreign language as the language of instruction should be available at all levels and in all sectors of the education system. Educational institutions should therefore recruit more teachers and researchers from abroad and also seek to attract foreign students to come and study in Finland. By 2015, we should seek to have tripled the proportion of students in key fields studying for degrees by the medium of a foreign language. The international application procedure and international research places should be used to increase the proportion of foreign postgraduate students and

postdoctoral teachers and researchers in Finnish universities to 15 per cent. The overall objective is to vigorously internationalize the Finnish universities.

Viewed internationally, young Finns and especially university graduates are relatively uninterested in setting out as independent entrepreneurs. We must support academic entrepreneurship by establishing posts for business mentors in the universities and schools of higher education, and by developing a network of mentors to encourage and guide students towards an entrepreneurial career.

Innovations must be combined with business know-how

In terms of efficiency and results, Finland's innovation environment is one of the best in the world and one of the most efficient in Europe. It provides an operating environment that has facilitated the restructuring of the country's business and industry and underpins Finnish competitiveness.

Public sector investment in developing and financing innovative activities has been based on a long-term view of science and technology policy. However, the proportion of public funding has fallen dramatically in recent years. The public sector's relative contribution to corporate research and development finance is considerably smaller in Finland than among our competitors.

If we are to develop the innovation environment and secure expertise-based economic growth, the years ahead will require an increase in public research finance and guarantees for the resources of public actors in the field of innovation. While devoting public resources to developing the innovation environment, we shall also have to cater to the needs of new businesses during their start-up phase.

As well as technology and technological applications, the innovation system must be extended to include business know-how and design and the behavioural and cultural sciences. It should cover both basic research, applied research and commissioned research. Business know-how and innovative activities must be brought together in the same publicly financed projects. In this as in other fields, cooperation between businesses and the universities should be developed and encouraged by bringing business culture inside the universities.

Universities can only operate efficiently and remain competitive if they are given more autonomy. They should also be able to make better use of the products of their innovation, such as research results and patents.

It remains important for experts working for Finnish businesses to be familiar with other countries' cultures, customs and business practices. Thus, firms should send their key staff members to their places of business outside Finland to learn more about the countries concerned. This will help Finnish companies to establish themselves in new markets. Companies should also see to it that their experts' families can also live in the foreign location.

AN ATTRACTIVE FINLAND

One strategic aim of the fifth course of the Finland 2015 programme was to provide a framework for making the country an attractive place to live and do business. Finland should become one of the world's top nations in terms of the well-being of its residents and opportunities for competitive business.

In keeping with this aim, Finland should by 2015 be one of the top six countries in the world in terms of competitiveness and quality of life. Its success will be assessed using GDP per capita, the UNDP Human Development Index, and the competitiveness indices of the IMD and World Economic Forum. Finland should also be able to raise its employment rate from the present level of 68% to 75%.

Attractiveness factors should remain strong

To maintain its position as an attractive country to live in and a good place to do business, Finland must be able to rely on a high level of expertise, world-class cultural achievements, competitive industries, entrepreneurial spirit, a flexible labour market and smooth-functioning capital markets. Finland can only retain these strengths if it remains a stable and innovative place that provides businesses with proper incentives, and if the country's public and private sectors can cooperate effectively.

Expanding links with the rest of the world are another prerequisite for continuous success. We must learn to live with the fact that Finnish companies are becoming more and more global in outlook, while at the same time every effort should be made

to improve the country's innovative environment, provide its companies with more business skills and boost network cooperation.

Finland's strengths include high work and business ethics, consensus on the most important national issues, and social stability. At the same time, a high level of structural unemployment, unfavourable demographic trends, a low level of entrepreneurship, and inflexible labour market and business structures are weaknesses. Income differentials in Finland are very small in international standards, but this in turn means that there are few incentives to work hard.

EU enlargement and Finland's location close to the huge Russian market may give us some competitive advantages. However, our traditional competitors are catching up rapidly and there are also new countries that may pose a serious threat in the future. For example, China, a populous and dynamic country, is already a world leader in many economic sectors. So is there a danger that Finland's attractiveness may gradually fade?

Bringing in skilled immigrants

Finland may well become less attractive if its employment rate remains low and it is unable to attract new skilled workforce from elsewhere. If there is no improvement in their employment prospects, many highly educated Finns may choose to leave the country, and finding a replacement for them could be a problem. Should the solution be an active immigration policy based on a selective approach, which takes into account the interests of Finland and also tries to cater to the needs of immigrants? Is such an approach possible?

Finland can only attract workers from abroad if it can offer them competitive pay, and this requires changes in the tax system. There are good grounds for imposing lower taxes on foreigners who only work here for limited periods. After all, they do not make full use of Finland's welfare services.

The authorities, labour market organizations and elements in the civil society in general should also try to make it easier for foreigners to work in this country. This can be done by persuading Finns to accept and understand other cultures and to familiarize foreigners with Finnish society.

Skilled immigrants should primarily be drawn from the central and eastern European regions that are close to Finland, and from Asia. Those coming from areas close to our borders often have a similar cultural background, while an Asian influx will enrich Finnish society and benefit us in new ways.

However, any immigration policy can only be successful if it has precise targets, there is more training, education and cooperation, and different authorities cooperate more closely. General attitudes towards foreigners must also change.

PUBLIC SAFETY AND THE RULE OF LAW

Finnish decision-makers must take the global economy into consideration when pondering issues that are important for the country's future. In a situation like this Finland needs a high degree of social cohesion, and in a world characterized by conflicting trends, it must also be prepared to redefine justice, collective responsibility and sustainable development and find new ways of putting them into practice.

Past generations worked hard to build an independent Finland and the prosperity we now enjoy. It is the task of present and coming generations to integrate the country into the framework of international cooperation and at the same time ensure that Finland remains a safe place in which the rule of law prevails.

A leadership position in a number of high-tech areas, equality, a high level of education, and a social structure that values learning and civic responsibility are the factors that can keep Finland competitive in the global marketplace. These solid Finnish values provide us with a sound basis for the future.

Trust brings security

Trust is fundamental to the functioning of every society. Citizens must be able to trust their democratic system of government, and have a right to expect that the country's administration, and its taxation and justice systems, will treat them fairly, and that its labour market functions properly. At the community level, trust is measured by such factors as the crime rate, income differentials, equality, and environmental safety, while for individuals, health, education, work and a secure livelihood are essential.

If for some reason basic trust is shaken, political extremism, organized crime, anti-social behaviour and racism may spread in Finland. In such a situation, it would be impossible to make our visions a reality.

Though the most serious threats are unlikely to materialize any time soon, there are already warning signs. A worsening of the drug problem, for example, could seriously weaken public trust in the system of government. In a globalized world economy, our success depends largely on external factors, and even the slightest changes in international relations and structures could have a major effect on Finland.

Robust self-reliance has always been a typical Finnish quality and should be preserved as such. However, the availability of welfare services has led to a belief that the public sector should take care of everything and that everybody is entitled to its support. This results in passivity and social distortions. A small nation can only prosper if its citizens are prepared to assume responsibility for their own lives and if emphasis is placed on community spirit and strengthening social capital. Structures and values that support them should thus be promoted. While all Finns should contribute to the smooth functioning of society and the financing of their own basic security, the weakest members of society should not be left to their own devices.

High-quality basic training creates more trust

High-quality education is an important trust factor in a modern society. It is therefore essential that comprehensive, high-quality basic education available to all remains the core of the system. Equality should primarily be a matter of opportunity, not a question of giving everybody the same marks. The system should also be able to identify gifted individuals at an early stage and provide them with an opportunity to progress from the lowest levels of education to the very top. Schools should also be able to specialize in the teaching of a broad range of skills.

In working life, the emphasis should be on incentives and active participation. Everybody should be in a position to support themselves with their own work. There should also be changes in taxation and social security and improvements in the quality of working life that will make it easier to take on new staff and for employees to experience job satisfaction. The problem of mass unemployment should be tackled; otherwise it will be impossible to maintain the trust essential to the survival of a welfare state.

When efforts are made to strengthen the trust between Finns, special attention should be given to figures on the level of education, employment rates and GDP. At the same time, it is essential to carry out peer reviews so that we can see how different sectors of Finnish society and the country's regions fare in international comparisons. A close eye should also be kept on social problems so that any worsening of the situation would not come as a surprise.

THE FAMILY AND HEALTH

Finns want to remain healthy and to ensure the well-being of their families. After all, Finland is economically prosperous, and a strong tradition of collective effort has always been one of our strengths.

Finns know more about health matters than before, and increasing national wealth has also helped to strengthen the foundations of the country's public health system. Our health care is highly professional, and employers, too, support preventive measures. Moreover, Finnish companies have shown that they care about the working capacity of their staff, and projects aimed at maintaining it are a major factor contributing to the quality of Finnish working life.

One has to ask, however, whether people are valued beyond their most productive years, or whether there is too much glorification of youth and cut-throat competition in working life.

Conflicts between work and family life must be resolved

At the moment, the well-being of Finns is threatened by a host of new problems: excessive workloads, unequal distribution of working hours, lack of physical exercise and unhealthy lifestyles. Drugs are now part of the lives of many young people, and one-off personal relationships have replaced stable family and community structures. A welfare state can help by, for example, encouraging closer cooperation between the health care sector, providers of social services, and schools and by ensuring better balance between the demands of work and family life.

Negative trends in working life also weaken the foundation of Finnish prosperity. Some people work too hard, while others are long-term unemployed. Growing

selfishness and lack of consideration for others threaten the well-being of families and children. Changes in lifestyles also create problems: people do not want to have children until they are middle-aged, while at the same time families are getting smaller and smaller. This has resulted in a rapid ageing of the population, a trend that is unlikely to be reversed during the next few decades.

The fact that many parents have heavy workloads has also changed the role of families in Finnish society. As a result of cut-throat competition at work, family life is also measured in terms of performance, which means that children may no longer have close ties with their parents. Friends, colleagues and hobbies are often more important than families, and mothers and fathers give priority to work-related matters. As the demands of working life increase, parents tend to forget the good of their children.

Longer working days, more and more overtime, and a quickening working pace create the wrong kinds of ideal. Increasing time pressures and competition at work also make permanent staff feel uncertain about their jobs, even if such worries are unfounded. When time is scarce, it is the family and the children that usually suffer.

Upbringing of children a parental responsibility

Bringing up children is less and less a family matter. Expecting professionals, daycare centres and schools to do their job for them, more and more parents have forgotten that it is their responsibility to guide their offspring, and are quite happy in their role as mere sponsors of their children's hobbies. As a result, it is now television programmes, sports and other leisure activities and not parents that provide young people with values. However, children need to be physically close to their parents every day, and no social innovation or welfare provision can act as a substitute in this respect.

How could society at large encourage young people to set up families and to have children? Perhaps labour market organizations should agree on more flexible working hours for parents of small children, and maybe the well-being of families should be given higher priority in work communities.

In Finnish families with children, both parents usually work full time. Though Finnish law allows parents of small children to stay at home to look after their sick children,

this is often merely a theoretical right. After all, the company may be in the middle of a busy period, and supervisors and other staff may not like the idea of somebody being absent from work.

A special 'child pass' enabling employees, with their employers' consent, to occasionally work longer hours and then take time off when they need it to look after their children could make it easier for families and parents of small children to cope with the pressures of working life. The time off necessary for child care would be based on the overtime hours entered in the pass.

Communities and workplaces should support families

More discussion is needed at workplaces about the importance of healthy and happy staff as a competitive factor. At the same time, employers should be encouraged to find ways to ease time pressures and cut overtime.

Active, preventive cooperation between communities in helping families with their problems is also important. The aim is to strengthen the social structures that would create a basis for long-term trust between parents and their children.

For years, Finnish parents with small children have been able to use the services of special mother and child clinics. This highly successful system could act as a model for new kinds of youth clinics, which could also help to promote the overall mental and physical well-being of people of different ages and backgrounds. They would also help to build trust and strengthen the bonds between different generations and population groups.

Homes and schools should once again recognize that they have to share the responsibility for bringing up children, and, consequently, there should be more emphasis on dialogue between teachers and parents. Problems should also be tackled at a sufficiently early stage. At the same time, all adults, and not just parents and teachers, should act as role models for children and young people.

IDEAS AND SUGGESTIONS FOR FURTHER WORK

During the Finland 2015 programme, a number of ideas and suggestions emerged which will be forwarded to expert groups for further work. SITRA will convene these groups on a case-by-case basis and the workshops will deal with matters that do not obviously come into the purview of any particular body, or for which several parties share responsibility.

The workshops are intended to make use of a broad range of measures, utilizing them to find solutions to the challenges crucial for Finland's future, at national and strategic level. Experts, decision-makers and actors from each field will be invited to address the workshops.

On the initiative of the participants on the previous courses, SITRA will hold workshops on the following topics in 2002:

- Transition in working life, and how the educational sector has responded to the challenge
- Options for the development of the welfare state

During 2003, SITRA will hold the following workshops:

- Lifelong learning
- Balanced regional development

The participants on the fifth course have proposed that SITRA should organize workshops on the following topics:

- Promoting academic entrepreneurship and encouraging entrepreneurship in traditional fields
- Defining and measuring social capital
- Using information technology in the production of public services
- Providing the third sector with better operating potential
- Developing pay systems related to performance and productivity
- New types of clinic to cater for the mental and physical well-being of people of all ages.

The sixth course of the Finland 2015 programme will begin in Beijing in September 2002 and, in the manner of the earlier courses, will continue later in the autumn in

Moscow, Berlin and Finland. The vision, strategic objectives and development proposals of the earlier courses will provide the basis for the work of the sixth course, although it may also decide to adopt entirely new themes for consideration. We shall be able to assess the results of the sixth course in January 2003.

EXPERTS AND THEMES

The seminars on the fifth course of the Finland 2015 programme held in Beijing, Berlin, Moscow and Helsinki involved contributions from both Finnish and foreign experts. The final seminar also involved work in small groups. All the experts who contributed to the course and the topics of their presentations are listed below seminar by seminar in chronological order.

3.3.2002 Helsinki – Vantaa Airport Congress Center

Finland 2015 – opening speech on the course
Aatto Prihti, President of SITRA

Finland 2015 – working methods
Tapio Anttila, Director of Training, SITRA

China in world politics – an introduction
Arto Mansala, Ambassador, Ministry of Foreign Affairs

Economy of China – an introduction
Jian-Guang Shen, Economist, Bank of Finland

Law and justice in China – an introduction
Pekka Hallberg, President, Supreme Administrative Court

During the flight:

Video: Media feedback on the earlier courses, Matti Karhu, writer and editor

Video: The Middle Kingdom and Finland, Heikki Korhonen, writer and editor

4. - 9.3.2002 Beijing, People's Republic of China

China's foreign policy - major powers and current areas

Yan Xuetong, Professor and Director, Institute of International Studies, Tsinghua University, Beijing

Targets of Chinese foreign policy in the future

Yuan Ming, Professor and Dean, School of International Studies, Beijing University

The reform of the legal system in China

Jun Gong, Partner, Jun He Law Offices, Beijing

The political landscape of the People's Republic of China - democratization versus authoritarianism

Linda Jakobson, Researcher, Finnish Institute of International Affairs, Helsinki/Hong Kong

Relations of Finland and the People's Republic of China

Benjamin Bassin, Finnish Ambassador in Beijing

Introduction of Haidian Science Park

Ma Lin, President, Administrative Committee of Zhongguancun Haidian Science Park, Beijing

Linux and the Chinese software industry

Chris Zhao, Vice President, Red Flag Corporation, Beijing

eGovernment in China

Raphael Zhu, President, Beijing Beautybeard Technology and Development Corporation, Beijing

Development of the telecommunication industry in China

Wei Shaojun, President, Datang Telecom Corporation, Beijing

eCommerce in China and digital China

Zhou Nian, Vice President, Digital China Holdings Ltd.

Opportunities and challenges for foreign and multinational companies in China

Urpo Karjalainen, President, Nokia China Investment Corporation, Beijing

ICT development and future trends in China

Eddie Chen, Vice Director, Network and Information Engineering Center, Fudan University, Shanghai

Panel discussion: Opportunities and challenges for young entrepreneurs in China

Chairman: Luyu Wang, Vice President, Haidian Science Park Administration

Participants:

Han Gengchen, President, Origin Seed Technology Corporation

William Y. Sun, President, Accelet Beijing Corporation

Daisy Liu, President, VisionNext China Corporation

Tour to the Great Wall: Introduction to the history of the Great Wall

Anssi Kankainen, Olympia Air Travel Ltd

Tour to the Great Wall: Introduction to everyday life in China

Linda Jakobson, Finnish Institute of International Affairs, Helsinki/Hong Kong

Reform of the education system in China

John Yang, Professor and Dean, International MBA School, Peking University and Associate Dean, Business School of Fordam University, New York

The future of Chinese youth and contradictions between the generations

Victor Yuan, Chairman, Horizon Research, Beijing

Panel discussion on Chinese youth: The future of China - a personal view

In cooperation with Horizon Research

Chairmen: Victor Yuan and Linda Jakobson

Participants:

Rui Zhang, Beijing Polytechnic University, Senior student, majoring in architecture and construction

Kathy Kang, Beijing Second Foreign Language University, Sophomore student, English major

Liangguang Cui, Beijing Industry and Commerce University, Senior student, majoring in logistics

Xiaosong Zhang, Beijing Union Medical College, first year of PhD candidate, majoring in clinical medicine

Ying Fan, Beijing Normal University, second year of postgraduate studies, majoring in psychology

WTO and China - economic, political and social consequences

Li Shantong, Director General, Development Research Center of State Council, Beijing

Xu Mingqi, Research Professor, Shanghai Academy of Social Sciences, Shanghai

Audrey Tsui, Professor of Human Capital Management and Director of Corporate Development for China and HK SAR, IMD, Lausanne/Beijing

Demand for talent and human resources by international companies in China

Larry Wang, CEO, Wang & Li Asia Resources, Beijing

Panel discussion for journalists: Restructuring the mass media in China

Chairman: Jack G. Pan, Professor and Anchor, Tsinghua University and Phoenix TV Infochannel, Beijing

Participants:

Li Xiguang, Professor, School of Humanities and Social Sciences, Tsinghua University, Beijing

Hu Jingjiao, Journalist, CCTV, Beijing

Yang Lan, Chairperson and CEO, SunTV Cybernetworks Co, Beijing

Huang Wen, Journalist, Xinhua News Agency, Beijing

Environmental problems and challenges in China

Mats Anderson, Sector Manager, World Bank Office in Beijing

Environmental technology for flood control and forestry

Liu Ning, Managing Director, Beijing Novo Information Technology Corporation

Environmental awareness of Chinese citizens

Shen Mingming, Professor and Director, Research Institute of Contemporary China, Peking University

7.4.2002 Helsinki-Vantaa Airport Congress Center

Opening of the seminar

Jaakko Iloniemi, Ambassador

EU and global governance in relation to Russia, Asia and USA

Teija Tiilikainen, Director of Research, Centre for European Studies, University of Helsinki

Russian economy in transition

Pekka Sutela, Head of the Institute of Economies in Transition, Bank of Finland

8.-9.4.2002 Moscow, Russian Federation

Welcoming speech

Gennadi Seleznev, Speaker of the Duma

Panel with the fraction leaders of the Duma:

Communist Party: Gennadi Seleznev, Gennadi Zjuganov

Unity Party: Alexander Beljakov, Aleksei Alekseev, Alexander Jashin

Union of the Right Forces: Boris Nadezhdin, Artur Mäki

Welcoming speech

Dimitry Mezentsev, President, Centre for Strategic Studies

Social development in Russia

Mikhail Dmitriev, Deputy Minister, Ministry of Industry and Trade

Russian innovation systems

Andrey Fursenko, Deputy Minister, Ministry of Science and Technology

Student panel of MGIMO-university: Elena Donova, Irina Donina, Jury Surin, Ludmila Dobrynina, Olga Lapetina, Pjotr Pohvalin, Alexander Bulychev, Alexandra Bukacheva

Future of the Russian banking system

Ilkka Salonen, CEO, International Moscow Bank

Doing business in Russia

Berndt Moberg, Managing Director, ZAO Stora Enso Packaging

Panel discussion with specialists from the Finnish Embassy in Moscow:

Nina Vaskunlahti, Minister; Laura Kakko, Counsellor and Kari Pekonen, Counsellor

Russian foreign policy

Dimitri Trenin, Director, Carnegie Institute

Future scenarios for Russia

Seppo Remes, Chairman of the Board, European Business Club in the Russian Federation

9.-11.4.2002 Berlin, Federal Republic of Germany

Future challenges for Germany until 2015

Leif Fagernäs, Finnish Ambassador in Berlin

Biodiversity - the one and only sustainable resource for the third millennium

Christoph Häuser, Research Scientist, State Museum of Natural History, Stuttgart

Comment: Heidi Hautala, Member of the European Parliament

Structural change and economic performance in the era of globalization

Peter Nunnenkamp, Research Division Head, Kiel Institute of World Economics

Comment: Esko Aho, Member of the Finnish Parliament

Berlin as the capital of Germany

Hannes Saarinen, Professor and Director, Finnland Institut, Berlin

European security

Jamie Shea, Director of Information and Press, NATO, Brussels

Comment: Kari Häkämies, Permanent Secretary, Ministry of the Interior

Future of the European Union

Alexander Stubb, Advisor, European Commission, Brussels

Comment: Antti Satuli, Secretary of State, Ministry for Foreign Affairs

European Union enlargement, labour market pressures and labour mobility

Michael Burda, Professor, Humboldt University, Berlin

Comment: Markku Wallin, Permanent Secretary, Ministry of Labour

World economic architecture in the 2015s

Charles Wyplosz, Professor and Director, Graduate Institute of International Studies,
Geneva

Comment: Jussi Mustonen, Director, Confederation of Finnish Industry and Employers

6.-7.5.2002 Adams Hall, Helsinki

Global governance

Carl Bildt, former Prime Minister of Sweden

Comment: Heli Paasio

The future and mission of the European Union

Riitta Uosukainen and Antti-Pekka Pietilä

The growing importance of Asia

Tapani Kaskeala and Timo Kekkonen

The weakening capacity for renewal in the old growth economies

Anu Nokso-Koivisto and Pertti Parmanne

Labour shortages, immigration and multiculturalism

Heli Jeskanen-Sundström and Maija-Liisa Friman

Panel discussion: Finland in 2015 in the eyes of the young

Riikka Matinolli, Heikki Oksanen and Jaakko Leinonen, Oulun lyseon lukio

Asta Haahti, Hanna Heimonen and Ossi Lehikoinen, Joensuu College of Further
Education

Pia Eloranta, Henriikka Peltonen and Anna Wikberg, Turku Polytechnic, Health Care
and Social Services

There are growing differences in prosperity globally, nationally and regionally
Timo Honkala and Perttu Vartiainen

Inequality and the competition for talent
Yrjö Neuvo and Esko Mäkeläinen

The values ensuring success in the future
Yrjö Sotamaa and Pekka Ketonen

3.-4.6.2002 Sannäs Manor, Porvoo

Preparation of the report in small groups

THE FINLAND 2015 PROGRAMME

SITRA has been training Finnish decision-makers for over twenty years now, organizing Economic Policy Management Courses between 1977 and 1999, and since 1999 providing training on Economic Policy 2000+ Courses.

During the 1990s, SITRA also cooperated with other organizations in preparing the National Strategy Development Programme.

The Finland 2015 programme is SITRA's latest training and development programme for Finnish decision-makers. To date, five courses have been held since spring 2000. All told, the programme will encompass six courses over the years 2000-2002 plus a joint seminar for all six courses to be held in 2003.

Objectives

The objective of the Finland 2015 programme is to develop the knowledge, expertise, resources and networks of senior Finnish decision-makers in issues concerning the future of Finnish society. The programme is basically national in scope, but approaches its subject from a strongly international perspective, using a multidisciplinary approach that takes account of all sectors of society. In pursuit of the programme objective, participants

- are given a wide range of information on current affairs and issues crucial to the future;
- take part in discussions with both Finnish and foreign experts from different sectors and with other decision-makers;
- assess the main challenges facing Finland in the future;
- familiarize themselves with strategic policies at national level;
- use the information they gain from the programme in their own daily work; and
- prepare a report for further work on the most important new strategic policies for the future.

The Finland 2015 programme is a contribution to SITRA's goal of making Finland one of the three most successful nations in the world by 2010.

Participants

The programme was launched by a committee representing different elements and schools of thought in Finnish society and chaired by Aatto Prihti, President of SITRA.

Leaders from all sectors of Finnish society are invited to take part. Prospective participants come from leading positions in politics, public administration, the Defence Forces, the Church, business and industry, labour market organizations, the third sector, the media, research and education.

About 25 participants are invited to each course. The invitation is officially sent by the Prime Minister, although in practice SITRA is responsible for recruitment.

Detailed planning and implementation of the programme has been handled by the SITRA training team under Tapio Anttila. SITRA is responsible for funding. The programme is not a commercial training product and is not intended to compete with any management training programmes. Course participants are responsible for their own travel and accommodation expenses for the seminars.

Content and structure

The Finland 2015 programme will take three years to complete and will include six separate courses involving participation from around 150 of Finland's top decision-makers from different fields of human endeavour. A final joint seminar for all six courses will be held in 2003.

The results of the fifth course are presented here. The course consisted of four separate seminars. In the intervals between seminars, participants worked and continued their discussions over the Internet in a network-based learning environment.

The course began with a seminar in Beijing, the capital of the People's Republic of China. Subjects covered included the effects of Chinese membership of the WTO, Chinese society and its modernization, education and the ongoing process of change in Chinese values, high-technology applications and their commercialization, environmental problems and the changing position of the mass media in China.

The second seminar was held jointly in Moscow and Berlin. In Moscow, the focus was on Russia's economic and political outlook, banking and finance, foreign and security policy and young Russians' expectations for the future. The subjects covered in Berlin included the political and economic role of Germany in Europe, the outlook for the world economy, European security, the future of the European Union and EU enlargement and the mobility of labour.

The last two seminars were held in Finland. The seminar in Helsinki afforded the participants an opportunity to express their views on a range of issues. In the seminar in Sannäs Manor in Porvoo, participants worked together in small groups to prepare the final report.

SITRA's partners in organizing the seminars included the Haidian Science Park, Horizon Research and Nokia China in Beijing, and the Centre for Strategic Studies and the International Moscow Bank in Moscow. The Finnish embassies in Beijing, Moscow and Berlin also made a valuable contribution to course preparation and practical arrangements, while a number of other Finnish and foreign experts and cooperating partners also gave valuable assistance in implementing the course.

Methods

Each course of the Finland 2015 programme consists of seminar work, work in small groups and use of a virtual learning environment. Participants contribute their own expertise to the progress and content of the work, but also learn new things and pick up new ideas and influences from each other and from the experts invited to contribute to the course.

The seminars are held in Finland and abroad in cooperation with experts from different fields. They involve the presentation of papers by the participating experts and discussion on various topics. The seminars are closed to outsiders.

An Internet-based learning environment has been constructed for the programme, and this serves as a channel for supplying course participants with background material both before and after the seminars. Brief portraits of the experts contributing to the seminars, usually with a summary of their papers, are distributed to participants beforehand over this network. It also enables participants to discuss the topics amongst themselves during the course and helps them in preparing the final report.

The virtual learning environment serves as a support network for the Finland 2015 programme between seminars and also in preparation of the final reports. It will be used in all the courses under the programme and also in other SITRA training programmes in the future.

This final report on the fifth course in the Finland 2015 programme is also available in unabridged form on the SITRA website at www.sitra.fi/suomi2015. Swedish and English translations of the report will be published at the same address during August 2002. The final reports on the earlier courses are also available at the same address.

We welcome feedback and discussion on the views expressed in the report. Please send any comments you may have by e-mail to suomi2015@sitra.fi.

PARTICIPANTS ON THE FIFTH COURSE

The invited participants on the fifth course in the Finland 2015 programme were:

Mr Esko Aho, Member of the Finnish Parliament

Ms Maija-Liisa Friman, President, Vattenfall Oy

Ms Heidi Hautala, Member of the European Parliament

Mr Timo Honkala, Deputy Mayor, City of Helsinki

Mr Kari Häkämies, Permanent Secretary, Ministry of the Interior

Ms Heli Jeskanen- Sundström, Director General, Statistics Finland

Mr Tapani Kaskeala, President, FINPRO

Mr Timo Kekkonen, Director General, Ministry of Trade and Industry

Mr Pekka Ketonen, President & CEO, Vaisala Oyj

Ms Eeva Kuuskoski, Secretary General, Mannerheim League for Child Welfare

Mr Jussi Mustonen, Director, Confederation of Finnish Industry and Employers

Mr Esko Mäkeläinen, Senior Executive Vice President & CFO, Stora Enso Oyj

Mr Yrjö Neuvo, Executive Vice President & CTO, Nokia Mobile Phones

Ms Anu Nokso-Koivisto, Director, Finnish National Fund for Research and Development

Ms Heli Paasio, Member of the Finnish Parliament

Mr Pertti Parmanne, Director, Central Organisation of Finnish Trade Unions (SAK)

Mr Antti-Pekka Pietilä, Senior Editor-in-Chief, Finnish Financial Daily (Taloussanomat)

Mr Antti Satuli, Secretary of State, Ministry for Foreign Affairs

Mr Yrjö Sotamaa, President, University of Art and Design Helsinki

Ms Riitta Uosukainen, Speaker of the Finnish Parliament

Mr Perttu Vartiainen, Rector, University of Joensuu

Mr Markku Wallin, Permanent Secretary, Ministry of Labour

The fifth course in the Finland 2015 programme was chaired by Jaakko Iloniemi. Planning of course content and practical arrangements were taken care of by the SITRA training team (Tapio Anttila, Tuovi Allén, Pekko Kohonen, Mervi Porevuo, Anu Löfhjelm, Anne Törnroos and Tuire Lehikoinen). Matti Karhu also helped with the practical arrangements for the seminars held in Finland and in preparation of the final report. Course assessment was handled by Susanna Ekola, and maintenance of the network-based learning environment was the responsibility of Suvi Savola.

FINNISH NATIONAL FUND FOR RESEARCH AND DEVELOPMENT (SITRA)

SITRA seeks to further economic prosperity

- by developing new and successful business operations
- by financing the commercial exploitation of expertise
- by promoting international competitiveness and cooperation

SITRA is an independent pioneer

- enjoying economic independence
- with courage and initiative
- initiating operations designed to break new ground

SITRA is an impartial opinion-shaper

- providing new knowledge based on the latest research
- anticipating and identifying future challenges
- developing new solutions

SITRA is an independent public fund under the supervision of the Finnish Parliament. It aims to promote Finland's economic prosperity by encouraging research, backing innovative projects, organising training programmes and providing venture capital. SITRA's activities are financed by the return on the Fund's original capital and corporate funding.

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