

# **FINLAND 2015 - FINNISH SUCCESS FACTORS AND CHALLENGES FOR THE FUTURE 6**

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## PREFACE

The sixth and final course in the Finland 2015 programme began in the People's Republic of China in September 2002 with a seminar in Beijing. The participants on the course acquainted themselves with the rapidly changing and westernizing People's Republic. China was at that time preparing for the start of a new era, with the party congress later in the autumn set to choose a new leadership for both the party and the country. China's importance to Finland as a trading partner has increased rapidly in recent years and will continue to increase with Chinese membership of the WTO.

The course also visited Russia and Germany. Our neighbour Russia will continue to be an important cooperating partner for Finland in the future, while the importance of Germany as a key Member State of the European Union can only be enhanced as the Union welcomes in new members in the immediate years ahead. At the same time this will alter and expand Finland's operating environment. Moreover, with globalization, distances are becoming insignificant. All this will present new challenges that will require both an active response and the wisdom to adapt.

According to a number of different benchmarks Finland today is one of the most competitive and developed countries in the world. And this achievement must be sustained in the years ahead. Sitra has set the goal of placing Finland among the three most successful nations in the world by 2010.

Sitra supports the achievement of this goal through its own work, which 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; and
- boost the cost-effectiveness of the welfare state.

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 and part of its training provision. 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 through until autumn 2003, when the participants on all six courses will come together in a final joint seminar.

Sitra would like to thank all those who participated in the sixth 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 thank all the individual people and cooperating partners who have made an indispensable contribution over the past three years to the implementation of the Finland 2015 programme both in Finland and abroad.

We should also like to express our cordial appreciation to Mr Jaakko Iloniemi, who has chaired the course from the outset. The Sitra training team has been responsible for practical arrangements for the programme as a whole. The final report for the sixth course is based on work done on the course and discussions between participants and was compiled by Ms Tuovi Allén of Sitra and the writer and editor Mr Matti Karhu.

Sitra hopes this report on the final course in the Finland 2015 programme will contribute to achieving the targets we have set for meeting the challenges of the 21st century.

Helsinki, January 2003  
Finnish National Fund for Research and Development (Sitra)

## **FINLAND IN 2015 - THE VISION**

The sixth 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 harmony 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.

## **STRATEGIC OBJECTIVES: FINLAND IN 2015**

The first five courses in the Finland 2015 programme have done a lot of work in considering the material bases of the future of our country. It is obvious that the success of a small nation depends on numerous factors in business and economic life, and also on resources that are not entirely within our powers to decide. There are undoubtedly elements of risk, but at the same time we have been able to develop numerous success

factors that have allowed Finland to become one of the most developed nations in the world.

The present course also discussed the securing of Finland's national interests in a globalizing environment, the renewal of the welfare state in order to maintain national unity, improving the operating climate for business, boosting the effectiveness of the labour market and reducing unemployment.

In this respect the sixth course inherited a fairly comprehensive legacy from the earlier courses. Those topics covered particularly well on the earlier courses were given less attention this time. The sixth course examined success factors, the vision and the strategy from its own particular perspective and set two strategic objectives for Finland to achieve by 2015:

- Finland is the world's most creative and innovative nation.
- Finland is a safe society grounded on a solid foundation of values.

Without this basic non-material foundation, we will not be able to achieve our material objectives either. This report therefore concentrates on these two subject areas.

Finland has numerous strengths that support the achievement of these objectives. We have a stable and open society and a set of values that respects both collective responsibility and genuine freedom of the individual. We live in a safe and peaceful country governed by the rule of law, exercise responsibility for our environment and trust in public participation in democratic decision-making. We also have a strong industrial heritage, a high level of education, important innovations and extensive expertise in high technology. Ensuring the continued wellbeing of all our people will be an important pillar of our continued competitiveness. We must ensure these strengths continue to flourish in the future and recognize the risks in time.

## **THE CREATIVE INDIVIDUAL AND THE INNOVATIVE SOCIETY**

Finnish creativity has enabled us to survive in many difficult junctures in the history of our nation. The scarcity of natural resources and severity of the climate would have defeated a people who lacked the ability to develop means of livelihood, survive under the pressure of wars, overcome the challenges of a harsh natural environment and make the most of our scarce natural resources. We have been able to use our creative imagination to develop innovations capable of benefiting all our people and carrying our society forward.

Everyday creativity influences the wellbeing of us all. Creativity is actually a natural part of normal family life, and the home provides a vantage point for creativity throughout life. Creativity is not the prerogative of artists and scientists alone, but something inherent in every one of us.

Our future success will depend on our ability to preserve this skill.

We have a high-quality education and research system of international calibre, and it is essential that we work ceaselessly to develop it further still. It is also vital to maintain the stream of funding for innovations if we are to have a sustainable system. Only in this way will it be possible to develop and benefit from creativity in practice, as shown by our top

internationalized companies and leaders in various sectors of the economy. Finland is at the cutting edge internationally in the development of information technology and has also kept pace fairly well in applying it in practice.

However, creativity cannot blossom in a competitive society dominated by the idea of efficiency unless people have the time and freedom to change point of view, loosen up and play with ideas. A creative society trusts in people, gives room for manoeuvre and allows the taking of risks. Creativity needs the possibility of trial and error and the courage to set off in new directions. People are by nature creative if given the opportunity.

The richness of our culture bears witness to Finnish creativity. Our indigenous national identity has produced world-class artists, a broad range of cultural pursuits among the general public and an abundance of unique talents in numerous walks of life. This has all been made possible by the social stability of Finnish society. We have traditionally enjoyed equality of opportunity, and this solid social capital has provided room for creativity. Growing up surrounded by the arts and with the ability to understand culture and the world it interprets provides us with the opportunity to reinforce our creativity in other areas of life as well.

Creativity is a quality of the individual. When the community encourages, develops and refines this individual creativity, this leads to innovations. This is the key resource of a healthy and developing economy and at the same time the guarantor of our wellbeing. Innovations are the intangible building blocks of the economy.

The competitiveness of Finnish companies can be improved only by raising our levels of expertise. The education system must be harnessed to support this goal. We must develop our innovation systems to such an extent that the financing provided can also secure the commercial launch of the innovations produced. The teaching of arts and crafts subjects can also support creativity and innovation and the ability of Finns to engage in open and productive dialogue in the international arena. This will all serve to reinforce the creativeness of our welfare society and encourage the development of innovations.

*We can stave off the threats to our creativity...*

Creativity is already being strangled by a number of threat factors. These are in part material, and in part intellectual in origin.

Certainly, the strength of Finland's competitiveness itself releases creativity, but its loss could lead to compulsive routine solutions. For this reason, mass unemployment coupled with simultaneous labour shortages represent a time bomb that narrows even our intellectual options. An inflexible labour market and inflexible social structures will impede the introduction of creative solutions in the rapidly changing world of work. Moreover, a high level of tax and poor incentive systems could lead to the exhaustion of our entire business sector and the ebbing of creativity.

Our national culture is also still very young and lacking in breadth. Creative organizations are in short supply, and the critical intelligentsia is fairly small. The intolerance that raises its head from time to time, an inability to tolerate difference and the drive for conformity can easily undermine the occasional bursts of creativity. The general public are often indifferent towards culture and the arts. In particular, the channelling of public funds into

the arts and culture often arouses opposition. This has a direct effect on the development of intellectual and spiritual resources and the creativity of the nation as a whole. And what if we no longer have room in the future for creative madness?

The pressures of a globalizing world are seen, among other things, in threats to creativity. The domination of commercial, often foreign, mass entertainment is drowning out both intelligent entertainment and cultural works that stimulate us to think. At the same time, the competitive society is forcing people to divert their energies from creative pursuits to the management of time and coping with the pressure to perform.

Traditional values and a sense of community are breaking down under the pressure of everyday routines, with the result that parents are losing the ability to stimulate their children's creativity. Growing up as a human being is an increasingly challenging undertaking in a world dominated by hard values. But only a whole person is capable of creativity and innovation.

We already have a sufficient number of weak signals of these threat factors, but can we interpret them correctly and take the appropriate action?

Or will we just drift aimlessly into a future marked by increasing negativity? In that case, we would find ourselves living in a Finland where the only thing on offer is discontinuous employment and all the innovative employers have disappeared abroad. Public confidence in the future will have collapsed, racism and intolerance increased, society become gripped by extremes and social cohesion been eroded. The only opportunity for people to meet their fellows will be via mind-numbing entertainment media.

*... if we prepare a creativity strategy*

To avoid this sort of future we must set to work without delay. Just as with economic and social policy, so the actions needed to foster creativity and innovation will also have effects long into the future. If we want to set our sights on 2015, we must already begin now to implement objectives such as:

The preparation of a national creativity strategy for Finland. Work should commence immediately to develop a comprehensive, ambitious and feasible strategy for developing our national creativity and innovativeness to become a world leader.

Creativity should already be included in the next Government programme and the basic outlines of a national creativity strategy quickly put in place. All key areas of social endeavour are nowadays dependent on the Government programme, and only in this way can our decision-makers be committed to the fostering of creativity - and to be creative themselves.

The objective of the creativity strategy will be to continue the development of our welfare society. As part of this process, culture, and the arts in particular, should be seen as part of our innovative base. After our scarce natural resources and our technological innovations, our only remaining trump card is our own creativity. This must be refined into an innovative base for our economy and business life.

The creativity strategy should seek to ensure that every home in Finland has the facilities to support the development of creativity in our children. The lifelong encouragement of creativity can in this way become a unifying thread running through our society. In the future, the benefits from this will accrue to both Finnish business and our welfare society as a whole.

A permanent body should be set up for the development of creativity and innovations, with the role of coordinating the efforts of government and others to develop creativity and innovation and to direct and supervise implementation of the creativity strategy. This body should also channel funding, combine the separate innovation systems into a single integrated system and effectively coordinate the resources of different sectors in society.

There is also a need to organize a 'national cultural defence course' for decision-makers and other leading members of society. This would aim at lifting creativity, innovation and culture up alongside economic and defence policy as vital components of our national interest. Thus, decision-makers must recognize the importance of creativity and take responsibility for its development. At the same time they can themselves hopefully serve as examples and sources of creativity. This approach can also make it possible to place cultural funding on a sustainable footing as a vital component of the intellectual and spiritual backbone of a civilized country.

In the modern world the mass media occupy a decisive position in most questions relating to the future. At their best they can foster creativity and act as a real driving force for innovation. We should, therefore, encourage the media to offer people food for thought and challenging perspectives. Stultifying mass entertainment offering easy, ready-made solutions should be merely a marginal phenomenon in a creative society.

The frontline will consist of material that encourages people to think for themselves and develop challenging solutions, and that in an entertaining, informative, critical and insightful way rests on a broad appreciation of our national culture. This will require changes to the content of journalist training and much more effort than heretofore on quality journalism and the production of cultural material. Decision-makers working in key positions in the media will be decisive to the success of this process. It will also be essential to change the way we think. When will we begin to hold up creative people as heroes to be emulated?

#### *... and support innovation*

In the future, innovation will play an increasingly key role in business. In a country with scarce natural resources the only way to cope under the pressure of mass production is to be creative. This will require us to secure the funding base of innovation systems and develop better coordination and more respect for innovators. The development of research into creativity will benefit both businesses, universities and ordinary members of the public.

We will need new businesses, and these will not emerge without creativity and innovation. By supporting creativity and enterprise we can ensure our society retains its dynamism and competitiveness in the increasingly tough international competition of the decades ahead.

As the foundations of creativity are laid in childhood, it is vital to support families in developing creativity. Parents should be helped to develop their own creativity and encourage creativity in their children. The curricula of daycare centres, schools and colleges should be developed to support creativity. A rigid emphasis on competition and efficiency simply creates a vicious circle that undermines creativity and can in the end endanger our international competitiveness. Enforced conformity also has no role to play in an innovative school system or university environment.

Government can help release creativity by providing sustainable long-term support for the arts. The public libraries, which have traditionally been so important to Finns, must be given a permanent funding base by ensuring the preservation and expansion of the central government contribution to their funding. This can allow them to be developed into multicultural centres, sort of strongholds or battery chargers of everyday creativity.

Taking care of bodily wellbeing has become an important quality-of-life factor for the Finnish people. Programmes on wellbeing at work have achieved good results, with improvements in employee wellbeing and the gradual postponement of the retirement age. These results are, however, visible only over a fairly long time span. Personal programmes for developing creativity can make just as important a contribution to working capacity and wellbeing as programmes aimed at maintaining and enhancing physical health and fitness. Employers should be encouraged to also offer their employees opportunities to pursue cultural interests and participate in other activities that develop creativity.

## **A SECURE SOCIETY BASED ON SOLID VALUES**

What would be the worst-case scenario, if the security of our society were to begin to unravel and our solid value base disintegrate? What would happen if public confidence in our decision-makers were to begin to waver, collective responsibility weaken and society become polarized?

A stable society is based on democracy and a healthy economy which offers all members of society the chance of prosperity. If our economy were to falter and begin to lose its dynamism, this would undermine the financial basis of the welfare state. It would also aggravate conflicts of interest, as there would be less wealth to go round and it would be increasingly hard to distribute it in an equitable way. Our education and health care systems would no longer be able to offer equal opportunities for all our citizens.

Hardening values would undermine our sense of collective responsibility and mutual trust. In this situation, our faith in democracy and the rule of law could easily falter and a range of extreme movements gain ground. Our democracy would be in crisis.

In the worst event, crime would spiral totally out of control, adding to the general sense of insecurity. The integration of immigrants into Finnish society would fail and, as a consequence of this, racist phenomena would raise their head. The environment and sustainable development would be neglected, leading to increased environmental safety risks, while indifference to personal health would create public health problems.

The end result would be a serious split in society and the degeneration of our values. The values of a secure society would give way to indifference and selfishness. This would in



turn be reflected in the level of political participation, undermining the foundations of our democracy.

Secure societies are rooted on a solid foundation of values. In a healthy society, justice, equality, acceptance of multiculturalism and difference, caring for others and the fostering of culture, industriousness and the valuing of work are basic values shared by all.

*Our economy is strong, but ...*

We need to be aware of our economic, social and mental strengths. Only in this way can we ensure the future safety and security of our society.

The strengths of the Finnish economy are its strong real competitiveness and high stocks of social capital. Our high level of education, strong work ethic and innovativeness can also attract foreign companies into Finland. The smallness of our nation has turned to our advantage. Our tradition of consensus and mutual trust have been useful when operating in international markets and have helped to raise Finland to the head of the most competitive countries in the world.

New opportunities are opening up that will enable us to strengthen our competitiveness and draw the maximum benefit from it. The outlook in the Russian and Chinese markets, European Union enlargement and market growth in the Baltic region all bring considerable opportunities within our grasp. Our high-tech expertise can continue in the future to be one of the key components of our competitiveness as a nation. In addition to this, Finland can also produce entirely new success stories, if we are able to guide our society in the right direction.

The future will also bring many problems that will have to be solved and painful changes that will have to be negotiated. As the population ages and the economic dependency ratio declines, we will need to provide more services more efficiently and raise productivity in the public sector. We will also have to develop entirely new ways of working, for example using the opportunities of information technology, if our declining workforce is to be able to provide the services needed. This would mean we would not necessarily have to find as many new workers to fill the gap left by the retiring baby-boom generation. We can use the process-renewing ability of information technology to solve many of our problems.

Population ageing will present growing challenges to working life. Although the approaching labour shortage cannot be quickly solved by raising the birth rate, working life should be developed in a way that will encourage people to get married and have children. Starting a family is always a choice based on personal values and involves the weighing up of alternatives between family and career. Having children and going out to work should not be mutually exclusive alternatives, and career expectations cannot be allowed to stand in the way of having children. Working life should be structured to allow different family models, and working hours must be flexible enough to accommodate the needs of families, not merely to serve output targets.

But at the same time, we should also see our ageing population as a resource whose expertise should be put to greater use on the labour market. Increasing numbers of retired people will be healthier than in the past. These people can continue to serve society productively in a variety of new roles long after the traditional retirement age. The older

generation can also pass on their valuable heritage of traditional Finnish values to the young - in day care centres, schools and other local networks.

The survival of a safe society and its basic values can also be threatened by economic weakness. The recession of the 1990s bequeathed a difficult problem: a high rate of unemployment and long-term unemployment. This problem will certainly not be eased by high taxes on labour and the wrong sort of incentives. At the same time the rapid ageing of the population will place severe pressures on many areas of society, and particularly on the provision of services. Moreover, the vulnerability of our economy is not eased by its over-dependence on the success of just a handful of economic sectors and companies.

Finland lies far from the major market areas. If the worst comes to the worst, globalization and the enlargement of the European Union could mean the shifting of production closer to the large markets and, at the same time, to countries with lower costs. This would mean the loss of both jobs and tax revenues abroad. If at the same time we begin to dismantle the welfare state, we will lose one of our key competitive advantages. We must ensure the stable development of our economy, if we are to meet the challenges of an ageing population.

Are we able to handle success? Or do good times pose the threat of intellectual laziness? During the course of history, Finland has often succeeded when faced by crisis, but in good times we face the danger of selfish attempts to grab the biggest slice of the cake. Do we have the patience to wait until the cake is big enough for all?

*... our security is based on strong values ...*

Finland has traditionally been a safe society, internally united and without serious threats from within. The basic Finnish values continue to be honesty, justice and truth, industriousness and respect for work. Equality between the sexes is a generally accepted principle and largely realized in practice. Our basic values also include the security brought by the family and our immediate community plus a general sense of responsibility for one's neighbour. A secure society does not have separate areas or subcultures based on social position, income or race; cultural and other differences are rather seen as sources of strength. This sort of society can also withstand external threats.

The strengths of Finnish society include an efficient administrative system and an open democracy. Finnish public officials and decision-makers are not open to bribery, and our society is indeed one of the least corrupt on the face of the planet. Crime has been kept under control, and the Finnish people have a strong sense of justice. Equal treatment for all citizens and open decision-making are virtues we must hold onto in the future. Finnish values include respect for the security brought by the family and the immediate community. A sense of caring and responsibility for one's neighbour are the foundation underpinning our welfare state.

Finland's operating environment is in a state of constant change, but our success in a globalizing world will continue to be based on strong and shared values. But there could be a danger that as globalization progresses the market economy will come to be seen as merely greed and indifference. If so, this will undermine our ability to defend our own values, and we will merely adapt passively to changing circumstances.

In business, values are set to become a key competitive factor. Responsible and profitable business operations will require compliance with sustainable values. A humane market economy will be essential to Finnish success in a globalizing world economy.

Social stability has increased in our southern and eastern neighbours, and there has been a considerable reduction in the traditional external threats facing our country. New threats have, however, emerged to endanger our security. The many forms of organized crime are a growing problem in our society, as are drug-related and violent crime. Alcohol consumption among both adults and the young has increased to worrying proportions.

Social exclusion among the young is on the increase. This is apparent from the growing drop-out rates from school and military service. The numbers of families with multiple problems are on the increase, and the sense of family responsibility for childraising is becoming blurred. Our social support networks are not ready to deal with such a dramatic shift in family structures. The support young people can get from their immediate community is also less than it used to be.

The future of our society will nevertheless be determined by the young. We must prevent the social exclusion of the young by a range of measures focusing on the wellbeing of the family, the education system and the labour market. Adults should face our shared responsibility for the young outside the home and school as well. The media also have an important role to play in sustaining and fostering the basic values of our society.

Finnish society has traditionally been permissive and tolerant. But too much permissiveness and tolerance can create insecurity. When this is combined with the poor social skills of many of our children and young people, the result is the social exclusion of the young and a growing and increasingly brutal cycle of violence. We need a change of direction, clear rules on how to behave and new limits to tolerance.

Do Finnish children and young people have the sort of examples who can guide them towards adopting strong basic values? Are the childraising and educational goals of our schools both realistic and in line with our basic values? Does the mass media provide information to support or to undermine these values? Do we need a different sort of debate on how to behave and earlier intervention in the problems of families and young people? Instead of unrestricted freedom of the individual, should we perhaps adopt clear, collectively agreed boundaries?

#### *... collective responsibility and the wellbeing of families*

A society based on equality ensures basic security and makes it possible to draw on the resources of all members of society. The other side of this principle is that all members of society can rely on society taking care of them should the need arise.

Collective responsibility also includes the just use of power. In some situations, equal distribution is fair, while in others more thought is required. Collective responsibility does not always happen voluntarily, it requires laws and agreements of various types. Common rules of play will always be needed, and we cannot just leave the realization of collective responsibility to civil society, individual interests or the market.

In order to reinforce collective responsibility and preserve our distinctive culture we will need entirely new approaches to ensuring the wellbeing of our families. Families need support in carrying out their role in raising children, and they must be given the opportunity to spend more time together as a family. This will present new challenges for working life and the services of the welfare state. Working life must be flexible in a way that accommodates the needs of families, and new services that can foster the wellbeing of children and young people must be put in reach of the families that need them. This can be accomplished without the need for new resources, if the present resources can just be targeted in a different way.

Finland must continue to be a good place in which to live. A safe society can generate new opportunities at home and in this way moderate emigration abroad. It can also serve to prevent suspicion towards immigrants and ease their integration into Finnish society. Increasing international interaction can make a positive contribution to our system of values in Finland, as elsewhere. We can adopt valuable features from other cultures rather than getting bogged down in a one-sided set of values. We can support this process through a responsible approach to immigration policy, and in this way take advantage of the potential of multiculturalism.

### *Responsibility for raising children belongs with the family*

Finland in 2015 should be a safe society based on a healthy economy and a prosperous citizenry. Our prosperity should be founded on our families exercising their responsibility to raise their children, high-quality education and the individual responsibility of each of us for those closest to us. How can we reach this goal?

The last few decades have seen the growth of a new style of life often described by notions such as hedonism and postmodernism, the pursuit of pleasure and the fragmentation of values. This has meant the undermining of traditional community spirit, the rupturing of social structures and the obscuring of issues of responsibility. Severe fluctuations in the economy have led to permanent social exclusion for some and the emergence of other new groups of the socially excluded.

As social structures have changed, the immediate communities of the past have retreated. Grandparents and other relatives, neighbours and the familiar caretakers who were once a common sight in Finland's collectively managed housing have given way in the everyday life of Finnish families to pressures at work, the media, mass entertainment and leisure pursuits. Schools have cut back on club activities, and there is rarely any time for interaction between the generations. It is our children and young people who are suffering the most, as they are often left entirely without adult support.

These problems are seen in the increase in various forms of disturbed behaviour in home, at school, in working life and in public places. In school classrooms, there is less peace to work, to the detriment of pupils and teachers alike. Problems are also tending to accumulate in the same population groups and families. Alcohol and drug use and criminal activity by children and young people are already eroding the wellbeing of future generations. These problems need to be grappled with determination at an early stage, if we are to secure for our young people the chance of balanced development and create for them a safe environment in which to grow up.

Workplaces, schools and families need clear rules of conduct, and problems should be grappled with before they get out of hand. This should not be understood as restricting individual freedom, or social paternalism, but as genuine caring. Have we understood our collective responsibility wrongly if we see it as justified to intervene only in problems in daycare centres or the workplace, while allowing all sorts of behaviour within the family? How can we strengthen collective responsibility without unduly restricting the freedom of the individual? The most important social skills are learned at home. Society - daycare centres, school and military service - should all support the family in this process, to help our young people adopt common boundaries and rules of conduct.

There is no single solution to all these problems. Moreover, very few problems can be solved simply by throwing money at them. Increasing support for families - family allowances and other income transfers - would not necessarily help in a situation where the whole family and those close to it are suffering from problems. Instead, we should develop new family support services and foster greater responsibility among adults in general. Young people need good examples to emulate. Consideration should be given to a total rethink on the retargeting of support for families and the development of services aimed at families.

## **RADICAL INNOVATIONS**

Vigorous social development and the achievement of set goals will often require radical innovations. These include products, services and processes with previously unknown properties or features that offer the chance of considerable improvements in operating practices or considerable reductions in costs.

The sixth course in the Finland 2015 programme proposed the following radical innovations for improving the position of families and developing creativity:

- A creativity pack for young families modelled on the maternity pack (containing child care items) and containing creativity-fostering material for use by parents and children
- The retargeting of family support to break the trend towards the social exclusion of young people and develop the services that families need

The creativity pack would help young families, parents and children to develop their creativity and innovativeness right from the start. Finns have already developed a world-class innovation in the maternity pack, which is still admired around the world as a unique educational tool of family policy. The same sort of model can also be used to develop material to support and foster creativity. Its specific function would be to serve as an alternative to the domination of mind-numbing mass entertainment, stimulate the imagination and light a spark of creativity in the consciousness of small Finnish children.

By its very nature, the creativity pack would require constant renewal and development, while at the same time reflecting durable human values and a healthy view of mankind.

Finland has a wealth of first-rate expert organizations charged with fostering the welfare of the child. The task of developing and implementing the content of the creativity pack should be given to them. Such important work cannot be left to the market.

With regard to the retargeting of family support, the course considered, for example, the reclassification of family allowances as taxable income. The accruing tax revenues could then be directed into family services such as tax deductions for the purchase of childcare and household services and the development of club activities for preschool children and schoolchildren. The revenues from taxing family allowances would in this way be returned to the families, and the new services - for example childcare services - would improve the employment situation.

Tax deductions for the purchase of childcare and household services would be available for families who purchase such services from the private sector. Low-income families would still receive the full amount of the family allowance, but the allowances for those on higher incomes would be cut in accordance with the general level of tax they pay. In return, these families could take advantage of tax deductions for the purchase of a variety of household services. This would at the same time give parents the chance to spend more time together or with their children, as they could buy in household services from outside with the help of these tax deductions.

The retargeting of family supports should have a neutral overall effect, neither increasing nor reducing public sector tax revenues or expenditure. The money brought in should be earmarked to benefit families.

Support for families should be retargeted particularly to help families and children with multiple problems and increase the resources for child protection to make it possible to intervene in time to prevent incipient exclusion and the worsening of existing problems. We must also ensure that no young person leaving comprehensive school goes without either practical training, a job or a study place. These measures can help to prevent a situation where people begin to live on social security from a young age.

Better coordination of work and family life will be possible if the costs of starting a family and childcare are spread more evenly than at present between the different sectors of the economy.

## **IDEAS AND SUGGESTIONS FOR FURTHER WORK**

The Finland 2015 Programme has generated ideas and suggestions which will be passed on for further development by separately invited working groups. Sitra will arrange these workshops for questions for which there is no clearly responsible authority or where responsibility is divided between several different parties.

The aim of the workshops will be to use flexible working methods to find solutions to key challenges facing Finland in the future. Leading experts, decision-makers and actors will be invited to participate.

In response to initiatives by the previous courses of the Finland 2015 programme Sitra arranged workshops in 2002 on the following themes:

- Options of the welfare state, on the basis of which the report 'Welfare Options - The Finnish Model in the 21st Century' was published in October 2002 (Sitra 251, Edita Prima Oy).

Changes in working life and the response of education and training, on the basis of which the report Oppimisella osallisuutta - vastauksia työn murrokseen (Participation through learning - responding to changes at work) was published in November 2002. Published in Finnish at [www.sitra.fi](http://www.sitra.fi)

In the course of 2003 Sitra will launch workshops on the following themes:

Balanced regional development  
From working career to lifecourse thinking

The sixth course of the Finland 2015 programme proposed that Sitra organize similar workshops on:

the principles of Finland's creativity strategy  
family policy and educational responsibility

The Finland 2015 programme will continue through until autumn 2003, when a joint seminar for all six courses is to be held. The seminar will discuss subjects dealt with during the six courses which are of key importance to Finland in the future. The Finland 2015 programme will then continue in the form of workshops, and in the discussions and other activities generated by the various courses.

## **EXPERTS AND THEMES**

The seminars of the sixth course of the Finland 2015 programme provided an opportunity to listen to Finnish and international experts in Beijing, Berlin, Moscow and Helsinki. On the last seminar of the course the participants worked in small groups. All the experts who contributed to the sixth course and the topics of their papers are listed below by seminar in chronological order.

### *8.9.2002 Helsinki-Vantaa Airport Congress Center*

Opening of the Finland 2015 course 6  
Aatto Prihti, President, Sitra

Introduction and methods of the seminar  
Jaakko Iloniemi, Ambassador  
Tapio Anttila, Director of Training, Sitra

Introduction to contemporary China  
Linda Jakobson, Senior Researcher, Finnish Institute of International Affairs, Helsinki & Hong Kong

Introduction to the Chinese economy  
Jian-Guang Shen, Economist, Institute of Economies in Transition, Bank of Finland

Challenges for multinational enterprises in China

Ingmar Björkman, Professor, Swedish School of Economics, Helsinki

Video 1: Media report on the previous Finland 2015 courses, Matti Karhu, journalist

Video 2: New China and Finland, Heikki Korhonen, journalist

*9.9.-14.9.2003 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

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

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

Relations between Finland and People's Republic of China

Benjamin Bassin, Ambassador of Finland in Beijing

Doing business in China

David Ho, Vice President of Nokia Networks, Nokia China Investment Corporation, Beijing

The global competitiveness of Chinese companies

Zeng Ming, Assistant Professor of Asian Business, INSEAD, Singapore

ICT development and future trends in China

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

Introduction of Haidian Science Park

Luyu Wang, Director, Science and Technology Commission of Haidian District, Beijing

Panel discussion with young Chinese entrepreneurs

Chairman: Luyu Wang, Director, Science and Technology Commission of Haidian District, Beijing

Participants: Daisy Liu, General Manager, Vision Next BeijingCo., Xu Zhong, General Manager, Beijing Asee IT Co., Zhang Lianyi, CEO, InfoQuick Software Technology Co. and Wang Lifeng, CEO, Beijing Northern Star Digital Co.

Tour to the Great Wall at Mutianyu:

Introduction to the history of the Great Wall

Anssi Kankainen, Tour Leader, Olympia Air Travel Ltd

Introduction to everyday life in China

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



WTO and China - financial market and banking system  
Xu Mingqi, Professor, Shanghai Academy of Social Sciences, Shanghai

WTO and China - regional and social consequences  
Li Shantong, Director General, Development Research Center of State Council; Beijing

WTO and China - consequences to the legal framework  
Jun Gong, Partner, Jun & He Law offices, Beijing

Introduction to the Chinese education system at grassroots level:  
Visit to a Chinese kindergarten and public elementary school  
Discussion on the issue in San Wei Teahouse & Bookshop with Susan Song and Crystal Wang, Wang & Li Asia Resources, Beijing

Education system in China - major trends and challenges  
Yang Meng, Deputy Secretary General, China Education Association for International Exchange, Beijing

Human resources development in China  
Larry Wang, CEO, Wang & Li Asia Resources, Beijing

Panel discussion with Chinese students: The future of China and Chinese youth - a personal view

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

Participants: Xi Song, International College, Kun Yuan, Renmin University, Jun Lu, International College and Tao Han, Beijing Broadcasting Institute

Political values in comparative perspective

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

Panel discussion with Chinese journalists: Mass media in China from 1995 to 2008  
Chairman: Jack G. Pan, Professor & Anchor, Phoenix TV Infochannel News, Beijing  
Participants:

Zhang Dandan, Chief Content Manager, Stellar MergaMedia Company Ltd, Beijing

Xiong Lei, Managing Editor, China Features, Xinhua News Agency, Beijing

Cameron Bai, Director of Sales and Marketing, Beijing This Month Publications, Beijing

#### *6.10.2002 Helsinki-Vantaa Airport Congress Center*

Who governs the world?

Raimo Väyrynen, Director & Professor, Helsinki Collegium for Advanced Studies, University of Helsinki

Russian economy in transition

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

#### *7.-8.10.2002 Moscow, Russian Federation*

Panel with the fraction leaders of the Duma: Communist Party, Unity Party and the Union of the Right Forces

Doing business in Russia

Bendookidze Kakha A, CEO, United Heavy Machinery, Uralmash-Izhora Group

Future of the Russian banking system

Ilkka Salonen, CEO, International Moscow Bank, Moscow

Russian energy sector

Seppo Remes, CEO, Vostok Energo

Insiders' view on contemporary Russia

René Nyberg, Ambassador of Finland in Moscow

Student panel of MGIMO University, Moscow State Institute of International Relations

Chairman: Gennady Gladkov, Professor, MGIMO University, Moscow

Participants: Sofia Tsvetova, Egor Midruev, Alina Fridman, Dina Polikanova and Dimitri Govorov

Russian foreign policy

Dimitri Trenin, Director, Carnegie Institute

*8.-10.10.2002 Berlin, Federal Republic of Germany*

Future challenges for Germany until 2015

Leif Fageräs, Ambassador of Finland in Berlin

World economic architecture in 2015

Martti Hetemäki, Director General, Ministry of Finance

Globalisation, Europeanisation and the future of the nation state

Edgar Grande, Professor, Technische Universität München

The competitiveness of European and Nordic economies in 2015

Carl Bildt, Former Prime Minister of Sweden

Comment: Pekka Sairanen, Managing Director, Metsäpuu Oy

The future of the European Union

Alexander Stubb, Group of Policy Advisers, European Commission

Comment: Riitta Myller, Member of European Parliament

World security from the European perspective

Christoph Bertram, Stiftung für Wissenschaft und Politik, Berlin

Comment: Ari Puheloinen, Major General, Defence Staff of Finland

Enlargement of European Union, labour market pressures and labour mobility

Michael Burda, Professor, Humboldt University, Berlin

Comment: Matti Viialainen, Deputy Director, Central Organisation of Finnish Trade Unions SAK

Berlin as the capital of Germany  
Hannes Saarinen, Professor, Finnland Institut in Berlin

*4.-5.11.2002 Helsinki, Adams Room*

EU enlargement and economic development  
Peter Ekholm, project leader, Europe 2020 project, Sitra  
Comment: Erkki Laatikainen, Editor-in-chief, Keski-suomalainen

Business drain from Finland  
Jorma Kielenniva, President and CEO, Novo Group Oyj and Pekka Seppänen, Editor-in-chief, Talouselämä

Welfare options  
Anu Kantola, Researcher, University of Helsinki and Mikko Kautto, Researcher, STAKES  
Comment: Jorma Huuhtanen, Director-General, Finnish Social Insurance Institution

Core values  
H.E. Ambrosius, Metropolitan elect of Helsinki, Orthodox Church of Finland, and Simo Palokangas, Managing Director, HK Ruokatalo Oyj

Young people's attitudes and values  
Helena Helve, Docent, University of Helsinki

Panel discussion. How young people see Finland 2015  
Panelists: Reetta Kuosmanen, Sakki ry, Elina Moisio, National Union of Finnish Students, Juho Risku, Young Entrepreneurs (Oulu), Tuomas Ylä-Anttila, Attac ry and Sampsa Oinaala, Friends of the Earth Finland

Russia's future and Finland  
Markku Kivinen, Director, Aleksanteri Institute, the Finnish Centre for Russian and East European Studies  
Comment: Jarmo Vaittinen, Secretary General, Ministry of Agriculture and Forestry

Appreciating creativity  
Kari Uusikylä, Professor, University of Helsinki  
Comment: Tuula Arkio, Director General, Finnish National Gallery

*2.-3.12.2002 Sannäs, Porvoo rural district*

Conclusions and preparation of the report in small groups

## **THE FINLAND 2015 PROGRAMME**

Sitra has been training Finnish decision-makers and experts for over twenty years now, providing Economic Policy management courses from 1977 to 1999 and Economic Policy 2000+ courses from 1999 to 2002.

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

The Finland 2015 programme is Sitra's training and development programme for top Finnish decision-makers. The programme has encompassed altogether six courses in 2000-2002 and will also include a joint final seminar for all course participants in 2003.

### *Objectives*

The objective of the Finland 2015 programme is to develop the knowledge, skills, resources and networks of senior Finnish decision-makers in issues concerning the future of Finnish society. The programme is national in scope, but its approach to the subject is strongly international, multidisciplinary and takes account of all layers of society. In pursuit of the programme objectives, 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 have been invited to take part. Prospective participants have come from leading positions in politics, public administration, the defence forces, the church, business and industry, interest groups, the third sector, the media, research, education and culture.

About 25 participants have been invited to each course. Invitations have officially been sent by the Prime Minister, although in practice Sitra has been responsible for recruitment.

Detailed planning and implementation of the programme has been handled by the Sitra training team under Tapio Anttila. Sitra has been responsible for funding. The programme has not been a commercial training product and has not been intended to compete with

any management training programme. Course participants have been responsible for their own travel and accommodation expenses for the seminars.

### *Content and structure*

The Finland 2015 programme has taken three years to complete and included 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 final course are presented here. The course consisted of four separate seminars. In the intervals between the seminars, participants worked at home and continued their discussions over the Internet.

The course began with a seminar in Beijing. Subjects covered included the effects of China's membership in the WTO, changes affecting Chinese society, its education system and the values of young people, political views of the Chinese people and the Chinese way of doing business, Chinese ICT applications and their commercialization, 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, developments in the energy sector, banking and finance, foreign and security policy and young Russians' expectations for the future. The subjects covered in Berlin included Germany's political and economic role in Europe, the outlook for the world economy, European security, the future of the European Union, EU enlargement and labour mobility.

The last two seminars were held in Finland. In the first, in Helsinki, participants, experts and Finnish young people addressed a wide range of subjects. In the second seminar, held at Sannäs, in Porvoo, the participants worked together in small groups to prepare the final report.

Sitra's partners in organizing the seminars included the Haidian Science Park, Wang & Li Asia Resources, Jack Pan's Studio 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 experts from Finland and abroad gave valuable assistance in implementing the course.

### *Methods*

Each course of the Finland 2015 programme has consisted of seminar and small group work and use of a virtual learning environment. Participants have contributed their own expertise to the progress and content of the work, but have also learned new things and picked up new ideas and influences from each other and from the experts invited to contribute to the course.

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

An Internet-based learning environment was constructed for the programme to serve 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, have been distributed to participants beforehand over this network. It has also enabled participants to discuss the topics amongst themselves and prepare the final report.

This learning environment has served as a support network for the Finland 2015 programme between seminars and in preparation of the final reports. It has also been used on all the courses under the programme and in other Sitra training programmes.

This final report on the last course in the Finland 2015 programme is also available in unabridged form on the Sitra website at [www.sitra.fi/suomi2015](http://www.sitra.fi/suomi2015). The Swedish and English translations of the final report will be published on the same website in March 2003. The final reports of the previous five courses are available on the same website.

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](mailto:suomi2015@sitra.fi)

### *Evaluation*

Participants in the Finland 2015 programme evaluated the content and implementation of their own course. In addition, experts evaluated the effectiveness of all the courses under the programme. These evaluations will be used to develop Sitra's future training provision.

## **PARTICIPANTS ON THE SIXTH COURSE**

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

H.E. Ambrosius, Metropolitan elect of Helsinki, Orthodox Church of Finland  
Tuula Arkio, Director General, Finnish National Gallery  
Hannu Hanhijärvi, Director, Sitra  
Martti Hetemäki, Director General, Ministry of Finance  
Jorma Huuhtanen, Director General, Finnish Social Insurance Institution  
Risto Junttila, Secretary General, National Ecclesiastical Board  
Asmo Kalpala, President, Tapiola Group  
Jorma Kielenniva, President and CEO, Novo Group Oyj  
Erkki Laatikainen, Editor-in-chief, Keski-suomalainen  
Mika Lintilä, Member of Parliament, Finnish Centre Party  
Marjo Matikainen-Kallström, Member of European Parliament  
Riitta Myller, Member of European Parliament  
Kari Nenonen, City Manager, City of Oulu  
Simo Palokangas, CEO, HK Ruokatalo Oyj  
Ari Puheloinen, Brigadier-General, Defence Forces General Headquarters  
Pirkko Ruuskanen-Parrukoski, Executive Director, Martha Organization  
Pekka Sairanen, Managing Director, Metsäpuu Oy  
Pekka Seppänen, Editor-in-Chief, Talouselämä  
Leif Sevón, President, Supreme Court  
Jarmo Vaittinen, Secretary General, Ministry of Agriculture and Forestry  
Tapio Varmola, Rector, Seinäjoki Polytechnic  
Matti Viialainen, Deputy Director, Central Organisation of Finnish Trade Unions SAK

The sixth course in the Finland 2015 programme was chaired by Minister Jaakko Iloniemi. The content and practical arrangements of the course were taken care of by the Sitra training team (Tapio Anttila, Tuovi Allén, Pekko Kohonen, Mervi Porevuo, Tuire Lehtikainen, Anu Löfhjelm and Anne Törnroos). Matti Karhu helped with the practical arrangements for the seminars held in Finland and in preparation of the final report. Course evaluation was the responsibility of Susanna Ekola, while maintenance of the Internet learning environment was handled by Suvi Savola.