

Finland's future success depends on expertise and innovation

– Reforms are needed now

Ensuring that Finland continues to prosper will require sustainable growth. During this government term, the Technology Advisory Board, the Working Group on Sustainable Growth, the Parliamentary Working Group on Research, Development and Innovation, and the Artificial Intelligence 4.0 programme have raised their concerns over long-term weak growth in productivity and the economy and over Finland's international competitiveness. In their reports, the working groups have proposed several similar measures to overcome these challenges.

In this joint statement, we, the chairpersons of the working groups, stress that sustainable economic growth requires investing in the future. This means investing in expertise, research, development, innovations and new technologies, particularly ones that support sustainable development.

It is essential that these shared goals be included in the Government Programme.

Rapid reforms are needed to secure our wellbeing

Finland is performing very well according to many international indicators. We are a capable and happy nation and we hold the keys to success, particularly in the technology sector. Despite our good results in international rankings, we are underperforming. We have everything we need to succeed, but we lack determination and ambition. We have to boost our performance.

We can boost productivity and added value by supporting innovation by businesses, by investing in new research that produces high-quality knowledge, by encouraging cooperation between businesses and research organisations, by fostering our investment environment, and by ensuring the availability of a skilled and healthy labour. Businesses will grow in Finland if Finland can keep up with competitor countries as a business environment. Without corrective action, Finland runs the risk of losing talent, production and product development investments to other countries.

Reforms based on an efficient RDI system and close cooperation

Finland's R&D investments have been on a declining trend for a long time, and the share of our R&D expenditure of GDP decreased the second most in the world during 2014–2018. The unpredictability of public R&D funding is one of the weaknesses of Finland's RDI system. We need operating and funding models that will enable long-term cooperation between the research and business sectors as well as genuine joint development in numerous fields of technology. We have to ensure that public R&D funding is allocated in a balanced and effective way. In addition to increasing public investments, it is vital for the private sector to take more responsibility and increase R&D investments. We must develop the RDI system as a whole in a way that recognises the needs and roles of different parties.

Growth hampered by a shortage of skilled labour and expertise

The availability of skilled labour and expertise is a genuine challenge and an obstacle to growth, particularly in the technology sector and manufacturing. The availability of skilled labour is also a significant factor in investment decisions. Due to the current trend in skilled labour, Finland is at risk of falling short in the development of productivity. This will not help attract RDI investments or the investments required to create ecosystems. The shortage of skilled labour needs to be addressed with sufficient efforts to raise the level of domestic expertise and work-based immigration. When allocating research and development funding, it is important to keep in mind that increased RDI activities will also produce new experts. We are competing for top talent on a global market, and we have to increase the attractiveness of Finland, Finnish companies and Finnish research organisations both nationally and internationally.

New operating models will help overcome administrative silos

Reforms will inevitably require efforts to promote productivity and economic growth. We also need active, long-term policies and policy implementation to support the development and utilisation of technology. In order to ensure that these measures are taken and are effective, the government must develop a cross-administrative guidance and monitoring model. Cross-administrative guidance could be promoted, for example, by strengthening the role of the Science and Technology Policy Council of Finland or that of the Ministerial Working Group on Developing the Digital Transformation, the Data Economy and Public Administration and the Coordination Group for Digitalisation. This would improve the efficiency, effectiveness and guidance of several policy areas, which is a requirement for success in international competition.

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