

# National Perspectives: *Finland*

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*Working, Earning, Learning in the Age of Intelligent Tools.*  
Seminar of the Berkeley WITS Project & the OECD Going Digital.  
UC Berkeley, Men's Faculty Club, 1 Dec. 2017, 11:00am-12:15pm.

# Finnish Setting: Happy, happy!?

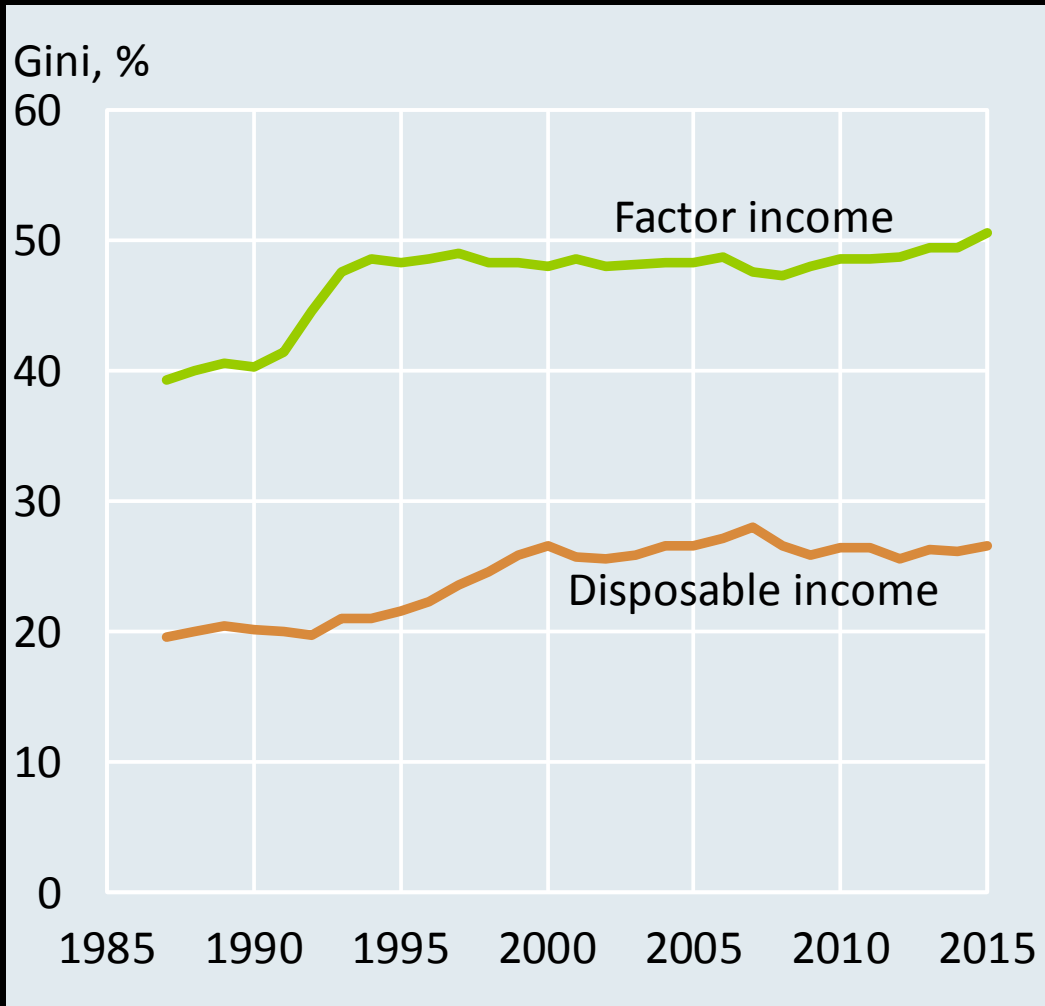
## The OECD stats yesterday:

- Highest % of well-rounded indiv.
- 2<sup>nd</sup> lowest % of automatable job
- Least skill mismatch

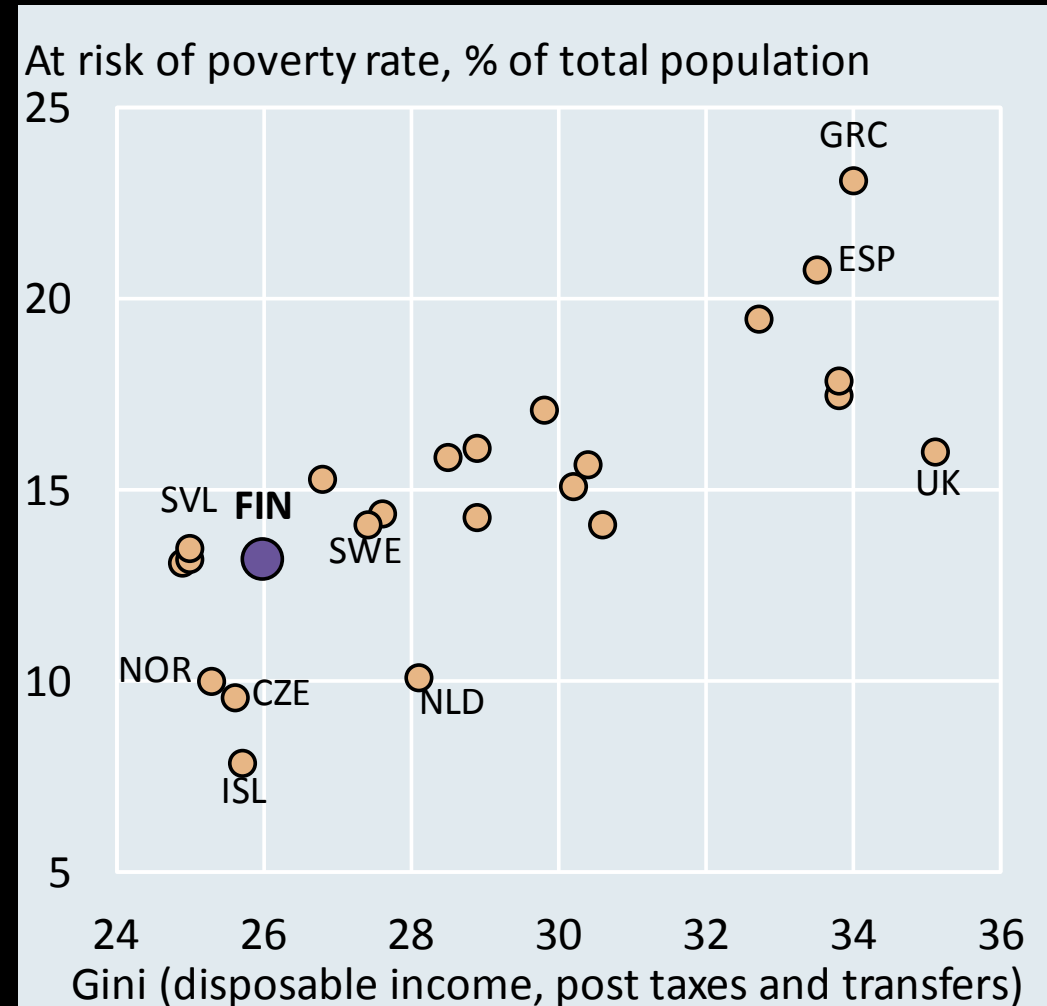


# Income inequality remains stable & is low

## Income quality 1987–2015

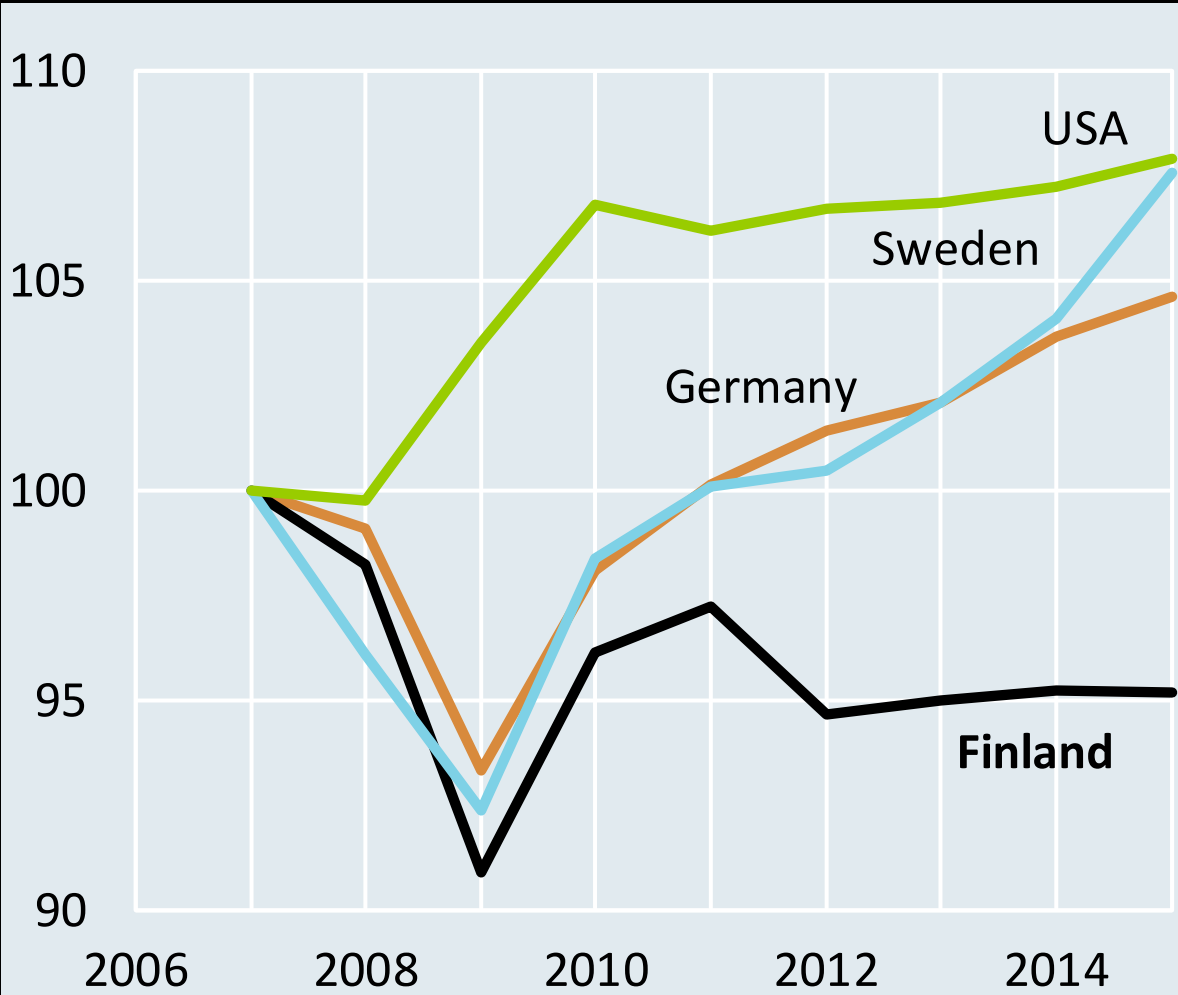


## Disposable income Gini, poverty rate, 2012

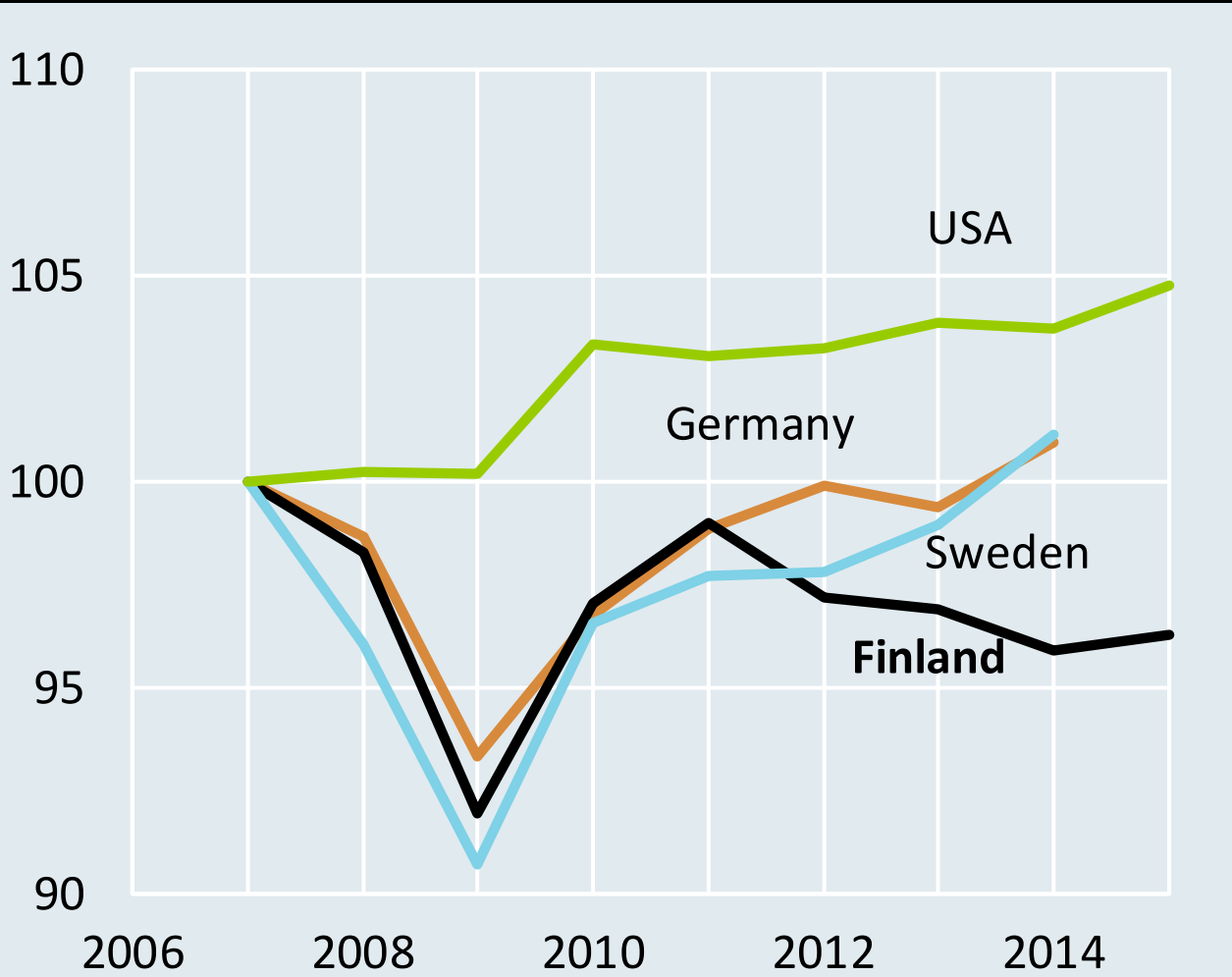


# Only in 2017, Finland is finally putting its “lost decade” behind

Labor productivity, non-farm business sector

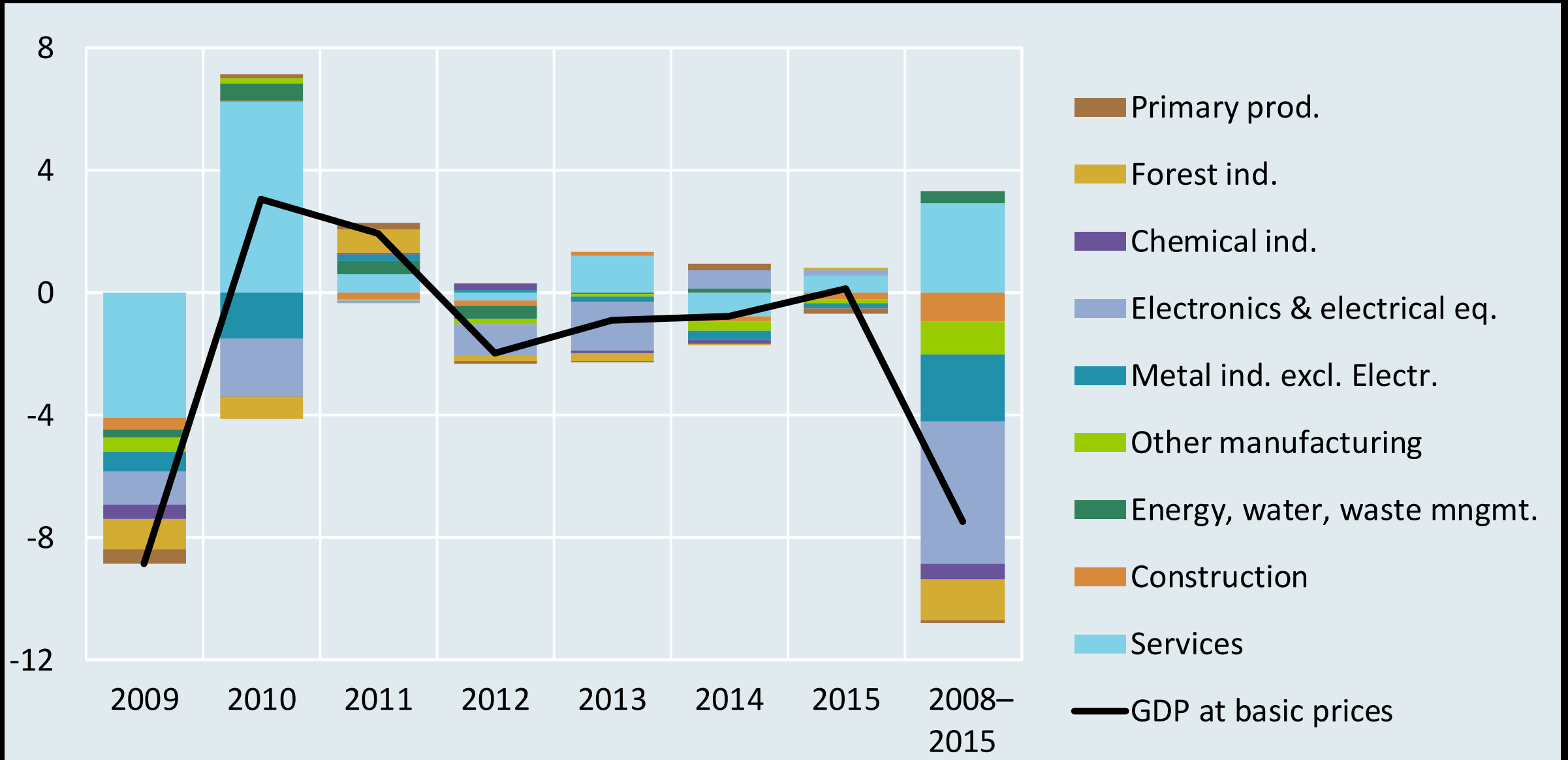


Labor productivity **within** non-farm business industries



Source: EU Klems.

# Yes, in part a *Nokia* story... By branch contribution to Finnish GDP change



# Why has the recovery been so slow?

- Large & permanent shocks
- Cost competitiveness slow to adopt
- Lack of flexibility & reforms

**Artificial Intelligence Is the New Electricity**

# Tekoäly on uusi sähkö

Viedään yhdessä Suomi tekoälyaikaan

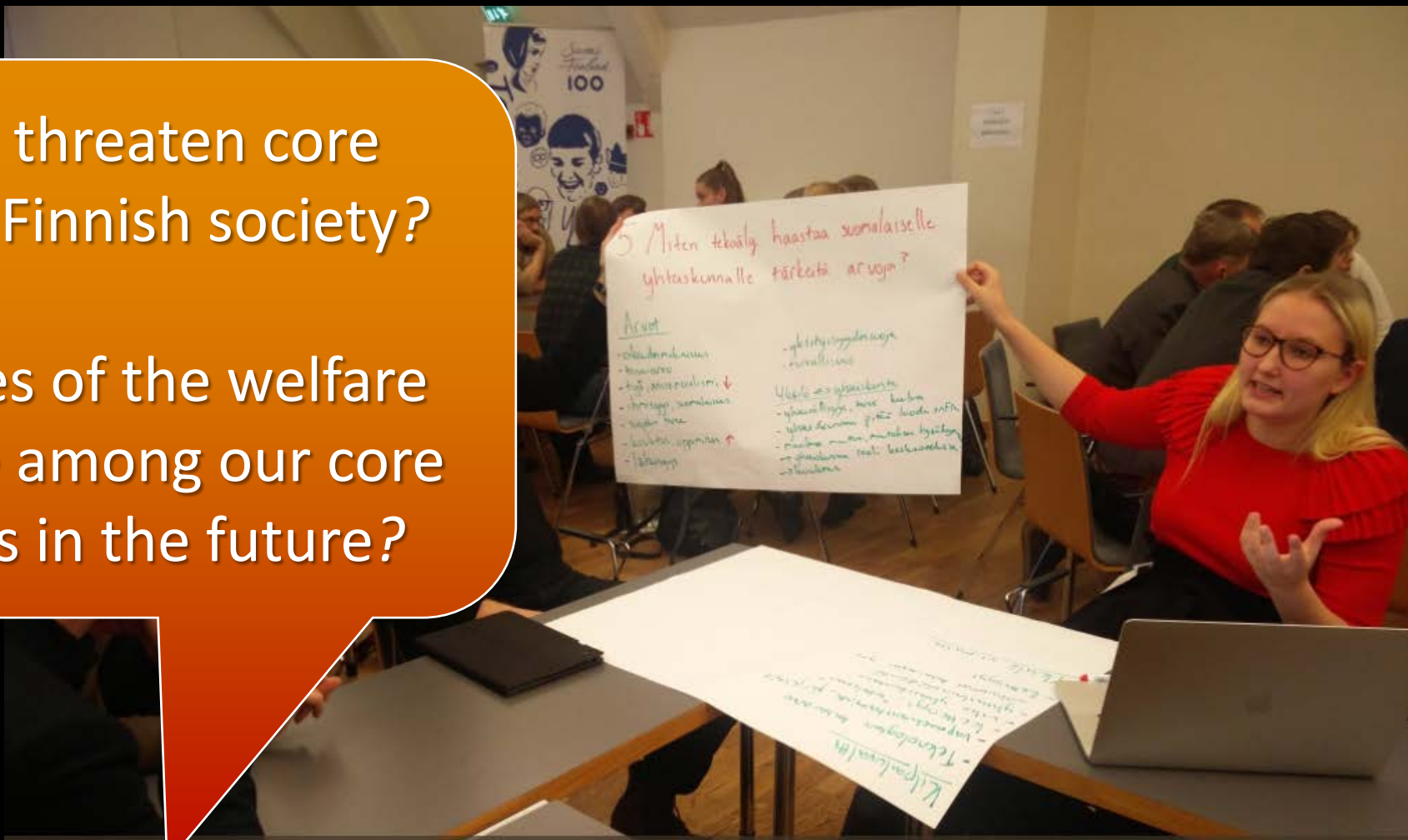
Let us join hands in taking Finland to the era of AI

1. Enhancement of business **competitiveness** via AI
2. Effective **utilization of data** in all sectors
3. Ensure AI can be **adopted** more quickly & easily
4. Ensure top-level **expertise** & attract top experts
5. Make bold decisions & **investments**
6. Build the world's best **public services**
7. Establish new models for **collaboration**
8. Make Finland a **frontrunner** in AI



Does AI threaten core values of Finnish society?

Will values of the welfare society be among our core strengths in the future?



Millennial Board Helsinki @MB\_Hki · Nov 24

Miten #tekoäly haastaa suomalaiselle yhteiskunnassa tärkeitä arvoja? Ovatko hyvinvointiyhteiskunnan arvot tulevaisuuden kilpailuvalttejamme?#tekoälyaika

Henni Roini





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The Team Finland Augmented Intelligence – Artificial intelligence campaign offers funding, market information and network for utilising artificial intelligence in business.

Some **30** companies have an AI team of 10+ employees.  
 Some **300** companies with any real effort in applying AI.

# Finnish policy actions since the 2008/9 crisis

- 1<sup>st</sup> fiscal expansion & then consolidation efforts
- Competitiveness pact (=marginal labor reforms & wage moderation)
- Deregulation (shop hours; transport regulation to accommodate Uber etc.)
- Pension, social & health care reforms
- Experimenting with **basic income**
  - 2,000 people on it in 2017-8
  - Goal: less bureaucracy & more incentives to work

- 
- Cuts in public spending on R&D and education
    - Also in adult education & life-long learning
  - Lack of visions in S&T and education policies

# Concluding Thoughts

- The human **augmentation** narrative is winning...  
but businesses & individuals too comfortable to act?
- Finland is **booming** (e.g, cars, cruise liners, pulp, industrial engineering);  
a revelation that universal tech+jobs tendencies matter  
less than Finland's relative **competitive position**
- Functioning of the **labor market** remains a bottleneck (Susan/McKinsey  
had Denmark, Sweden & Germany as good labor market examples; Finland has  
done virtually none of the reforms of these countries in the past few decades)