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\textsuperscript{nd} lowest % of automatable job

• Least skill mismatch
Income inequality remains stable & is low

Income quality 1987–2015

Disposable income Gini, poverty rate, 2012

Sources: Statistics Finland, Eurostat.
Only in 2017, Finland is finally putting its “lost decade” behind.

Source: EU Klems.
Yes, in part a *Nokia* story... By branch contribution to Finnish GDP change

Source: Statistics Finland.
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

Viedään yhdessä Suomi tekoälyäikaan

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?
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\textsuperscript{st} 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 \textbf{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 earning
• 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)