

Industrial Policies and Strategies, 1: Developing a Finnish Industrial Strategy

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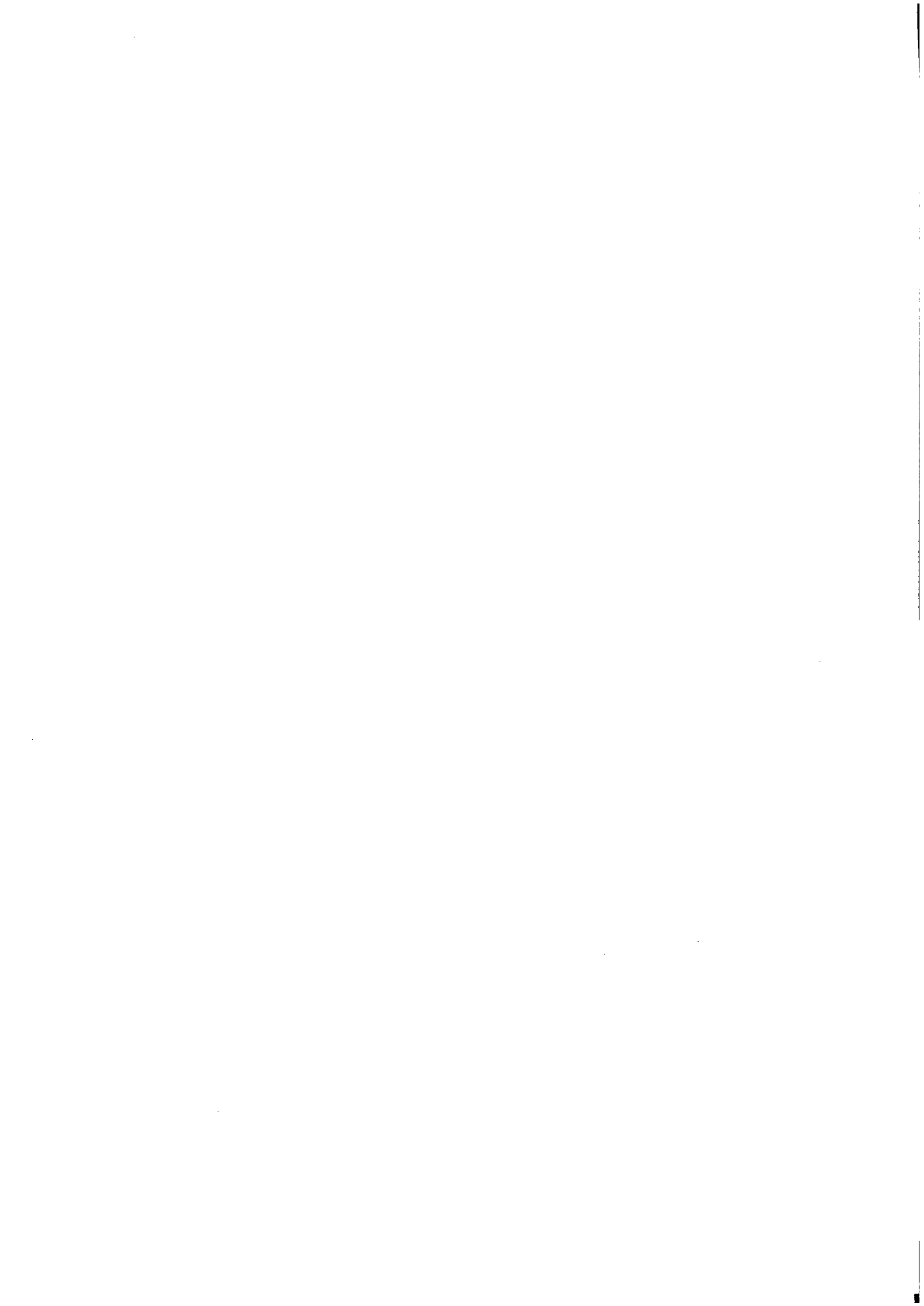
INDUSTRIAL POLICIES AND STRATEGIES, 1:
Developing a Finnish Industrial Strategy

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PREFACE

In the coming years the world will be undergoing a major structural transformation as the size, composition, and geographic distribution of industry changes under the influence of:

- o increases in factor prices: energy, labor;
- o depletion of resources: minerals, cheap liquid fuels;
- o changes in technology: microelectronics, biotechnology;
- o industrialization of the LDCs.

The already-industrialized nations, whose industrial structure was shaped by relatively inexpensive energy and easy access to resources, will find certain sectors losing competitiveness to newly-industrialized nations with access to similar technologies and cheaper labor. The newly-industrializing nations will strive to increase their portion of the global industrial pie, while the industrialized nations will compete with each other to preserve their shares. At the same time, population increase and economic development will place new demands both for employment and for goods on the industrial system.

At the national level, this transformation will affect economic growth, employment, regional development, balance of payments, R & D, and many other sensitive constituents of national well-being. For the small economies that have a relatively large foreign trade sector, the transformation can be traumatic. Even the large, autarkic economies will face substantial challenges.

IIASA is now beginning an exploration of the role that it might play in analyzing and improving understanding of the global and national issues arising from this transformation of the international industrial structure. One part of the exploration has been the commissioning of a series of papers by outside specialists.

A central question for all nations in the face of the industrial transformation is: what strategy should be followed to maximize the prospects of

national well-being, given the anticipated changes? The first paper in the series addresses this question for a nation with a small, open economy: Finland. Its author, Professor Jaakko Honko, is Rector of the Helsinki School of Economics, and a member of the Advisory Committee to the Institute's Management and Technology Area. The paper is an English summary of his book recently published in Finland.

Roger Levien
Director

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INTRODUCTION

The present article is in the main a summary of the author's book Suomalainen talousrooli (The Finnish Economic Role) published in early 1979. The book is based partly on the author's observations, experience and discussions, partly on various studies, but also in particular on the author's personal views of how a Finnish industrial and economic strategy could be developed. Besides the macroeconomic viewpoints, the author has made use of the ideas of strategic business planning and strategic management.

The aim is to outline an industrial strategy for Finland and partly a new role for the country in the world economy. In developing this strategy, international changes and their effects on the Finnish economy have been taken into account together with the new situation created by these outside changes.

But on the other hand the strategy is based on the idea that the Finns themselves could, through their own active measures and through cooperation, systematically build up an economy that would secure the continuous development of the society as a whole, and would remove many severe problems, including unemployment.

Past economic development

Since World War II it has been possible to build up Finnish economic growth based on factors which include:

- Increased use of forest resources. Finland's total area is 337,000 square kilometres, of which 217,000 square kilometres is forested.
- Labour reserves freed from agriculture. In 1948 the proportion of the total labour force in agriculture was 43.9%; by 1978 it had dropped to 10.0%.
- Adoption of available imported technological know-how as such.
- Mass production of certain products with low value-added. Examples are raw iron and pulp.
- Partially protected markets.
- Relatively high capital formation. The fixed capital formation in Finland has been very high - e.g. in 1975 it was 31.0% of GDP.

These factors have been important in the decades following World War II, but their effect has already partly ceased or is ceasing. The Finnish economic development can no longer build on them to any significant extent in the future.

Prevailing problems

Among Finland's most important economic problems may be mentioned:

- The slow-down in economic growth. In the period 1975-77 there was virtually no growth in the GNP at all. In 1978 the growth in the GNP was 1.4%. Although the growth in 1979 will probably be about 7%, future growth is expected to be appreciably slower than in the 1960's and at the beginning of the 1970's.
- Large fluctuations and cyclical sensitivity in economic activity. Because the structure of the Finnish economy is still rather one-sided, and because Finnish companies are marginal suppliers of some bulk products, cyclical fluctuations in the economy are sharp (see the previous point).
- Unemployment. In January 1978 the number of unemployed was almost 200,000, i.e. 9% of the labour force. In January 1979 the figure was about the same. By October 1979 the situation had improved, but the number of unemployed was still 126,000, 5.6% of the labour force. Unemployment is expected to continue to be a difficult problem in the future.
- The profitability and financial structure of enterprises. This has been unfavourable, especially in the latter part of the 1970's. In 1973, company income after interest and taxes but before depreciation, was a modest 9.2% of debt; in 1974 the proportion was 12.1%. But the figures for

1975-77 were distinctly lower. In spite of improvement, in 1978 and 1979, the long-range forecasts for profitability and financial structure are unfavourable.

- The balance of trade and of payments on current account. The Finnish balance of trade in the 1970's has generally been strongly in deficit. The years 1977 and 1978 were exceptional; because of very low investment the balance of trade and of current account showed a slight surplus. But in 1979 both are likely to show a deficit again.

These points should be sufficient to show that the problems of the Finnish economy are increasing when compared with the 1960's and the beginning of the 1970's. To a considerable extent they reflect the vitally important phenomenon in the economy, i.e. the development of international competitiveness and the difficulties that Finland is likely to meet in this respect.

There have been some slightly favourable factors, such as the somewhat slower rate of inflation (7.6% in 1978 and about 8% in 1979 according to the consumer price index). These are not, however, sufficient to alter the general picture of the problematical development for Finland's ability to compete on the international market.

New threats

In order to build up an industrial strategy that would help to improve the country's (Finland's) international competitiveness, it is necessary in the first place to analyze the factors, and in particular the changes in the world economy that directly affect the Finnish economy.

The important general factor on a world scale is the swelling pressure from many countries to get a considerably higher standard of living and to achieve a "new deal" in the world economy.

The most important factors that directly threaten the Finnish economy may be grouped as follows:

- the low costs of raw materials and/or labour in some competitor countries
- the increasing need for giant capital investments
- the increasing need for enormous human resources
- the pressure on the marginal supplier

It can be seen in the world economy that some industries are being faced with a new situation. This is partly because some newly industrialized countries are in many cases becoming powerful competitors of the industrialized countries.

The forest industry is very important to Finland. Its share of total exports in 1978, for example, was 42.7%. The Finnish forest

industry suffers particularly from the problem of raw material costs. The forest industry has now to compete with countries like Brazil, where the factory price of wood may be only 40-50% of the Finnish price. The exploiting of tropical forests poses a threat to the Finnish forest industry, especially in the manufacture of bulk products.

In addition the United States and Canada, whose raw material prices are also only about 50% of Finland's, have to an increasing degree become competitors in the mass production of some forest industry products.

Again, the low labour costs of certain countries cause difficulties for Finnish firms in international competition. Some of the newly industrialized countries, where the wage level is one fifth to one third of Finland's, have become a threat as manufacturers of products in, for example, the mechanical engineering industry and the textile industry. It is neither possible nor feasible for Finnish companies to attempt to compete in the production of some bulk products for world trade with these countries.

The size of capital investments is also becoming a problem for the Finnish economy. The endeavour to minimize unit costs through economies of scale has increasingly led to the building of very large plants. The amount of capital required by some industries to build competitive plant may run to billions of dollars. Finland has only quite limited scope for building plants on this scale.

The growing need for human resources must also be taken into account. If the demand for certain products is large in the world economy, the big industrial countries and their big enterprises can spend such enormous sums on research and development that not even Finland as an entirety could concentrate such a volume of human resources. Since the significance of the knowledge input is constantly growing, this means that a small country and its enterprises will have difficulty in competing on the world market as a manufacturer of products which require a very big research and development input.

As has already been said, the fact that in some industries Finnish companies are, because of their small size, only marginal producers with a very limited influence on the market, also creates a problem for the Finnish economy. In such cases the companies must also content themselves with marginal prices and are susceptible to the big cyclical fluctuations already referred to.

From what has been said above it can be concluded that Finnish enterprises, when continuing their traditional activities, will face increasing difficulties in the international competition. They are able less and less to compete successfully in mass production of the "big" articles of world trade, if there are no specially favourable factors.

Conclusions must be drawn from the changed and changing situation, and an industrial strategy and a new Finnish industrial role should be developed to match the changed and changing international circumstances.

New opportunities

In developing a Finnish industrial strategy, opportunities require attention as well as threats. We can even ask whether an apparent threat can be considered as a new opportunity. It is obvious that as, for example, some Far Eastern countries and Brazil become a threat to Finnish industry, those countries may, with the rise in their standard of living and the increase in demand, offer new markets for the export of Finnish products. But this process of development takes time.

Among the opportunities, special attention should be given to the huge shifts of purchasing power that have occurred on an international scale. An example of this is the rise in the price of oil and the consequent shift in purchasing power to the advantage of the OPEC countries. But other shifts require attention also, and new opportunities should be utilized.

In developing an industrial strategy we should also ask ourselves whether changes in needs can be observed within various countries, causing shifts towards demand for certain products or services (e.g. the need for security). Since the economic growth in the world will apparently proceed rather slowly, and the qualitative growth will become important particularly in the industrialized countries, there will probably be shifts in demand towards certain services (e.g. educational and health care services).

The share of Finnish foreign trade in the GNP is considerable (30.7%). For this reason all the development trends and opportunities to be anticipated in the western market economy countries, the CMEA countries, the OPEC countries, the developing countries, etc must be taken into account. Even relatively small marginal changes in the world economy can play an important role from the viewpoint of a small country.

Foundations of the strategy: comparative advantages

A Finnish industrial strategy can be built on the comparative advantages that Finland and its enterprises have vis-à-vis other countries. These comparative advantages may include:

- natural resources
- location
- relations
- knowledge and know-how

Natural resources. Finland has a fair amount of natural resources, e.g. forests (as mentioned before 217,000 km²) and minerals (of which the most important are iron, copper, zinc, nickel and chrome). The area of the country, 337,000 km², is large in relation to the population of 4.7 million. Of the total area, 31,500 km² is in the form of lakes.

All these resources should of course be utilized. Finland's natural resources should be considered, however, only as a starting point. They have indeed some importance as such, but natural resources alone are not sufficient to guarantee the country's economic development.

Location. Finland's location by the Baltic Sea in a partially Arctic region with the Soviet Union, Sweden and Norway as neighbours may offer comparative advantages, too. Naturally there are disadvantages in Finland's remote and northern location as well, but attempts should be made to minimize these.

The proximity of the Soviet Union, Sweden and Norway represents a considerable demand, and may offer opportunities not only for the export of consumer goods, but also for the export of certain products that are heavy and difficult to transport. The proximity offers good opportunities for project export also.

In spite of the disadvantages of arctic conditions, they can also provide a testing ground for the developing of considerable comparative advantages. We shall return to this question later.

Relations. Finland has quite unique international relations. They have been built up with the western market economy countries, as well as the East European socialist countries, with the developing countries and the OPEC countries. These relations can offer a host of comparative advantages for the developing of a new strategy, not least in the form of various large projects. Joint projects in particular may prove of importance.

An especially noteworthy factor for development is Finland's good relations with the Soviet Union. The opportunities for Finnish enterprises to compete on the Soviet market with the enterprises of the big industrial countries may dwindle in the course of time in traditional trade. But e.g. scientific and technological cooperation between the two countries may offer new opportunities for Finland and advantages that the large industrial countries, for example in certain projects, are unlikely to achieve at least very quickly in the future.

The developing countries will also clearly prove important to Finland in the long run. It is easier for a small neutral country like Finland to gain advantages in trade with the developing countries than for some large countries and their enterprises.

Knowledge and know-how. The fourth and most important comparative advantage that can be developed is know-how. We should not forget e.g. the developing of the Finnish forest industry. But here as in some other industries a new strategy is required, depending far more than previously on know-how and its developing, not only in manufacturing but also in marketing and financing and especially in management.

Among the key questions in the developing of know-how is selection and concentration, i.e. seeking the focal directions and areas where resources should be concentrated when allocating them.

In building a Finnish industrial strategy it is of course necessary to exploit economies of scale whenever it is possible and feasible. It is equally clear too that large units are needed, especially as a frame for industry.

But what is decisive is not the size of production or the enterprise as such. More important may be the relation of the size to the market demand. For a small country like Finland it may often be an advantage that the demand for a product on the world market is not very large. Nevertheless, it may be enormous in proportion to the resources of Finland and her enterprises.

Instead of the "big" products of world trade requiring very large scale in production, Finnish firms should to an increasing degree discover niches in the international market where being small is at least not a disadvantage. The know-how capacity, as well as the material capacity, of a small country concentrated on these segments may here prove sufficient.

The manufacturing of radio sondes (a line in which Finland is an important producer) may according to this way of thinking be better justified than the manufacturing of radios. Developing an industrial strategy based mainly on small size is extremely important for countries like Finland.

In this article the concept of know-how is interpreted very broadly. We are concerned not only with technology, but also for example with marketing, financing, management and administration. For example innovations for the reduction of bureaucracy, in which field small countries are evidently in a better position than big ones, may be as valuable as technological innovations. A relatively stable but flexible administrative system, and even a taxation system - both of which should also be the objects of know-how development - may offer comparative advantages to a small country like Finland.

Characteristics and targets

We may think of a Finnish industrial strategy built up on the above-mentioned comparative advantages (natural resources, location, relations and know-how). The characteristics of this strategy and its general aims can be outlined as follows:

- Making use of small size. One starting point is that economies of scale should be exploited whenever possible. But Finland's limited resources set considerable limitations here. Therefore, alongside economies of scale, it is necessary to utilize and develop all the possible advantages offered by small size. Quick changes in the world economy, flexibility, various disturbing factors, labour relations, etc have begun to speak in favour of smallness. It is important to take advantage of this trend.

To what has been said above, is linked the target of finding niches in the world market where the enterprises of a small country can become an important supplier in proportion to the demand.

- International orientation. International orientation as a characteristic and a target means in the first place that events in the world economy must be taken into account more than formerly in the country's internal decisions. However, international orientation does not only mean considerably increased export efforts, but in particular increased participation in international operations. One characteristic feature and target of the new industrial strategy is a more internationalized and market-oriented Finnish economy.
- Emphasis on quality and originality. It is obvious that competition between the industrial countries is becoming more and more a quality competition. Small countries like Finland should therefore compete more with quality based on know-how than with quantity, and thus try to achieve higher prices. One of the key factors here may well be originality. Therefore e.g. original Finnish design could be further exploited on the world market.
- Flexibility and active adaptation. Sudden changes in the world economy demand flexibility and ability to adapt of the whole country's economy and its individual parts, and especially of enterprises. Flexibility and active adaptation mean such things as the ability to react quickly to changes abroad, to re-allocate resources, and in general to increase both mental and material flexibility.

- Selectivity and concentration. As has been mentioned above, Finland's limited resources force the country to concentrate its efforts, to find focal directions and objects. Selectivity can mean selection of e.g. products, customers and market areas. A small country and its enterprises cannot make everything for everybody and everywhere.

- Increasing cooperation. Because Finnish resources are limited, more cooperation within the country is required in order to meet international competition; this includes cooperation between the state, enterprises and various interest groups. But especially in those industries demanding a big knowledge and know-how input, it is necessary to aim at more cooperation on an international level also with other countries and enterprises.

Finland a sub-contractor?

The question is sometimes asked whether the development in the world economy is such that Finland's role in it will be to act as a sub-contractor for the big industrial countries.

So that small industrial enterprises in particular are able to meet international competition, they often specialize in a few products (even in one product) and drop, or reduce to the minimum, certain functions, e.g. marketing and even purchasing. In the last analysis these firms are then left with only a manufacturing function in a very narrow field.

Taken to the extreme it is possible to envisage a strategy according to which the majority of Finnish firms would be acting as sub-contractors to the big industrial countries and their enterprises.

There would be some advantages in such a strategy. Through specialization in a few products (in one product) and mainly in manufacturing even small Finnish firms could achieve low production costs, offer employment and operate very flexibly.

The disadvantage, however, for the country as a whole and for the industrial strategy, would be that the development of know-how would be limited to very restricted areas, and would in addition require only the knowledge and skills directly and in the first instance involved in the developing of manufacturing.

Another considerable disadvantage would be that the majority of Finnish firms, in their role of sub-contractors, would be directly dependent on decisions made outside the country. This would mean that the development of management know-how would

take a back seat in Finland and be restricted to a very narrow sector. The same would be true, for example, of marketing and financing know-how.

In building up an industrial strategy for Finland it is clear, in my opinion, that it is necessary to utilize, especially with regard to small firms, the advantages that sub-contracting offers. On this we can indeed build the Finnish industrial role, but only in part. The aims of a Finnish industrial strategy should be more demanding.

It is important that activities could be developed for Finnish enterprises that involve more developed management, marketing and financing functions, and that are directed by the Finnish firms themselves. This by no means implies that we should exclude benefiting from the division of labour and outside services in cases where it is possible to achieve definite advantages. But it is also important to develop Finnish enterprises as principals with their own network of sub-contractors, though understandably these would generally operate in narrow sectors of the world market.

Key measures

Problems often mentioned as important in Finnish economic policy include productivity, development in the labour market and jobs, restraining inflation, reducing emigration, various taxation questions etc. All of these are undeniably important. What follows, however, is a rather different kind of analysis.

To build up an industrial strategy as a whole the necessary key measures for its implementation can be classified into four main groups:

- stimulating entrepreneurship and work motivation
- increasing mobility and reallocating resources
- developing knowledge and know-how
- speeding up internationalization

Each group includes a large number of varied measures. To carry out these measures and implement a Finnish industrial strategy requires the contribution of several parties: the state, enterprises, interest groups, financial institutions etc.

Stimulating entrepreneurship and work motivation

Energy questions are important in all economies, including the Finnish economy. Without going into the important question of physical energy, it should be emphasized that the energy question is of top priority in the mental sense, too.

Entrepreneurship, like work motivation, is as important an energy source for society as physical energy. Many countries may be faced in the near future with the threat of a real energy crisis from the weakening of entrepreneurship and work motivation. For this reason this mental energy in the form of entrepreneurship and work motivation requires considerable attention in industrial strategy.

Special emphasis should be given to the achieving of structural changes that will encourage entrepreneurship and work motivation and reduce the disadvantages of, for example, bureaucracy and discouraging taxation. This demands, however, a new attitude, which means that work motivation is considered as important a factor in taxation as the traditional financial aspects.

For the motivation of employees in order to implement the Finnish industrial strategy, the development of industrial democracy is vital. Taken as a whole, the improvement of work motivation requires both financial incentives and social incentives, and also opportunities for the individual to fulfil himself. The successful implementation of industrial democracy may be very important when creating successful industrial strategy and trying to achieve comparative advantages.

Increasing mobility and reallocation of resources

Discovering new lines in the developing of a Finnish industrial strategy and shifting to them requires both mental and physical mobility. It is vital that top management in particular is sufficiently mobile to be capable of seeing new opportunities, reallocating resources, or even changing industry. At the same time efforts should be made to stop the ever spreading neo-mercantilism reducing mobility in the economy.

The developing of new business ideas and of business strategies is obviously of key importance. One trend that can be observed is that business ideas in the future may in the first instance be more than previously based on needs rather than production factors.

Investments and investment decisions are highly significant in the reallocation of resources. The investment policy of Finnish companies has been rather conservative, but on the other hand they have taken considerable risks in financing.

For the implementing of a Finnish industrial strategy it is obvious that a change is required: calculated risks should be increasingly taken in capital investments, but risks in financing should be reduced in such ways as increasing the share of equity. The question is thus of restructuring investment and financing policies, and achieving new policies which stimulate the shift to new industries, new products and new areas.

The development of automation is especially involved in the taking of calculated risks. Automation is, in my opinion, vital for a Finnish industrial strategy. But it can be compared with risky investments, demanding a new kind of risk management and also a new approach to evaluation. The key question from the viewpoint of automation and unemployment is the competitiveness of industry and the whole economy.

Education is also important for mobility and reallocation of resources. For this to be properly taken into account in education policy, there needs to be a shift in the focus of education towards further training and re-training. The idea of life-long education is getting more emphasis than so far.

Development of knowledge and know-how

To implement a Finnish industrial strategy, the increasing of knowledge and know-how is essential. Not only is the volume of the research and development important, but also the integration of know-how and the focal areas towards which the research and development input should be directed.

The expenditure on research and development in Finland in the 1970's has been about 1% of the GNP. It is clear that in order to implement the industrial strategy outlined, it is necessary to increase this input so radically that the proportion is at least doubled in the 1980's. But much else is needed also.

For Finland to make her way in the world economy, we need in the first place competitive "know-how packages". These can include an integration of know-how for selected industries, needs, customers, geographical areas etc, and alongside technological know-how there should be more developed marketing and financing know-how, with management know-how in a really central position.

The most difficult problem is selecting the objects on which to concentrate the development of knowledge and know-how. It is often thought that there are certain industries that are growing and promising and should therefore be developed. In Finland among these have been mentioned e.g. the electronics industry and the mechanical engineering industry, and it is felt that the country's industrial policy should aim at developing them. According to this way of thinking some other industries, such as the forest industry, have on the other hand been considered less attractive.

This kind of thinking is, however, much too simple in my opinion for a Finnish industrial policy and strategy. The search for growing industries may indeed be a challenge, but this as such is hardly the key question.

The key question for the numerous industries and enterprises within the Finnish economy, both the fast and the slow growing, is - as has been said - to seek out our own narrow segments or niches, for which by concentrated effort internationally competitive and profitable know-how can be developed. The emphasis of the development efforts can as well be on a company as on an industry.

For an example of such segments, let us think of all the know-how connected with the forest. This includes not only wood processing, but all the know-how involved in silviculture, transportation, marketing, machinery and equipment, various systems etc in connection with forest and forest industry.

For another example let us consider the development of know-how connected with working and living in arctic conditions. It is good to remember that much of the hidden wealth on our globe is to be found in Siberia, in the cold parts of Canada and in Alaska. With this in mind very valuable know-how can be developed based on Finland's partly arctic location.

The ice-breaker or the oil rig operating in arctic conditions are existing examples of the achievements of Finnish industry in this field. And the choice of objects for know-how development I have outlined is also dictated by the fact that Finland will not need to compete too much with the big industrial countries in them. These two cases are examples only. Many more are naturally needed.

The developing of cooperation is especially important in the field of knowledge and know-how. A small country like Finland should not try to go it alone only in developing expertise, but should selectively also buy foreign technology and know-how. One way of obtaining it is to encourage high technology industries to invest in Finland.

Speeding up internationalization

One general aim of a Finnish industrial strategy should be developing Finland from a semi-industrialized country processing raw materials to a knowledge-processing country that is clearly market-oriented and internationalized.

For the Finnish economy to become more internationalized we need not only traditional trade but also more international

operations. This in turn requires considerable expenditures on economic bases abroad and the training of personnel for international tasks.

In developing internationalization as part of Finnish industrial strategy, it is important that the expenditures on internationalization are not considered as expenses but as capital investments just as much as are expenditures on machinery and equipment. If one accepts this idea, expenditures on internationalization can be correspondingly increased.

A shift from exporting to more international operations requires considerable structural changes both in enterprises and in public administration. For this reason companies, for example, are supposed to make large organizational changes for internationalization to occur rapidly and successfully.

Internationalization also demands a number of measures to promote cooperation between Finnish companies, as well as between them and government. On the other hand cooperation between the Finnish and foreign companies and authorities will be necessary. In big joint projects, for instance, cooperation of this kind is becoming increasingly important. This development involves numerous functions: manufacturing, research, product development, training, marketing, financing etc.

International orientation is not, in my opinion, in conflict with Finland's national features and does not exclude them. Finland and Finnish firms may best bring their own contribution to the variegated international economy when this contribution is original, even unique, and there is a demand for it.

Management and its development

Management has undoubtedly an important position in the implementing of a Finnish industrial strategy. Consequently the developing of management merits especial attention. Management may be the engine or the brakes of Finnish industrial strategy, depending on the developing of management.

In connection with the key measures discussed above, special attention in developing management should be given to the following themes: entrepreneurship and work motivation, mobility and reallocation of resources, integration of knowledge and know-how and internationalization.

In this connection we should remember the old saying that it is not only important to give the right answers to the questions, but still more important to ask the right questions. This applies especially to management development in small countries like Finland.

The developing of products and services that are of high quality and original, that are in international demand and are in fact unique, can only be achieved by management that has these qualifications itself.

Strategy as a whole

The above is a brief outline of a Finnish industrial strategy that would take into account the facts and the trends outside the country in the world economy. Another key starting point is that the country itself, in this case Finland, the state, enterprises, interest groups, and in the last analysis the Finnish people, can by their own active measures vitally affect the development of their economy.

In order to successfully implement a Finnish industrial strategy, numerous measures are required from the parties concerned. The better they dovetail together and lead in the same direction, the better are the chances of success. For this, it is important that the majority of the people can accept the direction and is willing to go in that direction. But to know what this direction is requires the outlining of a general industrial strategy.

It is obvious that in various countries, including Finland, it is vital to the implementing of an industrial strategy to develop new mechanisms and forms of cooperation between the state, enterprises, interest groups etc. On the developing of this cooperation may fundamentally depend the total result achieved in implementing a country's industrial strategy.