

# FIELD GUIDE

TO

FINLAND

JYU Reports 10

Editors Klaus Ilmonen & Panu Moilanen



# THE POLITICAL ANALYST'S FIELD GUIDE TO FINLAND

Edited by  
Klaus Ilmonen and Panu Moilanen

JYU Reports 10

Copyright © 2021 by the authors.

Published by the University of Jyväskylä, Finland

Permanent link to this publication: URN <http://urn.fi/URN:ISBN:978-951-39-8931-6>

ISBN 978-951-39-8930-9 (print)

ISBN 978-951-39-8931-6 (PDF)

ISSN 2737-0046

DOI 10.17011/jyureports/2021/10

Cover art by Sanna Ahola

Taittopalvelu Yliveto Oy



This work is licensed under a Creative Commons Attribution 4.0 International License (CC BY 4.0).

# TABLE OF CONTENTS

	Contributors.....	5
I	Introduction..... <i>Klaus Ilmonen and Panu Moilanen</i>	9
II	Finland in Context – Beyond the Statistics..... <i>Klaus Ilmonen</i>	12
III	Complexity and Resilience..... <i>Panu Moilanen</i>	44
IV	Success Against the Odds: Development of the Finnish Economic Environment..... <i>Maiju Wuokko, Aaro Sahari and Niklas Jensen-Eriksen</i>	58
V	The Evolution of the Political Environment ..... <i>Niklas Jensen-Eriksen, Aaro Sahari and Maiju Wuokko</i>	72
VI	System Level Resilience: The Role of Welfare State Accountability..... <i>Matilda Hellman and Anna Alanko</i>	84
VII	Media and the Information Environment: There Is No such thing as Nordic Exceptionalism..... <i>Olli Seuri, Hannu-Pekka Ikäheimo, Antto Vihma and Jarno Hartikainen</i>	103
VIII	The Security Environment ..... <i>Charly Saloniemi-Pasternak</i>	126
IX	Case Study: Finland as a Target of Russian Information Influence..... <i>Martti J. Kari and Riku Hellgren</i>	155
X	Case Study: The Covid-19 Pandemic in Finland ..... <i>Klaus Ilmonen and Matilda Hellman</i>	173
XI	Projections for the Second Century of Independence ..... <i>Klaus Ilmonen</i>	181
XII	Conclusions – Building Resilience..... <i>Klaus Ilmonen</i>	188
	Finland Fact Sheet.....	190



# CONTRIBUTORS

*Anna Alanko*, PhD, is a postdoctoral level researcher who works as the coordinator of the University of Helsinki Centre for Research on Addiction, Control and Governance (CEACG). Her main research interests are mental health and the welfare state and the connections between them. In addition, she coordinates the activity of the research group hosting various research projects on addiction, gambling and their social and political context. She has been a visiting scholar in the Institute of Futures Studies, Stockholm, Sweden and the University of Lund, Sweden.

*Jarno Hartikainen*, MA, is a business journalist at Helsingin Sanomat, where he covers energy sector, climate policy and green transition. Previously he has worked as a Brussels correspondent covering EU policy. He is a co-author of a popular non-fiction book *Totuuden jälkeen – Miten media selviää algoritmien ja paskapuheen aikana* [*Post-Truth – How Media Survives in the Era of Algorithms and Bullshit*] (Teos, 2018).

*Riku Hellgren*, M.Sc (Military Science) and officer in the Finnish Defense Forces. He studies in the Master's Degree Programme at the University of Jyväskylä (Security and Strategic Analysis). His area of interests include Security Policy as a whole, Russian Foreign Policy and the Russian Armed Forces. He is currently writing his Master's thesis about Russian Information Warfare.

*Matilda Hellman*, PhD, docent, works as Research Director at the Faculty of Social Sciences, University of Helsinki. She leads a research group that is concerned with societal questions pertaining to social and health policies, addiction and mental health. Hellman is editor for several scientific journals and has a continuous affiliation as adviser to the World Health Organization. In 2018-2019 Hellman was visiting scholar at Harvard University.

*Hannu-Pekka Ikäheimo*, DSocSci, works as a specialist at the Finnish Innovation Fund's foresight and insight team. In recent years both his work and research interests have focused on the recent changes in the information environment. He is a co-author of a popular non-fiction book *Totuuden jälkeen – Miten media selviää algoritmien ja paskapuheen aikana* [*Post-Truth – How Media Survives in the Era of Algorithms and Bullshit*] (Teos, 2018). In his doctoral dissertation Ikäheimo studied Finnish EU journalism.

*Klaus Ilmonen*, LL.D., LL.M., is an attorney in private practice and a professor of practice at the Hanken School of Economics in Helsinki. His research is focused on the political aspects of corporate law and corporate governance. His practice focuses on corporate and capital markets transactions of listed companies. He holds a doctorate in law from the University of Helsinki, a LL.M. degree from Columbia University and has been a visiting researcher at Harvard Law School. He has been deployed as an officer with Finnish forces in Afghanistan, among other.

*Niklas Jensen-Eriksen*, Ph.D., is the Casimir Ehrnrooth Professor of Business History at the University of Helsinki. He has two Master's degrees from the University of Helsinki (History and World Politics) as well as a Ph.D. from the London School of Economics and Political Science (Economic History). Jensen-Eriksen has led a number of research projects and has written and talked widely on the history of Finnish forest industries, government-business relations, cartels, competition policy, regulation, international political economy, labour markets, Cold War and the business history of media for both academic and general audiences. He is also the Chairman of the Finnish Economic History Association.

*Martti J. Kari*, PhD, Colonel (retired), is a teacher at the University of Jyväskylä in Finland. He teaches strategic intelligence and intelligence analyses in the Master's Degree Program in Security and Strategic Analysis (University of Jyväskylä) and hybrid threats and security in the university summer school. His research interests include Russia, hybrid threats, cyber and influence operations.

*Panu Moilanen*, Dr.Sc. (Econ), M.Sc. (Sport Sciences) is a Senior Lecturer at the University of Jyväskylä, Finland. He is also the programme head of the Master's Degree Programm in Security and Strategic Analysis (University of Jyväskylä) and a Training Manager (Information and Cyber Security) at the National Defence Training Association. Currently, his research interests include influence operations, trust, resilience and Finns' willingness to defend.

*Aaro Sahari*, PhD, is a researcher focused on corporate and social relations as well as issues related to cultural heritage. In his dissertation, Sahari studied Finnish war reparations and technology policies. Later he has researched labour relations related to the recession of the 1990's, societal crisis rhetoric, Eastern trade and the public image on Finnish industry.

*Charly Saloniuss-Pasternak* works as a Senior Research Fellow at the Finnish Institute of International Affairs. His work focuses on international security issues, with a

regional focus on Nordic and transatlantic security (including NATO), as well as U.S. foreign and defense policy. Thematically he focuses crisis management / peacekeeping and the impact of technology on security, including the development of warfare.

*Olli Seuri*, DSocSci, is a postdoctoral researcher affiliated with the Faculty of Social Sciences in Tampere University. In recent years he has focused on a variety of issues related to journalism and its boundaries in the hybrid media environment. His doctoral dissertation was on journalistic history-making. Seuri is also an award-winning journalist, and he has previously worked as a Professor of Practice in journalism (2019–2020) at the Faculty of Information Technology and Communication Sciences at Tampere University. His latest monograph is an interview guidebook *Avoin kysymys – Haastattelun käsikirja [Open Question – A Handbook of the Interview]* (Vastapaino, 2020).

*Antto Vihma* works as a Research Professor at the Finnish Institute of International Affairs. His research interests include International Relations (IR), political theory and policy analysis. Vihma has published in leading academic journals including *International Affairs*, *Geopolitics* and *Global Environmental Politics*. His latest monograph, *Nostalgia: Teoria ja käytäntö (Nostalgia: Theory and Practice)* (Teos, 2021), tackles nostalgia in contemporary politics and culture. Vihma is also the author of several widely cited policy briefs.

*Maiju Wuokko*, PhD, is University Teacher of Contemporary History at the University of Turku, Finland. Her research focuses on the history of business interest associations, business political activity, industrial relations, and employer policies.



# I INTRODUCTION

*Klaus Ilmonen and Panu Moilanen*

The institutions of Western democracies have not been as robust as expected in the face of the economic and political volatility of the past decade. The checks and balances of democratic systems have proven insufficient as economic turbulence has gone hand in hand with a polarization of society and with the emergence of populist regimes. Democracy itself seems to be on the defensive.<sup>1</sup> It seems more important than ever to further our understanding on the vulnerabilities of modern society and how its institutions can be affected by increasing political pressures. In response to these trends, there has been an increasing interest in the resilience of society to current and future challenges in various governmental reports, but also in scholarly research.<sup>2</sup>

This handbook is intended to serve as a contribution to the analysis of political vulnerabilities and resilience in Finland. The study is intended to raise awareness and debate on the dynamics and vulnerabilities of our society so that we can continue to develop the resilience of our institutions in a volatile world. Previous studies of resilience in Finnish society have largely focused on the functioning of public authorities – and have in many cases reflected an internal perspective to developing resilience by government.<sup>3</sup> This handbook seeks to take an external perspective to the dynamics of the development of key elements of Finnish society. It identifies vulnerabilities and strengths in key areas of Finnish society and seeks to consider them from the perspective of a critical outside observer.

Finland has enjoyed decades of stable development and may appear as a prime model of the Nordic welfare state. However, this study has originated in the observation of apparent contradictions in Finnish policies and a perceived lack of transparency of Finnish policy processes. Finnish policies and political processes have been subject to varying degrees of external influence – especially during the cold war period. Finland also has a corporatist history as regards economic and industrial structures that has affected legislative and domestic policy processes<sup>4</sup>.

---

1 “Democracy’s Retreat”, *The Economist*, 51-53; see also Kurlantzick, *Democracy in Retreat*.

2 Chandler, *Resilience: The Governance of Complexity*

3 Ministry of Finance, “Uudistuva, vakaa ja kestävä yhteiskunta, Valtiovarainministeriön virkamiespuheenvuoro”.

4 Lehto, “Elinkeinoelämän kelkka kääntyi täysin.”

This handbook is written for persons who are interested in Finland in a professional capacity – foreigners and Finns alike. The book is intended to give a snapshot of Finland behind the sometimes overly simplified headlines and statistics. The book is not intended as a comprehensive introduction to Finnish society; nor is it intended to discuss Finnish phenomena at an introductory level only. Instead, it will endeavour to make selected reviews of social, economic and political dynamics of our society for the reader to have a better understanding of the workings of our country.

As an introduction, the handbook first seeks to give appropriate context to assessing Finnish society in terms of vulnerability and resilience. Finland has excelled in international rankings and in statistics related to key elements of developed societies, such as educational matters, safety and general contentment of the population. The handbook looks beyond these statistics and seeks to provide relevant context for them to present a fuller picture of Finnish society, before discussing the concept of resilience in a Finnish context. The handbook then turns to different aspects of society and, in separate chapters, considers the vulnerability and resilience of the Finnish economy, the political system, the development of the welfare state, the security environment and the media and information environments. The handbook then provides short case studies regarding external hybrid influencing in Finland (vulnerability) and the management of the Covid-19 crisis (resilience). The concluding chapters of the handbook include a discussion on how current trends are affecting the path of Finnish society and contemplates possible future scenarios for the country before brief concluding remarks. In this respect, the handbook emphasizes the importance of increased awareness of the drivers underlying societal cohesion and calls for a better understanding of the elements that support societal resilience in rapidly evolving global environment. The study is a joint project of researchers from different academic institutions in Finland with a common interest in promoting a better understanding of the dynamics of Finnish society. The handbook has been published by the University of Jyväskylä.

The editors wish to thank the University of Jyväskylä for taking interest in the project and the Foundation for the Support of National Defence (Maanpuolustuksen kannatussäätiö) for its support for the publication of the handbook. The assistance of the knowledge management function of Hannes Snellman Attorneys Ltd. is also acknowledged with thanks.

## Bibliography

Chandler, David. *Resilience: the Governance of Complexity*, Routledge, 2014.

“Democracy’s Retreat”, *The Economist*, June 16, 2018, 51-53.

Kurlantzick, Joshua. *Democracy in Retreat*, Yale University Press, 2014.

Lehto, Tero. “Elinkeinoelämän kelkka kääntyi täysin: Tiedustelulait eivät haittaa bisnestä – Ruotsin malli onkin hyvä” [The Business Community Changes Makes a Complete Turn – the Intelligence Laws do not Harm Business – The Swedish Model Works], *Tekniikka & Talous*, April 20, 2017. <https://www.tekniikkatalous.fi/uutiset/elinkeinoelaman-kelkka-kaantyi-taysin-tiedustelulait-eivat-haittaa-bisnesta-ruotsin-malli-onkin-hyva/4225c0d0-3748-3d3b-b4cd-bdfb9fde3261>.

“Uudistuva, vakaa ja kestävä yhteiskunta, Valtiovarainministeriön virkamiespuheen-vuoro” [A Self-Renewing, Resilient and Sustainable Society, Contribution by the Officials of the Ministry of Finance], *Ministry of Finance publications* 2019:11 (Spring 2019). <http://urn.fi/URN:ISBN:978-952-251-992-4>.

## II FINLAND IN CONTEXT – BEYOND THE STATISTICS

*Klaus Ilmonen*

*Finland has excelled in statistical and international rankings related to key elements of developed societies, such as educational matters, safety and the general contentment (or happiness) of the population. It is important, however, to look beyond these statistics for a relevant context and fuller picture of contemporary Finnish society. This provides a basis for a political analysis of vulnerabilities and resilience in Finland.*

### Introduction

This handbook approaches Finland from an external perspective – much like that of an analyst tasked with reporting on Finnish circumstances and policies. This approach can be useful for identifying key characteristics of Finnish society – strengths, weaknesses, opportunities and threats – which serves in developing the resilience of Finnish society overall; and this, of course, is the real aim of the book.

This introductory chapter will first briefly set Finland in a relevant context – identifying some key reasons for considering the dynamics of Finnish society from an external perspective. The chapter will then move to describe the methodology for the study.

### *Finland – So What?*

Finland is a small and somewhat remote country with relatively little influence on world affairs, and it might seem reasonable not to take great interest in its affairs. However, during recent years there has been more interest than earlier in studying the countries of the Nordic region, including Finland, in relation to the development and dynamics of the structure of society. Nordic countries have indeed fared well in international comparisons with Finland ranked first in global surveys of happiness<sup>5</sup> and quality of governance<sup>6</sup>, for example. Overall, however, the Finnish experience may

---

5 Helliwell et al., *World Happiness Report 2021*.

6 The Fund for peace, “The Fragile States Index 2020.”

still be more interesting when understood in the context of broader regional developments than as a stand-alone model.

### *The Nordic Region*

There has been an increasing interest towards the Nordic countries and the Nordic welfare models – especially in the era after the financial crisis<sup>7</sup>. The Nordic region has been economically and politically relatively stable over the past decade – even with the emergence of populist political movements. Finland can provide a window into the dynamics of the Nordic model.

In a historical perspective, the Nordic countries may provide interesting case studies in how nations have developed during the 20<sup>th</sup> century. Before this, Nordic countries were long relatively poor in a European context but flourished and developed into strong democracies over the last century, especially in the era after the Second World War. Interestingly, however, Finland is the newcomer of the group as Finland rose to the same levels of growth as its current Nordic peers only a few decades after the war.

The importance of the Nordic region in terms of politics and security is increasing. As volatility is increasing, the small Nordic nations are again turning to each other to seek to form uniform views and policies that can support regional stability. With both Denmark and Norway being NATO members, and Finland and Sweden having developed models for closer cooperation with NATO, this development is not without interest.

### *The European Union*

Finland has been an EU member since 1995 and has sought access to the EU core with, among other, Eurozone membership and participation in the Schengen agreement. As a small country, Finnish influence in the EU is limited, but its positions may be of some interest in the EU context nevertheless. For example, alignment of Finnish positions on matters of foreign policy critical to the EU may be of interest. Finland can function as a test case of EU cohesion and how EU alignment can be tested or challenged.

### *“Russia, Russia and Russia”*

From a geopolitical perspective, the regional environment of Finland is dominated by its closeness to Russia. Indeed, a Finnish minister of foreign affairs was asked during a visit in the United States what the three challenges of Finnish foreign policy were and

---

7 “The Next Supermodel – The Nordic Countries,” *The Economist*.

he listed them as “*Russia, Russia and Russia*”<sup>8</sup>. Over recent years, the development of the regional security environment in the Baltic Sea region has been of some concern. The region has become a part of the perceived borderline between Russian and Western areas of influence reaching from the Arctic to the Black Sea<sup>9</sup>. The Baltic Sea region has become more operationalized.

The location of Finland in relation to Russia’s interests and its access to the Baltic Sea region is interesting from a regional security perspective. Finland shares a 500 mile land border with Russia, and has a long shore line on the Gulf of Finland along the sea route to St. Petersburg from the Baltic Sea. Finland and its neighbouring countries can together project regionally relevant security power. Thus Finnish security capabilities and policies are not wholly without interest.

While Finland is located next to Russia, it has maintained a different economic and political system than its neighbour throughout its independence (albeit its policies having been influenced by Russian interests in varying degrees from time to time). This can make Finland an interesting point of reference with respect to Russian influence in its neighbouring areas. Analysing Finnish policies relevant for Russian interest may therefore be of some interest. The Finnish government’s decision to allow a Russian-backed nuclear power plant project to proceed while supporting international sanctions regimes against Russia at the same time is an example of how Finnish policies are continually being balanced<sup>10</sup>.

### *The Arctic Region*

The geopolitical significance of the Arctic has been increasing as the Northern transportation routes are becoming viable with the effects of climate change. Russia has already laid a marker of its interests in the form of a flag (in titanium) at the bottom of the Arctic Sea<sup>11</sup>. China has also demonstrated an increasing interest towards the Arctic region<sup>12</sup>.

The large area of Finnish Lapland is in the Arctic region, and Finland has much experience of economic development in the region – with its unique characteristics and challenges, including cold weather, lack of diversity in the economy, and remote locations with resulting logistical challenges. Finland is also a member of the Arctic

---

8 Håkämies, “Finland: Similar Yet Different.”

9 Pynnöniemi and Saloniemi-Pasternak, *Security on the Baltic Sea Region: Activation of Risk Potential*; see also Martikainen, Pynnöniemi and Saari, *Venäjän muuttuva rooli Suomen lähialueilla*.

10 Crouch and Spiegel, “Row Deepens over Finland’s Nuclear Plant”; see also Milne, “Russia-backed Finnish Nuclear Plant Faces Further Delay”; see also Pynnöniemi and Saari, *Hybrid Influence – Lessons from Finland*.

11 Chivers, “Russians Plant Flag on the Arctic Seabed.”

12 Feung, Woodhouse and Milne, “China Reveals Arctic Ambitions with Plan for “Polar Silk Road””

Council, despite not having access to the Arctic Sea. With the increasing importance of the Arctic region, Finnish experiences and positions in Arctic matters may be relevant in broader context.

*Historic Timeline*

For long periods of its history, Finland could be seen as a provincial region with simple economic and industrial structures – mainly focused on agriculture and forestry. Yet Finnish history from its declaration of independence in 1917 can be categorized as a success story. The country was able to come together after a civil war and cope with the political volatility of the 1930’s to then face the Soviet Union in war. Post-war industrialization and urbanization occurred late by international comparison, but were largely successful so that Finland had caught up with its Nordic peers in GDP development by the 1970’s. The development of the technology industry brought international standards of business to Finland with Nokia being the ultimate achievement of Finnish success in this regard. In foreign relations, success came with the fall of the Soviet Union in 1989 and Finnish EU membership in 1995. Finland has since been able to build on its relatively stable political environment, a robust export industry and a generally well-educated public. Yet Finland also faces challenges in line with international megatrends, such as weakening demographic developments, regional economic polarization, youth marginalization and unemployment and regional security volatility.

This study is not intended to provide a historical overview of Finland<sup>13</sup>; however, a short historical timeline may serve the purposes of setting historical key events in context.

12 <sup>th</sup> Century	Swedish political and cultural influences emerge in scarcely populated Finnish territories.
1293	Third Swedish crusade to Finland results in the establishment of the Fort of Viborg in Carelia extending Swedish influence eastward.
1596-1597	Rebellion of Finnish peasants against Swedish aristocracy ruling the Finnish territories is crushed.
1640	The first university is established in Finland (The Royal Academy of Åbo).

13 Brief historical overviews are available, for example Karvonen, *Parties, Governments and Voters in Finland*; see also Hjerpe, *The Finnish economy 1860-1985*; see also Klinge, *A Brief History of Finland*.

1713-1721 and 1742-1743	Russian periods of occupation following conflicts with Sweden.
1809	Finland becomes an autonomous Grand Duchy of Russia after conflict between Sweden and Russia.
1860	Finland acquires its own currency.
1863	Finnish diet of estates convened by the Russian emperor - strengthening Finnish autonomy.
1899	Initiatives to Russify Finnish administration by Russian rulers started in Finland.
1906	Parliamentary reform in Finland with common right to vote also extended to women; this occurred after political turmoil in Russia.
1917	Finland declares independence after Russian October revolution.
1918	Civil war is fought between the socialist "Red" faction aided by Russia and Finnish government "White" forces; the White forces are victorious. The civil war caused much resentment and established the basis for political divisions for much of the 20 <sup>th</sup> century.
1929 – 1932	Following depression right-wing populist political movement increases in Finland; it ends in a failed attempt of rebellion in 1932.
1939 – 1940	Winter War against the Soviet Union follows Soviet political and military pressure to secure Finnish territories.
1941-1944	Continuation War against the Soviet Union; Finland operates side-by-side with Germany along the Finnish border with the Soviet Union.
1947	Agreement of Friendship and Mutual Cooperation between Finland and the Soviet Union; the agreement demonstrates the limitations set on Finnish foreign policy and Finnish sovereignty.
1952	The summer Olympics are held in Helsinki
1958 and 1961	Overt Soviet economic and political operations to influence Finnish domestic and foreign policy; these were deemed as reactions to political developments in Finland deemed undesirable by the Soviet leadership.
1975	CSCE summit of world leaders held in Helsinki.

1981	President Urho Kekkonen resigns after a reign of over 25 years due to ill health. He is succeeded by Mauno Koivisto, who was open to the decrease of presidential powers in Finnish politics.
1989	The Berlin Wall falls. During a state-visit, the Soviet leader Mikhail Gorbatshev signs a declaration confirming Finland's status as a neutral state.
1991	Bank crisis in Finland followed by depression; this resulted from a combination of an economic downturn in Europe, the collapse of the Soviet Union (being a key trading partner) and a rapid process of deregulating the Finnish financial sector.
1995	Finland becomes a member of the EU at the same time as Sweden.
2002	The euro is taken into use in Finland.
2009	Financial downturn has a serious long-term effect on Finnish GDP growth; Finland struggles to gain momentum in the economy.
2011	Populist right-wing party obtains over 19% of the votes and becomes the third largest party represented in Parliament.
2017	Finland celebrates its first centennial of independence as the economy rebounds.
2021	Finland emerges from the Covid-19 pandemic relatively unharmed.

## Behind the Statistics

Finland has excelled in international rankings and in statistics related to key elements of developed societies, such as educational matters, safety and general contentment of the population. To celebrate the first centennial of Finnish independence, the Finnish Centre for Statistics published a list of international statistical rankings<sup>14</sup> where Finland had placed well, often being first or among the top few countries in the world. The statistics were indeed impressive, as is Finnish economic and political development over the past decades – even over the past century. The statistical successes have been of some interest on an international level and have sometimes been used to place Finland as a model society. Yet one can and should also look behind the statistics to find the gaps and the remaining soft underbelly of our society – there are always two sides to the coin.

---

<sup>14</sup> Statistics Finland, “Finland among the best in the world.”

## *The Happiest Country in the World*

Finland has enjoyed long periods of political stability and over several years Finland was the best ranked country in the world in the index of fragile states. In 2021 Finland once again ranked as the happiest country in the world based on income, healthy life expectancy, social support, freedom, trust and generosity<sup>15</sup>. For travellers, it was ranked among the safest destinations (but not necessarily the most exciting)<sup>16</sup>.

*Table 1: Fragile States Index*

### **10 Least Failed States 2020, Finland being the least fragile.**

Australia	169 <sup>th</sup>
Luxembourg	170 <sup>th</sup>
Canada	171 <sup>st</sup>
Sweden	172 <sup>nd</sup>
New Zealand	173 <sup>rd</sup>
Iceland	174 <sup>th</sup>
Denmark	175 <sup>th</sup>
Switzerland	176 <sup>th</sup>
Norway	177 <sup>th</sup>
Finland	178 <sup>th</sup>

Source: Fund for Peace, 2020.<sup>17</sup>

*Table 2: Happiest Country Index*

### **Ranking of happiness (average life evaluations) based on the 2020 surveys.**

<b>Country name</b>	<b>Rank by 2020 score</b>
Finland	1 <sup>st</sup>
Iceland	2 <sup>nd</sup>
Denmark	3 <sup>rd</sup>
Switzerland	4 <sup>th</sup>
Netherlands	5 <sup>th</sup>
Sweden	6 <sup>th</sup>
Germany	7 <sup>th</sup>
Norway	8 <sup>th</sup>
New Zealand	9 <sup>th</sup>
Austria	10 <sup>th</sup>

Source: World Happiness Report 2021.<sup>18</sup>

---

15 Helliwell et al., "The World Happiness report 2021."

16 International SOS, "2021 Travel Risk Map."

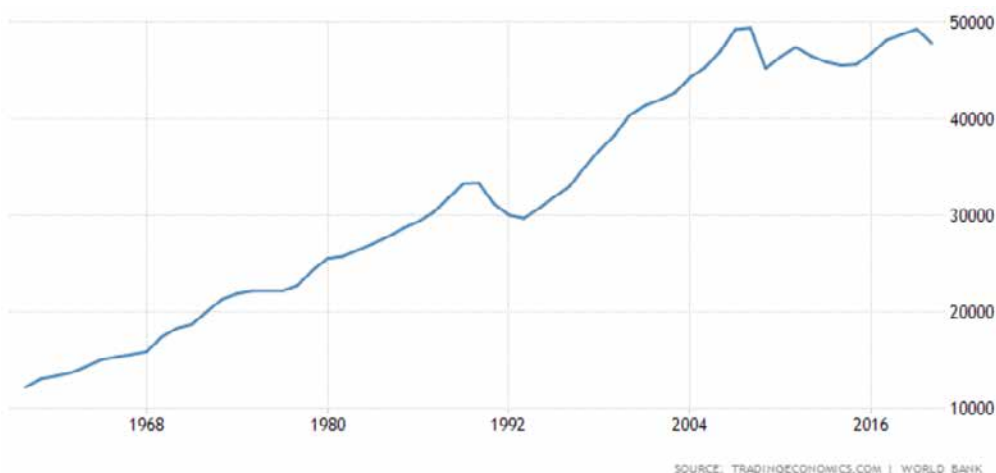
17 "The Fragile States Index 2020."

18 Helliwell et al., "The World Happiness report 2021."

## Economic Growth and Wealth

Finland can be seen as a prosperous and stable Nordic welfare state. Finland has a high ranking in per capita GDP, despite of not having a particularly long industrial history.

Table 3: Development of Finnish GDP



Source: Trading Economics.<sup>19</sup>

Table 4: Global ranking, net and gross financial assets by capita

Appendix C: Global Ranking					
...by net financial assets per capita (in EUR)			...by gross financial assets per capita (in EUR)		
1	USA	218,469	1	Switzerland	313,259
2	Switzerland	212,052	2	USA	260,582
3	Denmark	149,241	3	Denmark	212,568
4	Netherlands	128,557	4	Netherlands	180,193
5	Sweden	124,763	5	Sweden	173,133
6	Singapore	118,934	6	Singapore	152,590
7	Taiwan	117,659	7	Australia	151,689
8	New Zealand	114,171	8	New Zealand	144,656
9	Japan	100,471	9	Taiwan	139,831
10	Belgium	98,929	10	Canada	139,413
11	Canada	96,429	11	Belgium	126,463
12	UK	90,018	12	Japan	124,897
13	Australia	88,735	13	UK	123,583
14	Israel	87,459	14	Israel	109,670
15	France	66,562	15	Norway	100,334
16	Austria	63,588	16	France	94,986
17	Italy	62,775	17	Ireland	89,299
18	Germany	61,760	18	Austria	86,502
19	Ireland	60,364	19	Germany	85,367
20	South Korea	36,467	20	Italy	78,880
21	Finland	34,932	21	Finland	69,304

Source: Allianz Wealth Report 2021.<sup>20</sup>

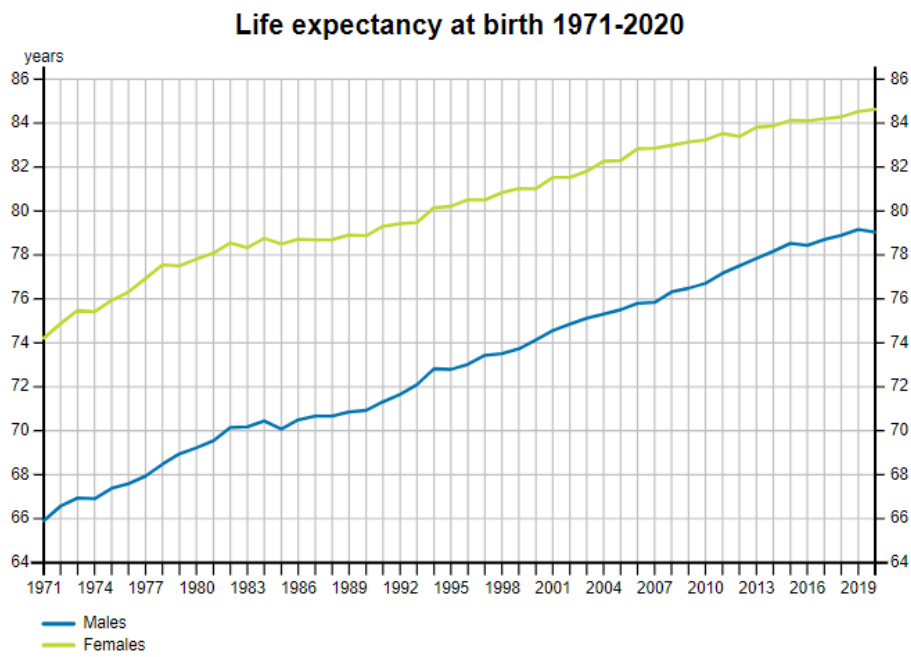
<sup>19</sup> Trading Economics, "Finland GDP per capita."

<sup>20</sup> Carrera et al., *Allianz Global Wealth Report 2021*, 55.

**Public Health and Education**

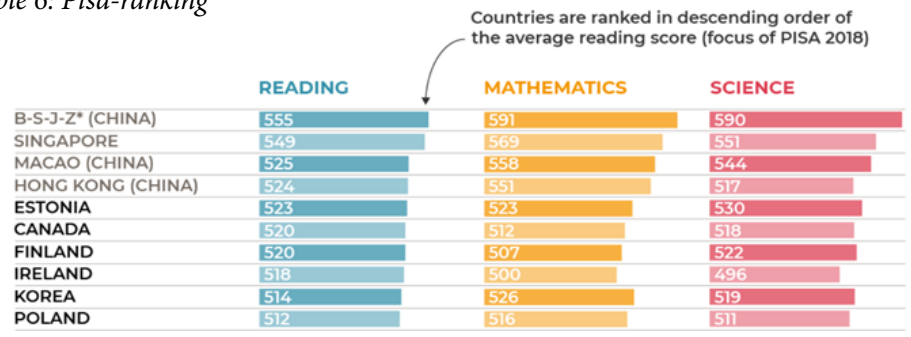
Finland has a functioning welfare system, free health care, the lowest infant mortality rate in the world and has enjoyed high rankings in international educational comparisons. Finnish success in the so-called Pisa-reviews of literacy and mathematical abilities among teenagers is often emphasized leading to ideas about exporting the Finnish school system.

Table 5: Life expectancy



Source: Findicator 2020.<sup>21</sup>

Table 6: Pisa-ranking



Source: OECD, PISA, 2018.<sup>22</sup>

21 Findicator, “Life expectancy.”

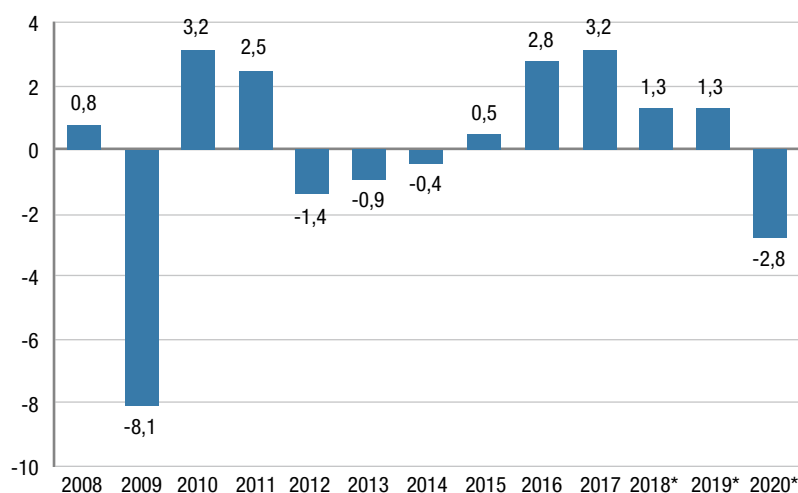
22 Organisation for Economic Co-operation and Development (OECD), “PISA 2018 Results.”

## Challenges Ahead

Looking back at the past 100 years, it is clear that the Finnish success story is recent, and that the country has a fragile history. Political volatility has been greater in Finland than in the other Nordics. Finland has gone through a civil war and fought the Soviet Union during World War II. The civil war had negative effect on labour relationships, while the economic cost of WWII was devastating to Finland. The future also provides plenty of challenges for Finland as the country goes into its second century of independence.

It is important to realize that Finnish economic welfare is recent. Finland lagged behind the other Nordic countries in GDP development until the 1970's. Industrial development came late and political volatility, including wars, had its effects on economic growth.

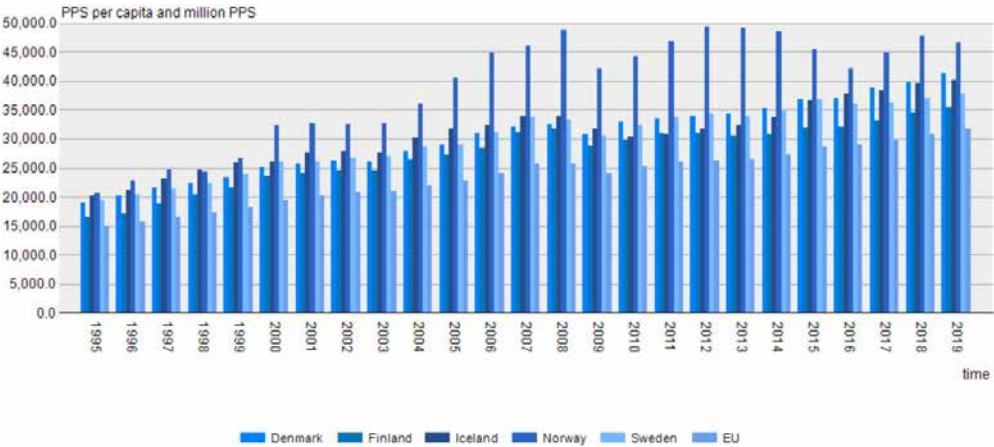
*Table A1: Annual change in the volume of gross domestic product, per cent, Finland, 2008–2020.*



Source: Statistics Finland 2021.<sup>23</sup>

<sup>23</sup> Statistics Finland, "Gross domestic product fell by 2.8 cent in 2020."

Table A2: Gross domestic product in PPS/euro by reporting country and time. PPS per capita.

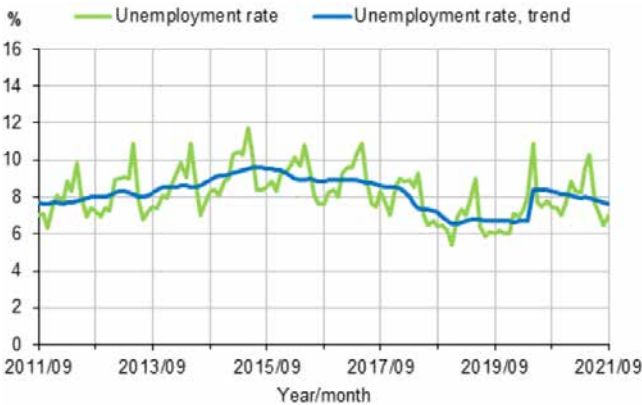


Source: Nordic Statistics Database.<sup>24</sup>

The Finnish labour market has been deemed rigid and inefficient. Finland has a risk of not being competitive in exports due to high labour costs and other costs of production. Finland has traditionally had higher levels of unemployment than the other Nordic countries. The level of structural unemployment remains high still.

Table B: Unemployment rates

Unemployment rate and trend of unemployment rate 2011/09–2021/09, persons aged 15–74



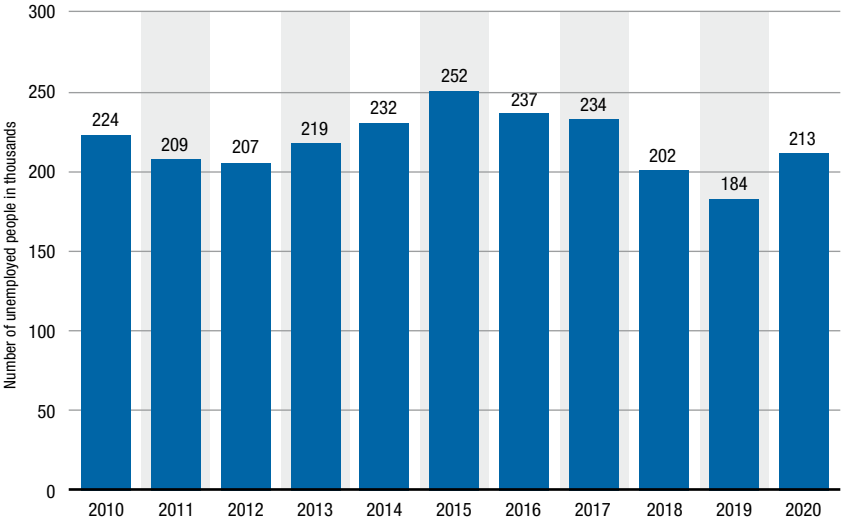
Source: Statistics Finland 2021.<sup>25</sup>

24 Nordic Statistics database, “Gross domestic product in PPS/euro by reporting country and time. PPS per capita.”

25 Statistics Finland, “Unemployment rate and trend of unemployment rate 2011/09–2021/09, persons aged 15–74.”

Table C: Development of the number of unemployed people in Finland

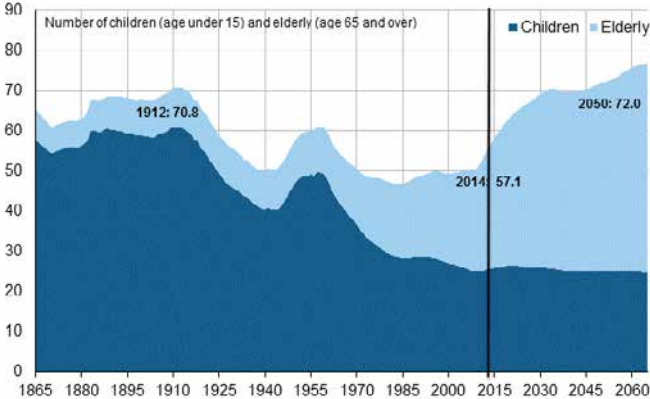
Number of unemployed people in Finland from 2010 to 2020 (in 1,000s)



Source: Statista 2021.<sup>26</sup>

The demographics of Finland are developing unfavourably with respect to managing pension liabilities. There has been significant underfunding of future pensions and current pension levels are too high to be granted to future retirees. Finland has started to address these concerns recently, but the pension issue poses a significant risk of conflict between older and younger generations.

Table D: Demographic Dependency ratio



Source: Statistics Finland<sup>27</sup>

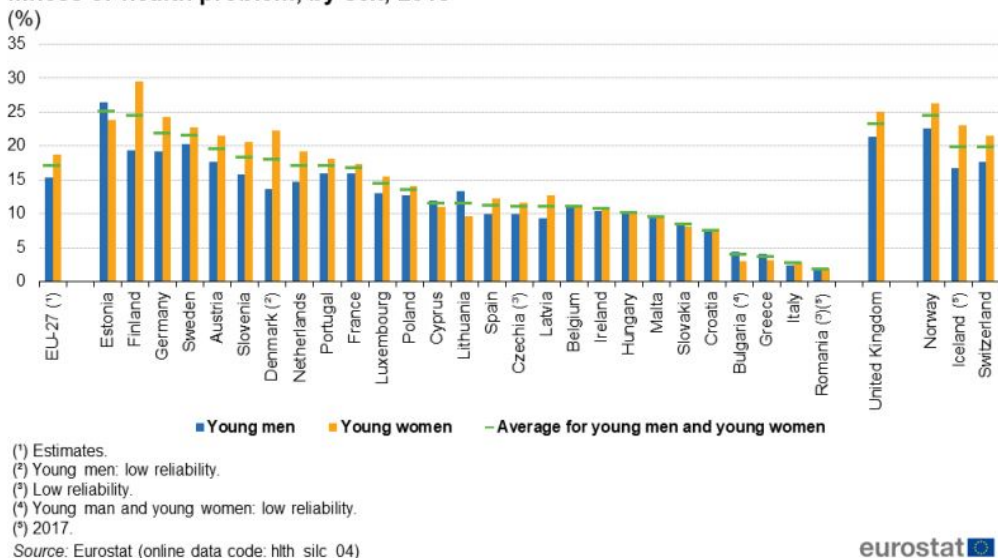
<sup>26</sup> Statista, “Number of unemployed people in Finland from 2010 to 2020.”

<sup>27</sup> Statistics Finland, “Population projection 2015, Appendix figure 1. Demographic dependency ratio 1865–2065.”

Increasing numbers of youths are becoming marginalized in society with few opportunities for education or work. The number of young people that are not in education, employment or training was 48 000 in 2019.<sup>28</sup> A large number of youths suffer from mental health issues and the overall physical condition of the younger generations have deteriorated – in line with international trends.

*Table E: Young People Suffering from Illness*

**Young people aged 16-29 years suffering from a long-standing illness or health problem, by sex, 2018**



Source: Eurostat 2020.<sup>29</sup>

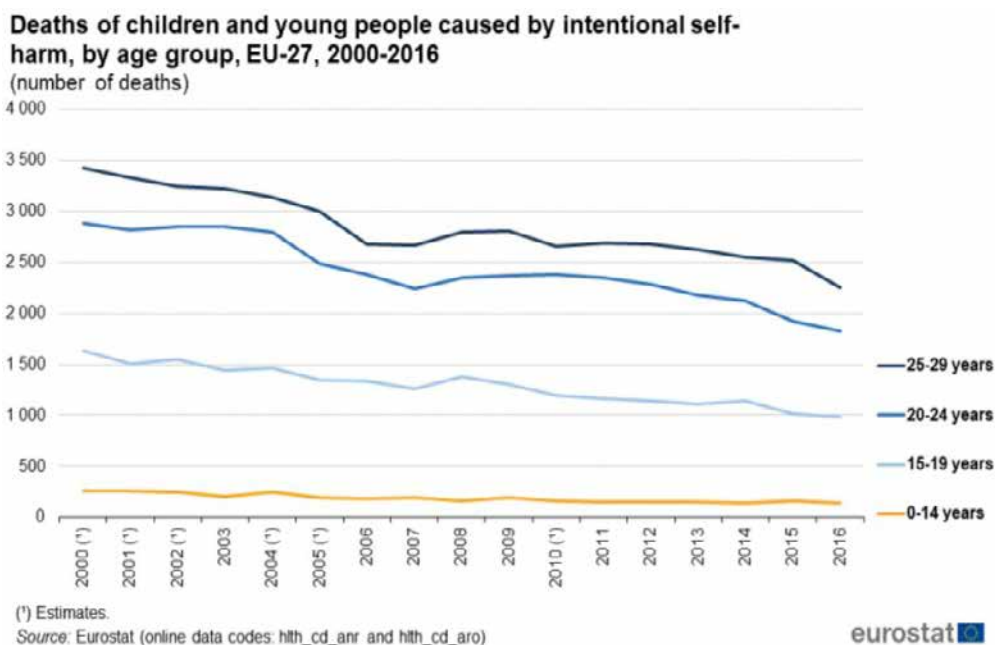
Finland has previously had an unflattering position in the number of suicides in a European comparison. During the past decade the situation has improved as a result of better awareness and focus on mental health issues. However, the statistics show that the overall trend is not reflected in suicide rates among youth, where previously reported levels still prevail. This also emphasizes the challenges related to youth marginalization. It is also worth noting that the Covid-19 pandemic has increased the number on suicides by nearly 15 % already in the spring of 2020.<sup>30</sup>

28 Finnish institute for health and welfare, “Nuorten syrjäytymisen ehkäisy.”

29 Eurostat, “Being young in Europe today – health.”

30 “Suicide in Finland up by nearly 15%”, Yle.

Table F: Suicide rates in Europe among young people



Source: Eurostat 2020.<sup>31</sup>

Finnish university education is largely tuition-free, providing an avenue to pursue careers even to students without any significant economic means. Public funding is limited, however, and public universities may not always be the most efficient in organizing and pursuing research and teaching. The Finnish government has also cut spending in higher education in recent years<sup>32</sup>. In certain areas of research Finnish institutions can maintain leading international standards, but this certainly is not universal with respect to the level of university education. The relative success in secondary education in Finland, then, does not result in similarly high rankings in university education or scientific research. Only one university in Finland is among the top 100 in international comparisons, for example<sup>33</sup>.

31 Eurostat, "Being young in Europe today – health."

32 Bothwell, "Finland Funding Cuts a 'Catastrophe' for Research."

33 The Times Higher Education, "The World University Rankings 2018."

Table G: University Rankings Finland, 2020-2021

## Best Universities in Finland according to International Rankings

Universities	Times Higher Education Ranking (2021)	Shanghai Jiao Tong University Ranking (2021)	TopUniversities Ranking (2022)	U.S. News & World Report Ranking (2021)
University of Helsinki	98	82	104	86
Aalto University	201	301	112	264
Tampere University	301	501	414	361
University of Oulu	301	401	377	453
LUT University	351	–	414	580
University of Turku	351	301	295	322
University of Eastern Finland	401	601	521	412
University of Jyväskylä	401	701	358	525
Åbo Akademi University	601	–	601	976

Source: Mastersportal.com, Studyportals.<sup>34</sup>

<sup>34</sup> Studyportals, "Top Universities and Colleges in Finland."

### ***Case Study: Two Sides of the Coin***

The development of Finnish society during the first century of independence can undoubtedly be deemed a success story. The country has faced significant challenges over the decades – yet it has been able to overcome them to start the second century of its independence as the least failed state in the world. However, history has left some scars on Finnish society and sensitivity remains when dealing with difficult historical events.

To mark the first centennial of independence, the Finnish government commissioned series of commemorative coins. One of the submissions chosen for production was a series of coins demonstrating significant Finnish achievements on the face of the coins – but on the other side of each coin was a challenge during the corresponding period which each coin represented. While supported by the selection committee, the production of the series was cancelled by the minister in charge due to public outrage of the disturbing scenes depicting the civil war of 1918 and the refugee crisis of 2015.

In an innovative way, the coins had demonstrated, through an artist's view, a readiness to accept history and the responsibilities that go with it – but which the Finnish people did not seem to ready to shoulder. The contrasting images of the decades of Finnish independence provide a revealing snapshot of the dynamics of the development of Finnish society – while the process regarding the publishing of the coins reveals the existence of sensitive topics in the public opinion and the manner in how these are reacted to by the government.

The phenomena chosen for the coins by the designer, Ilkka Suppanen, represent an artist's view and may be anecdotal, but can provide a snapshot of how a Finnish contemporary sees the history of Finnish independence through ten images.

### ***From Independence to WWII – 1917 to the 1930's***

*The Olympic Stadium Tower*; Finland had prospered during its first decades of independence to the level that it was awarded the Summer Olympics Games for 1940; an Olympic stadium was built in late 1930's before the games were cancelled due to the start of the Second World War. Finland ultimately arranged the games in 1952.

*The Civil War*; A civil war ravaged the country soon after the declaration of independence. The war was largely fought between elements representing labour interests and those of landowners. The labour uprising was related to the Russian revolution and supported by Soviet interests; the newly formed Finnish government suppressed the uprising, but violence and illegalities that occurred during the war affected labour relations and fragmented domestic politics for many decades.

### ***The Post-War Period – 1940's and 1950's***

*Industrialization;* Finland had been a largely agrarian country before WWII, but went through rapid and significant industrialization after the war. These efforts built the base for the development of the Finnish economy and the welfare state.

*The War Children;* The Finnish government organized the evacuation of some 80,000 children mainly to Sweden during the war. The intent was benevolent – Sweden and other Nordic countries provided shelter and safety for a large number of children in direct danger from the war and in need due to difficult economic conditions set by a war economy. However, many of these children were traumatized from being separated from their families, and faced significant psychological challenges affecting their adult lives. Over 15,000 never returned home.

### ***The Decades of Urbanization – 1960's and 1970's***

*The Abandoned Fields;* Finnish economic structures changed with urbanization; the share of population employed in agriculture decreased significantly. Fields were left uncultivated as the population started to decrease in the countryside resulting in significant cultural changes and rootlessness.

*The University of Technology;* The number of universities and university students increased significantly during the 1960's. The level of education increased in the country which contributed significantly to economic growth. A new campus for the University of Technology was designed by the Finnish architect Alvar Aalto in the 1960's – representing the investments made in education.

### ***Formative Near History – 1980's and 1990's***

*The Popular Cultural Events;* Large cultural events have become commonplace and are often targeted to the larger population – this has especially been the case with the cultural festival in Helsinki that has been organized in late summer for years.

*Structural Changes;* The structure of Finnish society has changed significantly during the post WWII decades – driven by urbanization trends. These changes have led to challenges in people's identities and in their livelihoods as changes in economic structures lead to recessions and large-scale unemployment. These trends have been depicted with some aptitude in the many films of the Finnish Kaurismäki brothers, which have enjoyed some level of international interest untypical for Finnish films. The coin depicted an image from the film *Drifting Clouds* by Aki Kaurismäki.

### *Decades of Internationalization – 2000–2017*

*The Central Library*; the Finnish library system was celebrated in the last coin; a new central library was constructed at the time of the first centennial – but with a modern approach to how libraries should serve their communities to remain relevant. The new concept was deemed a success, as the central library had over one million visits during its first four months of operation.

*The Refugee Crisis*; the “other side of the coin” addressed the international refugee crisis and depicted the tragic image of the drowned refugee boy found on a Mediterranean beach. The image was a reminder of Finland’s global responsibilities and highlighted how the contemporary nation state cannot be separated from regional and global phenomena and the new challenges that we face on a global level. This image, also, was deemed too sensitive for the coin series to go into production.

## **The Field Guide – An External Perspective**

A number of studies on resilience have been undertaken in Finland that have concluded that Finland is well positioned to face disruptions, global megatrends and external influencing. Some of the studies have been undertaken by the Finnish government and have focused, for example, on the functioning of government agencies in connection with hybrid threats<sup>35</sup>. Overall, the perspective of the studies has largely been internal and defensive. Potential threats have been identified from the perspective of the existing institutional structures and the organizational structures of government – that may or may not be geared to identify challenges outside their sphere of responsibility. Some studies have also been based on the assumption that existing institutional structures (such as the political processes and institutions) retain their integrity.

This handbook seeks to contribute to resilience studies in Finland by evaluating resilience through a variety of angles to Finnish society. This study considers the dynamics of specific areas of Finnish society, including relevant strengths and weaknesses, and how these are reflected in policy processes and how these may contribute to political vulnerability of Finnish society. The main characteristic of this perspective is that it is sufficiently intrusive to raise concerns relevant for the study and that it provides an external and instrumental perspective of society as an operational environment. This allows for a critical and objective view of our chosen field of study, but

---

35 Hyvönen et.al., ”Kokonaisresilienssi ja turvallisuus: tasot, prosessit ja arviointi,”; see also Ministry of Finance, *Uudistuva, vakaa ja kestävä yhteiskunta*.

also provides the tools for identifying and addressing relevant vulnerabilities and contributing to resilience.

### *Mapping the Field of Study*

In approaching the field study and in choosing relevant methodologies, the study will take advantage of certain basic methods used in intelligence analysis. Several analytical methods are available for preparing for an intelligence mission; some of these will be outlined below to set the structure of this presentation. In operational planning, intelligence preparation of the operational environment (or IPOE) refers to the analysis of the theatre of operations in order to understand the impact of the environment on the mission, the capabilities of relevant actors and their expected courses of action. The goal is to build a holistic view of the environment and an increased understanding of its systems and interdependencies – among political, economic and social networks, among other. This type of strategic level intelligence is largely based on social and political science analysis of key elements of society that will be discussed in this book.

The process for analysing the operational environment and its effects starts with defining the relevant environment and determining its significant characteristics<sup>36</sup>. The scope of the operational environment will depend on the type and goals of a mission, and does not have to be limited by political or natural boundaries alone. Identifying the significant characteristics of the operational environment provides a core element of the IPOE process – for the purposes of this study, sociocultural, economic and infrastructure aspects of the environment will be crucial. The focus in this study will be on understanding strengths and weaknesses, or the resilience and vulnerability, related to these aspects of the environment. The impact of these characteristics on the “mission” is then analysed.

The IPOE process is an intelligence tool used mainly in a military context; yet it contains elements that can be useful tools for the purposes of this study. In this context, it would be analysed how characteristics of the Finnish operating environment (including characteristics of Finnish society and the economy) could impact the goals of the principals of the foreign intelligence officers. This is followed by an analysis of the courses of action of other parties in the operating environment. The conclusions of the IPOE process would then be used to support operational planning.

---

36 U.S. Joint Chiefs of Staff, *Joint Intelligence Preparation of the Operational Environment*.

## Identifying Focus Areas

A further tool in analysing an operational environment is related to the analysis of its basic characteristics. These include physical features of a geographic region as well as the political, economic and social elements of society<sup>37</sup>. The analysis includes, on the one hand, the different elements of the environment, including physical area, structures, capabilities, organizations, people, and events (ASCOPE). The other angle of the matrix includes the different aspects to these elements, including political, military, economic, social, infrastructure, information, physical and time aspects (PMESII-PT)<sup>38</sup>.

ASCOPE/ PMESII	P Political	M Military	E Economic	S Social	I Information	I Infrastructure
A Areas	Political and regional borders and boundaries, party affiliation areas	Military controlled areas	Markets, industrial sites, banking centers	Housing areas, sites for social and political gatherings, recreational spaces, social forums	Radio and TV, newspapers and other media coverage	Transport routes
S Structures	Government offices	Military garrisons and bases	Banks, markets, storage facilities	Churches, hospitals, social service sites, recreational sites	TV and radio stations and towers	Roads, bridges, airports, power lines
C Capability	Dispute resolution, leadership	Leadership quality and capability, integrity and reliability, strengths and weaknesses	Export and import volumes, access to banking system, resilience to natural disasters	Strength of local communities and political groups	Literacy rate, availability of media	Ability to build / maintain roads and infrastructure
O Organizations	Government, parties, interest groups and NGOs	Structure and governance of military and police	Industrial and service industries, industrial organizations, financial institutions, key owners and principals	Families, associations, NGOs	News groups, other media influencers	Government ministries, construction industry, telecoms industry
P People	Key political leaders, party officers, political influencers	Military and police leaders (quality, integrity, reliability)	Banking and industrial leaders	Religious leaders, influential families, NGO and activist leaders	Controllers of media (private and government), and other influencers	Builders, contractors (skill and quality)
E Events	Elections, council meetings, parliamentary sessions	Military exercises, deployments, live operations, anniversaries	Business open/close, labour strikes	Holidays, religious days	Information campaigns	Key construction projects

37 Petreaus, Amos and C McClure (ed.), *U.S. Army U.S. Marine Corps Counterinsurgency Field Manual*.

38 U.S. Joint Chiefs of Staff, *Joint Intelligence Preparation of the Operational Environment*.

The goal of the matrix analysis is to understand the effects of the environment on your mission or goals. These effects are used to draw up the relevant threat or risk analysis. This, in turn, is used to format or choose a course of action to reach wanted end states.

The structure of this study is based on the key variables identified in the matrix above. For the purposes of analysing a complex modern society, certain aspects of the PMESII-ASCOPE matrix may be more relevant than others. Political, economic and social aspects of society will be of key importance in this regard, as will the infrastructure serving these aspects of society (media, political system, the structure of the economy). Indeed, the chapters of this study are based on this break-down, while the focus in the chapters will be, among other, on capabilities, organizations and people (rather than geography, for example).

### *Goals for Analysing Finland*

The perspectives above are not wholly academic. Private interest groups often seek to affect public policy. Usually, of course, these types of interests are pursued through lobbying in the ordinary course. Avenues for lobbying often follow more or less established procedures in Western countries, adding a measure of transparency to the process. However, Finland has not introduced registration obligations for lobbyists, as many other Western countries have, which decreases transparency of the political processes. In addition to traditional lobbying arguments, private interest groups can also use economic pressure to seek to affect policy, where they represent significant investment power. In some cases, private and public interests may be intertwined and it may be difficult to separate privately initiated lobbying from interference by foreign powers (as may be the case in large infrastructure investments, for example).

Finland has a long history of foreign influence over political decision making, and efforts seem to continue, albeit to a lesser degree. The Finnish Security Intelligence Service seeks to monitor intelligence activity in Finland. The intelligence service reports that there is a relatively large number of foreign intelligence personnel stationed in Finland considering the size of the country<sup>39</sup>. The Finnish Intelligence Service has in its annual reports<sup>40</sup> identified the key areas of interest for foreign intelligence in Finland that have been observed. Foreign intelligence has targeted, among other, Finnish positions on potential NATO membership and the public opinion in this regard, as well as on the positions on international sanctions and the opinions among the business community on these policies. Finnish participation in the Arctic Council

---

<sup>39</sup> "Vuosisikirja 2017," *Suojelupoliisi*.

<sup>40</sup> "Vuosisikirja 2017," *Suojelupoliisi*; see also "Kansallisen turvallisuuden katsaus, Joulukuu 2018," *Suojelupoliisi*.

has also been of interest<sup>41</sup>. Intelligence services have also targeted Finnish policies on energy and energy security and critical infrastructure more broadly<sup>42</sup>. Foreign intelligence has been reviewing the Finnish initiatives to introduce new legislation on intelligence and the country's policies and plans to counter disinformation operations. Finally, foreign intelligence has also focused on Finnish technology and know-how.

The more traditional perspective on resilience can also be taken into account in connection with this approach. Resilience can be seen in a broader perspective, where the basic characteristics of a society should also be analysed to assess whether they are prone to volatility or, indeed, whether they are geared to moderate the impact of changes in the social, economic or political environment. It is also important to understand whether there are critical levers in society that are sensitive to influence and that can be used as leverage points. Systems with coalition governments and corporatist models may moderate the effects of changes in political sentiment but may be particularly non-adaptive to new challenges. At the same time, such systems can have levers which can be influenced outside normal political channels – decreasing the transparency of the political processes, for example.

### *Means to an End*

This study seeks to analyse the vulnerability of Finnish systems to influence by external interests or special interest groups as well as to more general disruptions. To this end, it is relevant to identify (i) the points in the policy or legislative processes best used for influencing policy making; (ii) the areas of vulnerability with regard to Finnish key policy positions (i.e. where to “push”), and (iii) what political dynamic or policymakers can be used to pursue influence (what public opinion is sensitive to, for example). Once these factors have been identified, one can then identify the mechanisms that would be most advantageous to exert influence in each case (or which dynamic promotes inherent volatility, for example).

Research has identified different means for externally influencing policy. These include diplomatic means, informational means, military action and economics (these avenues of influence referred to as DIME)<sup>43</sup>. It can be useful to consider how these instruments might be (or might have been) used in a Finnish context.

---

41 Finland has held the chairmanship of the Arctic Council from 2017 to 2019; see also Finnish Chairmanship, *Finland's Chairmanship Program for the Arctic Council 2017–2019*.

42 “Vuosikirja 2021” Suojelupoliisi.

43 In modern asymmetric situations with non-state and terrorist actors, further instruments have been added, including the financial system, intelligence and law enforcement (DIMEFIL). See Oskarsson, *The Effectiveness of DIMEFIL Instruments of Power in the Gray Zone*; see also Mikkola et al., *Hybridivaikutaminen ja demokratian resilienssi*.

## *Diplomacy and Lobbying*

In clandestine diplomacy, unofficial avenues are used to pursue diplomacy. Discrete communications can be undertaken to influence policy makers (diplomatic channels or lobby group contacts). In Finland, it was not unusual during the cold war era for representatives of Russian intelligence agencies to have direct contact with Finnish policy leaders – including at the highest levels of government<sup>44</sup>. These contacts allow for diplomatic contacts at selected levels in order to maximize influence while maintaining confidentiality. Contacts can include politicians and policy makers, but also interest groups and businesses. The traditional structures of Finnish political processes can have been vulnerable to this type of influence. It has been argued that there has been an element of structural corruptiveness in Finnish political processes reflected in the role of certain interest groups in legislative processes<sup>45</sup>. Lobby and interest groups were able to steer policy without transparency or oversight.

Regional powers may also use demonstrations of force as a form of coercive diplomacy. For example, in 2015, a large number of immigrants originating from Central Asia and Africa approached Finnish border posts in Lapland from Russia<sup>46</sup>. This occurred at the time of the Europe-wide immigration wave triggered by turmoil in the Middle-East and the war in Syria, in particular. But it also occurred at the same time as EU implemented sanctions against Russia. No immigrants had entered Finland through this very remote route before. The sudden appearance of immigrants at this entry point at this time could not have been a coincidence, of course, and had to have taken place with the express consent of Russian authorities or indeed had been promoted by such authorities. The situation was resolved in bilateral meetings between the presidents of Finland and Russia. The bilateral meeting was exceptional as EU was intent on promoting a uniform policy with respect to Russia at the time, and bilateral meetings were discouraged. Russia was in this way able to make a small dent in the EU approach and could present Finland as an example of pragmatic neighbourly relations.

Clandestine diplomacy and covert operations can also include efforts to increase political volatility and destabilize government thus decreasing the ability of the target country to pursue strong policies. These types of operations could include supporting extremist political groups and seeking to increase existing tensions between religious, ethnic or political groups or to seek to decrease trust in government by other means. In Finland, tensions between traditional political groups were taken advantage of during the cold war era – with the Soviet Union supporting certain political groups.

---

44 Rentola, *President Urho Kekkonen of Finland and the KGB*.

45 Blom, *Taloudelliset eturyhmät politiikan sisäpiirissä*.

46 Pynnöniemi and Saari, "Hybrid Influence – Lessons from Finland."

However, the impact of that influence was limited due to the established position of the moderate left social democrats who were not open to similar external influence. Today, potential tensions related to generational interest groups, immigrants and rural areas could provide avenues for influencing, for example.

### *Information*

The external influencer or special interest group could seek to influence public opinion and thus create political pressures for political decision makers. Awareness of information operations has increased in the past years. Disinformation has become an established element in the context of news, social media and public debate. The disinformation operations conducted in connection with the US presidential elections in 2016 have been well documented – but such campaigns have of course likely been carried out in a multitude of other instances as well.

In Finland, a disinformation campaign was identified in 2012 and again in 2016, when Russian media started actively reporting about cases where social welfare authorities had custody of children of Russian citizens in Finland<sup>47</sup>. Reports claimed that families had been targeted based on their nationality, and certainly affected public opinion in Russia – despite efforts by Finnish authorities to provide correct information about Finnish policies regarding child welfare cases. More recently, similar less than accurate reporting has been carried out with respect to Finnish treatment of Russian prisoners of war<sup>48</sup>. These campaigns demonstrate the ease at which Russian actors can steer public opinion about Finland in Russia. Finland would need to pursue an active public relations policy in Russian media in order to counter these efforts.

In this respect it is important to understand sensitive areas or so called “third rails” for public opinion. It is not unreasonable to assume, for example, that efforts have been made to influence Finnish public opinion on NATO membership by different means; domestic proponents or critics of NATO membership may not even be aware they have been harnessed to pursue the interests of foreign parties. In the late 1990’s, a period where the NATO debate was very sensitive, political opponents disclosed that a presidential candidate had made a positive statement vis-à-vis Finnish NATO membership with a devastating effect to her campaign at the time. While this theme is less sensitive today, there may be other areas that can be used for political effect.

---

47 Finnish Ministry of Health and Social Affairs, “Suomessa lapsia ei oteta huostaan kevyin perustein - lähtökohtana lapsen etu.”

48 Mäkelä, ”Teloittivatko suomalaiset talvisodassa venäläisiä sotavankeja?”

## *Military*

Different types of military action represent direct influencing of policy by force. However, it is also possible to demonstrate a readiness to use force and the availability of instruments to do so (“show of force”). Military manoeuvres are a usual means in this regard. Both NATO and a Russia have set large military exercises in the Baltic region in recent years with an emphasis on naval and air operations. Some smaller exercises have also been seen to reflect specific scenarios that can be interpreted as a readiness to use force. For example, Russian fighters were reported to practice in a manner consistent with air raids targeting central Sweden – at the time the Swedish air force had not intercepted the fighters due to gaps in readiness<sup>49</sup>. Recurring (but mostly unverified) submarine observations and multiple breaches of national airspace by military airplanes, can also be seen as representations of a show of force, as well as signals regarding denial of access to the region.

## *Economic Measures*

Interest groups may seek to use economic means to influence policy decisions – either by pressuring the target to pursue policy or risk economic sanctions of different kinds or by using economic incentives to polarize interest groups. By offering economic opportunities to parties with political influence, interest groups can buy allies in the target organization, for example, who would seek to pursue policies favourable to the interest group in order to gain economic benefits. Geoeconomic methods have often been associated with energy policy, for example.

Finland does not have a very diversified economy and is dependent on certain key sectors. Exports have a significant role in the Finnish economy, which highlights vulnerability to foreign or other external influence. As a result, the Finnish government can be expected to be alert to developments that could impact key sectors of the economy – especially in the exporting industries. There have been situations where this vulnerability has been emphasized. For example, in 2007, Russia announced an increase of export tariffs for wood transports to Finland by 50%. At the time, the Finnish paper and pulp industry was heavily dependent on wood imported from Russia. Russia has an interest in minimizing exports with low added-value, of course, but a 50% tariff increase can also be seen as a tool of foreign policy. The tariff-issue lead to political negotiations between the Russian and Finnish governments. Ultimately, the issue was resolved due to Russian participation in the WTO.

Another example is related to the introduction of new intelligence legislation in Finland. The new legislation was intended to allow more effective monitoring of

---

49 Oliphant, “Russia ‘simulated a Nuclear Strike’ against Sweden, Nato Admits.”

telecommunications, which previously has been under special constitutional protection. The amendments would have brought Finland to a European level of monitoring, similar to Sweden and Germany. Surprisingly, the Finnish business community representatives lobbied against the amendments stating that they would be detrimental for new direct investments in Finland in the technology sector. International companies had been contemplating using Finland as a base for operations (server storage etc.) but the new legislation could jeopardize these initiatives. Considering the proposed legislation was largely aligned with that of European peers, the reaction from traditionally pro-government interest groups surprised participants in the legislative process. Even in areas critical to security, economic interests related to international business were of central concern.

Economic interests can present an opportune avenue for pursuing external interests in Finland. An interest group or a foreign actor should seek to identify areas that are critical to the Finnish economy that they are able to affect (by business decisions or policies). The actors can then use Finnish business organizations with government access to voice their concerns or intentions. Representatives of different interest groups are generally very much involved in the preparation of legislative proposals, offering thus a legitimate and effective avenue to affect Finnish laws and policies.

### *Intelligence*

In military doctrine, interfering with the decision-making processes of the opposing forces, including through the use of disinformation, is one of the key goals of military commanders. One such means is based on the application of the theory of reflexive control<sup>50</sup>. The theory is defined as a process where an initiator transmits the basis for decision making to the opponent for the opponent to voluntarily take decisions desired by the initiator. The goal is for the opponent to independently come up with a course of action – but based on premises manipulated by the initiator. The initiator will identify weaknesses in the “filters” used by the opponent to analyse factors affecting its decision-making and use specific means to take advantage of such vulnerabilities. This requires an insight of how the objective decision-making system operates or “behaves” - and what the weak points of the system are (including political, legal, moral or psychological aspects, for example). The concept can be useful in connection with hybrid or information operations, as well as with foreign and security policy measures more generally. In fact, *Finlandization* has been deemed the political counterpart related to the military concept<sup>51</sup>.

---

50 Thomas, “Russia’s Reflexive Control Theory and the Military.”

51 Chotikul, “The Soviet Theory of Reflexive Control in Historical and Psychocultural Perspective: Preliminary Study.” 72.

In relation to information warfare, some methods based on the concept would include distraction, deception and information overload – resulting in paralysis in decision making and exhaustion; the initiator can also seek to convince or provoke the opponent to take desired actions or to deter action by pacification (convincing one's own actions are non-hostile), by creating a perception of insurmountable superiority and by creating desired exit avenues for the opponent. The initiator may also seek to destabilize the decision-making process of the opponent by discrediting the leaders of the opponent and supporting destabilizing internal forces<sup>52</sup>.

As it is based on taking advantage of vulnerabilities in a social context, the theory of reflexive control fits well into our study of political vulnerability and resilience. The question to be considered in more detail is what the weak points would be if Finnish political decision making was targeted as the “objective system”. Moreover, the theory supports the advantage of the external perspective adopted in this study. In the context of reflexive control, the internal perspective of policy makers (including the government) will be manipulated so that their (cognitive) perspective on the environment and its dynamics is skewed.

### *Case Study: Finnlandisierung*

There is certainly some merit in studying resilience of Finnish society. Finland has experienced volatile periods in its history and in the past Finnish policy positions have been vulnerable to foreign influence. During the Cold War, many Finnish positions on foreign policy were modified to appease Russian interests. Indeed, Finnish politics overall was affected by what has been referred to as *finnlandisierung* (or “Finlandization”, as in “to become like Finland”). The term is used in the context of political science and refers to situations where one state makes another state align its foreign policy with the former's interests, while still allowing the other state to maintain nominal independence and its own political system. The term has often been felt as criticism of Finnish politics during the Cold War.

The international (and national) political situation is different today, of course, but it is still valid to assess to what extent Finnish positions could be vulnerable to influence by special means. By studying the Cold War era closer we can identify mechanisms for influencing Finnish politics and policies. We can perhaps also identify vulnerabilities in our institutional set up, thus providing the opportunity to strengthen those institutions and increase the resilience of Finnish society.

*Finnlandisierung* can be seen as a form of *realpolitik*, where a smaller nation adjusts its policies to meet the interests of a powerful neighbour. In this respect, the

---

52 Id.

policy has sometimes been seen as a successful method for allowing a smaller nation to thrive economically and to retain its structure of society in the immediate vicinity of a powerful empire. In this sense, Finland succeeded well during the Cold War era. From a geopolitical perspective, this has been seen as potential model for smaller countries in other politically sensitive regions as well, such as Taiwan<sup>53</sup> and Ukraine<sup>54</sup>. However, it is unclear whether the smaller nation can really be seen to retain its sovereignty in this relationship, and *finnlandisierung* has also been seen as a model where the smaller nation's policies are, in fact, remotely controlled and that the nation can be seen as only "semi-independent", if that<sup>55</sup>.

The limitations of *finnlandisierung* are, first, that the smaller nation's appeasement will not affect the rational interests of the powerful neighbour; its fate is always subject to those interests<sup>56</sup>. Thus *finnlandisierung*, to be successful, may require a geopolitical framework where there is pressure on the powerful neighbour to allow peaceful coexistence (as was the case during the Cold War). Second, appeasement can easily corrupt the political culture<sup>57</sup>. In Finland, there has been much concern that ultimately appeasement was not only a tool of foreign policy, but was abused and came to dictate domestic politics and political culture<sup>58</sup>. A characteristic of *finnlandisierung* in Finland was that Finland was expected and required to modify its policies to appease Soviet interests at its own initiative and to deny that there was anything untoward in its relations with its Eastern neighbour<sup>59</sup>. The legitimization of this influence was one of the key corrupting elements of the policy. The special circumstances resulted in much self-censorship in media and public debate was not open and transparent<sup>60</sup>.

There were several mechanisms at play in how *finnlandisierung* took effect, involving all aspects of hybrid influencing. Covert diplomacy, geo-economics and disinformation campaigns in different combinations were all used. The Soviet Union used extraordinary channels, typically headed by Russian security services, to contact Finnish policymakers from the president of the republic to members of parliament and industrial leaders. Such contacts would be strengthened by the possibility of economic incentives and penalties, and by threats of overt political and military pressure. As the situation worsened, Finnish policymakers

53 Gilley, "Not So Dire Straits; How the Finlandization of Taiwan Benefits U.S. Security."

54 Brzezinski, "Russia Needs a 'Finland Option' for Ukraine."

55 Laqueur, *The Political Psychology of Appeasement – Finlandization and Other Unpopular Essays*.

56 Vihavainen, *Kansakunta rähmällään* 13.

57 Jakobsson, *Paasikivi Tukholmassa*.

58 Political actors could seek to undermine their opponents of not following appropriate policies, of being anti-Soviet and thus being opposed to the national interest. A number of leading politicians, including ministers, members of parliament, even a president and a head of the Bank of Finland, have such pro-Soviet history, which has still not been thoroughly addressed in Finland.

59 Laqueur, *The Political Psychology of Appeasement*.

60 Vihavainen, *Kansakunta rähmällään*, 159-170.

were expected to pursue policies prioritizing Soviet interests at their own initiative.

It may be unfair to be overly critical of Finnish post-war politics; the threat of Soviet intervention was not necessarily theoretical, as examples from Hungary in 1956, from Czechoslovakia in 1968 and from Poland in 1980 had demonstrated. For Finland, relationships with the Soviet Union were of existential importance. While the culture of appeasement did become an integral element of certain aspects of society, there were sufficiently large parts of society that did not accept such positions. After all, Finland had fought against the Soviet Union, and there was not much love lost in many parts of society vis-à-vis the Soviet Union. Thus, when the geopolitical situation changed, the overt expressions of *finnlandisierung* rapidly disappeared. Yet Finland has not fully reviewed and come to terms with the more extreme abuses of this era, that must also be seen as a matter of concern for Finnish security policy.

## Bibliography

- Basco Carrera, Jordi, Michaela Grimm, Arne Holzhausen and Patricia Pelayo Romero. *Allianz Global Wealth Report 2021*. Allianz Research, October 2021. [https://www.allianz.com/content/dam/onemarketing/azcom/Allianz\\_com/economic-research/publications/specials/en/2021/october/2021\\_10\\_07\\_Global-Wealth-Report.pdf](https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/economic-research/publications/specials/en/2021/october/2021_10_07_Global-Wealth-Report.pdf).
- Blom, Anders. “*Taloudelliset eturyhmät politiikan sisäpiirissä*.” [Economic Interest Groups as Political Insiders]. University of Turku, 2018. <http://urn.fi/URN:NBN:fi-fe2018121751014>.
- Bothwell, Ellie. “Finland Funding Cuts a ‘Catastrophe’ for Research.” *The Times Higher Education (THE)*, January 17, 2017. <https://www.timeshighereducation.com/news/finland-funding-cuts-catastrophe-research>.
- Brzezinski, Zbigniew. “Russia Needs a ‘Finland Option’ for Ukraine.” *Financial Times*, February 23, 2014. <https://www.ft.com/content/7f722496-9c86-11e3-b535-00144feab7de>.
- Chivers, C.J., “Russians Plant Flag on the Arctic Seabed.” *The New York Times*, August 3, 2007. <https://www.nytimes.com/2007/08/03/world/europe/03arctic.html>.
- Chotikul, Diane. “The Soviet Theory of Reflexive Control in Historical and Psychocultural Perspective: Preliminary Study.” *Naval Postgraduate School*, (July 1986): 72. <http://hdl.handle.net/10945/30190>.
- Crouch, David and Peter Spiegel. “Row Deepens over Finland’s Nuclear Plant.” *Financial Times*, September 29, 2014. <https://www.ft.com/content/b659d358-47a5-11e4-ac9f-00144feab7de>.
- Eurostat. “Being young in Europe today – health.” Last accessed 31 October 2021. [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Being\\_young\\_in\\_Europe\\_today\\_-\\_health#Health\\_status](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Being_young_in_Europe_today_-_health#Health_status).

- Feung, Emily, Alice Woodhouse, and Richard Milne. "China Reveals Arctic Ambitions with Plan for "Polar Silk Road"." *The Financial Times*, January 26, 2018. <https://www.ft.com/content/c7bd5258-0293-11e8-9650-9c0ad2d7c5b5>.
- Findicator. "Life expectancy." Last modified October 21, 2021. <https://findikaattori.fi/en/46>.
- Finnish Chairmanship. *Finland's Chairmanship Program for the Arctic Council 2017–2019*. Ministry for Foreign Affairs of Finland, May 2017. <https://oarchive.arctic-council.org/handle/11374/2027>.
- Finnish institute for health and welfare. "Nuorten syrjäytymisen ehkäisy." [Preventing Youth Marginalization] Last accessed 31 October 2021. <https://thl.fi/fi/web/lapset-nuoret-ja-perheet/hyvinvointi-ja-terveys/nuorten-syrjaytymisen-ehkaisy>.
- Finnish Ministry of Health and Social Affairs. "Suomessa lapsia ei oteta huostaan kevyin perustein – lähtökohtana lapsen etu." [Children are not taken into custody lightly – the basis is the Child's best interest]. September 26, 2016. [https://stm.fi/artikkeli/-/asset\\_publisher/suomessa-lapsia-ei-huostaanoteta-kevyin-perustein-lahtokohtana-lapsen-etu](https://stm.fi/artikkeli/-/asset_publisher/suomessa-lapsia-ei-huostaanoteta-kevyin-perustein-lahtokohtana-lapsen-etu).
- Gilley, Bruce. "Not So Dire Straits; How the Finlandization of Taiwan Benefits U.S. Security." *Foreign Affairs* 89, no. 1 (January/February 2010). <https://www.foreignaffairs.com/articles/china/2010-01-01/not-so-dire-straits>.
- Helliwell, John F, Richard Layard, Jeffrey Sachs, and Jan-Emmanuel De Neve. "World Happiness Report 2021." Sustainable Development Solutions Network, 2021. <https://worldhappiness.report/ed/2021/?ref=nodesk>.
- Hjerppe, Riitta. *The Finnish economy 1860-1985: Growth and structural change*. Translated by Richard Walker. Bank of Finland Publications. Studies on Finland's economic growth. Bank of Finland, 1989.
- Hyvönen, Ari-Elmeri, Tapio Juntunen, Harri Mikkola, Juha Käpylä, Harri Gustafberg, Markku Nyman, Tiina Rättilä, Sirpa Virta and Johanna Liljeroos. *Kokonaissiilienssi ja turvallisuus: tasot, prosessit ja arviointi* [Comprehensive Resilience and Security: Levels, Processes and Assessment]. Publications of the Government's analysis, assessment and research activities 17/2019. Prime Minister's Office February 2019. <https://julkaisut.valtioneuvosto.fi/handle/10024/161358>.
- International SOS. "2021 Travel Risk Map." Last accessed 31 October 2021. <https://www.travelriskmap.com/#/planner/map>.
- Jakobsson, Max. *Paasikivi Tukholmassa*. [Paasikivi in Stockholm]. Helsinki: Otava, 1978.
- "Kansallisen turvallisuuden katsaus, Joulukuu 2018", [FSIS, National Security Review, December 2018]. *Suojelupoliisi*.
- Karvonen, Lauri. *Parties, Governments and Voters in Finland: politics under Fundamental Societal Transformation*. Rowman & Littlefield Publishers / ECPR Press, 2014.
- Klinge, Matti. *A Brief History of Finland*. Otava/Kirjanvälitys Oy, 1997.
- Laqueur, Walter. *The Political Psychology of Appeasement – Finlandization and Other Unpopular Essays*. Routledge, 1980.
- Martikainen, Toivo, Katri Pynnöniemi, Sinikukka Saari and FIIA Working Group. *Venäjän muuttuva rooli Suomen lähialueilla* [Russia's Changing Role in Finland's

- Neighbourhood]. Publications of the Government's Analysis, Assessment and Research Activities 34/2016, August 2016: <https://tietokayttoon.fi/documents/10616/2009122/Ven%C3%A4j%C3%A4n%20muuttuva%20rooli%20Suomen%20%C3%A4hialueilla>.
- Mikkola, Harri, Mika Aaltonen, Mikael Wigell, Tapio Juntunen and Antti Vihma. *Hybrdivaikuttaminen ja demokratian resilienssi: ulkoisen häirinnän mahdollisuudet ja torjuntakyky liberaaleissa demokratioissa*. [Hybrid Influence and the Resilience of Democracy; the Possibilities for External Disturbance and Ability to Resist in Liberal Democracies] FIIA Report 55. Finnish Institute of International Affairs, 2018. [https://www.fia.fi/wp-content/uploads/2018/05/fia\\_report55\\_web\\_hybrdivaikuttaminen-ja-resilienssi.pdf](https://www.fia.fi/wp-content/uploads/2018/05/fia_report55_web_hybrdivaikuttaminen-ja-resilienssi.pdf).
- Milne, Richard. "Russia-backed Finnish Nuclear Plant Faces Further Delay." *Financial Times*, September 18, 2017. <https://www.ft.com/content/3e9ae690-9c66-11e7-9a86-4d5a475ba4c5>.
- Ministry of Finance. *Uudistuva, vakaa ja kestävä yhteiskunta, Valtiovarainministeriön virkamiespuheenvuoro* [A Self-Renewing, Resilient and Sustainable Society, Contribution by the Officials of the Ministry of Finance]. Ministry of Finance publications 2019:11, February 2019. <http://urn.fi/URN:ISBN:978-952-251-992-4>.
- Mäkelä, Jarmo. "Teloittivatko suomalaiset talvisodassa venäläisiä sotavankeja?" [Did Finns execute Russian prisoners of war in the Winter War?] *Helsingin Sanomat*, September 3, 2018.
- Nordic Statistics database. "Gross domestic product in PPS/euro by reporting country and time. PPS per capita." Last accessed 31 October 2021. <https://www.nordic-statistics.org/the-economy/national-accounts/>.
- Olipphant, Roland. "Russia 'simulated a Nuclear Strike' against Sweden, Nato Admits." *The Telegraph*, February 4, 2016. <https://www.telegraph.co.uk/news/worldnews/europe/russia/12139943/Russia-simulated-a-nuclear-strike-against-Sweden-Nato-admits.html>.
- Organisation for Economic Co-operation and Development (OECD). "PISA 2018 results." Last accessed 31 October 2021. <https://www.oecd.org/pisa/publications/pisa-2018-results.htm>.
- Oskarsson, Katerina. *The Effectiveness of DIMEFIL Instruments of Power in the Gray Zone*. OPEN Publications, Volume 1 Number 2. NATO Open Perspectives Exchange Network, 2017.). [https://www.academia.edu/32325460/The\\_Effectiveness\\_of\\_DIMEFIL\\_Instruments\\_of\\_Power\\_in\\_the\\_Gray\\_Zone](https://www.academia.edu/32325460/The_Effectiveness_of_DIMEFIL_Instruments_of_Power_in_the_Gray_Zone).
- Petreaus, David, James F. Amos and John C McClure, ed. *U.S. Army U.S. Marine Corps Counterinsurgency Field Manual*. Signalman Publishing, September 11, 2009.
- Pynnöniemi, Katri and Sinikukka Saari, "Hybrid Influence – Lessons from Finland", NATO Review, June 28, 2017. <https://www.nato.int/docu/review/2017/Also-in-2017/lessons-from-finland-influence-russia-policy-security/EN/index.htm>.
- Rentola, Kimmo. *President Urho Kekkonen of Finland and the KGB*. University of Helsinki Department of Social Science History, 2008. <https://helda.helsinki.fi/handle/10224/4054>.
- Statista. "Number of unemployed people in Finland from 2010 to 2020." Last accessed 31 October 2021. <https://www.statista.com/statistics/529001/number-of>

- unemployed-people-in-finland/#:~:text=In%202020%2C%20the%20number%20of,in%20recent%20years%20before%202020.
- Statistics Finland. "Finland among the best in the world." Last modified December 5, 2018. [https://www.stat.fi/tup/satavuotias-suomi/suomi-maailman-karjessa\\_en.html](https://www.stat.fi/tup/satavuotias-suomi/suomi-maailman-karjessa_en.html).
- Statistics Finland. "Gross domestic product fell by 2.8 cent in 2020." Last modified March 15, 2021. [https://www.stat.fi/til/vtp/2020/vtp\\_2020-03-15\\_tie\\_001\\_en.html](https://www.stat.fi/til/vtp/2020/vtp_2020-03-15_tie_001_en.html).
- Statistics Finland. "Population projection 2015, Appendix figure 1. Demographic dependency ratio 1865–2065." Last modified October 30, 2015. [http://www.stat.fi/til/vaenn/2015/vaenn\\_2015-10-30\\_kuv\\_001\\_en.html](http://www.stat.fi/til/vaenn/2015/vaenn_2015-10-30_kuv_001_en.html).
- Statistics Finland. "Unemployment rate and trend of unemployment rate 2011/09–2021/09, persons aged 15–74." Last accessed 31 October 2021. [https://www.stat.fi/til/tyti/2021/09/tyti\\_2021\\_09\\_2021-10-26\\_kuv\\_002\\_en.html](https://www.stat.fi/til/tyti/2021/09/tyti_2021_09_2021-10-26_kuv_002_en.html).
- Studyprotals. "Top Universities and Colleges in Finland." Last accessed 31 October 2021. <https://www.mastersportal.com/ranking-country/9/finland.html>.
- "Suicide in Finland up by nearly 15%." *Yle*, April 15, 2020. <https://yle.fi/news/3-11354884>.
- Thomas, Timothy L. "Russia's Reflexive Control Theory and the Military." *Journal of Slavic Military Studies*, no.17 (2004): 237. [https://www.rit.edu/~w-cmmc/literature/Thomas\\_2004.pdf](https://www.rit.edu/~w-cmmc/literature/Thomas_2004.pdf).
- The Fund for Peace. "The Fragile States Index 2020." Last accessed 31 October 2021. <https://fragilestatesindex.org/data/>.
- "The Next Supermodel – The Nordic Countries," *The Economist*, February 2, 2013. <https://www.economist.com/leaders/2013/02/02/the-next-supermodel>. Pynnönniemi, Katri and Charly Salenius-Pasternak. *Security on the Baltic Sea Region: Activation of Risk Potential*. FIIA Briefing Paper 196, June 2016 The Finnish Institute of International Affairs: <https://www.fia.fi/wp-content/uploads/2017/10/xxx.pdf>.
- The Times Higher Education. "The World University Rankings 2018." Last accessed 31 October 2021. [https://www.timeshighereducation.com/world-university-rankings/2018/world-ranking#!/page/0/length/25/sort\\_by/rank/sort\\_order/asc/cols/stats](https://www.timeshighereducation.com/world-university-rankings/2018/world-ranking#!/page/0/length/25/sort_by/rank/sort_order/asc/cols/stats).
- "Toimintakertomus 2017." [The Finnish Security Intelligence Service, Annual Report 2017] *Suojelupoliisi*, 2018. Trading Economics. "Finland GDP per capita." Last accessed 31 October 2021. <https://tradingeconomics.com/finland/gdp-per-capita>.
- U.S. Joint Chiefs of Staff. *Joint Intelligence Preparation of the Operational Environment*. Joint Publication 2-01.3 May 21, 2014. <https://irp.fas.org/doddir/dod/jp2-01-3.pdf>.
- Vihavainen, Timo. *Kansakunta räähmällään*. [A Nation Groveling]. Helsinki: Otava, 1991.
- "Vuosikirja 2017" [Finnish Security Intelligence Service (FSIS), Yearbook 2017]. *Suojelupoliisi*, 2018.
- "Vuosikirja 2020" [Finnish Security Intelligence Service (FSIS), Yearbook 2020]. *Suojelupoliisi*, 2021.

# III COMPLEXITY AND RESILIENCE

*Panu Moilanen*

*Resilience is often regarded as the one-size-fits-all solution for crises and emergencies in post-modern and complex societies. Is this the reality or are the traditional methods of risk management needed as well? In this chapter, concepts of resilience and complexity are discussed theoretically along with proposals of their applicability to Finnish society.*

## Introduction

It is a common belief that the world has changed drastically. *Everything is moving. We are living in the age of information. Everything is connected to everything.* These are some of the phrases used to describe the world we are living in. The world is said to be interconnected, and the evolving digitalisation constantly strengthens this interconnectedness. Phenomena are hard to isolate from other phenomena having some effect on them, and therefore, there is a growing need to analyse the world simultaneously with methods from different fields of science and from different perspectives.

The world is also often described as post-modern, and futurologists often call our world, characterised by surprises, discontinuities, and discrepancies, as post-normal. Regardless of the epithets used, our world is undoubtedly more complex than ever before. To manage this complexity and create security, the traditional methods of risk management based on prudentialism are no longer sufficient. Probably the most discussed alternative to the traditional methods is to build resilience.

In this article, we discuss the concepts of complexity resilience. Firstly, we define the concepts and present the underlying assumptions behind them. We also briefly assess the Finnish comprehensive security model using these concepts. Secondly, as this chapter is written in autumn 2021, the global Covid-19 pandemic and its management and implications within the Finnish society will be discussed in this text. However, one should remember that as this article is written, the pandemic is still ongoing and evolving. Thus, the thoughts presented should be understood as propositions and interpretations and not as conclusions.

### ***Covid-19 as a post-normal phenomenon***

The Covid-19 pandemic is an example of a phenomenon of the post-normal time. Things taken for granted before the pandemic have changed, or their foundations have evolved drastically over a very short period. The pandemic might be a turning point for many of us: there is no return to the old, but we do not yet know the new normal, as it is still being constructed.

The pandemic has made the interconnectedness of the world tangible: it has proven that the speed and scale of the crises might have massive and chaotic consequences. As such, the pandemic should not have been a surprise. The possibility of pandemics has been a part of official risk assessments, e.g., in Finland for years, but still, the pandemic seems to have come unexpectedly.

In his column in New York Times, Thomas L. Friedman<sup>61</sup> describes the Covid-19 as a black elephant: “a cross between “a black swan” - an unlikely, unexpected event with enormous ramifications - and the “elephant in the room” - a looming disaster that is visible to everyone, yet no one wants to address.” According to Friedman, Covid-19 is “the logical outcome of our increasingly destructive war against nature”. He identifies destroying natural habitats, population growth, urbanisation, and globalisation as the main causes of global pandemics.

## **Complexity and complex systems**

Complexity theory is a set of theoretical frameworks used for modelling and analysing complex systems within various domains. As complexity theory consists of multiple theoretical frameworks and is constantly evolving, there is no unified definition or formulation for it. However, in this article, it can be seen as a combination of four main areas commonly discussed in the context of complexity and complex systems. These areas are self-organisation, nonlinearity, networks, and adaptive systems.

To understand complex systems, we must first define what a system is in general. A system is an entity consisting of parts with at least one common goal. Societies and communities can be seen as systems comprising of individuals with goals like securing the existence of individuals and offering them different kinds of benefits like security, care, and different kinds of possibilities. Complex systems are systems consisting of interacting, interconnected parts with abilities to adapt. The parts of complex systems together form system-wide states, e.g., homeostasis, crisis, or state of emergency.

*Self-organisation.* Complex systems are composed of many entities without centralised control. In these systems, global organisation is an emergent feature based on an interaction between the entities. Emergence refers to the new levels of organisations

---

61 Friedman, ‘We Need Herd Immunity From Trump and the Coronavirus’.

developed within the complex systems based on self-organisation; global coordination is formed based on interactions at the local level. In societies, self-organisation is often seen as opposed to bureaucratic forms of organisation, and it is generally regarded as a better solution in fast and unexpected changes of the environment.

*Nonlinearity.* Complex systems are often non-linear and chaotic, opposed to the mainstream body in scientific thinking and knowledge, which are based on linearity and equilibrium; a clear causal relationship is expected between the cause and the consequence. In complex systems, processes of change happen far from equilibrium: they are governed by feedback loops and nonlinear causalities, which are caused by the interconnectedness within the system. Therefore, causal relationships in complex systems are often unclear, the so-called butterfly effect<sup>62</sup> being probably the best-known example of this.

*Networks.* Almost all complex systems and the connections between the parts comprising them can be understood and modelled as networks. In network theory, the symmetric or asymmetric relations between the entities of a complex system are studied using graphs consisting of nodes and connections between them. Examples of this kind of networks are various social networks, flight and freight connections or connections between information systems. Using real-time data sets, these connections can be modelled and studied to predict, e.g., the spread of contagion of a computer or real-life viruses, pieces of news or rumours.

*Adaptive systems.* Complex adaptive systems consist of many parts acting and reacting to each other's behaviour. They are highly dynamic and constantly evolving following the key ideas of cybernetics<sup>63</sup>: systems are controlling themselves based on stimuli sensed from outside the system, which not only maintains homeostasis but also leads to evolution – and as a matter of fact, even the system itself produces stimuli it later reacts on. This is referred to as a feedback loop.

Because of the feedback loops, controlling complex systems from outside is impossible, as attempts to control the system are stimuli changing the system as well, and the global interconnectedness makes the control of the systems and systems of the systems highly unpredictable. Therefore, the goal should not be the control and stability of the systems but rather their ability to learn from failures and evolve to safeguard their existence. We have moved away from a stable and controlled world towards building more resilient systems.

---

<sup>62</sup> Butterfly effect refers to the idea of the dependence between initial conditions, a small change in one of the early states of a nonlinear system and the large differences in the later states of the system. The effect is called butterfly effect as it is quite often illustrated with an example of a butterfly flapping its wings and being the initial cause of a serious storm or some other rough weather several weeks later geographically far away.

<sup>63</sup> Wiener, *Cybernetics, or, Control and Communication in the Animal and the Machine*.

## *Societies as complex systems - Finland*

Social systems and societies are widely used as examples of complex systems. They consist of individuals and relationships between them, forming communities, organisations, and other structures. Societies can also be used to give examples on the four areas presented earlier.

*Self-organisation* is an integral part of the function of societies. Fundamentally, even the creation of formal organisations in societies is based on self-organisation after one noticed there is a need to create order between the individuals of society. However, self-organisation still plays an important part even today in the organised societies' ability to react to change.

One example of this could be the swift creation of unofficial support networks for teachers, who were forced to move to remote teaching practically overnight in March 2020 as the Finnish Government decided to close schools because of Covid-19. The official structures could not support the shift, but self-organisation based on social interaction between the individuals made it surprisingly painless and successful.

*Nonlinearity* can be seen, e.g., in the process in which Finland got its independence: the emergence of a new political movement (communism) resulted in a regime shift in Russia. It opened the window to the independence of Finland – a goal set by the Fennomanic movement more than a century before because of an ever-stronger national awakening in Finland.

*Networks* are an essential part of any society. In Finnish society, e.g., social networks and networks of trust play an important role in many vital areas of the country. One example of this could be cyber security: the pool of experts within this specific area is quite limited, and most experts are either directly connected or only one node away from each other. This makes reacting to emergencies or organising cooperation easy and fluent even if there are no formal supporting structures.

*Adaptation* is constantly happening in societies. The example used for self-organisation is also an example of adaptation: as schools were closed because of Covid-19, teachers continued teaching using various remote teaching methods ranging from group phone calls to social media services and different video conferencing services. Although the transition to remote teaching was made almost overnight, the results were surprisingly good, and the “remote school” played an important role in enabling the pupils to cope with the sudden emergency – especially as even the delivery of daily school meals to homes was quickly organised in practically all Finnish schools.

It is crucial to notice that although all the examples given above are positive, the complexity of societies as a system makes them also vulnerable. The complicated and uncontrollable nature of societies results in possibilities of endo- and exogenic vulnerabilities, which can also be created with a purpose. These kinds of hostile actions are often discussed in the context of so-called hybrid threats.

## Resilience

Ten years after 9/11, in September 2011, Newsweek's cover featured a picture of an aeroplane flying towards one of the twin towers. The text over the image was "9/11 – ten years of fear grief revenge resilience", the word resilience being written with larger font spanning over the whole page. The headline of the corresponding 10-year-anniversary-article in Time was headlined "Portraits of Resilience." The concept of resilience had become part of the public debate. According to Kaufmann<sup>64</sup>, we had entered the era of recurring emergencies, into which we must react with adaptation and evolution – by being resilient.

Although resilience nowadays is often discussed in societal contexts, it has its origins in ecology and psychology. Probably the most cited definition from the early phases of the concept was presented by Canadian ecologist Holling<sup>65</sup>, who defined resilience as "a measure of the persistence of systems and of their ability to absorb change and disturbance and still maintain the same relationships between populations or state variables". The concept was soon adopted in socio-ecology, in which ecosystems and social systems are seen as coupled, interdependent, and coevolving<sup>66</sup> - in other words, they are seen as complex systems. Later, the concept of resilience was adopted by many other disciplines, e.g., by engineering and information technology.

*Resilience defined.* Regardless of the area or discipline, specific common attributes can be identified when defining resilience<sup>67</sup>. Firstly, resilience is always a reaction or response to stress, disturbance, misfortune, risk or – quite simply to change. Secondly, resilience can also be seen as an ability to maintain or restore a system to its original state after the factor causing the system to react has ceased to exist. In this retrospect, resilient systems are tolerant, flexible, elastic, redundant or robust. However, one should also bear in mind that the resilience of systems always has its limits: if these limits are reached, systems can collapse, vanish, transfer, or deform.

Resilience can also be seen as a process. In a report published in 2019 by the Prime Minister's Office of Finland<sup>68</sup>, resilience is defined as a three-step process comprised of resistance, maintaining of functionality and adaptive learning. In the report, resilience is seen as a general ability to adapt to disruptions and crises regardless of their exact characteristics.

---

64 Kaufmann, *Resilience, Emergencies and the Internet*.

65 Holling, 'Resilience and Stability of Ecological Systems'.

66 Berkes, Folke, and Colding, *Linking Social and Ecological Systems*.

67 Kaufmann, *Resilience, Emergencies and the Internet*, 21.

68 Hyvönen et al., *Kokonaisresilienssi Ja Turvallisuus: Tasot, Prosessit Ja Arviointi*.

## Levels of resilience

As discussed earlier, systems are comprised of parts. If the system in question is a society, the parts are individuals forming communities, groups, and organisations. Societies, in turn, form global and other systems as well. Therefore, it is reasonable to see the societal resilience of having levels as well.

Hyvönen et al.<sup>69</sup> suggest a concept of comprehensive resilience consisting of individual, community, institutional and global resilience. *Individual resilience* is seen as a characteristic of an individual. It refers to an individual's ability to develop and adapt successfully regardless of exposure to severe stressors having the potential to trigger trauma or mental health problems. It comprises psychological, physiological, and socio-cultural resources. Individual resilience is not a stable state, but it can be strengthened and developed through skills, competencies, and personality.

*Community resilience* can be defined as “the existence, development, and engagement of community resources by community members to thrive in an environment characterised by change, uncertainty, unpredictability, and surprise”<sup>70</sup>. Respectively, Hyvönen et al.<sup>71</sup> define community resilience through four attributes: robustness, redundancy, innovativeness, and rapidness. In sum, community resilience can be said to be the ability to foresee risks, decrease their effects, and recover quickly through survival, adaptation, development, and growth as the community faces a significant change<sup>72</sup>.

*Institutional resilience* refers to the resilience of the central institutions of the society. Institutions can be both public organisations and existing (Giddensian) structures, such as educational systems, democratic bodies, religions or other belief systems. The continuity of the functions of institutions plays an essential role in individual resilience: the more normally institutions of society function or at least appear to function, the more individuals tolerate uncertainty and exceptional situations.

*Global resilience* is a phenomenon of the interconnected world. The further one is from an individual and her/his resilience, the more difficult and speculative it is to manage resilience, although global factors have an undeniable effect on the individual and her/his resilience Covid-19 being an excellent example of this. Unfortunately, Covid-19 is also an excellent example of the non-existent global cooperation in the management of resilience: securing nations' own interests has been the primary concern for most countries.

---

69 Hyvönen et al.

70 Magis, 'Community Resilience'.

71 Hyvönen et al., *Kokonaisresilienssi Ja Turvallisuus: Tasot, Prosessit Ja Arviointi*.

72 Denhart and Denhart, 'Building Organizational Resilience and Adaptive Management'.

## Four views on resilience

In her book<sup>73</sup> discussing resilience in the complex and interconnected information age, Mareile Kaufmann presents four views on resilience. She suggests that resilience can be seen as empowerment, insecurity, self-governance, and as critique. These views are worth considering, as resilience is often seen only as a uniform solution for security issues of the post-modern era.

*Resilience as empowerment.* It is improbable the resilience as such would diminish the possibility and probability of threats – this can be achieved through traditional risk management. However, it is widely suggested that resilience reduces sensitivities to disruptions at all levels of resilience, i.e., individual, community, and (national or global) institutions. Resilience and knowledge of possessed resilience are often empowering factors within society: when facing disruptions and challenges, one copes better with them if one genuinely believes one can overcome them. Thus, there is a clear objective in many political programmes to weave resilience into communities and societies through individuals' empowerment.

### *The Security Strategy for Society and comprehensive security*

The Security Strategy for Society is a resolution of the Finnish Government harmonising national preparedness principles and guiding preparedness in the various administrative branches. The first part of the strategy presents a cooperation model for comprehensive security, based on which preparedness measures and other actions are taken concerning a range of different kinds of incidents in Finland. The second part directs preparedness in Government's administrative branches.

Comprehensive security is a cooperation model, a framework for doing things collaboratively. It is described in the Security Strategy for Society, which lays out the general principles governing preparedness in Finnish society. In the cooperation model, actors share and analyse security information, prepare joint plans and train together. Foresight is an important part of preparedness work, providing a means for responding to security challenges and preventing future ones.

The Security Strategy for Society has been prepared in broad-based cooperation, taking into consideration the viewpoints of all the actors involved. Comprehensive security is looked after through cooperation between the authorities, the business community, organisations, and citizens. Each administrative branch is responsible for the implementation of the strategy based on its area of expertise. The Security Committee monitors the implementation and develops cooperation together with the preparedness managers of the various ministries.

---

73 Kaufmann, *Resilience, Emergencies and the Internet*.

The principles of the Security Strategy for Society cover preparedness in different types of incidents and emergencies. The cooperation model for comprehensive security in Finland is internationally unique and respected. The strategy lays out vital functions in society<sup>74</sup>, i.e., the basic functions that must be safeguarded under all conditions and at all operative levels. The second part of the strategy outlines the tasks and areas of responsibility of the Government's ministries pertaining to preparedness.

The security strategy was prepared jointly by the authorities, organisations, and representatives of the business community. Citizens also had the opportunity to present their ideas and contribute to the strategy.

Source: <https://turvallisuuskomitea.fi/en/security-strategy-for-society/>

The Finnish comprehensive security model presented above is a perfect example of utilising individuals and communities' empowerment to build resilience. In this model, not only are the public organisations responsible for the nation's security, but other (private and commercial) organisations and the actors of the third, voluntary sector are sharing the responsibility. Examples of this are defence training organised by voluntary educators coordinated by the National Defence Training Association, search and rescue operations carried out by individuals belonging to member organisations of the Voluntary Rescue Service, and volunteer fire departments taking care of fire-fighting alongside the public fire departments. Agency and duties within these organisations are highly empowering for the individuals: they get a sense of belonging and feeling of doing something for the common good.

Communications can also be used to empower people. Covid 19 -pandemic is probably the most severe global challenge after World War II. In Finland, this made the Finnish Government to commence an information campaign to build the resilience of the Finnish society. The campaign lasting until the end of 2022 is titled "Finland forward" (see Figure 1), and its official goal is to "support psychological resilience to crisis during and after the emergency situation and build trust and strengthen people's sense of belonging and belief in the future"<sup>75</sup>. The decision to address the nation in this way is historical. According to the communications department of the Finnish Government, this is the first time since the years of war, as this kind of communication is carried out in Finland by a public body<sup>76</sup>.

74 Management of government affairs, psychological crisis tolerance, the populations income security and capability to function, functioning of the economy and infrastructure, internal security, Finland's defence capability and international activity.

75 'Finland Forward – Come Join Us!'

76 Palokangas, 'Valtioneuvoston Kampanja Nostattaa Henkistä Kriisinkestävyyttämme: "Emme Ole Tehneet Täytäntöä Viestintää Sitten Toisen Maailmansodan".'

### *We will manage this – the spirit of Winter War revived?*

During the Covid-19, one has once again started to think about the essence of Finland. In the public speech, terms and expressions reflecting the national narrative and identity of Finland have once again come up: emergency conditions have been described as a joint battle, the citizens have been reminded of the spirit of the Winter War, and it has been emphasised that one should not surrender to the enemy. The Finnish stamina, the mythical 'sisu,' is once again valued, the premise being "we will manage this." One of the Finnish society's distinct characteristics, trust, has been offered as an explanation for the fact that Finns have obediently followed government recommendations, which in many ways are quite agonising.

Bringing the years of war (1939-1945) to the discussion about managing the pandemic is interesting. By now, the Winter War's spirit had been considered something mythical that could never again be achieved in Finnish society. In 2019, Jared Diamond<sup>77</sup> published a book, "Upheaval – How Nations Cope with Crisis and Change." In his book, Diamond presents cases where a nation has faced a remarkable upheaval and then discusses how the states reacted to these upheavals. One of the countries discussed as a case is Finland, and one of the most dramatic moments in its history, the war(s) against the Soviet Union in 1939-1944. In his book, Diamond identifies seven factors that made it possible for Finland to survive the crises caused by the war against the Soviet Union.

The factors (a-g) identified by Diamond<sup>78</sup> are a) national consensus the one's nation is in crisis, b) building a fence to delineate the national problems needing to be solved, c) national identity, d) honest national self-appraisal, e) dealing with national failure, f) situation-specific national flexibility, and g) national core values.

It is interesting to notice that six of these seven factors apply to the management of the Covid-19 crisis in Finland as well: the pandemic cannot be seen as a national failure, so the factor e) is not relevant in this case, but it can be replaced with another of the total twelve factors presented by Diamond: acceptance of national responsibility to do something. Although the unity in Finland about the management of Covid-19 crisis measures has been embrittled as the situation has prolonged, it is perhaps not an overstatement that the spirit of the Winter War was revived in Finland at the beginning of the pandemic.

77 Jared Diamond is an American geographer, historian, anthropologist, ornithologist, and a professor of geography at UCLA. He is known for his books drawing from a variety of fields in science and was ranked ninth on a poll by Prospect and Foreign Policy of the world's top 100 public intellectuals in 2005.

78 Diamond, *Upheaval*, 93.

*Resilience as insecurity.* The concept of resilience as it is used today is strongly linked to the ideas of complexity and interdependence presented earlier. The world is seen as ever-changing and complex, which challenges the possibilities to control security *ex-ante*, as insecurity from this point of view is often endogenic and not something that could be prevented from entering the system. Therefore, resilience can exist only in an environment where there exists insecurity as well.

However, it is essential to note that complexity is not a fact but a theoretical construct, which can be seen as a part of a political programme. This links complexity and resilience to the concept of securitisation, which was developed by Barry Buzan, Ole Wæver and Jaap de Wilde<sup>79</sup>, and which probably is the most prominent outcome of the Copenhagen School of Security Studies. The basic idea of securitisation is that using speech (act), a (state) actor moves a topic from political discourse to the area of security and thus tries to legitimise the (extraordinary) means against this socially constructed threat.



Figure 1. “We will manage this together” - the imagery of the Finland forward -campaign launched by the Prime Minister’s office in spring 2020. Images are taken from the image film of the campaign.

If resilience is seen as insecurity, it is a substitute for security. In other words, insecurity is not seen as a result of political choice but as an inevitable consequence of complexity and interconnectedness. In the worst case, resilience thinking can lead to

<sup>79</sup> Buzan, Wæver, and Wilde, *Security*.

*laissez-faire* -administration, in which one does not even try to control risks since one relies too much on the (assumed) resilience of individuals and the system.

If viewed as insecurity, resilience can be regarded as outsourcing the responsibility of security. The Finnish comprehensive security model can be examined from this perspective as well. Defence training can easily be argued to be a responsibility of the state, and SAR and firefighting can be seen as duties of the public bodies. Instead of commitment and empowerment, it can be the felt insecurity, which makes individuals take action to control the situation. By creating insecurity through securitisation, the responsibility of creating security has been outsourced to individuals and the third, voluntary sector.

*Resilience as self-governance.* In resilience thinking, the role of self-reflection and engagement is often emphasised on all levels of resilience – individual, community and society (institutions). The entities are seen to be connected to each other and the world in general and fully realise the risks they should adapt and prepare themselves for. Governmental strategies often catalyse these forms of reflection and self-organisation. In these strategies, citizens are encouraged to acquire knowledge and skills to be better prepared for different kinds of disruptions and the government counts on citizens' engagement<sup>80</sup>.

Expecting something from individuals and communities without explicitly saying so but steering them towards this kind of behaviour with strategies and policies can be seen as a form of governmentality. Governmentality is a concept initially coined by Foucault<sup>81</sup>. It can be defined as “calculated and coherent action aiming at steering individuals, communities and whole populations towards achieving goals regarded as important at a given time”<sup>82</sup>. One of the most influential developers of the concept of governmentality, Nicholas Rose, has concluded that governmentality is based on the use of free will of its subjects: individuals and communities are made to act in a desired way through self-regulation based on persuasion<sup>83</sup>. In the context of security, the insecurity, doubt, and alertness experienced by an individual can be utilised to justify different kinds of security measures even in everyday life.

The Covid-19 measures in Finland have been mainly based on governmentality, not on direct orders or rules. Finns have been verbally (using speech-acts) convinced of the necessity of the different kinds of (sometimes quite uncomfortable) restrictions, which juridically have been “recommendations” or “strong recommendations”. This kind of governing by creating self-governance has been quite an efficient way in Finnish society in general as well.

---

80 Malcolm, 'Project Argus and the Resilient Citizen'.

81 Foucault, *The Government of Self and Others*.

82 Kaisto and Pyykkönen, *Hallinnan Analytiikan Suuntaviivoja*.

83 Rose, *Powers of Freedom*.

Understood as self-organisation, resilience can also lead to remoteness between the governing bodies and the individuals, as the governing bodies are spatially distant to citizens, especially in the times of technologically mediated communications<sup>84</sup>.

*Resilience as critique.* Traditionally, one tries to control the systems (e.g., societies) through interventions based on assumed causalities. In neoliberalism, the systems are seen to be controlled *deus ex machina* by markets and rational choice. In resilience thinking, this is criticised since reality is hard to be understood *ex-ante*, but mainly *ex post facto* when one might detect the causalities. Therefore, to build resilience, one should work backwards and find solutions through self-reflective processes. However, this is not possible without something happening, and therefore the ideas of prudential risk management should not be forgotten.

In critical security studies, resilience is seen as a highly political concept that has been translated and transferred from various disciplines into security. In this discussion, resilience is attached to two “turns”: the complexity turn, which has been discussed in detail in this article, and the material turn, which aims to explore the construction and use of power through and by material objects<sup>85</sup>.

In conclusion, it should be remembered that although resilience seems to be the superb solution to post-modern or post-normal emergencies, there is no certainty of it being the universal solution to complex challenges we are facing, but just another option that can and should be criticised as well. Relying too much on (imagined) resilience might expose us to unexpected and uncontrollable risks. In addition, attempts to create resilience will undoubtedly act as stimuli in the feedback loops of the systems, also in ways not anticipated by the governing bodies.

## Conclusion

As there are many expectations placed on resilience, one should build resilience as efficiently as possible – resilience should be built before it is needed. In their report, Hyvönen et al.<sup>86</sup> propose approaches one should adopt to enhance resilience in Finland. The proposed action can be seen to consist of three pillars: societal measures, training, and resources. The most important thing is to ensure societal safety: to diminish and prevent polarisation among citizens, take care of services within the social sector both during normal and emergency conditions and pay attention to the “social ground” of politics. In training, one should pay attention, e.g., to media literacy, cultural abilities, attitudes, and citizens’ concrete security skills. It is also proposed that a separate

---

84 Kaufmann, *Resilience, Emergencies and the Internet*, 29.

85 Dunn Cavelty, Kaufmann, and Soby Kristensen, ‘Resilience and (in)Security’.

86 Hyvönen et al., *Kokonaisresilienssi Ja Turvallisuus: Tasot, Prosessit Ja Arviointi*.

resilience education be available for the central actors within comprehensive security. The results of education and level of resilience should also be constantly measured and evaluated. For this purpose, an evaluation framework for institutional resilience should be developed. From the resource point of view, it is crucial to add redundancy, especially to critical infrastructure.

Resilience seems to be an appropriate solution to respond to the challenges of the ever more complex world we are living in. In many cases, it seems to be a better solution than the traditional, prudential way to manage risks. However, one should bear in mind that although self-organisation and adaptation are distinct features of complex systems, there is a need for active resilience-building measures. If these measures are not taken, there is a risk of resilience becoming a paper tiger used to outsource the responsibility of security to others without explicit knowledge of whether someone accepts the responsibility. In the worst case, this might lead to increased insecurity and the inability to react to emergencies.

## Bibliography

- Berkes, Fikret, Carl Folke, and Johan Colding, eds. *Linking Social and Ecological Systems: Management Practices and Social Mechanisms for Building Resilience*. Cambridge, U.K. ; New York, NY, USA: Cambridge University Press, 1998.
- Buzan, Barry, Ole Wæver, and Jaap de Wilde. *Security: A New Framework for Analysis*. Boulder, Colo: Lynne Rienner Pub, 1998.
- Denhart, Janet, and Robert Denhart. 'Building Organizational Resilience and Adaptive Management'. In *Handbook of Adult Resilience*, edited by John W. Reich, Alex Zautra, and John Stuart Hall, 333–49. New York: Guilford Press, 2010.
- Diamond, Jared M. *Upheaval : How Nations Cope with Crisis and Change*. Allen Lane, 2019.
- Dunn Cavelty, Myriam, Mareile Kaufmann, and Kristian Soby Kristensen. 'Resilience and (in)Security: Practices, Subjects, Temporalities'. *Security Dialogue* 46, no. 1 (February 2015): 3–14. <https://doi.org/10.1177/0967010614559637>.
- 'Finland Forward – Come Join Us!' Accessed 9 November 2020. <https://valtioneuvosto.fi/en/finlandforward>.
- Foucault, Michel. *The Government of Self and Others : Lectures at the Collège de France, 1982-1983*. Palgrave Macmillan ; St Martin's Press, 2010.
- Friedman, Thomas L. 'We Need Herd Immunity From Trump and the Coronavirus'. *The New York Times*, 25 April 2020.
- Holling, C S. 'Resilience and Stability of Ecological Systems'. *Annual Review of Ecology and Systematics* 4, no. 1 (November 1973): 1–23. <https://doi.org/10.1146/annurev.es.04.110173.000245>.
- Hyvönen, Ari-Elmeri, Tapio Juntunen, Harri Mikkola, Juha Käpylä, Harri Gustafberg, Markku Nyman, Tiina Rättälä, Sirpa Virta, and Johanna Liljeroos. *Kokonaisresilienssi ja Turvallisuus: Tasot, Prosessit Ja Arviointi*. Helsinki: Prime Minister's Office, 2019.

- Kaisto, Jani, and Miikka Pyykkönen. *Hallinnan Analytiikan Suuntaviivoja*. Helsinki: Gaudeamus, 2010.
- Kaufmann, Mareile. *Resilience, Emergencies and the Internet : Security in-Formation*. Routledge Studies in Resilience. Routledge is an imprint of the Taylor & Francis Group, an Informa Business, 2017.
- Magis, Kristen. 'Community Resilience: An Indicator of Social Sustainability'. *Society & Natural Resources* 23, no. 5 (5 April 2010): 401–16. <https://doi.org/10.1080/08941920903305674>. Malcolm, James A. 'Project Argus and the Resilient Citizen'. *Politics* 33, no. 4 (December 2013): 311–21. <https://doi.org/10.1111/1467-9256.12021>.
- Palokangas, Piritta. 'Valtioneuvoston Kampanja Nostattaa Henkistä Kriisinkestävyttämme: "Emme Ole Tehneet Tämäntyyppistä Viestintää Sitten Toisen Maailmansodan"'. *Markkinointi & Mainonta*, 3 November 2020. <https://www.marmai.fi/uutiset/valtioneuvoston-kampanja-nostattaa-henkista-kriisinkestavyyttamme-emme-ole-tehneet-tamantyyppista-viestintaa-sitten-toisen-maailmansodan/>.
- Rose, Nikolas. *Powers of Freedom : Reframing Political Thought*. Cambridge University Press, 1999. Wiener, Norbert. *Cybernetics, or, Control and Communication in the Animal and the Machine*. New York: John Wiley, 1952.

# IV SUCCESS AGAINST THE ODDS: DEVELOPMENT OF THE FINNISH ECONOMIC ENVIRONMENT

*Maiju Wuokko, Aaro Sahari and Niklas Jensen-Eriksen*

*The Finnish economic history is often, with considerable justification, characterised as a success story. Until the early 20<sup>th</sup> century, Finland was both agrarian and poor, but since then it has become one of the wealthiest countries in the world. It has thriving high technology companies, numerous more traditional industrial enterprises and a service sector, which is the most important employer in the country. For domestic and foreign companies, Finland is a safe and stable place to do business. The fortuitous transformation is partly due to successful export trade, but dependency on it has also made the country's economy vulnerable to external shocks. In addition, Finland has historically been dependent on a limited number of export sectors, and, ideally, its economy should be more diversified and innovative. During the last decade, economic growth was disappointingly low.*

## Introduction

The economic history of Finland can be summarised as a story of a small, export-dependent economy that has opened up at an accelerating pace after the Second World War while simultaneously transforming into a highly educated, industrial, and service society. Typically, this narrative is characterised as a success story. This depiction rings true in a macro-economic analysis. From 1860 to 2009, the Finnish GDP grew at the average annual pace of 2.9 per cent. Since becoming independent in 1917, Finland has witnessed a 15-fold increase in per capita GDP.<sup>87</sup> Over the post-war decades, Finland has transformed from a relatively poor agrarian economy to one of the wealthiest countries in the world.<sup>88</sup>

Statistics Finland compiled a list of international country comparisons in 2019, wherein Finland ranked among the very best in the world. This is due to having the most human capital and the second most skilled workforce in the world; ranking as the most literate country in the world and the top OECD country in education; having

---

<sup>87</sup> Statistics Finland, "National Accounts".

<sup>88</sup> Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 150; Ojala et al., "Vaurastuva Suomi", 9.

the third least corruption and the least organised crime in the world; being the most advanced EU country in the utilisation of digitalisation; having the fourth best sustainable competitiveness and the second lowest risk of natural disasters in the world; and finally being the third most innovative country and the best country for business globally. Overall, according to these comparisons, Finland is the happiest and most stable country in the world.<sup>89</sup>

Despite these flattering qualifications, the Finnish economy has its sore points and structural vulnerabilities. The economy as a whole is very dependent on exports while, at the same time, the range of export products has traditionally been quite narrow and dominated by individual industries or even single firms. The domestic market is limited and the small and medium-size enterprise (SME) sector is weak. These factors are connected to the national economy's limited capacity for renewal. Politico-economic institutions are very stable to the extent that they can effectively hinder economic regeneration.

In this chapter, we will provide a brief overview of the historical developments that explain the strengths and weaknesses of the Finnish economy. How has the Finnish success story come about and what are the shortcomings that do not fit in the success story and are frequently omitted from it?

## From agrarian to post-industrial economy

Geography dictates the basic, tangible conditions for Finland's economic development. The country lies in the north-eastern corner of Europe and is among the northernmost countries in the world. In fact, the largest population group living in or above the latitude of the capital, Helsinki, are Finns. This location between Sweden and Russia has historically been described as peripheral in a European or Western context. Finland's northern location means that the climate is harsh and the growing season is short. Before industrialization and year round transport infrastructure these factors contributed to a low productivity of agricultural output and a relatively small and poor population. Low population, in turn, has translated into relatively meagre human resources and a modest-sized national economy.<sup>90</sup>

Scarce natural resources consist mainly of forests, sometimes referred to as the "green gold" of Finland,<sup>91</sup> metal ores, and industrial minerals. Throughout the centuries, products deriving from forests have connected the country to local, regional, and international trade flows. The main export products consisted of fish and furs in the

---

89 Statistics Finland, "Independence Day 2019".

90 Haapala and Lloyd, "Rakennehistoria ja historian rakenteet", 25; Kuisma, "Euroopan metsäaitta", 52.

91 Kuisma, *Metsäteollisuuden maa*.

Middle Ages, tar and timber from the 17th through to the 19th centuries, and timber, pulp, and paper in the first part of the 20th century. The success of the Finnish national economy has thus hinged on the demand for and the world market price of forestry products. Only in the latter part of the 20th century has Finnish export product range diversified to include chemicals, machinery, electronics, and consumer products. At the same time, the relative share of forest industry products in total Finnish exports has decreased from nearly 80 per cent in the 1950s to around 20 per cent in the 2010s.<sup>92</sup>

Despite the importance of forest-based trade to the Finnish national economy, the vast majority of Finnish people earned their livelihood from agriculture until the latter half of the 20th century. As much as 90 per cent of the Finnish workforce was in primary production when Finland was annexed to the Russian empire as an autonomous grand duchy in 1809. At the start of the 20<sup>th</sup> century that figure had only receded to 70 per cent, while in most of Western Europe it already stood at 50 per cent. However during the 20th century, the significance of primary production fell quickly. At the turn of the millennium, the GDP share of the primary sector had declined to 3 per cent and the sector employs less than ten per cent of the Finnish population.<sup>93</sup>

Land acquisition legislation in the newly independent Finland favoured smallholders and created tens of thousands of family-owned smallholdings that dominated agricultural production and also owned most of the forests. These policies were reinforced after the Second World War, wherein Finland lost the Karelian breadbasket to the USSR. Most of these single family farms turned out inviable in the longer run, and the number of farms declined rapidly from the 1960s onwards. This process was directly linked to the mechanization of forestry, the rise of the service sector, and urbanization in general. From the early 1970s to the early 1990s, approximately 5.500 farms disappeared every year. In a parallel development, the size of the farms that stayed in business increased as family farms gave way to increasingly industrial-scale agriculture. By the early 21st century, the number of operating farms had sunk to 19th century level.<sup>94</sup>

Finland was relatively late to urbanise. In the mid-20th century, only a third of the population lived in towns. Since then urbanisation has picked pace due to industrialization, expansion of education, and growth of the service sector. At the same time, mechanisation of the primary sector has diminished rural employment opportunities. As a result of these developments, the ratio reversed so that now only a third of the Finnish population lives in rural municipalities. Still, Finnish towns are relatively small and only the nine largest cities exceed 100 000 inhabitants. The capital

---

92 Koponen and Saaritsa, "Suomi, historia, kehitys", 28.

93 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 160.

94 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 160, 162; Haapala and Peltola, "Elinkeino-rakenne", 199-200.

conurbation dwarfs other areas with its 1.1+ million inhabitants (Helsinki alone has c. 650 000 inhabitants).<sup>95</sup>

Well into the 20th century, Finland was poor and agrarian. After the Second World War, structural change picked up steam. Industrialisation had already begun in the early to mid-19th century but Finland fully transformed into an industrialised country only in the post-war decades. The state supported the shift from primary to industrial production by investing directly in industry but also by indirect means such as education and welfare services, which helped to harness the society's resources at the service of industrial advancement. War reparations to the Soviet Union (1944–1952) forced the state to invest circa 5 % of GDP into developing heavy industries. The reparation payments consisted mostly of metal manufacturing, shipbuilding, and paper industry products. Even though the war reparations accelerated the growth of industrial production and exports in select fields, this came at the expense of the rest of the society.<sup>96</sup>

Despite fast and partly coordinated industrial development, the secondary sector never became the biggest employer in Finland. The growth of manufacturing was soon overtaken by the expanding service sector. The development of services remained modest until the 1950s but from there on out, both private and especially public services expanded rapidly. The public sector employed an increasing number of Finns at schools, kindergartens, healthcare, elder care, administrative services, and state institutions such as the postal services, railways, and armed forces. If all these are included, the service sector employed the majority of the Finnish workforce already by the early 1960s. In the 2010s, the share of the service sector has been 73 per cent. In the 1990s, the expansion of public sector jobs halted. Since then, the growth of the service sector has stemmed from the private sector, e.g. retail and traffic.<sup>97</sup>

The decline of the secondary sector should not be exaggerated but seen in relative terms. Despite a temporary drop during the 1970s energy crisis, the number of employees in industry continued to grow until the early 21st century. In the year 2000, for instance, their number was still bigger than in 1960 despite continued automatization across industries.<sup>98</sup> Even though the Finnish national economy diversified and the relative importance of industry thus waned, industrial production and exports remained the mainstay of economic growth and affluence. Currently, Finnish heavy industries are extensively automated and capital intensive.<sup>99</sup>

---

95 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 160; City of Helsinki statistics and research, "Statistical Yearbook of Helsinki 2019".

96 Haapala and Peltola, "Elinkeinorakenne", 198, 203; Sahari, *Valtio ja suurteollisuuden synty*, 346–360.

97 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 163; Haapala and Peltola, "Elinkeinorakenne", 203, 205–206.

98 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 163; Haapala and Peltola, "Elinkeinorakenne", 203, 205.

99 Ojala et al., "Vaurastuva Suomi", 10.

In the next section, we take a closer look at the industrial development in Finland and examine the main drivers behind Finland's industrialisation.

## The latecomer catches up

The history of industrial production in Finland can be traced to the 17th-century ironworks and water-powered sawmills. However, industrialisation only took off during the 19th century and especially from the 1860s onwards. Forest industries, and in particular saw mills, dominated the development. Numerous rural industrial communities sprung up in the Finnish countryside in the vicinity of energy and raw material resources.<sup>100</sup> Early logistic advances, such as waterways, railways, and harbours, followed industrial investments.<sup>101</sup> Despite industrialisation being well under way, Finland still retained characteristics of a developing country in the early 1900s and became a truly industrialised country only in the mid-20th century.<sup>102</sup>

Finland's industrialisation and resultant economic growth thus accelerated relatively late. Continuous, albeit uneven, growth began hand in hand with industrialisation in the 1860s. Already by the 1920s and 1930s, Finnish economic development had diverged from that of other East European countries and began to catch up with the West European standards.<sup>103</sup> Finnish technical education and industrial standards were intentionally modelled after German, Swedish, and British principles. While foreign investments were not exactly shunned in the interwar period, domestic investment to new industries were critical. The state participated in various ways in the development of chemical industry, mining, machinery construction, and shipbuilding. State owned factories were founded in underdeveloped fields, whereas direct subsidies were utilized to help privately owned, strategic companies.<sup>104</sup> Already in the post-war era, the Finnish state acquired or established state-owned enterprises (SOEs) in strategic sectors. The government bought forest industry companies W. Gutzeit and Tornator, set up a mining and later steel company Outokumpu, and established an energy company Imatran Voima.<sup>105</sup>

Apart from these SOEs, the state's control over the economy was relatively loose. However, after the Second World War, the state's economic activity increased and its

---

100 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 160, 162-163; Koponen and Saaritsa, "Tie Suomeen", 354.

101 Nenonen, "Liikennehistorian tutkimus", 39-56.

102 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 163; Koponen and Saaritsa, "Tie Suomeen", 349; Saaritsa, "Miten Suomi lakkasi olemasta kehitysmä", 41.

103 Haapala and Lloyd, "Rakennehistoria ja historian rakenteet", 27; Koponen and Saaritsa, "Tie Suomeen", 349; Kuisma, "Euroopan metsäaitta", 56; Saaritsa, "Miten Suomi lakkasi olemasta kehitysmä", 43-44.

104 Eloranta and Kauppila, "Guns and Butter", 217-244; Sahari, *Valtio ja suurteollisuuden synty*, passim.

105 Jensen-Eriksen, "Business, Economic Nationalism", 48.

grip strengthened. Economic policies pursued growth and industrialisation by favouring investments at the expense of private consumption. International competitiveness of Finnish industries was adopted as the ultimate guiding light and rationale behind economic policies, although the goal was not nearly always reached. With regard to the strong role of the state, Finland resembled the 'developmental states' of East Asia in the latter part of the 20th century.<sup>106</sup>

The growth rate of the Finnish GDP per capita was around 4 per cent, which meant that the national product doubled in the span of two decades. Industrial production grew at the approximate rate of 8 per cent a year, which made Finland the fastest-developing country in inter-war Europe.<sup>107</sup> The Second World War halted this positive trend only temporarily. Post-war economic growth was rapid all over Western and Northern Europe – and, to some extent, even in Eastern Europe CMEA countries.<sup>108</sup> However, growth rates in Finland were once again exceptionally high from the turn of the 1950 until the close of the 1980s. Overall, the 20th-century economic history of Finland can be summarised as an era of rapid economic development and catching-up with the wealthy leading economies of the world.<sup>109</sup>

Finland was able to rely on the latecomer competitive advantage and adopt technology and know-how from more advanced economies. Up until the mid-20th century, entrepreneurs and engineers imported technology from Scandinavia, Germany, and Great Britain, and provided the expertise necessary to establish industrial production in Finland. Frequent study trips to western and central Europe were another typical way of acquiring the necessary knowledge. At this early stage, direct copying of the relatively simple technologies used was both possible and permitted. However, successful technology transfer was not a passive one-way process but entailed an element of active technological adaptation and accumulation of skills and knowledge.<sup>110</sup>

The accumulation of expertise, in turn, eventually led to Finnish-born innovations. However, usually the innovations were improvements to imported technologies and their accommodation to local conditions rather than revolutionary new discoveries.<sup>111</sup> Research and development was not a priority to either private companies or the Finnish state. As late as in 1965, a meagre 0.4 per cent of the GDP went to research and development in Finland, which was well below the average of other western countries. The R&D input started to increase eventually but forest industries, which

---

106 Fellman, "Miten Suomi muuttui", 295, 297-298; Koponen and Saaritsa, "Tie Suomeen", 353-354; Kuisma, "Euroopan metsäaitta", 77, 80.

107 Saarikoski, "Yhteiskunnan modernisoituminen", 119, 121.

108 Crafts and Toniolo, "Les Trente Glorieuses".

109 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 152; Ojala et al., "Vaurastuva Suomi", 13.

110 Jensen-Eriksen, "Business, Economic Nationalism", 47; Koponen and Saaritsa, "Tie Suomeen", 356-357, 376; Kuisma, *Metsäteollisuuden maa*, 246-248; Michelsen, *Viides sääty*, 160-179, 223-251.

111 Winter navigation is a particular example, see Matala and Sahari, "Small nation, big ships".

dominated Finnish exports until the 1990s continued to produce and export mainly bulk products to the world market.<sup>112</sup>

In addition to imported and locally-adapted technologies, the late-18th-century and early-19th-century Finnish recipe for economic growth relied on bulk production and cheap labour. The political strengthening of the landowning farmers and factory workers began to undermine this strategy. Finnish industries were forced to modernise and rationalise their production, which transformed them gradually from low-cost producers to manufacturers of high-quality bulk products. Nevertheless, in comparison to Western Europe, Finland remained a low-cost country until the 1970s.<sup>113</sup>

The state was a crucial actor with ambitions for steering and accelerating structural change as the Finnish economy matured during the Cold War decades. The ministry of trade and industry grew in capability and power during the war reparations and thereafter started to develop novel tools to support industrial development. Direct state subsidies and support were especially necessary in the bilateral clearing trade with the Soviet Union. The “Finnish laboratory” provided the Soviets with Western technology despite strategic export (CoCom) restrictions that limited the flow of sensitive technology from West to communist countries. Finns imported oil and other raw materials, while exporting manufacturing and consumer goods, and later in the 1970s complete turnkey projects such as paper mills.<sup>114</sup> While the rise of Finnish manufacturing took place before the Second World War, the industry was predominantly domestic and local in nature. Soviet trade provided necessary experience for companies on exports and international trading. Finnish heavy industries also merged into a few, large companies better equipped to engage world markets.

Last but not least, connections with the world economy have always been a significant impetus to Finnish economic development. By turning its green gold into forest industry products, Finland was able to find its role in the global chains of commerce.<sup>115</sup> The modernisation of Finnish timber industry in the late 19th century coincided with an upsurge in the demand for sawn goods in the West European market.<sup>116</sup> From then on, demand curves in the export markets began to dictate the fortunes of the Finnish economy. Even though this often spelt hardships and downturns, on balance the close ties with international trade have been perhaps the most crucial contributor to Finland’s economic success story.<sup>117</sup>

---

112 Jensen-Eriksen, *Läpimurto*, 246–247, 249; Koponen and Saaritsa, “Tie Suomeen”, 357.

113 Eloranta and Ojala, “Suomi kansainvälisessä taloudessa, 153; Jensen-Eriksen, *Läpimurto*, 249; Kuisma, “Euroopan metsäaitta”, 76.

114 Hanson, *Rise and Fall of Soviet Economy*, 82–83, 86, 119–121; Matala, *Finlandisation of Shipbuilding*, passim.

115 Koponen and Saaritsa, “Tie Suomeen”, 354; Kuisma, “Euroopan metsäaitta”, 56.

116 Kuisma, *Metsäteollisuuden maa*.

117 Koponen and Saaritsa, “Tie Suomeen”, 354.

In the next section, we turn to Finland's foreign trade and its export markets. Our focus is on the interplay between the country's trade and geopolitical position, and its bearing on the country's economic development.

## Balancing between East and West

The effects of a country's geographical position on its economic development are obvious from the available resources to the most natural transport and trade routes. In addition to these underlying geographical factors, the geopolitical position of Finland between East and West Europe has greatly influenced the tides and turns of the Finnish economy. Politically, this position has put Finland at the mercy of bigger players, particularly Sweden, Germany, and Russia, for which Finland was at times just a pawn in a battle for political and territorial control.

For the Finnish economy, however, this in-betweenness has proven beneficial. Trade streams from Finland have flowed to both East and West. As the Eastern and Western markets have fluctuated at a different pace, they have provided complementary impulses to the Finnish economy. A downturn in one of the markets has often been compensated by high demand in the other. By the same token, when both main market areas have hit difficulties simultaneously, the effects on Finnish foreign trade have been doubly disastrous.<sup>118</sup>

In addition to market fluctuations per se, political upheavals in the export areas have significantly affected the terms of the trade. This has been particularly the case with Russia / the Soviet Union. Finnish paper, metal, and textile industries relied heavily on the Russian demand at the turn of the 19th century when Finland belonged to the Russian Empire as an autonomous Grand Duchy. After the Russian revolutions and Finnish independence in 1917, Finland lost the profitable Eastern markets for a few decades until Finnish-Soviet trade took off after the Second World War. Trade with the Soviet Union gave a strong impetus for development for Finnish metal and chemical industries, in particular. However, the volatility of the Eastern markets became painfully evident at the turn of the 1990s, when the collapse of the Soviet bloc once again severed the trade flows.<sup>119</sup>

Despite the importance of Finnish-Russian/Soviet trade relations, the majority of development impulses have been of a West European origin. After the First World War, Finland succeeded in redirecting its forest industry exports to the Western markets. Timber, pulp, and paper formed the bulk of Finnish exports to the West up until

---

118 Koponen and Saaritsa, "Tie Suomeen", 364; Kuisma, "Euroopan metsäaitta", 65.

119 Koponen and Saaritsa, "Tie Suomeen", 364; Kuisma, "Euroopan metsäaitta", 62, 65-66.

the late 20th century.<sup>120</sup> The main Western export countries were, in varying mutual order, Germany, Sweden, and the United Kingdom.<sup>121</sup>

The opportunity to participate in the commercial integration process of West Europe from the 1960s onward was thus crucial to the development of the Finnish national economy. During the Cold War decades, the Soviet Union had tangible leverage over Finnish foreign policies and Soviet objection prevented Finland's full membership in the European Free Trade Association (EFTA) and the European Economic Community (EEC). Finland was, however, able to join the EFTA as an associate member in 1961 and negotiate a free trade agreement with the EEC in 1973. These arrangements secured Finnish exporters' access to the West European market and, through the trickle-down of export income, created the basis for the continuous growth of the Finnish economy and increasing prosperity throughout the post-war decades. In addition, participation in the economic integration helped Finland to diversify its export product range from timber and pulp to more refined forest industry products, as well as metal and chemical industry products.<sup>122</sup>

Between the 1880s and 1980s, exports have made up 20-25 per cent of the GDP, and from the 1990s onward, their share has been even bigger.<sup>123</sup> The volume of foreign trade grew 13-fold between 1860 and 1939, and after the Second World War, the trade has grown hundredfold.<sup>124</sup>

The ever-tightening ties with world markets proved to be a two-edged sword. Exports have been a source of prosperity for Finland, but they have also made the country vulnerable. Downturns and declining demand in Finland's main export areas have hurt the country's economy. The traditionally dominant export products i.e. timber and pulp are particularly exposed to cyclical changes, which only aggravated the national economy's susceptibility to fluctuations.<sup>125</sup> A case in point was the early 1990s, when the disappearance of the Soviet market coincided with a downswing in Western Europe. Combined with an endogenously overheated economy, these developments pushed Finland into a deep economic depression. On the other hand, export trade also lifted the national economy back on its feet after the devaluation of the Finnish currency. The internationally most competitive businesses not only survived but strived, and the Nokia Corporation and the ICT sector in general rose as the new flagships of the national economy. Another example was the global financial crisis of 2008. Even though Finland was not directly affected by the crisis, the ensuing downturn in the

---

120 Koponen and Saaritsa, "Tie Suomeen", 365; Kuisma, "Euroopan metsäaitta", 62-63.

121 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 167.

122 Paavonen, "Reunalta keskiöön", 225-226.

123 Paavonen, "Reunalta keskiöön", 225.

124 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa", 167.

125 E.g. Fellman, "Miten Suomi muuttui", 293-294; Ojala et al., "Vaurastuva Suomi", 14.

export markets spelt a difficult time for Finland. The 2010s have even been called the “lost decade” of the Finnish economy because of the sluggish growth.<sup>126</sup>

## Changing rules of the game

Throughout the 20th century, the Finnish national economy was characterised by several forms of cooperative elements, which helped to alleviate the challenges caused by export dependence. In the immediate post-independence years, Finnish paper and pulp producers joined forces to make up for the loss of the Russian market. They set up joint export associations, which helped forest industries to establish a foothold in the Western markets. The cooperation continued for most of the 20th century, and Finnish export industries operated in the world markets as strong and successful exports cartels.<sup>127</sup>

The centralisation of export trade was only reinforced by the Finnish-Soviet trade of the post-war era. Soviet trade organisations were part of a centrally planned system. This system was used to operating in large volumes and with hierarchical institutions. Finnish state institutions (foreign ministry and ministry of trade and industry, Bank of Finland) and industry associations developed a suitable form of interaction with Soviet ones by mirroring the Soviet system. Finnish close networks meant that information transfers were efficient and timely. The Finnish state was closely ingrained into this techno-political trade with strategic underpinnings.<sup>128</sup>

Direct state intervention in the economy was limited in Finland prior to the Second World War but the situation changed dramatically in the post-war decades, when the Finnish economy was among the most forcefully regulated in the world. State authorities controlled prices, wages, rents, the movement of capital, and interest rates. Final remnants of regulation on financial markets remained in place until the 1980s. The economic regulation strengthened not only the state’s economic role but also that of interest groups – both labour unions and employers’ associations. The role of interest organisations in the formulation of domestic economic policies became increasingly central at the same time as economic regulation tightened, since the groups became important implementers of price and wage regulations. Both regulation and coordination were thus characteristic of the late-20th-century Finnish national economy.<sup>129</sup>

---

126 Fellman 2019, 301; Haapala & Peltola 2018, 204.

127 Jensen-Eriksen, “Business, Economic Nationalism”, 51.

128 Kuisma, “Euroopan metsäaitta”, 66; Matala, *Finlandisation of Shipbuilding*; Hanson, *Rise and Fall of Soviet Economy*; Sahari, *Valtio ja suurteollisuuden synty*.

129 Jensen-Eriksen, “Business, Economic Nationalism”, 41; Fellman, “Miten Suomi muuttui”, 295-296; Outinen, “From Steering Capitalism”, 392.

One of the main objectives of coordination was to fight inflation, although the goal proved difficult to attain. In principle, the long-term policy of the Bank of Finland was to maintain a stable currency. In practice, however, the Finnish Mark was repeatedly devalued in order to support forest industry exports. The drawback of the devaluations was that they accelerated the climb of wages and prices and thus fed inflation. As an antidote to the galloping inflation, coordination was also extended to labour market policies from the 1960s on. In neo-corporatist tripartite negotiations and so-called comprehensive incomes policy agreements, the state, trade unions, and employers settled a wide range of labour market, economic, and social policy issues. The purpose was to secure Finnish industries' international competitiveness through moderate pay rises. The moderation also benefited wage-earners because it was in part compensated by 'social wage' i.e. extension of welfare benefits and services.<sup>130</sup>

The coordinated model of economic policy survived until the 1980s-1990s. From then on, however, Finland followed the pan-western trend of economic liberalisation, deregulation, and marketization and privatisation of SOEs.<sup>131</sup> The liberalisation of the financial sector gave companies and individuals substantially better access to credit but also contributed to the overheating of the economy and therefore to the 1990s depression.

In the 1990s, both Finland's internal conditions and external environment transformed dramatically and forced the Finnish economic-policy system to change accordingly. The collapse of the Soviet Union gave Finland leeway to take full part in the European integration process. The country joined the EU in 1995 and became part of the Eurozone in 1999. With the loss of the highly controlled Finnish-Soviet trade, the need to uphold the centralised structures of the trade disappeared. This trend was reinforced by the strict competition legislation of the EU, which forced the Finnish industries to dismantle the traditional forms of export cooperation such as cartels. The old export cartels have, in part, been replaced by transnational corporate alliances and large enterprises born out of mergers of companies of one or more nationalities. A far-reaching consequence of joining the Eurozone was that the devaluation of the national currency no longer was an option but the international competitiveness of Finnish export industries had to be secured through other means.<sup>132</sup>

Competitiveness has traditionally been at the core of Finnish economic policies, but in the new millennium, its significance has become even more pronounced. Although the majority of Finnish foreign trade still is with the EU area, Finnish exporters now operate in an increasingly global market.<sup>133</sup> From the perspective of these

130 Fellman, "Miten Suomi muuttui", 297; Kiander et al., "Finnish incomes policy".

131 Fellman, "Miten Suomi muuttui", 298-299; Kuisma, "Euroopan metsäaitta", 83.

132 Fellman, "Miten Suomi muuttui", 293, 299; Kuisma, "Euroopan metsäaitta", 82, 84.

133 Eloranta and Ojala, "Suomi kansainvälisessä taloudessa" 167; Fellman, "Miten Suomi muuttui", 301.

globally operating corporations, the corporatist and coordinated economic policy model appeared outdated and obsolete. The cooperative elements of the Finnish national economy have thus come under increasing pressure. Particularly at times of crises however, the consensual economic-policy model can still be viewed as one of the strengths of the Finnish national economy.<sup>134</sup>

At the turn of the 2020s, the overall state of Finnish economy gives cause for both praise and concern. Problems include the ageing of the population and slow economic growth, which make it difficult to maintain and fund welfare services and entitlements. In light of economic history, investments in education and R&D would be the most reliable strategy for economic renewal and success, but in practice, education appropriations have been cut. At the same time, the Finnish national economy can still rely on the tradition of consensus-seeking and cooperation, as well as the stability of the political system (see, Jensen-Eriksen, Sahari, & Wuokko in the next chapter) as its fundamental strengths.<sup>135</sup>

Viewed from a global perspective, the economic history of Finland does look like a success story: prosperity and welfare have been generated and distributed relatively evenly throughout the society. Integration with the global economy and markets, industrialisation, education, and an extensive welfare state have transformed Finland from a poor, agrarian country to one of the most affluent, equal, and stable states in the world.

## Bibliography

- Crafts, Nicholas, and Gianni Toniolo. "Les Trente Glorieuses': From the Marshall Plan to the Oil Crisis." In *The Oxford Handbook of Postwar European History*, edited by Dan Stone, 356–378. Oxford: Oxford University Press, 2012.
- Eloranta, Jari, and Jari Kauppila. "Guns and Butter – Central Government Spending in the 20th Century." In *The Road to Prosperity*, edited by Jari Ojala, Jari Eloranta, and Jukka Jalava. Helsinki: SKS, 2006.
- Eloranta, Jari, and Jari Ojala. "Suomi kansainvälisessä taloudessa 1600–2000." In *Suomen rakennehistoria: Näkökulmia muutokseen ja jatkuvuuteen (1400–2000)*, edited by Pertti Haapala, 142–169. Tampere: Vastapaino, 2018.
- Fellman, Susanna. "Miten Suomi muuttui?". In *Vaurastumisen vuodet: Suomen taloushistoria teollistumisen jälkeen*, edited by Jaana Laine, Susanna Fellman, Matti Hannikainen, and Jari Ojala, 293–303. Helsinki: Gaudeamus, 2019.
- Hanson, Philip. *The Rise and Fall of the Soviet Economy: An Economic History of the USSR 1945–1991*. London: Taylor & Francis, 2014.

---

134 Fellman, "Miten Suomi muuttui", 302–303; Jensen-Eriksen, "Eurokihlät".

135 Fellman, "Miten Suomi muuttui", 303; Ojala et al., "Vaurastuva Suomi", 11.

- Haapala, Pertti, and Christopher Lloyd. "Johdanto: Rakennehistoria ja historian rakenteet." In *Suomen rakennehistoria: Näkökulmia muutokseen ja jatkuvuuteen (1400–2000)*, edited by Pertti Haapala, 6–30. Tampere: Vastapaino, 2018.
- Haapala, Pertti, and Jarmo Peltola. "Elinkeinorakenne 1750–2000." In *Suomen rakennehistoria: Näkökulmia muutokseen ja jatkuvuuteen (1400–2000)*, edited by Pertti Haapala, 170–209. Tampere: Vastapaino, 2018.
- Jensen-Eriksen, Niklas. *Läpimurto: Metsäteollisuus kasvun, integraation ja kylmän sodan Euroopassa 1950–1973*. Helsinki: Suomalaisen Kirjallisuuden Seura, 2007.
- Jensen-Eriksen, Niklas. "Business, Economic Nationalism and Finnish Foreign Trade during the 19th and 20th centuries." *Revue française d'histoire économique* 3, no. 1 (2015): 40–57.
- Jensen-Eriksen, Niklas. "Eurokihlit, 1995–2008." In *Loputtomat kihlajaiset: Yritykset ja kolmikantakorporatismi Suomessa 1940–2020*, by Maiju Wuokko, Niklas Jensen-Eriksen, Henrik Tala, Elina Kuorelahti, and Aaro Sahari, 326–364. Helsinki: Siltala, 2020.
- Kiander, Jaakko, Pekka Sauramo, and Hannu Tanninen. "Finnish incomes policy as corporatist political exchange: Development of social capital and the social wage." *Transfer: European Review of Labour and Research* 17, no. 4 (2011): 515–531.
- Koponen, Juhani and Sakari Saaritsa. "Suomi, historia, kehitys." In *Nälkämaasta hyvinvointivaltioksi: Suomi kehityksen kiinniottajana*, edited by Juhani Koponen and Sakari Saaritsa, 11–31. Helsinki: Gaudeamus, 2019a.
- Koponen, Juhani and Sakari Saaritsa. "Tie Suomeen: toinen kertomus." In *Nälkämaasta hyvinvointivaltioksi: Suomi kehityksen kiinniottajana*, edited by Juhani Koponen and Sakari Saaritsa, 347–383. Helsinki: Gaudeamus, 2019b.
- Kuisma, Markku. *Metsäteollisuuden maa: Suomi, metsät ja kansainvälinen järjestelmä 1620–1920*. 2nd edition. Helsinki: Suomalaisen Kirjallisuuden Seura, 2006.
- Kuisma, Markku. "Euroopan metsäaitta ja nopea sopeutuja: Suomalaisen taloushistorian pitkä linja." In *Suomi – outo pohjoinen maa? Näkökulmia Euroopan äärien historiaan ja kulttuuriin*, edited by Tuomas M. S. Lehtonen, 50–85. Jyväskylä: PS-kustannus, 1999.
- Matala, Saara. *The Finlandisation of Shipbuilding: Industrialisation, the State, and the Disintegration of a Cold War Shipbuilding System*. Dissertation. Espoo: Aalto University, 2019.
- Matala, Saara and Aaro Sahari. "Small nation, big ships winter navigation and technological nationalism in a peripheral country, 1878–1978." *History and Technology* 33, no. 2 (2017): 220–248.
- Michelsen, Karl-Erik. *Viides sääty: Insinöörit suomalaisessa yhteiskunnassa*. Helsinki: TEK & SKS, 1999.
- Nenonen, Marko. "Liikennehistorian tutkimus Suomessa – näkökohtia menneestä ja tulevastä." *Tekniikan Waiheita* 36, no. 3 (2018): 39–56.
- Ojala, Jari, Susanna Fellman, Matti Hannikainen, and Jaana Laine. "Vaurastuva Suomi." In *Vaurastumisen vuodet: Suomen taloushistoria teollistumisen jälkeen*, edited by Jaana Laine, Susanna Fellman, Matti Hannikainen, and Jari Ojala, 9–16. Helsinki: Gaudeamus, 2019.

- Outinen, Sami. "From Steering Capitalism to Seeking Market Acceptance." *Scandinavian Journal of History* 42, no. 4 (2017): 389–413.
- Paavonen, Tapani. "Reunalta keskiöön: Suomi ja Länsi-Euroopan integraatio toisen maailmansodan jälkeisellä kaudella." In *Suomalaisen yhteiskunnan poliittinen historia*, edited by Ville Pernaa and Mari K. Niemi, 225–243. Helsinki: Edita, 2008.
- Saarikoski, Vesa. "Yhteiskunnan modernisoituminen." In *Suomalaisen yhteiskunnan poliittinen historia*, edited by Ville Pernaa and Mari K. Niemi, 115–131. Helsinki: Edita, 2008.
- Saaritsa, Sakari. "Miten Suomi lakkasi olemasta kehitysmaa? Taloudellinen ja inhimillinen kehitys 1800- ja 1900-luvuilla." In *Nälkämaasta hyvinvointivaltioksi: Suomi kehityksen kiinniottajana*, edited by Juhani Koponen and Sakari Saaritsa, 33–50. Helsinki: Gaudeamus, 2019.
- Sahari, Aaro. *Valtio ja suurteollisuuden synty: Laivanrakennusteollisuuden kehittymisen yhteiskunnallisissa teknopoliittisissa järjestelmissä Suomessa 1918–1954*. Dissertation. Helsinki: University of Helsinki, 2018.

## Website content

- City of Helsinki statistics and research. "Statistical Yearbook of Helsinki 2019." Viewed 29 Oct 2021. [https://www.hel.fi/hel2/tietokeskus/julkaisut/pdf/20\\_03\\_10\\_Vuosikirjaenglanti2019.pdf](https://www.hel.fi/hel2/tietokeskus/julkaisut/pdf/20_03_10_Vuosikirjaenglanti2019.pdf).
- Statistics Finland. "National Accounts." Viewed 29 October 2021. <https://www.stat.fi/tup/kantilinpito/index.html>.
- Statistics Finland. "Independence Day 2019." Viewed 29 October 2021. [http://www.stat.fi/tup/tilastokirjasto/itsenaisyySPAIVA-2019\\_en.html](http://www.stat.fi/tup/tilastokirjasto/itsenaisyySPAIVA-2019_en.html).

# V THE EVOLUTION OF THE POLITICAL ENVIRONMENT

*Niklas Jensen-Eriksen, Aaro Sahari and Maiju Wuokko*

*In the Middle Ages, the area which today forms the independent Republic of Finland became a part of the Swedish Kingdom. As a result, many Western and Northern European political, economic, and cultural institutions were imported to the country. When the Russian Empire conquered Finland in 1809, the country became a part of it, but also for the first time a clearly-defined political entity, the autonomous Grand Duchy of Finland. Since achieving independence in 1917, Finland has gradually become a stable country with strong democratic institutions that it has managed to protect against both foreign (mainly Soviet) and domestic (the Far Right and the Far Left) threats. In moments of crisis, the people have pulled together. In more peaceful times, the country has been less able to prevent foreign infiltration or make hard decisions, for example, about structural reforms. The Finnish political systems therefore continues to have vulnerabilities.*

## Introduction

Finland is a comparably stable and functioning democratic country that offers its citizens a good place to live in. The legal system protects the interests of private individuals and companies, living standards are high, and the welfare state supports those facing problems such as sickness or unemployment. The political system allows people to freely elect parliamentarians, presidents and the members of local councils. Civil administrative systems work well, and the individual citizen has no need to bribe civil servants or politicians to benefit from basic services of the state, or to protect oneself from the abuse of public power. Most citizens and journalists expect politicians to behave in a decent and competent manner. Recently, two Prime Ministers (the centrist Anneli Jäätteenmäki in 2003 and the social democrat Antti Rinne in 2019) have had to resign after they have been suspected of misleading the Parliament. While these events were seen as moments of crisis at the time, they also showed that governing Finnish politicians cannot rule with little or no regard to the law, or to public opinion.

Despite this strong foundation, the country's political system has weaknesses. For instance, it is not particularly transparent. Many key decisions are and have often been made behind the scenes, frequently by actors such as civil servants, representatives of

business interest associations and trade union leaders who lack a democratic mandate. These decisions have often been justified by the need to protect or promote Finnish independence, economic welfare or other national interests, but these actors have also been able to present their particular interests as national ones. Consequently, special interest involvement in public policy formation can be divided into two distinct categories: 1. corporative, and 2. technocratic. Labour market associations retain an essential role in defining national wage levels, unemployment benefits, and employment and social legislation. From the 1990s onwards, employer and industry associations have eroded this corporatist tripartite system. They have been successful in part, but Finland still remains a country with many collectively negotiated labour agreements.<sup>136</sup>

Historically the role of civil servants has been particularly important to Finnish society, especially in times of crisis. Finland saw the growth of the public sector during the Second World War and soon thereafter. The foundation of the welfare state increased the sector even more during the Cold War decades. Another concurrent phenomenon was the industrialisation of the country, which too was overseen by state industrial policy experts in close coordination with leading industrialists, and municipal authorities. The role of economic planning and fiscal policy formation is central to the state, and therefore the Ministry of Finance has a significant say in all public matters. In general, these technocratic demesnes have defined the development of Finland.

We will show below that there were deep political divisions in Finland, in particular during the early part of the 20th century. Politics gradually became increasingly consensual, but in recent two decades the tradition of consensus has begun to crumble. In sectors such as health care and labour market relations, it has become increasingly clear that political actors find it difficult to agree on major reforms. At the same time, populist politicians are gathering support by exploiting fears related to immigration and by offering simplistic, untested solutions to complex social problems. The support for some of the traditional parties, in particular the Centre is declining, and it is becoming increasingly difficult to form majority coalition governments.

## The origins

The Finnish political system is based partly on Nordic heritage and partly on democratic and liberal reforms introduced in the early part of the 20th century. From the Middle Ages to 1809, Finland was a part of the Swedish Kingdom. Finnish subjects had the same rights and obligations as people living in the western part of the realm,

---

<sup>136</sup> Wuokko et al., *Loputtomat kihlajaiset*.

Sweden proper. Finland acquired a Christian (at first Roman Catholic and then Lutheran) religion and many legal, administrative, and cultural institutions from Sweden. Latin literature spread to Medieval Finland, and tied it culturally to Western Europe.<sup>137</sup> Most of the land was owned by the peasantry that was also represented in the Diet, a proto-parliament. Land owning farmers, i.e. the majority of the population, therefore had a stronger and more independent position than in most other European countries. In short, Finland became a Nordic country.

After centuries of war and bickering between Sweden and Russia, Finland became a part of the Russian empire in 1809. Emperor Alexander I successfully pacified the conquered country by agreeing to uphold earlier Swedish-era freedoms, laws, and entitlements. Finland even became, for the first time, a single political entity, when an autonomous Grand Duchy with its own central administration and the Russian Emperor as the head of state, was created. In practice, the country was led by a small elite, which consisted of nobles, clergy, administrators, and entrepreneurs.

Nationalism as a political ideology spread to Finland during the 19th century, but it was not initially directed against Russia. Rather the goal was to promote Finnish language and culture and to strengthen them vis-à-vis Swedish, a language traditionally spoken by the elite. Nationalism started as a top-down movement, and many members of the elite even chose to change their family language and names. Crucially, they also adopted leading roles in efforts to modernise Finland and to integrate the whole population to this process. As Finland was still a poor and agricultural country and most of the land was in the hand of independent peasantry, the elite was not particularly wealthy nor did it have substantial economic privileges to protect. The members of the elite recognised that the modernisation of the country, and the inclusion of other social groups in this process, would be beneficial to the elite as well. This led to, for example, the expansion of education and the removal of regulations in economic activity. In short, the elite was interested in building inclusive national institutions.<sup>138</sup>

However, the loyalty of Finns towards the Russian Empire crumbled, when the Russian government launched a Russification campaign and limited Finnish autonomy during the last decades of the 19th century. This policy was a part of Russian efforts to centralise and unify the administratively complex and diversified empire, but the Finns felt that the Emperor Nicholas II had broken his promise to uphold, as his predecessors had done, traditional Finnish political rights.

As a result of the Russification policy, the links between the Finnish political and administrative elite and the rest of the population became even closer, as the elite felt

---

<sup>137</sup> Heikkilä, *Piirtoja ja kirjaimia*, 13, 132, 161-162.

<sup>138</sup> Alapuro, "Eliitit kansakunnan rakentajina", 223-227.

that it needed the support of the people against the Russian government.<sup>139</sup> When the Russian defeat in the war with Japan (1904– 1905) led to a short liberal period in the Empire, the Finns created a unicameral Parliament, *Eduskunta*. All Finns aged 24 (later lowered to 18) or older, including women, received the right to vote. In the first parliamentary elections, the Social Democratic Party won 80 of 200 seats in the Parliament.

Ultimately, the independent Finnish State was born amid the chaos of the First World War. After the Russian czarist system of government collapsed in 1917, the Finnish Parliament accepted the declaration of independence on December 6th. The non-socialist parties, which at the time had majority in the Parliament, wanted to distance themselves from the new Bolshevik rules of Russia as quickly as possible.

Lacking internal security systems and struggling with severe food shortages and civil unrest, the young state descended into chaos. Local socialist (red) and bourgeois (white) militias were founded across the country and soon clashed with one another, leading the country into sanguine strife. The Reds lost the bloody Finnish civil war of 1918 to the Whites, which meant that Finland took a road different than Russia, where the Bolsheviks set up the Soviet Union. The Reds were supported by Russian revolutionaries and the Whites by Imperial Germany. The victorious Whites moved on to select a German prince as the King of Finland. Germany's defeat in the world war meant that the new monarch never even arrived to Finland, and instead the country became a republic.

## From fragility to resilience

The foundations of the democratic Finnish political system were laid during the early years of the 20th century. The old estate based electoral system was replaced with a unicameral parliament in 1906. After independence, the country became a proper parliamentary democracy, although one where the (also democratically elected) Presidents of the Republic had considerable power in foreign policy and vis-à-vis the parliament.

The Finnish electoral system (d'Hondtian highest average open list) allowed even relatively small parties to get their candidates to the Parliament. Hence, a multi-party system emerged and the country was usually governed by short-lived coalitions, or even minority governments. This weakened the ability of the state to formulate and implement long-term policies, and in practice transferred power from the hands of the Parliament and the Cabinet to Presidents, civil servants, and special interest groups. Majority of public policy was set in close cooperation with these

---

139 Kähönen, "Vallankumouksen ja nationalismiin ristipaineessa", 298.

groups during the interwar years. On the other hand, the existence of a multi-party system forced the parties to seek compromises and learn to co-operate with those with whom they disagreed. The Agrarian League (later Centre Party) and the liberal National Progressive Party (*Edistyspuolue*) in particular were able to become mediators between conservatives and social democrats.

While Finland was just one of the new independent countries to form following the collapse of the Russian, German, and Austro-Hungarian empires after the World War I, it was the only of these new states to survive as a parliamentary democracy throughout the interwar years. In most new countries, authoritarian regimes eventually took over. This could have happened in Finland as well. Some of the victors of the civil war of 1918 felt that the country had not become as right wing as it should have been. The social democrats were allowed to reorganise themselves, and the new constitution (adopted in 1919) expanded civil liberties. Finnish historian Aappo Kähönen has argued that the new Republic of Finland was originally “a fragile” state, and it was not self-evident that a democratic political system would continue to exist. The resilience of the democratic system was originally weak, but social policy compromises and the inclusion of most social groups to political decision-making gradually strengthened it.<sup>140</sup>

Nordic traditions and models, including high respect for law, reinforced the foundations of Finnish democracy. Crucially, the Social Democratic Party (SDP), decided after 1918 to abandon the goal of political revolution and commit itself to parliamentary democracy. It increasingly began to resemble Scandinavian social democratic parties, and borrowed ideas of social and economic reforms from them, in particular from the Swedish sister party (*Socialdemokraterna*).

Although populist and extreme movements, both fascist and communist had considerable support among interwar Finns, most politicians eventually decided to protect democratic institutions. President P. E. Svinhufvud (1931–1937), a lawyer and a conservative politician who had opposed Russian repression in the era of the Grand Duchy, defended laws and democratic constitution against the fascist Lapua movement that unsuccessfully rebelled in 1932. The failed right-wing rebels were treated leniently, but communists were not. The Finnish security police organisations, *Etsivä Keskuspoliisi* (EK, 1919–1938) and *Valtiollinen Poliisi* (Valpo, 1939–1944), were continuously worried about the threat of Soviet and domestic communism, which were (correctly) assumed to be linked. EK and Valpo kept a close eye on communists, and the Finnish courts abolished communist-controlled political organisations and handed down heavy sentences to their activists.<sup>141</sup> Many socialists had fled to Soviet

---

140 Kähönen, “Vallankumouksen ja nationalismin ristipaineessa”, 298.

141 Björne, “Valkoinen’ korkein oikeus”.

Russia in 1918, where they set up the Communist Party of Finland. It could not operate in Finland freely before the end of the Finnish-Soviet war in 1944.

The civil war of 1918 had left a difficult, bitter legacy between the opposing sides, but by the late 1930s inroads into consensus politics between political parties had been made and the Social Democratic Party could form a coalition government with the Centre Party. When the Soviet Union attacked Finland in 1939, political divisions were laid to rest and Finns formed a common front against the attacker and in defence of the Republic. The Winter War (1939–1940) was quickly built into a long-lasting symbol of national unity. Although Finland was, in practice if not de jure, allied to Nazi Germany between 1941 and 1944, the country continued to be ruled by a wide political coalition that included the social democrats.

After the war Finland was left in the Soviet sphere of influence, and the communists returned to politics and the government from prison or the Soviet Union. Social democrats and non-socialists opposed the spread of communism through outright political, and subtle economic and technocratic means with the help of the West beginning in the late 1940s. After an electoral defeat in 1948, communists were excluded from the government, and did not return to the cabinet before 1966, and even then only in a minority role. In the end, neither the civil war nor the Second World War overwhelmed Finnish public institutions or trapped the society into further conflicts.<sup>142</sup> Instead, both crises catalysed new institutional development and strengthened societal resilience.

## Containing and integrating extremists

The case of communism shows how the Finnish political and administrative elite has usually treated extreme and populist groups. These kind of groups have been monitored and blocked from crucial positions of power to ensure the continuation of Finnish liberal democracy. Yet, when tactically wise or politically necessary, extremists and populists have been integrated into the governing system, where they also had to make unpopular decisions and compromises.

After 1966, communists were no longer a serious threat to Finnish democracy. However, this was not clear to all observers at the time, and therefore the Finnish security police (*Suojelupoliisi*) continued to monitor communists until the collapse of the Soviet Union.<sup>143</sup> When left-wing youth radicalism spread in Finland in the late 1960s, President Urho Kekkonen built bridges to it by inviting many members of

---

<sup>142</sup> For context see, Grosjean, “How the Second World War shaped”.

<sup>143</sup> On the attitude of the *Suojelupoliisi* on communism during the Cold War, see Rentola, “*Suojelupoliisi kylmässä sodassa*”.

young intelligentsia to “children’s parties” in his official residence. Many of the young radicals eventually became a part of the establishment.

An even better example of this integration strategy is the case of Finnish Rural Party (*Suomen Maaseudun Puolue*, SMP). The populist movement defending the “forgotten people” (*unohdettu kansa*) acquired considerable support in the 1970s, but started to lose it in the 1980s after it had received ministerial positions in the Cabinet. The Finns Party, the successor of SMP, started to lose support after it entered government in 2015, but regained its previous popularity after the party (under new leadership and without those serving as ministers) returned to opposition. Recently, the Finnish political landscape has become divided with no party holding more than roughly 20 percent of parliamentary seats.

These changes in the party structure reflect the evolution of Finnish political geography. Throughout the latter part of the 20th century, urbanization has redistributed political power first into regional centres from agrarian municipalities and then into the largest cities in the southern part of the country. The Centre Party (*Keskusta*) is still very much agrarian, while social democrats (SDP), the conservative National Coalition Party (*Kokoomus*), and the Green League collect votes from growing urban districts. The Centre Party has historically focused on regional development. Throughout the last century infrastructure and industrial development was dispersed throughout the sparsely populated country. As every tenth person now lives in the capital and half of the population within a 200-kilometre-radius of the capital, societal investment priorities have become strained. The Centre Party has lost support to the populist Finns Party in particular. This regional-policy tension remains critical to the Finnish political system, as coalition governments need to balance urban-rural and southern-northern interests alongside other political and economic considerations.

## Power struggles and compromises

Although non-communist parties agreed on the need to maintain Finnish democratic system and independence during the Cold War, they disagreed on many other things for example in the fields of economic and social policy. Struggle for power was also intense both between and within parties. The internal politics of Cold War Finland was therefore full of rivalries and conflicts, and foreign actors could and did exploit them. Some parties and fractions received funding from the USA, and others got it from the Soviet Union. The Soviet intelligence agency KGB managed to form close links with most leading Finnish politicians. In fact, a system of personal KGB handlers was in place for much of the Cold War. All of this made Finland a negotiated space between the Cold War super powers at the intersection of the imagined iron curtain.

Finlandization – usually referring to the political acquiescence under pressure from a neighbouring great power – was the law of the land, when Finnish leaders developed a bend but do not break foreign policy doctrine.<sup>144</sup> Good relations with the East, i.e. the Soviet Union, created leeway and opportunities to develop the country and its institutions after the Western model. The United States, in turn, had close links with the social democrats, whom it saw as the first line of defence against communist advancement.<sup>145</sup> The United States, the United Kingdom, and the Soviet Union all spread propaganda in Finland. In these battles, the Western actors were more successful because most Finns supported Western-style democracy and market economy.<sup>146</sup>

The Finnish democracy survived the Cold War only partially intact though. The strong-willed and exceptionally long-serving (1956–1981) President Urho Kekkonen concentrated power in his own hands with great skill and care. He appointed his cronies to key positions, such as the directors of state-owned enterprises. Weak and short-lived coalition governments continued to be the norm, and parties splintered to even smaller groups. Important and delicate issues, such as the payment of massive war reparations to the Soviet Union or the Finnish nuclear energy program, were handled by technocrats with limited parliamentary or public oversight.<sup>147</sup>

When Kekkonen was eventually forced to resign for health reasons, a more parliamentary era began. New President Mauno Koivisto (1982–1994) had no desire to be as autocratic as his predecessor had been. Koivisto supported the formation of broad coalition governments that were supported by the majority of the MPs and that ruled all or most of the four-year period between Parliamentary elections.

A major development in the Finnish political landscape has been the strengthening of gender equality. While Finland was the first European country to grant women both the right to vote and the right to stand for election, national politics remained male-dominated for long. Notable exceptions include social democrat Miina Sillanpää, the first female minister (II social minister) in 1926–1927, and Liberal People's Party's Helvi Sipilä, the first female presidential candidate in 1982. In the 2000s, gender equality expanded in Finland considerably. Finland got, for example, the first female President (Tarja Halonen in 2000) and Prime Minister (Anneli Jäätteenmäki in 2003). Most recently, all parties' leaders in Sanna Marin's five-party centre-left coalition government were female. This fact received widespread attention internationally in 2019.

---

144 Matala, *The Finlandisation of Shipbuilding*, 27–31, 310–312.

145 Majander, *Demokratiaa dollareilla*; Jensen-Eriksen, "Riittävän puhdas maa", 337–338.

146 See Fields, *Reinforcing Finland's Attachment*; Fields, *Länneistä tuulee*.

147 Sahari, *Valtio ja suurteollisuuden synty*, passim.; Jensen-Eriksen, "Looking for cheap and abundant power".

In postwar social and labour policies, the central employees' and employer's organisations concentrated power in their hands. They argued that they drafted useful compromises for the nation as a whole, but many, including small and medium enterprises and female-dominated sectors felt left out.<sup>148</sup> They often still do. Millariikka Rytkönen, social democratic trade union activist and President of *Tehy*, the Union of Health and Social Care Professionals in Finland, complained during the Covid-19 crisis that even the government led by five women does not seem to understand the problems of the female-dominated health sector.<sup>149</sup> *Suomen Yrittäjät*, the association of small and medium enterprises, is still one of the strongest critics of the Finnish model of corporatism. From the late 1970s onwards, liberal business interest groups and think tanks have pushed for the dismantling of this corporatist system.<sup>150</sup>

Major industrial trade unions and companies have defined the rules of the game in the labour market. Largest export sectors, most notably forest industry and engineering and electronics had the strongest lobby organisations. In politics, observers began to talk about the era of consensus in the 1970s, when parties tried to pragmatically and jointly solve national economic problems, and for example, social democrats and 'big business' formed a closer relationship than before.

This corporatist system worked reasonably well as long as the economy was growing, there were funds for expansion of the welfare state, and the chance to restore the repeatedly lost price competitiveness of Finnish exports by devaluating Finnish currency *markka*. This became impossible when Finland adopted the euro among the first group of countries to do so.

The early 1990s severe economic depression and EU membership in 1995 began a transformation of economic policies and societal culture of consensus in Finland. First, the employer's associations started to disassemble the aforementioned corporatist industrial relations system, albeit in fits and starts. Since the 1990s, the corporatist system has been less able to adapt to times of trouble in the Finnish economy. Special interest groups are effectively able to block decisions that are harmful for them, even if they might be beneficial to the Finnish economy as a whole.

The long-term goal of the Confederation of Finnish Industries (*Elinkeinoelämän Keskusliitto*, EK), has been to decentralize wage and benefit bargaining to the local and work place level, and away from the control of central labour market associations. Second, state and municipally owned industries and businesses have been sold off, turned into publicly listed companies with partly private owners, or restructured. While the Finnish state had been a key participant in industrialisation between 1917

---

148 Wuokko et al., *Loputtomat kihlajaiset*.

149 Kansan Uutiset, "Naisviisikon johtama hallitus".

150 Wuokko, "Curious compatibility".

and 1979, more market oriented and globally connected industrial and transportation politics have dominated Finnish policy formulation in recent decades. Third, Finland has closely followed European Union's fiscal policy of low inflation thus finally breaking the inflation-devaluation cycle of the Cold War era that had led to repeated currency devaluations. These interconnected processes continue to develop in the 2020s in a similar fashion to other Nordic countries.<sup>151</sup>

## Legacy: inclusive and resilient Finland

History has left Finland with a mixed legacy as far as the resilience of political system is concerned. Today's Finland has, to use terminology of Daron Acemoglu and James A. Robinson, inherited from history "inclusive institutions", which "allow and encourage participation by the great mass of people in economic activities that make best use of their talents and skills and that enable individuals to make the choices they wish."<sup>152</sup> Finnish people created both a strong society and effective, but (usually) non-despotic state and hence managed to enter the "narrow corridor", which, according to Acemoglu and Robinson, has helped a limited number of countries to achieve liberty and prosperity.<sup>153</sup> All this has made the country more coherent, functional and prosperous and hence more resilient.

Finland inherited many of its inclusive institutions from Sweden and Western Europe, but its precarious geopolitical position as Russian and Soviet neighbour forced Finns to develop them further. They would not have defended their country against Soviets and communism, if they had thought that their home country and its social system were not worth defending. And the country would not have been worth defending if it had had extractive institutions that benefited only small groups of people, concentrated wealth and power in the hands of a small elite, and locked others in oppressed positions. Finnish scholars Juhani Koponen and Sakari Saaritsa have pointed out that "with slight irony one could ask, whether Finland is a diamond created luckily from Swedish institutional heritage under the pressure of Russia".<sup>154</sup>

Nationalism has been a major force in the country, but it historically has, and still does, materialise in two forms: first as patriotism that aims to defend the Finnish independence and promote its development, but second as xenophobia that sees foreigners as a threat even when their absolute numbers and societal impact are small. As in many Western countries, the latter has ascended after Soviet influence subsided

---

151 Hyman, "What future for industrial relations", 569–579.

152 Acemoglu and Robinson, *Why Nations Fail*, 74.

153 Acemoglu and Robinson, *Narrow Corridor*.

154 In Finnish: "Hieman ironisesti voisi kysyä, onko Suomi siis ruotsalaisesta institutionaalisesta perinnöstä onnekaasti Venäjän paineessa syntynyt timantti". Koponen and Saaritsa, "Tie Suomeen", 363.

and economic expansion slowed. Nationalism is becoming the rallying cry against globalisation even if Finland has so far been the beneficiary of expanding global trade (see, Wuokko, Sahari, & Jensen-Eriksen, in the previous chapter). Finnish nationalism also contains a significant component of high modernist technological dominance over nature.<sup>155</sup> It remains to be seen, how this mentality will fare in the era of climate crisis.

Finland is a patriotic country with strong democratic institutions, which it has managed to protect against domestic and foreign threats. The people continue to trust public institutions.<sup>156</sup> In moments of crisis, the people have pulled together. In more peaceful times, the country has been less able to prevent foreign infiltration or make hard decisions. The Finnish political systems therefore continues to have vulnerabilities.

## Bibliography

- Acemoglu, Daron, and James A. Robinson. *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. London: Profile Books, 2013.
- Acemoglu, Daron, and James A. Robinson. *The Narrow Corridor: States, Societies, and the Fate of Liberty*. New York: Penguin Press, 2019.
- Alapuro, Risto. "Eliitit kansakunnan rakentajina." In *Nälkämäasta hyvinvointivaltioksi: Suomi kehityksen kiinniottajana*, edited by Juhani Koponen and Sakari Saaritsa, 219–235. Helsinki: Gaudeamus, 2019.
- Björne, Lars. "'Valkoinen' korkein oikeus 1918–1939." In *Lainkäyttöä läpi vuosisadan. Näkökulmia korkeimman oikeuden historiaan 1918–2018*, edited by Heikki Pihlajamäki, 33–69. Helsinki: Edita, 2018.
- Fields, Marek. *Lännestä tuulee. Britannian ja Yhdysvaltojen propaganda kylmän sodan Suomessa*. Helsinki: Art House, 2019.
- Fields, Marek. *Reinforcing Finland's Attachment to the West – British and American Propaganda and Cultural Diplomacy in Finland, 1944–1962*. Dissertation. Helsinki: University of Helsinki, 2015.
- Heikkilä, Tuomas. *Piirtoja ja kirjaimia: Kirjoittamisen kulttuurihistoriaa keskiajalla*. Helsinki: Suomalaisen Kirjallisuuden Seura, 2009.
- Hyman, Richard. "What Future for Industrial Relations in Europe?". *Employee Relations* 40, no. 4 (2018): 569–579.
- Jensen-Eriksen, Niklas. "Looking for cheap and abundant power: Business, government and nuclear energy in Finland". *Business History*, published ahead of print, 12 June 2020. <https://doi.org/10.1080/00076791.2020.1772761>.
- Jensen-Eriksen, Niklas. "Riittävän puhdas maa: vaalirahoitus ja korruptio Suomen kehitystiellä." In *Nälkämäasta hyvinvointivaltioksi: Suomi kehityksen kiinniottajana*, edited by Juhani Koponen and Sakari Saaritsa, 329–343. Helsinki: Gaudeamus, 2019.

---

<sup>155</sup> Matala and Sahari, "Small nation, big ships".

<sup>156</sup> Salminen and Ikola-Norrbacka, "Trust, good governance".

- Koponen, Juhani, and Sakari Saaritsa. "Tie Suomeen: toinen kertomus." In *Nälkämaasta hyvinvointivaltioksi: Suomi kehityksen kiinniottajana*, edited by Juhani Koponen and Sakari Saaritsa, 347–383. Helsinki: Gaudeamus, 2019.
- Kähönen, Aappo. "Vallankumouksen ja nationalismin ristipaineessa 1905–1932: Suomi hauraana valtiona." In *Nälkämaasta hyvinvointivaltioksi: Suomi kehityksen kiinniottajana*, edited by Juhani Koponen and Sakari Saaritsa, 295–311. Helsinki: Gaudeamus, 2019.
- Matala, Saara and Aaro Sahari. "Small nation, big ships winter navigation and technological nationalism in a peripheral country, 1878–1978." *History and Technology* 33, no. 2 (2017): 220–248.
- Majander, Mikko. *Demokratiaa dollareilla: SDP ja puoluerahoitus pulataloudessa 1945–1954*. Helsinki: Kustannusosakeyhtiö Otava, 2007.
- Rentola, Kimmo. "Suojelupoliisi kylmässä sodassa 1949–1991." In *Ratakatu 12: Suojelupoliisi 1949–2009*, edited by Matti Simola, 9–192. Helsinki: WSOY, 2009.
- Salminen, Ari, and Rinna Ikola-Norrbacka. "Trust, good governance and unethical actions in Finnish public administration." *International Journal of Public Sector Management* 23, no. 7 (2010): 647–668.
- Wuokko, Maiju. "The Curious Compatibility of Consensus, Corporatism, and Neoliberalism: The Finnish Business Community and the Retasking of a Corporatist Welfare State." *Business History* 63, no. 4 (2021): 668–685.
- Wuokko, Maiju, Niklas Jensen-Eriksen, Henrik Tala, Elina Kuorelahti, and Aaro Sahari. *Loputtomat kihlajaiset: Työnantajat ja kolmikantakorporatismi 1940–2020*. Helsinki: Kustannusosakeyhtiö Siltala, 2020.

## Website content

- Grosjean, Pauline. "How WWII shaped political and social trust in the long run", VoxEU.org website. Viewed 29 October 2021. <https://voxeu.org/article/how-wwii-shaped-political-and-social-trust-long-run>.
- Kansan Uutiset website. "Minua hämmentää, että meillä on naisviisikon johtama hallitus, mutta naisvaltaisen alan ongelmat eivät tunnu avautuvan heille." Viewed 29 October 2021. <https://www.kansanuutiset.fi/artikkeli/4404257-ei-koronalisaa-eika-edes-vastausta-tehyn-rytkonen-pettyi-hallitukseen>.

# VI SYSTEM LEVEL RESILIENCE: THE ROLE OF WELFARE STATE ACCOUNTABILITY

*Matilda Hellman and Anna Alanko*

*The soundness and strength of the Finnish welfare state can be understood in terms of the extent to which it is able to uphold and carry out the social contract. The legitimacy of the state's authority over its citizens is embedded in the execution of this contract. The chapter suggests that one can evaluate welfare state accountability (WSA) on different levels of social policy and service system provision. This normative measure --which is discussed in the questions of mental healthcare, a rapidly increasing dependency ratio and the allocation of gambling revenue – can serve to safeguard the welfare societal institutions in times of internal and external pressures.*

## Introduction

This chapter discusses the resilience of the Finnish welfare state in terms of system accountability.<sup>157</sup> Our point of departure is that the resilience of the welfare state can be understood in terms of the extent to which it is able to uphold and carry out the social contract. The legitimacy of the state's authority over its citizens is embedded in the execution of this contract. When the welfare state's ability to keep its side of the contract is scrutinized in any given question, attention must be directed towards the principles of its institutional setup.

This is not a new idea: Rousseauan and Tocquevillian traditions give weight to institutional role divisions and functions as playing a key part in the stability and resilience of democratic systems<sup>158</sup>. The sustainability and quality of the social order can be measured with institutional checks and balances for ensuring accountability<sup>159</sup>. We introduce the use of *welfare state accountability* (WSA) as a concept for identifying which institutional contexts to focus on when diagnosing the resilience of a welfare

---

157 In the current chapter, we mainly use the term 'welfare state', but in our discussion the concept is interchangeable with 'welfare society'. For the distinction between these two concepts, see Kettunen 2019.

158 Philip, M. (2009). Delimiting democratic accountability. *Political Studies*, 57(1), 28-53.

159 e.g. Fukuyama, F. (2014). *Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy*. London: Profile Books.

society (WFS) and assessing the reliability with which the system delivers what it promises. This allows us to discuss how well the system is functioning in its principal institutional tasks and role divisions. The opposite of an accountable WFS is a system that deviates from its constitutional logic and aims, giving rise to clientelism, illegitimate interference and power misuse.

The WSA lens has particular value in the Nordic countries, where public service sectors have not only been wide-ranging, but ideals such as universalism, inclusion, solidarity and equality have been inscribed into the system in everything from taxation policies to public service provision principles. We argue that the accountability and resilience of the contemporary Nordic welfare state as a project depends on whether it can attain political and economic sustainability while sustaining continuity in its core values.

In our theory of WSA, the accountability of the welfare state is built into four levels of institutions: (A) the order at place for ensuring the democratic political order, (B) the welfare service system level, (C) the level of welfare professions' conduct, and, importantly, (D) the level of the welfare culture, which sets the normative standards of accountability. Our aim is to show that, in any given question, the system's accountability can be weighed through assessments of purposefulness and reliability at these four levels. We exemplify this by discussing three topical political questions in contemporary Finland: mental health policies, the increasing dependency ratio, and the gambling revenue-funded third sector. Our argument is that when estimating WSA in each of these questions, emphasis must be placed on different levels of the WFS system.

## Four levels of welfare state accountability

A) *The systemic role divisions in the overall democratic setup* concern the most overarching checks and balances for reliable welfare state systems. In this order we find the agencies and institutions with a mandate to govern and implement the Welfare State (WFS) system as a whole. In Finland, the constitutional law committee is a good example of a general systemic check that works for this purpose. A key component when assessing WSA is section 19 in the Constitution, for example, which states that: *The public authorities shall guarantee for everyone, as provided in more detail by an Act, adequate social, health and medical services and promote the health of the population*<sup>160</sup>. All welfare societies have a political order that entails a certain function of the state, rule of law and democratic proceedings. These role divisions not only pertain to

---

160 Constitution of Finland (1999/731), section 19; English unofficial translation available at <https://www.finlex.fi/fi/laki/kaannokset/1999/en19990731.pdf> (4.3.2021).

systemic role setups but they also concern different emphasis put on the levels of regional, national, and municipal governance. In Level A, WSA is guaranteed through a proper filtering of long-term and short term political goals, into a sustainable and sound long-term societal structure.

B) *The logic of the service system, including executive agencies and authorities*, concerns the implementation of the policies and practices of the welfare state's promises of fair and reliable execution. Here, WSA is guaranteed through well-organized, well-managed and unbiased executive agencies and service provision systems. In social policy, different concepts have been used when referring to this layer. It is often referred to as the executive branch, charged with the execution and enforcement of laws and policies and the administration of public affairs<sup>161</sup>. In Finland, as in most welfare states, the executive branch can be seen to comprise a miscellaneous field of executive agencies, ranging from small-scale, one-person staffed municipal libraries to the overarching management of service provision. This layer can, roughly speaking, be referred to as the 'service system'<sup>162</sup>. A lack of WSA in this layer can be observed, for example, in patterns of unequal treatment in healthcare services<sup>163</sup>. The service system's role can look different in different sectors: For example, the school system in Finland works under the law of compulsory education, education is free, and schools are public and governed on a municipal basis. The service systems targeting senior citizens are typically arranged in combinations of municipality support structures and national insurance subsidies for private enterprises, and individual consumers for nursing home services. Typically, these days, welfare societies arrange public services in mixed provision models, and in different types of logics and sectoral cooperation models<sup>164</sup>. Contemporary welfare societies tend to aim at service integration, which means that activities and functions are merged and coordinated together at this level of administration<sup>165,166</sup>.

C) *The 'production' of welfare in everyday practices, dealings and communication*, entails the touchpoint for citizens with regard to the social contract of which they are

---

161 Garnett, J. L. (2019). *Reorganizing state government: The executive branch*. Routledge.

162 Helin, S. (2008). Palvelujärjestelmä toimintakykyisyyden ja selviytymisen edistäjänä. *Teoksessa Heikkinen & Rantanen, T.(toim.) Gerontologia. Helsinki: Kustannus Oy Duodecim*, 417, 432.

163 Van Lancker, W., & Ghysels, J. (2016). Explaining patterns of inequality in childcare service use across 31 developed economies: A welfare state perspective. *International Journal of Comparative Sociology*, 57(5), 310-337.

164 e.g. Shanks, E., Lundström, T., Meagher, G., Sallnäs, M. & Wiklund, S. (2020). Impression management in the market for residential care for children and youth in Sweden. *Social Policy & Administration*. Epub ahead of print. <https://doi.org/10.1111>

165 Minas, R. (2015). The concept of integrated services in different welfare states from a life course perspective. *International Social Security Review* 69 (3-4): 85-107.

166 Virtanen, P., Stenvall, J., (2017). Intelligence in Public Policy. In: *Intelligent Health Policy*, 41-63. Cham: Springer.

a part. When, for example, a citizen visits a health care centre or uses public transport in a city, they make use of the arrangement put in place in accordance with the societal contract between inhabitants and the public administration. At this level of WSA, welfare professions and the shared responsibilities of professional communities play a crucial role. The autonomy of the executive branch and the welfare professions is strong in the Nordic countries at all levels of administration<sup>167</sup>. A school principal or a civil servant in a ministry follow formal institutionalized and legally binding practices but are allowed to make their own decisions in everyday questions up to a certain point. This is known to save resources in comparison to expansive court-based and clientelistic systems like the US, for example, but it also tends to guarantee a more sustainable governance in sound democracies<sup>168</sup>. Nevertheless, the independence and relative autonomy of the executive branch make the system reliant on the work formats of the people and institutions involved in carrying out the welfare work (e.g. assessments practices, professions, occupation and institutional standardizations). This work has been seen to follow a repertoire of institutionalized paths correlating with the division of labour and professional expertise emphasized in addressing the matters in question<sup>169,170,171,172,173</sup>. The ‘forming’ of a question in institutional systemic action is the realization of its path of action: if a client arrives with a bone fracture, for example, they are referred forward in the system by people who have practices and routines that follow certain professional norms and administrative decrees. The development of professional and organizational routines plays a major part in WSA in this layer of accountability.

Levels A, B and C pertain to the public systems put in place to ensure WSA, like for example democratic elections that guarantees that the WFS develop according to the wishes of the people (A), or, execution of policies in the work by public authorities (B) or that the act on civil servants in local government is followed in the work of municipalities welfare services. Lastly, and as a separate and perhaps more difficult to grasp dimension that spans all layers, we note D) *the continuously renegotiated*

---

167 Öberg, S. A., & Wockelberg, H. (2016). Nordic administrative heritages and contemporary institutional design. In *Nordic administrative reforms* (pp. 57-78). London: Palgrave Macmillan.

168 Fukuyama (2014)

169 Healy, L. M. (2008). *International social work: Professional action in an interdependent world*. Oxford University Press.

170 Egerer, M. D., Hellman, C. M. E., Rolando, S., & Bujalski, M. (2016). General practitioners' position on problematic gambling in three European welfare states. teoksessa M. Hellman, V. Berridge, K. Duke, & A. Mold (Eds.), *Concepts of Addictive Substances and Behaviours across Time and Place* (pp.169-192). Oxford University Press.

171 Leicht, K. T. (2014). Professions and Institutions. *The Wiley Blackwell Encyclopedia of Health, Illness, Behavior, and Society*. John Wiley & Sons Ltd, pp. 1907-1911.

172 Reamer, F. G. (2013). *Social work values and ethics*. Columbia University Press.

173 Banks, S. (2012). *Ethics and values in social work*. Macmillan International Higher Education.

and reproduced ideas and cultures that give legitimacy to the welfare state as a whole, and in all of its entangled parts and sub-systems. This order is sometimes referred to in terms of welfare culture. Our experience is that the role of the fourth level is easily underestimated or neglected in welfare state analyses. The fourth dimension does not pertain directly to a system logic order, but crosses all other dimensions, and is essential when analyzing the persistence, change and resilience of the welfare state. The fourth layer of WSA concerns the sphere of *ideas, legitimacy and culture* placed at the centre of Francis Fukuyama's models of political order<sup>174</sup>. The D-layer is important as understandings of accountability, 'rightness' and fairness are produced in a system's cultural dimensions. The value apparatuses of administration is continuously communicated and engaged in an interactive relationship with overall societal development and public discussions.

At a macro level, the determination of the WFS and the 'creation' of tasks, questions and problems has, over time, evolved into normative arrangements for dealing with problems as a part of welfare states' grand macro-epistemic machinery<sup>175</sup>. Societal institutions duly have epistemic conceptions through their very existence, and through their *modus operandi*<sup>176,177</sup>. In this way, ontological and epistemological notions become institutionalized – whether they concern poverty, substance misuse, children's day care or, as per the cases discussed in this chapter, mental healthcare, the dependency ratio, or the gambling policy. The legislation dictates the principles, but the form and practices of the welfare arrangements work through the welfare state culture<sup>178</sup>. This culture entails the value-based principles of role divisions and practices that each welfare state machinery upholds in its administration cultures.

In the following section, we discuss our four-layer model in view of three topical and complex questions in the Finnish WFS: *mental healthcare, the dependency ratio and the allocation of gambling revenue*.

When it comes to mental healthcare services, the assessment of an accountable welfare state must be seen in the light of massive and rapid historical shifts in the understanding of what mental health problems entail, whom they concern, and what help and care structures should look like. Finland has witnessed a steady rise in the

---

174 Fukuyama (2014), 530–533

175 Knorr Cetina K. (2007) *Culture in global knowledge societies: Knowledge cultures and epistemic cultures*. *Interdisciplinary science reviews*, 32 (4), 361–375.

176 Salmon, W. C. (1984). Scientific explanation: Three basic conceptions. In: Proceedings of the biennial meeting of the philosophy of science association, 293–305. Philosophy of Science Association.

177 Audi, R. (2003). *Epistemology: A Contemporary Introduction to the Theory of Knowledge*. London and New York: Routledge.

178 Pfau-Effinger, B. (2005). Culture and Welfare State Policies: Reflections on a Complex Interrelation. *Journal of Social Policy*, 34(1), 3–20. doi:10.1017/S0047279404008232

demand for help for people who suffer from mental health problems<sup>179</sup>. This crosses all levels of WSA, and has come to result in considerable overall shifts in the welfare state culture's definition of responsibility.

The increasing dependency ratio, for its part, is a challenge in all Nordic countries, and is currently the welfare state threat that is most frequently referred to in popular and academic discussions alike<sup>180</sup>. The problem pertains to the combination of a shrinking working and tax-paying population and a growing number of people in need of services and overall subsistence. When it comes to WSA, the main question revolves around how the public sector can continue to maintain its services with less income and the increased pressure of providing more services.

In Finland, the gambling revenues from the gambling monopoly *Veikkaus* are channelled into the so-called common good. This system actualizes ethical aspects at all levels of system accountability. For example, one might ask: Should civil society and third-sector organizations have public funds earmarked for them that stem from unhealthy consumption activities? Should third-sector welfare services be governed through public grant systems that are marketed as direct investments from citizens' pockets through their gambling activities? How do organizations that are funded with the aim of working against social harm implement their activities when they rely on revenue from activities that cause this harm?

### *Case 1: Mental health policies*

Finnish mental health policy has undergone profound change in the last four decades, which can only be understood in terms of the change in its welfare cultural premises as a whole (level D encompassing A, B, and C). Mental healthcare has undergone a transformation in terms of objectives. The young post-war welfare state in the 1960s saw that the provision of social security and inclusion were an important aim for services targeting mental health problems, prison inmates, alcoholics, and homeless people<sup>181</sup>. With the more everyday and sensitive definitions of mental health problems in contemporary times, the current Finnish mental health policy rationale tends to emphasise the labour market participation of citizens.

---

179 e.g. Gyllenberg, D., Marttila, M., Sund, R., Jokiranta-Olkonien, E., Sourander, A., Gissler, M., & Ristikari, T. (2018). Temporal changes in the incidence of treated psychiatric and neurodevelopmental disorders during adolescence: an analysis of two national Finnish birth cohorts. *The Lancet Psychiatry*, 5(3), 227-236.

180 Hellman (2021a) How is the Nordic welfare state doing? Contemporary public constructs on challenges and achievements. *Nordic Welfare Research* 6 (4)

181 Sulkunen P. (2016). *Saturated Society*. Second edition with a new foreword. Helsinki: Faculty of Social Sciences.

From the perspective of social security, the most obvious WSA questions relate to the system's ability to provide adequate health and social care for those experiencing mental health problems. The definition of those to be targeted and the definition of adequate interventions have both changed dramatically. With the normalization of acknowledging mental health issues in society, the threat of the WFS not taking care of these problems is formulated in a shared perspective of well-being and social security, on the one hand, and economic growth and sustainability, on the other. When the rationale for a welfare question changes and starts having a wider mixed scope (including healthy and economically contributing members of the population), political public discussions regarding system principles (within the scope of levels A and D) may already be far-reaching, but have not yet trickled down into institutionalization at the level of systemic execution (levels B and C). While at level B the aims of the WFS towards resilience via economic and labour market policies are visible in the new service model in the form of one-door service centres for young unemployed people<sup>182</sup>, professional practices (level C) may find it difficult to balance and integrate both macro-level and micro-level aims in the service provisions. This puts a strain on organizational models and professional practice, which may lead to contradictions and conflicting service provision logics. This runs the risk of weak accountability appearing in Finnish mental health services at the service system and profession levels.

There are three essential issues in respect of the overall accountability of the Finnish WFS in the area of mental health policy: the care of citizens in need, the freedom and civil rights of citizens, and ensuring economic sustainability via the size of the workforce. In recent decades, the scope of mental health policies and care provision has shifted the emphasis from the question of the provision of social security to the freedom and civil rights of citizens, and the provision of the labour force. If, from the 1950s to the 1970s, WSA could be assessed at the level of integrating mental health into the welfare state's structures (level A) and securing well-functioning in-patient treatment service arrangements (level B), it can, in the 2020s, be seen as motivated by a changing scope concerning A, B, C and D. All layers and the population as a whole are perceived as being involved in this project.

There have been repeated reports of mental health services being unevenly distributed. In particular, there is a risk that vocal groups struggling to maintain their working ability may be more active in seeking treatment, whereas the more vulnerable and marginalized suffering from serious mental health conditions may not be reached by

---

182 Määttä, M. & Souto, A-M. (eds.) (2020). *Tutkittu ja tulkittu Ohjaamo – Nuorten ohjaus ja palvelut integraatiopyörteessä*. ISBN (nid.) 978-952-372-007-7, julkaisuja (Nuorisotutkimusseura) ISSN 1799-9219, nro 226, sarja: Kenttä. Ulkoasu: nidottu, 274 s., kirjastoluokat 30, 38.8. Nuorisotutkimusverkosto/Nuorisotutkimusseura & Keski-Suomen elinkeino-, liikenne- ja ympäristökeskus/Kohtaamo-hanke (ESR).

the services. Therefore, the WSA discussion should pay attention to the fair distribution of services (level B). Perhaps somewhat surprisingly, a welfare cultural account might be more important than the other levels: while all of these drastic historical developments in mental healthcare have been taking place, the legislation concerning the provision of mental healthcare has not undergone any significant amendments since 1991 (level A). The enormous shift in views of accountability can, therefore, only be accounted for in terms of an overarching and progressive welfare cultural change (level D)<sup>183</sup>.

### *Case 2: The increasing dependency ratio*

The demographic dependency ratio is calculated using a simple formula whereby the number of people aged 0 to 14 is added to the number of people over 65, and the total is divided by the number of people aged 15 to 64. When this figure is multiplied by 100, the result corresponds to the percentage of the population that is dependent upon public income transfers funded by tax revenue. In 2019 the demographic dependency ratio was 61,4 per cent and it is projected to 66 in 2030 and 71 in 2020<sup>184</sup>. The economic dependency ratio is, on its part, the ratio of the number of employed persons to unemployed persons and persons in the inactive population. In 2018 the economic dependency ratio was 132 in Finland, which means that for every 100 people in working life there were 132 people who were not in working life<sup>185</sup>. The number of people over 65, which amounted to almost 1.2 million in 2017, will have risen with an estimated additional 630 000 by 2050<sup>186</sup>.

A major predicament for the Finnish WFS is the impossibility of maintaining a generous public sector in view of a declining tax-paying workforce and an ageing population<sup>187</sup>. This places an increased burden on the productive part of the population to maintain the upbringing of the young and the pensions of the economically dependent. The structure of the population is in various ways related to the country's welfare and its welfare policy<sup>188</sup>. At the level of principles related to service system spending

183 Alanko, A. M. (2017). Improving mental health care: Finnish mental health policy rationale in the era of dehospitalisation. *University of Helsinki, Department of Social Research*. <http://urn.fi/URN:ISBN:978-951-51-3276-5>.

184 Suomen virallinen tilasto (SVT) (2018). Väestöennuste[verkkojulkaisu]. ISSN=1798-5137. (2018). Helsinki: Tilastokeskus [viitattu: 17.11.2018]. [http://www.stat.fi/til/vaenn/2018/vaenn\\_2018-11-16\\_tie\\_001\\_fi.html](http://www.stat.fi/til/vaenn/2018/vaenn_2018-11-16_tie_001_fi.html).

185 <https://findikaattori.fi/fi/32> (2020)

186 Suomen virallinen tilasto (SVT) (2018)

187 Kestilä, L., & Martelin, T. (2019). Suomen väestörakenne ja sen kehitys. *Suomalaisten hyvinvointi 2018. Toim. Laura Kestilä ja Sakari Karvonen*.

188 e.g. Disney, R. (2007). Population ageing and the size of the welfare state: Is there a puzzle to explain?, *European Journal of Political Economy*, 23: 2, 542-553, ISSN 0176-2680, <https://doi.org/10.1016/j.ejpoleco.2006.02.005>.

(B), the accountable welfare state needs to ask uncomfortable questions about who should be prioritized when resources are scarce. The increasing dependency ratio comes at a time in history when, at this level of service system principles, the WFS is moving towards post-new public management models of horizontal governance, co-production models, mergers and synergies between sectors and institutions. This is no coincidence, but the institutionalization of systemic mixed justifications (e.g. smarter synchronization of administration/governance, welfare and security plus the preservation of public resources) reflects cross-pressures on the system as a whole<sup>189</sup>.

The question of the increasing dependency on a smaller share of people who pay taxes is consistently framed in terms of national economy, with the future existence of the WFS social contract in focus. Solution repertoires are heavily politicized, with austerity, stimulation and immigration dividing the political left, right and populists<sup>190</sup>. As a problem that needs addressing, the dependency ratio has been integrated into the level B service system with both 'carrots' (better parental leave deals that are expected to encourage people to have more children) and 'sticks' (sanctions for long-term unemployment). However, the wider political struggles are still ongoing and have not yet 'landed' fully in the decision-making service systems of levels B and C. When it comes to progress being made in this issue, the largest service transformation to date is the SOTE reform, which aims to change the structure of the health and social care administration and merge the two sectors<sup>191</sup>.

The welfare state covers people from different generations and the normative view of when it can be considered accountable is the result of many generations' systemic political inscription. This is often referred to as the 'generational welfare contract' – a term used to counteract a simplified view of social policies as reflecting the underlying motives of political actors<sup>192</sup>. The generational welfare contract is a long-term guarantee for the principle of historical equality and justice across generations. The dependency ratio question challenges the welfare state's generational welfare contract as its premises for working have changed drastically since the principles were inscribed in its constitution.

The baby boomers form a large cohort in all Western prosperous societies, but the relative size of this cohort in Finland in comparison with those preceding and

---

189 e.g. Taylor-Gooby, P., Leruth, B., Chung, H. (2017). *After Austerity*, Oxford: Oxford University Press.

190 e.g. Veenman, Sietske A. (2013). Futures studies and uncertainty in public policy: A case study on the ageing population in the Netherlands, *Futures*, Volume 53, pp. 42-52, ISSN 0016-3287, <https://doi.org/10.1016/j.futures.2013.08.008>.

191 Ikonen, A-K. (2020). Knowledge as a critical success factor in the Finnish social and health-care reform, *Knowledge Management Research & Practice*, 18:1, 69-80, DOI: 10.1080/14778238.2019.1621223

192 Birnbaum, S., Ferrarini, T., Nelson, K., & Palme, J. (2017). *The generational welfare contract*. Edward Elgar Publishing.

following is remarkably big even by international standards<sup>193</sup>. In Finland, the baby boomers would serve to build up the country's welfare, but were also the ones deriving the most benefit from it. The timing of societal development and economic recessions has been more favourable for pre-Generation X generations. The baby boomers have been the winners in the rise of the welfare state, experiencing a rapid and dramatic societal transformation from a rather backward agricultural and poor country to a technologically developed welfare state, with urbanization and women's entry into occupational life boosting their general welfare<sup>194,195,196</sup>.

When planning welfare services (level B), asset-based welfare may become increasingly central as a response to the challenge of funding the care of an ageing population<sup>197</sup>. Generational savings may appear to cause inequality and gaps in welfare<sup>198</sup>: with the tax pressure rising and with suggestions of higher retirement ages, the gap between those who can afford to safeguard their welfare and those that find themselves in economic distress may become wider. Some innovative solutions have been proposed such as pay-as-you-go (PAYG) retirement schemes, which work following an agenda for poverty alleviation and for smoothing benefits according to contributions<sup>199</sup>.

### *Case 3: Civil society support through gambling revenue*

Third and civil sector organizations in the Nordic countries typically depend on state grants, public cooperation and state support more than in other parts of the world. A trust-based mutual dependency between third-sector organizations and public authorities is a cornerstone of the Nordic model<sup>200</sup>. The role of the third sector (TS) has been both to cooperate with and to supplement the existing public sector services.

---

193 Danielsbacka, M., & Tanskanen, A. O. (2016). Grandfather involvement in Finland: Impact of divorce, remarriage, and widowhood. In *Grandfathers* (pp. 183-197). London: Palgrave Macmillan.

194 Suomäki, A., Kianto, A., & Vanhala, M. (2019). Work engagement across different generations in Finland: a qualitative study of Boomers, Yers and Xers. *Knowledge and Process Management*, 26(2), 140-151.

195 Kauppila, E. K., & Hellman, C. M. E. (2018). The role of alcohol in baby boomers' biographical accounts. *Journal of Aging Studies*, 46 (September 2018), 37-44. <https://doi.org/10.1016/j.jaging.2018.06.005>.

196 Karisto (2005). *Suuret ikäluokat*. Tampere: Vastapaino.

197 Searle, B. A., & McCollum, D. (2014). Property-based welfare and the search for generational equality. *International Journal of Housing Policy*, 14(4), 325-343.

198 Gaspart, F., & Gosseries, A. (2007). Are generational savings unjust?. *Politics, Philosophy & Economics*, 6(2), 193-217.

199 Flici, F. (2014). On the redesign of Pay-As-You-Go Retirement Systems: towards more generational and inter-generational equality. Available at: <https://international-pension-workshop.com/wp-content/uploads/papers-17/Flici.pdf>.

200 Klausen, K. K., & Selle, P. (1996). The third sector in Scandinavia. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 7(2), 99-122.

The third sector is characterized by positive features and ideals, representing communality, flexibility and solidarity<sup>201</sup>.

In Finland, the common good – third sector welfare work, research and cultural life – is supported by gambling revenues from the gambling monopoly *Veikkaus*. The provision of services in social and health care, for example, has allowed the Finnish WFS to maintain its ethos without putting its general tax-generated economy under strain. Instead, recent studies show that large shares of the socio-economically most disadvantaged citizens are losing their income to gambling and are thus paying a high price for the funding of the Finnish third sector organizations. In this question, WSA revolves around role division principles between sectors (level A) and the ethicality of counteracting problems caused by the state's provision of gambling products. Should people's gambling problems fund welfare services? Should third-sector organizations (TSO) that are funded with the aim of mitigating social harm be supported through activities that cause the same type of harm?<sup>202,203,204</sup>

The dependency on gambling resources has come to symbolize a systemic structural flaw in the Finnish welfare system (level A). There are two types of gambling revenues that are channelled into Finnish society: first, the proceeds from the *lotteries tax* (around 200 million euros) collected from lottery wins are blended into the general state budget. The second type of revenue is a share of the gambling revenues – one billion euro annually – distributed to TS beneficiaries in the culture, social and health fields, including youth and sports activities. For most of the beneficiaries, the gambling revenue is the most important source of income<sup>205</sup>. The gambling profits are distributed to third-sector organizations via application-based grant systems. There are two separate systems, one of which targets social and healthcare, while the other targets work in the culture, sport and youth work sectors.

In terms of levels A and D, the structure whereby the TS is funded by gambling revenue gives the government a dual role, and relies on complicated checks and balances in order to make the government accountable and non-biased in view of gambling harm and gambling prevalence (level A). What makes the system more complicated to deal with are recent transformations in the welfare system, which have

---

201 Defourny, J., & Pestoff, V. (2008). Images and concepts of the third sector in Europe. *EMES Working Papers*, 8(02).

202 e.g. Egerer, M. D., Kankainen, V., & Hellman, M. (2018). Compromising the public good? Civil society as beneficiary of gambling revenue. *Journal of Civil Society*, 14(3), 207-221.

203 e.g. Marionneau, V., & Kankainen, V. (2018). Beneficiaries of gambling and moral disengagement. *International Journal of Sociology and Social Policy* (38), 7-8, 578-591.

204 e.g. Egerer, M., Marionneau, V., & Nikkinen, J. (Eds.) (2018). *Gambling policies in European welfare states: Current challenges and future prospects*. Springer.

205 Marionneau, V. & Lähteenmaa, J. (2020). Yhteiskunnallisten tuottojen kerääminen rahapeleillä ja peliportfolioiden vaikutus tuottoihin valtion yksinoikeusjärjestelmissä. *Yhteiskuntapolitiikka*, 85 (1), 81-89.

increased the proportion of so-called hybrid organizations, which combine elements of the state with for-profit and non-profit, namely civil society<sup>206,207,208,209</sup>.

A solution that accords better with the aim of the accountability of the welfare state would be the merging of the gambling revenue with the state budget, and the funding of the TS from a non-earmarked state budget (cf. the Swedish system)<sup>210</sup>. This would also require an independent audit or inspection authority.

## Discussion and conclusions

In this chapter we suggested a means of examining separate WFS levels of institutional logics in order to assess how accountable the Finnish WFS is today. We have exemplified this with three topical issues: mental healthcare, the increasing dependency ratio, and gambling revenue-funded third-sector work. In Table 1, we map how WSA can be viewed at each level for the three issues. The levels highlighted are those that we consider to be the most crucial for the assessment.

The relevance of level D become especially obvious in the question of mental health policies. No analyses of layers A, B, and C can provide full or in-depth answers as to why the demand for mental healthcare is growing, and how the core issue in mental healthcare has shifted away from the provision of services towards the provision of a capable workforce. This can only be explained by looking at level D, and the ways in which ideas, legitimacy and culture form the scope of the WFS. A great deal of pressure to incorporate mixed justifications in practice is put on level C with regard to the way in which the system works. The system is a broad one: mental health work in Finland today involves a number of different institutions and professions such as school personnel, general practitioners, psychiatrists, nurses, therapists and social workers.

When it comes to the question of the increasing dependency ratio, there is a political consensus regarding its urgency and the pressure on action on level B: everyone agrees that this is a worrisome development, and that it puts a strain on the service system's abilities to deliver (level B). Nevertheless, there are great political and ideological struggles regarding principles in the solutions, including such as who belongs

---

206 Alapuro, R., & Stenius, H. (Toimittajat) (2010). Nordic Associations in a European Perspective: European Civil Society (8). (European Civil Society; Nro 8). Nomos.

207 Yliaska, V. (2014). *Tehokkuuden toiveuni. Uuden julkisjohtamisen historia Suomessa 1970-luvulta 1990-luvulle*. Helsinki: Into.

208 Ansell, C & Torfing, J. (eds.) (2016). *Handbook on Theories of Governance*. Cheltenham: Edward Elgar.

209 e.g Hellman, M., Roos, G., & von Wright, J. (Eds.) (2012). *A Welfare Policy patchwork: Negotiating the Public Good in Times of Transition*. Nordens välfärdscenter, Stockholm.

210 Cisneros Örnberg, J., & Hettne, J. (2018). The Future Swedish Gambling Market : Challenges in Law and Public Policies. In *Gambling Policies in European Welfare States : Current Challenges and Future Prospects* (pp. 197–216). [https://doi.org/10.1007/978-3-319-90620-1\\_11](https://doi.org/10.1007/978-3-319-90620-1_11)

*Table 1. Welfare state accountability assessed for three topical questions in the 2020s Finland*

	MENTAL HEALTH	DEPENDENCY RATIO	GAMBLING-FUNDED TS
<b>A</b> (social order and democratic setup)	Little has changed in terms of legislation and the main role divisions in the past thirty years with regard to the principles for taking care of mental health problems. The mental health field has strived towards more engagement by service users	The division of tasks in itself is not contested, but the emphasis of these roles is disputed. For example: Should the WFS focus on job market strategies, taxation policies or austerity in expenditure?	In focus: the most rudimentary role divisions between TS and state as well as the conflicting roles within the two sectors.
<b>B</b> (execution of welfare services)	Over time: a shift in the measurement of how well the service system delivers. The micro-level delivery must integrate mixed justifications in its work formats and principles (economy, social security, health). New service provision models have been developed, such as one-door solutions and multi-professional cooperation, which are believed to save money and address many problems at the same time.	Systemic engineering when it comes to carrots and sticks. The main problem is related to expanding the workforce in order to improve the economy of the WFS.	The service system with TSO, private and public actors can in principle remain the same whether the gambling revenues are channelled through state grants or through a non-earmarked funding system.
<b>C</b> (professional production of welfare)	Strains on professions: The professional roles must be assessed against the new aims and new work patterns.	The profession and welfare service practice adjustments will be implemented at level B, with a closer interaction with level C than, for example, regarding the issue of mental health, where professionals are under strain.	The role of professions and service providers in the state and TS is contradictory: on the one hand, efforts are made to maintain WFS goals in terms of welfare, health and equality. On the other hand, the work that is accomplished is counteracted by the gambling activity that funds the services.
<b>D</b> (ideas and cultures)	Over time: more all-inclusive definitions of mental health, but different and unequal accessibility to services according to labour market participation. Justifications for the action taken have become more mixed.	The economy dictates the circumstances, but how to react raises questions that are heavily politicized. Generational inequality. A consensus regarding views on what the WFS is accountable for must change or a bold solution must be found.	If the system changes to one where the gambling revenue is non-earmarked, the principles for TS and the public sector in a welfare cultural sense can remain the same, but without the most obvious ethical conflicts.

to the system and in what roles (level A). This, in turn, reflects the value-based foundation that the country wants to integrate into this question over time (level D). One similarity with mental health policy is the focus on labour market policy, which started to gain attention in mental health policies in the 2000s in particular<sup>211</sup>. Pressure has been exerted on level B in particular: cases in point are the massive Social and Healthcare Reform (the so-called SOTE reform) and *Ohjaamos* – one-door multiservices for unemployed young people<sup>212</sup>. Both of these service structural projects involve mixed scopes and justifications, and are considered to enhance service provision by merging services and practices.

The fact that Finland has long been situated below a population reproduction rate has been portrayed in the media as harming its ability to compete internationally<sup>213,214</sup>. The situation has also been depicted in public discussions as leading to public cuts and as ‘wrecking down’ the WFS system<sup>215</sup>. In this question, the Finnish WFS can be seen as doing what it can (e.g. raising questions on government platforms, aiming to change the legislation in government bills, proposing to change the service system), and tends to compensate for decisions on structural matters in whatever way it can by creating political awareness.

What can be described as a ‘generational capture’ has been effected by cohorts from the post-war baby boom, affecting the young much more than the old<sup>216,217</sup>. Intergenerational relationships can be understood in several ways – relations between parents and their children, relations between past, present and future birth cohorts, and relations between age groups within society. They can also be seen as guaranteeing fairness in how lives evolve in life trajectories: in the universalist system, everybody is given the same starting point.

When it comes to the gambling-funded TS, the financing of social care and health-care with gambling revenues has enabled welfare state resilience, especially in times of austerity policies, although the overall values in the logic of the system can be

211 Hellman, C. M. E., Monni, M., & Alanko, A. M. (2017). Declaring, shepherding, managing: The welfare state ethos in Finnish government programmes, 1950-2015. *Research on Finnish society*, 10(1), 9-22.

212 Määttä & Souto (2020)

213 Luukka, T. (2016). Valtiovarainministeri Orpo: Uusi Suomen malli ei ole välttämätön – kunhan palkankorotukset pysyvät maltillisina. *Helsingin Sanomat*, 13 December [online]. Available at: <https://www.hs.fi/politiikka/art-2000005004993.html> (accessed 31 August 2020).

214 Helsingin Sanomat (2019). Suomessa ei voida ottaa käyttöön “yksi lapsi vähemmän” –politiikkaa. Reader’s Opinion. 28 August [online]. Available at: <https://www.hs.fi/mielipide/art-2000006218312.html> (accessed 31 August 2020).

215 Lehtinen, V. L. (2017). Lakimieskaksikko on auttanut satoja turvapaikanhakijoita jäämään Suomeen – “Merkittävä osa työajasta menee hyväntekeväisyyteen”. *Helsingin Sanomat*, 18 July [online]. Available at: <https://www.hs.fi/kaupunki/art-2000005294459.html> (accessed 31 August 2020).

216 Higgs, P., & Gilleard, C. (2015). Generational Justice, generational habitus and the ‘problem’ of the baby boomers. In *Challenges of Aging* (pp. 251-263). London: Palgrave Macmillan.

217 Torp, C. (Ed.). (2015). *Challenges of aging: Pensions, retirement and generational Justice*. Springer.

questioned (level D). In this respect, the core WSA question still revolves around the basic roles and functions of different sectors of the welfare state (level A) and the major ethical dilemmas at the level of welfare work execution (C).

The official justification for the state gambling monopoly is the assumed ability of a monopoly system to control gambling-related harm. Even if the system's ability to provide resources for the third sector, which partly supplements the welfare system, is often used as justification in public discussions<sup>218</sup>, it is not cited as justification in official documents<sup>219,220</sup>. On closer inspection, another paradox emerges: very few people seem to think that the TS work should be funded by resources that are largely drawn from the pockets of people suffering from gambling problems<sup>221</sup>. In view of the accountability of the WFS system, this is seen as simply inconsistent with the values and principle order of the Nordic welfare state model (ibid.).

In this chapter, we have discussed Finland as a Nordic welfare state, and how the country can be viewed as upholding accountability in different systemic dimensions and levels. We have discussed three cases reflecting problems that can put the service systems to the test. Yet it is not only the complexity of the problems that can test the effectiveness of WSA. All three cases discussed above pose great challenges to the welfare state to support universal welfare and take care of those in need in an economically sustainable, and hence resilient and accountable way.

---

218 Lerkkanen T. (2019). Monopolin puolustusta, kritiikkiä ja murtumisen uhkakuvia: rahapelaamisen mediarepresentaatiot Helsingin Sanomissa vuosina 1990–2016. Unpublished Master's thesis, University of Tampere. Available at: <https://trepo.tuni.fi/handle/10024/105204>.

219 Selin, Jani. (2019). National gambling policies and the containment of the EU's politico-legal influence. *Nordic Studies on Alcohol and Drugs*, 36, 77-90. 10.1177/1455072519835703.

220 Selin, J., Hellman, M., & Lerkkanen, T. (2019). National Market Protectionist Gambling Policies in the European Union: The Finnish Gambling Monopoly Merger as a Case in Point. *Journal of Gambling Issues*, 41. 10.4309/jgi.2019.41.8.

221 e.g. Lerkkanen, T., Egerer, M., Alanko, A., Järvinen-Tassopoulos, J., & Hellman, M. (2020). Citizens' Perceptions of Gambling Regulation Systems: A New Meaning-Based Approach. *Journal of Gambling Issues*, (43), 84-101. <https://doi.org/10.4309/jgi.2020.43.6>.

## Bibliography

- Alanko, A. M. (2017). Improving mental health care: Finnish mental health policy rationale in the era of dehospitalisation. University of Helsinki, Department of Social Research. <http://urn.fi/URN:ISBN:978-951-51-3276-5>.
- Alcock, P. (2015). The Big Society and the third sector. In *Defence of Welfare* 2, 124.
- Audi, R. (2003). *Epistemology: A Contemporary Introduction to the Theory of Knowledge*. London and New York: Routledge.
- Banks, S. (2012). *Ethics and values in social work*. Macmillan International Higher Education.
- Birnbaum, S., Ferrarini, T., Nelson, K., & Palme, J. (2017). *The generational welfare contract*. Edward Elgar Publishing.
- Constitution of Finland (1999/731); English unofficial translation available at <https://www.finlex.fi/fi/laki/kaannokset/1999/en19990731.pdf> (4.3.2021).
- Cisneros Örnberg, J., & Hettne, J. (2018). The Future Swedish Gambling Market: Challenges in Law and Public Policies. In *Gambling Policies in European Welfare States : Current Challenges and Future Prospects* (pp. 197–216). [https://doi.org/10.1007/978-3-319-90620-1\\_11](https://doi.org/10.1007/978-3-319-90620-1_11)
- Danielsbacka, M., & Tanskanen, A. O. (2016). Grandfather involvement in Finland: Impact of divorce, remarriage, and widowhood. In *Grandfathers* (pp. 183-197). London: Palgrave Macmillan.
- Davydov, Dmitry M., Robert Stewart, Karen Ritchie, Isabelle Chaudieu (2010). Resilience and mental health, *Clinical Psychology Review*, Volume 30, Issue 5, 2010, 479-495.
- Defourny, J., & Pestoff, V. (2008). Images and concepts of the third sector in Europe. *EMES Working Papers*, 8(02).
- Disney, R. (2007). Population ageing and the size of the welfare state: Is there a puzzle to explain?, *European Journal of Political Economy*, 23: 2, 542-553, ISSN 0176-2680, <https://doi.org/10.1016/j.ejpoleco.2006.02.005>.
- Egerer, M. D., Kankainen, V., & Hellman, M. (2018). Compromising the public good? Civil society as beneficiary of gambling revenue. *Journal of Civil Society*, 14(3), 207-221.
- Egerer, M., Marionneau, V., & Nikkinen, J. (Eds.) (2018). *Gambling policies in European welfare states: Current challenges and future prospects*. Springer.
- Flici, F. (2014). On the redesign of Pay-As-You-Go Retirement Systems: towards more generational and inter-generational equality. Available at: <https://international-pension-workshop.com/wp-content/uploads/papers-17/Flici.pdf>.
- Fukuyama, F. (2014). *Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy*. London: Profile Books.
- Garnett, J. L. (2019). *Reorganizing state government: The executive branch*. Routledge.
- Gaspard, F., & Gosseries, A. (2007). Are generational savings unjust?. *Politics, Philosophy & Economics*, 6(2), 193-217.
- Gyllenberg, David, Marttila, Mikko, Sund, Reijo, Jokiranta-Olkonien, Elina, Sourander, Andre, Gissler, Mika & Ristikari, Tiina. (2018). Temporal changes in the incidence of treated psychiatric and neurodevelopmental disorders during

- adolescence: An analysis of two national Finnish birth cohorts. *The Lancet Psychiatry*. 5. 10.1016/S2215-0366(18)30038-5.
- Healy, L. M. (2008). *International social work: Professional action in an interdependent world*. Oxford University Press.
- Helin, S. (2008). Palvelujärjestelmä toimintakykyisyyden ja selviytymisen edistäjänä. *Teoksessa Heikkinen & Rantanen, T.(toim.) Gerontologia*. Helsinki: Kustannus Oy Duodecim, 417, 432.
- Helsingin Sanomat (2019). Suomessa ei voida ottaa käyttöön “yksi lapsi vähemmän” – politiikkaa. Reader’s Opinion. 28 August [online]. Available at: <https://www.hs.fi/mielipide/art-2000006218312.html> (accessed 31 August 2020).
- Higgs, P., & Gilleard, C. (2015). Generational Justice, generational habitus and the ‘problem’ of the baby boomers. In *Challenges of Aging* (pp. 251-263). London: Palgrave Macmillan.
- Ikonen, A-K. (2020). Knowledge as a critical success factor in the Finnish social and health-care reform, *Knowledge Management Research & Practice*, 18:1, 69-80, DOI: 10.1080/14778238.2019.1621223
- Kauppila, E. K., & Hellman, C. M. E. (2018). The role of alcohol in baby boomers’ biographical accounts. *Journal of Aging Studies*, 46 (September 2018), 37-44. <https://doi.org/10.1016/j.jaging.2018.06.005>.
- Kestilä, L., & Martelin, T. (2019). Suomen väestörakenne ja sen kehitys. *Suomalaisten hyvinvointi 2018. Toim. Laura Kestilä ja Sakari Karvonen*.
- Kettunen, P. (2019). The Conceptual History of the Welfare State in Finland. Final manuscript of chapter 5. In Nils Edling (ed.): *Changing Meanings of the Welfare State: Histories of a Key Concept in the Nordic Countries*. Oxford & New York: Berghahn Books, pp. 225-275.
- Kickert, W. J. (2001). Public management of hybrid organizations: Governance of quasi-autonomous executive agencies. *International Public Management Journal*, 4(2), 135-150.
- Klausen, K. K., & Selle, P. (1996). The third sector in Scandinavia. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 7(2), 99-122.
- Lehtinen, V. L. (2017). Lakimieskaksikko on auttanut satoja turvapaikanhakijoita jäämään Suomeen – “Merkittävä osa työajasta menee hyväntekeväisyyteen”. *Helsingin Sanomat*, 18 July [online]. Available at: <https://www.hs.fi/kaupunki/art-2000005294459.html> (accessed 31 August 2020).
- Leicht, K. T. (2014). Professions and Institutions. *The Wiley Blackwell Encyclopedia of Health, Illness, Behavior, and Society*. John Wiley & Sons Ltd, pp. 1907-1911.
- Lerkkanen, T., Egerer, M., Alanko, A., Järvinen-Tassopoulos, J., & Hellman, M. (2020). Citizens’ Perceptions of Gambling Regulation Systems: A New Meaning-Based Approach. *Journal of Gambling Issues*, (43), 84-101. <https://doi.org/10.4309/jgi.2020.43.6>.
- Lerkkanen T. (2019). Monopolin puolustusta, kritiikkiä ja murtumisen uhkakuvia: rahapelaamisen mediarepresentaatiot Helsingin Sanomissa vuosina 1990–2016. Unpublished Master’s thesis, University of Tampere. Available at: <https://trepo.tuni.fi/handle/10024/105204>.
- Luukka, T. (2016). Valtiovarainministeri Orpo: Uusi Suomen malli ei ole välttämätön

- kunhan palkankorotukset pysyvät maltillisina. *Helsingin Sanomat*, 13 December [online]. Available at: <https://www.hs.fi/politiikka/art-2000005004993.html> (accessed 31 August 2020).
- Marionneau, V., & Kankainen, V. (2018). Beneficiaries of gambling and moral disengagement. *International Journal of Sociology and Social Policy* (38), 7-8, 578-591.
- Määttä, M. & Souto, A-M. (eds.) (2020). Tutkittu ja tulkittu Ohjaamo – Nuorten ohjaus ja palvelut integraatiopyörteessä. ISBN (nid.) 978-952-372-007-7, julkaisuja (Nuorisotutkimusseura) ISSN 1799-9219, nro 226, sarja: Kenttä. Ulkoasu: nidottu, 274 s., kirjastoluokat 30, 38.8. Nuorisotutkimusverkosto/Nuorisotutkimusseura & Keski-Suomen elinkeino-, liikenne- ja ympäristökeskus/Kohtaamo-hanke (ESR).
- Marionneau, V. & Lähteenmaa, J. (2020). Yhteiskunnallisten tuottojen kerääminen rahapeleillä ja peliportfolioiden vaikutus tuottoihin valtion yksinoikeusjärjestelmissä. *Yhteiskuntapolitiikka*, 85 (1), 81-89.
- Minas, R. (2015). The concept of integrated services in different welfare states from a life course perspective. *International Social Security Review* 69 (3-4): 85-107.
- Muhonen, T. (2020). Suomi siirtyi heikennysten aikaan, ja se on minun sukupolveni taakka. *Helsingin Sanomat*, 30 January [online]. Available at: <https://www.hs.fi/mielipide/art-2000006388593.html> (accessed 31 August 2020).
- Pfau-Effinger, B. (2005). Culture and Welfare State Policies: Reflections on a Complex Interrelation. *Journal of Social Policy*, 34(1), 3-20. doi:10.1017/S0047279404008232
- Philp, M. (2009). Delimiting democratic accountability. *Political Studies*, 57(1), 28-53.
- Pyrhönen N. (2015). The True Colors of Finnish Welfare Nationalism: Consolidation of Neo-Populist Advocacy as a Resonant Collective Identity through Mobilization of Exclusionary Narratives of Blue-and-White Solidarity. University of Helsinki, Faculty of Social Sciences, Department of Social Studies. Swedish School of Social Science, Centre for Research on Ethnic Relations and Nationalism (CEREN).
- Reamer, F. G. (2013). *Social work values and ethics*. Columbia University Press.
- Salmon, W. C. (1984). Scientific explanation: Three basic conceptions. In: *Proceedings of the biennial meeting of the philosophy of science association*, 293-305. Philosophy of Science Association.
- Searle, B. A., & McCollum, D. (2014). Property-based welfare and the search for generational equality. *International Journal of Housing Policy*, 14(4), 325-343.
- Selin, Jani. (2019). National gambling policies and the containment of the EU's politico-legal influence. *Nordic Studies on Alcohol and Drugs*, 36, 77-90. 10.1177/1455072519835703.
- Selin, J., Hellman, M., & Lerkkanen, T. (2019). National Market Protectionist Gambling Policies in the European Union: The Finnish Gambling Monopoly Merger as a Case in Point. *Journal of Gambling Issues*, 41. 10.4309/jgi.2019.41.8.
- Shanks, E., Lundström, T., Meagher, G., Sallnäs, M. & Wiklund, S. (2020). Impression management in the market for residential care for children and youth in Sweden. *Social Policy & Administration*. Epub ahead of print. <https://doi.org/10.1111>
- Siltamäki, T. (2019). Syntyvyyskeskustelussa haukutaan väärää puuta. *Helsingin Sanomat*, 13 October [online]. Available at: <https://www.hs.fi/sunnuntai/art-2000006269693.html> (accessed 14 July 2020).

- Suomen virallinen tilasto (SVT) (2018). Väestöennuste [verkkojulkaisu]. ISSN=1798-5137. (2018). Helsinki: Tilastokeskus [viitattu: 17.11.2018]. [http://www.stat.fi/til/vaenn/2018/vaenn\\_2018-11-16\\_tie\\_001\\_fi.html](http://www.stat.fi/til/vaenn/2018/vaenn_2018-11-16_tie_001_fi.html).
- Sulkunen P. (2016). *Saturated Society*. Second edition with a new foreword. Helsinki: Faculty of Social Sciences.
- Suomäki, A., Kianto, A., & Vanhala, M. (2019). Work engagement across different generations in Finland: a qualitative study of Boomers, Yers and Xers. *Knowledge and Process Management*, 26(2), 140-151.
- Taylor-Gooby, P., Leruth, B., Chung, H. (2017). *After Austerity*, Oxford: Oxford University Press.
- Torp, C. (Ed.). (2015). *Challenges of aging: Pensions, retirement and generational Justice*. Springer.
- Van Lancker, W., & Ghysels, J. (2016). Explaining patterns of inequality in childcare service use across 31 developed economies: A welfare state perspective. *International Journal of Comparative Sociology*, 57(5), 310-337.
- Veenman, Sietske A. (2013). Futures studies and uncertainty in public policy: A case study on the ageing population in the Netherlands, *Futures*, Volume 53, pp. 42-52, ISSN 0016-3287, <https://doi.org/10.1016/j.futures.2013.08.008>.
- Virtanen, P., Stenvall, J., (2017). Intelligence in Public Policy. In: *Intelligent Health Policy*, 41-63. Cham: Springer.
- Öberg, S. A., & Wockelberg, H. (2016). Nordic administrative heritages and contemporary institutional design. In *Nordic administrative reforms* (pp. 57-78). London: Palgrave Macmillan.

# VII MEDIA AND THE INFORMATION ENVIRONMENT: THERE IS NO SUCH THING AS NORDIC EXCEPTIONALISM

Olli Seuri, Hannu-Pekka Ikäheimo, Antto Vihma and Jarno Hartikainen

*Finland has often been portrayed in the international press as a pioneering information society and a forerunner in the fight against disinformation. International comparisons indicate that Finns, as well as the citizens of other Nordic countries, have relatively high trust in the news media. Still, the resilience of the Finnish information environment should not be overestimated, as many of the challenges are transnational by nature and the Finns have not yet been thoroughly tested. This chapter provides an overview of the Finnish mediasphere as well as an introduction to new threats such as geopolitical pressure, formation of radical right-wing media ecosystem, and conspiracy theories pushing for mainstream.*

## 1. Introduction: Is Finland winning the information war?

“Finland is winning the war on fake news: What it’s learned may be crucial to Western democracy,” reads the CNN headline from its May 2019 special report on Finland and Finnish schools. Type “Finland” and “fake news” on Google search bar and similar stories appear. They explain how Finland is doing an exceptional job in the “war” or “fight” against (Russian) fake news – for example, by successfully training its schoolchildren to identify problematic information. These stories portray Finland as a pioneering information society. It seems like all the good work to build up Finland’s image has paid off.

The problem with promoting Finland as an exemplary country is that the story is only partially accurate. It is true that Finland has successfully identified a variety of fake news and hybrid influence methods, as well as engaged in a public debate about the threat they present. In addition, Finland is indeed a stable country that consistently ranks highly in international comparisons, for example, in the areas of freedom of expression and social trust (see, e.g., Freedom House 2020; European Commission 2020). Yet, this does not make Finland the country that has found a general cure for the problems associated with misinformation and disinformation that have gripped the world. For one, the resilience of Finnish society is not as strong as the

international media stories suggest. The digital information environment is resoundingly global and has many implications that challenge Finnish society as well – in some cases particularly so.

In the subsections below, we will address these tensions between great expectations and grave realities in the Finnish mediasphere. We begin with a discussion on the rapid changes which have occurred in the 21st century information environment. After examining the Finnish media terrain and its features, we proceed to our analysis of internal and external threats. Lastly, we consider the uncertainties awaiting Finland in this realm.

## **2. Rapid changes in the information environment**

Digitalisation has irreversibly changed modern societies. It is now over 50 years since the invention of the internet, and 30 years since the development of the World Wide Web. Yet the extent and the scope of the change is still subject to speculation. What we do know is that over the last few decades the number of producers and distributors of assorted texts, images, videos, and audio content has expanded exponentially. Thanks to the internet and social media, every smartphone owner is now a potential content producer, who can distribute their works on digital platforms in the same way that established media publishers and research institutions do. International Data Corporation, a US market research company, estimates that as much data will be generated within the next three years as has been produced in the previous 30 years (Reinsel et al. 2020). The users of YouTube, the world's second-most popular website, currently upload over 500 hours of content every minute (60 Minutes 2019).

Media scholars have described the vast changes in the information environment with the concept “hybrid media system” (Chadwick 2017). This conceptualization draws attention to the condition in which the legacy media (radio, television, and newspapers) and their online content are on the same footing with social media platforms and other content producers, coexisting and overlapping on many fronts. Content is recycled from one platform and media to another, with users operating on different channels guided by their typical norms and expectations (Noppari and Niemi 2017, 264). Media formats, genres, different publishing logics, and actors mix and interact with each other (Knuutila and Laaksonen 2020). Alongside the traditional one-to-many communication style of mass media, many-to-many options have emerged, where the formerly strict boundaries between media and the audience – and between the influencer and the influenced – are blurred. In principle, anyone can create and share content and thus participate in struggles over meanings and power in the political sphere. Power is exercised by those who create, tap, and steer information flows to suit their goals (Chadwick 2017).

We see these developments as part of a wider cultural and social upheaval, as digital technologies have broken down the hierarchies of the former legacy media-centric information environment. The rise of social media has had several positive effects on democracy – such as enhanced pluralism, diversity, and increased political participation among young people and women (see Kleis Nielsen and Fletcher 2020) – but the ascent of the new gatekeepers of data (social media companies and their algorithms) has not come without a price. Whereas a canon of norms and professional standards were established for legacy media and the public sphere over the centuries, in the online environment, no universal or all-embracing code of conduct has emerged. The responsibility to moderate content quality and significance is increasingly placed on the recipients.

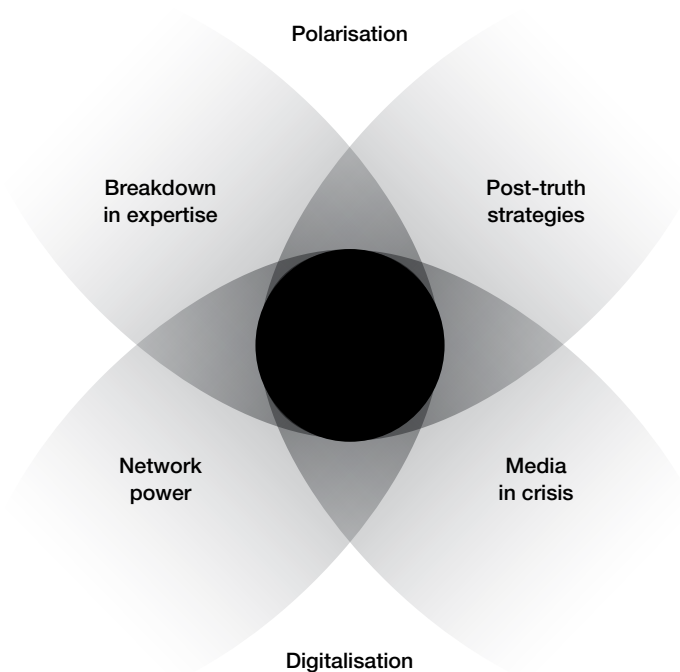
This has given birth to a radically different playing field, which gives strategic actors an incentive to exploit people's cognitive vulnerabilities (see Mair et al. 2019, 11–12). Digital influencing on social media platforms has become mainstream. In 2017, scholars detected organized manipulation campaigns in 28 countries. By 2019, this number had grown to 70 (Bradshaw and Howard 2019). Authoritarian states have in particular excelled in this area, and trade in the most effective manipulation methods has become a profitable export. The list of options for mass manipulation via digital networks is long and tedious: bots, cyborgs, hacking, stolen accounts, pro-government propaganda, anti-opposition propaganda, polarising messages (instruments of a “wedge strategy”), disinformation and media manipulation, topic flooding, and so on.

The dissemination of false information (i.e., inaccurate, misleading, inappropriately attributed, or altogether fabricated data) is commonplace because it is often effective (Jack 2017, 1–3). As a rule, people do not engage in fact-checking, especially if the information they are receiving does not go against their existing perceptions of reality (Nothhaft et al. 2019, 39–40). In addition, studies have shown that negative emotions such as anger and resentment receive most reactions on social media platforms (see Knuutila et al. 2019; Fan et al. 2014). Scholars have identified so called “sticky content”, the most attention-grabbing messages, to be often both entertaining and disturbing at the same time (Paasonen 2014). Surprise, shock, and novelty all contribute to the spread of fake news and disinformation (Aral 2020, 221).

The big social media companies are key players in the misinformation conundrum. So far, they have strived to maximize both the amount of time users spend on their sites and the user data they collect. They incentivize actors to tailor their messages in accordance with the platforms' operational logic, algorithms, and wider online culture. The “hype machine” has introduced or reinforced many problems from widespread false information and threats to election integrity to harmful speech (Aral 2020). The piles of collected data have opened the way for discriminatory practices and political manipulation. The more information content producers or political

operatives have about people's preferences and opinions, the better they can target their manipulative messages.

There is a considerable literature on the political changes brought about by digitalisation, which uses concepts such as *post-truth*, *post-fact* and *truth decay* (see Vihma et al. 2018; Hyvönen 2018; Kavanagh and Rich 2018; d'Ancona 2017; Manjoo 2008). One of the core ideas in this branch of scholarship is that rapid technological development, combined with increased political polarisation, has left traditional institutions lagging behind.<sup>222</sup> Recent analyses have emphasized changes beyond technology – focusing on technologically induced changes in people, communities, and ideologies (see Aral 2020; Howard 2020; Wihbey 2019; González-Bailón 2019). Internet and social media have disrupted the hierarchical practices that used to apply to publishing and sharing information, and thus they have reshaped societies and cultures in a fundamental way. Political polarisation is acute in the US, but it is also affecting political systems all over Europe and the rest of the world.



**Figure 1:** *Drivers and phenomena of post-truth politics (Vihma et al. 2018).*

<sup>222</sup> Here we draw heavily on our 2018 monograph (in Finnish). See Vihma et al. 2018.

The effects of digitalisation combined with political polarisation pave the way for several new phenomena (Figure 1). These include the breakdown of the old hierarchies, the increase in network power, the discrediting of expert knowledge, and the crisis of legacy media. It has also disrupted established democratic practices and given birth to new kinds of post-truth strategies.

So far, the losers of the new hybrid media environment have often been the moderate voices, as well as the time-honored experts and institutions that are either not willing or able to adapt to the operational logic of the platforms. The winners, on the other hand, have been the trolls and post-truth strategists that take advantage of the means of social media and algorithmic escalation in order to achieve maximum visibility. The paradox is that while the world grows more complex, our information environment calls for less nuanced communication.

### 3. Finland's high-trust media environment

Technological change and political polarisation – the drivers of the post-truth predicament – do not manifest themselves in the same way in all societies. Features related to the country's political system, media industry, and technological development all play a role in determining how problematic information and different forms of manipulation gain a foothold (see Vihma et al. 2018).

#### Crises lead to media consolidation

The Finnish media system is characterized by a blanket reach, political non-alignment, highly professionalized journalists, and a strong tradition of communication as public service – in other words, a strong public broadcasting company (see Hallin and Mancini 2004). Finland tends to rank highly in international comparisons of freedom of the press and freedom of expression. In the annual World Press Freedom index, Finland has consistently been in the top four, enjoying the number one spot from 2013 to 2016 (Reporters Without Borders 2020). The country also ranks near the top in other gauges of freedom. For example, the Freedom House report *Freedom in the World 2020*, awarded Finland a perfect score of 100, along with Sweden and Norway.

Over the past few decades, the ownership in the Finnish media industry has been growing more and more centralized, with no signs of reversal. Even though there is still a large number of newspapers in relation to the population, it is likely that the field will still grow more concentrated (see Vihma et al. 2018). In 2020, another major acquisition took place when Sanoma Group, which owns the leading daily *Helsingin Sanomat* and the leading tabloid *Ilta-Sanomat*, purchased Alma Media's regional and local newspaper business, which includes one of Finland's largest newspapers,

*Aamulehti* (Yle 2020). Sanoma is Finland's largest newspaper publisher and one of the top three companies in television and radio. In the newspaper market, only three companies (Sanoma, TS Group and Keskisuomalainen) have a turnover exceeding 100 million euros. In television, the market is divided up between the public broadcaster Yleisradio, MTV and Sanoma, while Yleisradio, Sanoma and Bauer Media control the radio waves (Seemer et al. 2016).

The concentration is in part due to the crisis that affected all western countries in the early 2000s. What began as a financial crisis was amplified by the rise of the internet and social media, leading into a structural crisis. The Finnish economy suddenly stagnated, and subsequent years of anemic growth coincided with a fundamental change in the operational environment of the entire media industry. The newspaper industry's gross earnings plummeted by almost half, from just under EUR 300 million in 2008 to EUR 160 million in 2014 (Seemer et al. 2016). Media companies lost a significant share of their advertising revenue to dominant digital platforms, mainly Google and Facebook. At the same time subscriber numbers fell. For example, Finland's leading daily *Helsingin Sanomat* lost about 120,000 subscribers between 2005 and 2015 (Jensen-Eriksen and Kuorelahti 2017). This led to widespread redundancies, cuts in the number of publications, and increased merging of titles and content.

The financial difficulties of the press have contributed to the media's inability to respond appropriately to the changes in the media environment. The ten-year period of cuts and savings turned many newsrooms into overworked shadows of their former selves. This has become a clear vulnerability of the media system, as the capacity to react quickly and adeptly has been impaired – alongside with the lack of time for careful investigations, thorough background work and fact-checking. This does not imply that Finnish journalism was fundamentally better before the digital revolution. In fact, a case could be made that the quality of journalism – at least by some standards – has improved. Journalists have become more and more educated, and the combination of financial difficulties, network-enabled analytics and direct feedback have forced content providers to listen to their audience with a sympathetic ear (Vihma et al. 2018).

#### Trust in decline, despite top rankings

In spite of these difficulties, the Finnish legacy media has managed to preserve the public's trust, which is exceptionally strong compared to other countries. In a survey of 40 nations carried out by the Reuters Institute, Finland was the world leader for trust in the media (Newman et al. 2020, 14). The most reliable media in the eyes of the Finns were large national players such as the public broadcaster Yle, the daily newspaper *Helsingin Sanomat*, the financial daily *Kauppalehti* and the current affairs weekly *Suomen Kuvalehti* (Reunanen 2020).

However, the same loss of faith in the media that has been observed in the rest of the world can be detected in Finland. It is worth remembering that “trust” is a rather abstract concept for survey research. It remains unclear how it actually reflects in people’s behaviour. Other surveys have received somewhat different results with diverging implications. For example, a study found that over 40 per cent of Finland’s residents believed that the country’s media intentionally published distorted information (Sivonen and Saarinen 2018).

Finland’s top ranking in trust surveys can nevertheless be explained by several identifiable factors. First, trust in institutions in Finland is generally higher than in many of its peer countries. Finland and the other Nordics are in the forefront of other similar surveys as well. Second, Finns have long ascribed to the principle of “one newspaper for every household”, with many homes being regular subscribers to both national and regional papers. Third, the media infrastructure is bolstered by a strong public broadcasting company. In international comparisons, commercial media appears to be more successful in countries with a functioning, independent public broadcaster (see Kleis Nielsen et al. 2016). The fourth success factor is the strength of Finnish media brands. According to the Reuters report, Finns prefer to read news directly from the source’s own website or news apps, rather than through social media (Newman et al. 2020). News provided by legacy media sources continue to reach more than three-quarters of the adult population each week (Reunanen 2020).

All this goes to show that the digital revolution has not shaken the dominance of legacy media in Finland in the same way it has in the US, for example, where a quarter of newspapers have gone under since 2004 and one in four jobs in the news industry have dried up since 2008 (see Abernathy 2020; Grieco 2020). In the US, news posted and shared by friends, acquaintances, and other followers have more significance, as do social media platforms and their algorithms. While over half of US residents use social media as their primary source of news content (Newman et al. 2020, 11; Shearer and Matsu 2018), in Finland less than a third get a portion of their weekly news content in this way (Reunanen 2020, 56).

Signs of a shift from a media-centric publicity towards a more diverse publicity are apparent in Finland as well. For example, media consumption and habits are growing more varied. While the legacy media is important for the middle-aged and older subsets of the population, over 80 per cent of 18-to-34-year-olds report that the internet (social media included) is their most important source of news (Reunanen 2020, 7–10). The role of algorithms as the gatekeepers of news is growing because news streams are increasingly important for the younger generation.

In the last few years, new glimmers of hope have started to surface in the Finnish media industry, signaling an end to years at the brink of a freefall. There is hope again that sustainable business growth in media’s new operating environment could

be attainable. The number of subscribers to the daily *Helsingin Sanomat* grew for the first time in 25 years in 2017, while in 2020, its total number of subscribers rose to more than 400,000 by the end of September. Digital orders were responsible for the growth (HS 2020a). The financial daily *Kauppalehti*, targeting a more specialised audience, has successfully paved the way for paid online content. Tabloid *Ilta-lehti* has been able to create a free news site that is commercially viable. Some new members have also joined the field: *Longplay*, a journalistic outlet that specializes in investigative journalism and long feature stories, and *Mustread*, an online news option targeting the political and business elites.

The evolution of the media sector is still in motion, however, and its outcome is difficult to predict. Finnish magazine and newspaper publishers still strongly rely on sales revenue from their printed products (SL 2020). The year 2020 was tough for media companies: even though the use of newspapers' online services grew significantly, the Covid-19 crisis speeded up the transfer of advertising from legacy media to social media and search engines (Kantar 2020). At present, it seems that the media sector will split into a small group of successful players and a large number of struggling companies whose survival in the face of the digital shakeup is still unclear. Regional and local newspapers in particular have had a hard time attracting online readers (Reunanen 2020, 12), which may prove fatal in the long run.

#### 4. New threats

New kinds of threats have risen in the last few years to challenge the Finnish media system and the society as a whole. Some of these threats are external, while others are innate. Both share a link to technological change and strategic use of new digital tools. The dangers that Finland confronts are similar to those that affect the rest of the Western world.

##### Geopolitics reveal vulnerabilities in the Finnish media

Technological changes and polarisation have a significant geopolitical dimension. Strategic actors are targeting democratic processes with digital means. Recent research has analysed "hybrid interference", which means using multiple actors and employing a range of techniques (Wigell 2019). The hybrid strategy takes advantage of network structures and the new media environment. For example, the goal of a disinformation campaign is to create an "alternative reality, in which all truth is relative, and no information can be trusted" (Nimmo 2015).

Russia in particular is typically accused of weaponising information (MacFarquhar 2016), and its disinformation campaigns have also targeted Finland. The state-controlled Russian media has for example executed a campaign questioning Finland's

political system and the rule of law. The campaign focused on child custody disputes, a recurring feature in Russian disinformation campaigns against Western nations (Jantunen 2015, 54). Stories about custody cases paint Western authorities as Russophobes, and highlight the moral decay of Western liberalism, where traditional families are under threat and children are separated from their mothers. According to the narrative, Russian children are separated from their parents without a reason and placed in queer families. In 2014, for example, Russia's children's rights ombudsman and prominent public figure Pavel Astahov accused the Finnish authorities of "juvenile terror" targeting Russians in Finland (TS-STT 2014).

None of this comes as a shock to foreign policy experts. The concept of "strategic deception" has been used as an umbrella term for Russian propaganda and disinformation campaigns (Pynnöniemi and Rácz 2016, 13–15). The Russian information security doctrine seeks to "improve the ways and means of providing strategic and operational camouflage (*maskirovka*) and conducting intelligence and electronic countermeasures, along with the betterment of methods and tools for actively countering propaganda, information and psychological operations by a likely adversary" (ibid.). In the Russian doctrine, there is an ongoing struggle between Russia and the West to control the flows of information.

The Finnish media has also shown to be vulnerable in the face of Russian campaigns. In connection with the 2014 war in Ukraine, respected publications in Finland released stories that described the Ukrainian army as "troops loyal to Kiev", using language that clearly questioned the country's sovereignty. Others described the war as a struggle between the "Kiev's government and pro-Russian separatists" (Pynnöniemi and Rácz 2016, 167–169). It was apparent that many Finnish journalists were not on top of the situation and were unprepared for an international actor to lie as blatantly as Russia did in this situation. The learning curve has not been quick enough. Even in 2021, a news broadcast may refer to "continuous border disputes" between Ukraine and Russia.<sup>223</sup>

The tried-and-true methods of professional journalism are put to the test by the combined pressures of post-truth strategies and digitalisation. Those that seek a "balanced debate" or "the middle ground between the two extremes" risk giving legitimacy to positions that are not based in reality. A skillful influencer can take advantage of the notion of "balanced coverage", which gives equal consideration to both sides of the story, even if the views on one side are obviously less established or even dishonest. The framework of a *false balance* does little to advance the public debate beyond its original premise.

This can be seen in the coverage of Russian border violations and other aggression around the Baltic Sea. While the public broadcaster Yle and leading daily *Helsingin*

---

223 <https://twitter.com/KKronvall/status/1432948088340107265>

*Sanomat* get good or fair grades for their depiction of the various events we analysed in 2016 and 2017, the coverage yet again reveals the journalistic media's vulnerability and the need for even more exact and accurate reporting (Vihma et al. 2018, 167–183). The diplomatic language used by politicians and bureaucrats provides an extra challenge for accurate reporting. For example, Finland's foreign policy leadership, President Sauli Niinistö included, often refers to frictions in the Baltic Sea with language that is both passive and generalised. Politicians tend to speak between the lines, with references familiar to only those schooled in the nuances of foreign policy. This presents difficulties for journalists charged with the task of writing an easy-to-understand assessment of the situation.

Ideally, journalists should be able to get past both the false balance trap as well as the euphemisms and passive forms to reach the heart of the matter. Reporters should be able to explicitly spell out that border violations and the harassment of air and sea traffic in the Baltic Sea has been carried out by Russia, and that Finland, Sweden, the US and Estonia are not doing anything similar. If the actions of Russia and Western countries are equated, the depiction of the security situation immediately becomes muddled. It also obscures Russian agency and delegitimizes concerns about Russian military aggression in its neighboring countries. A realistic picture of what has occurred becomes more elusive, and due to journalistic choices, the issue grows more difficult to comprehend.

Another test is the attitude towards sources that practice post-truth strategies, in this case, Russia's state-controlled media, diplomatic corps and ministers. Journalists need expertise: they have to be familiar with the history of statements and events. The history of lies – for example, the history of intentional provocation in the form of air-space violations – should be explained when it is connected to certain actors. What makes the situation difficult for journalists is that the counterpart to disinformation and propaganda is not a scientific consensus, as is often the case in the politics related to climate change. It is more about varying amount of evidence and expert assessments. Overcoming the urge to present “a balanced picture” and taking the initiative to challenge the narrative presented by for example Russian ministers requires no small amount of professional journalistic acumen.

As a rule, newsrooms in Finland have succeeded in framing Russian activities correctly and sometimes challenging Russia's strategic narrative. Most of the time, the Baltic Sea security situation is not described in passive terms or as a case of mutual aggression. Instead, Finnish stories on the “tense Baltic Sea situation” or the “deteriorating security situation in the Baltic Sea” usually included at least a few lines of context on the annexation of Crimea or the war in Ukraine.

Our case study also uncovered some vulnerabilities. Several news writers lack the tools or skills to analyse the statements of the foreign policy elite critically. Our

examination of the articles from the summer of 2017 in particular shows how the short online news format – combined with the rapid turnover of reporting journalists – affects journalistic quality. Journalism that responds to foreign policy challenges requires expertise, weighing up different arguments, and recognition of the assumptions behind these arguments. It requires the ability to write a *realpolitik*-inflected interpretation of the events. This means making many decisions about what the reader, listener, or viewer needs to know to make sense of the situation. The pressures of digitalisation combined with the culture and resources of today's newsrooms can rarely support this kind of dedication and careful consideration.

#### Right-wing media ecosystem as a seedbed for false information

One feature of the new hybrid media environment is the ability of relatively small players and their networks to destabilise institutions, shape public discourses, and promote an alternative version of the world. Facts are still facts, even in the so-called post-truth world, but they become easier to ignore. Compared to the golden age of mass media, it is much more straightforward to connect with only like-minded communities. Internet has an unprecedented capacity for facilitating epistemic closures and belief communities that bend towards radicalism (see Wihbey 2019, 51, 66–67). One example of this fragmentation of realities are *fringe media ecosystems* (see Välimäki et al. 2021, 122), public or semi-public networks loosely connected to mainstream media that become breeding grounds for false information. Politically radical content creators utilize these ecosystems to create disruption and confusion and to produce alternative narratives.

In Finland, the most significant pseudo-journalistic activity happens in the nationalist, or nationalistic, political right, where various small publishers and content producers form a loose network. There are websites like *MV-lehti*, *Vastavalkea*, *Kansalainen*, *Oikea Media*, *Magneettimedia*, *Nykysuomi*, *Sarastus*, *Riippumaton Media*, *Suomimedia* and *Extrauutiset*, as well as – with some reservations – from different ends of the spectrum *Suomen Uutiset* published by the Finns Party, at the one end, and a neo-nazi news site *Kansallinen Vastarinta*, at the other end. Discussion forums such as *Hommaforum*, launched in 2008, are also part of this networked media ecosystem.

A common thread among Finland's right-wing media ecosystem is its opposition to immigration. In this respect, they can be seen as part of the anti-immigrant sentiment and neo-nationalist online activism that began in the 2000s (Noppari and Hiltunen 2018, 244). Conspiracy theories are added to the mix, ranging from dispensing questionable health advice to denying the Holocaust (Vehkoo 2019). The populist right has also adopted positions on climate change politics that stand out from the political mainstream (see Vihma et al. 2021). The country report on Finland by the Reuters Institute notes that people who consider themselves right-wing and downplay

the severity of climate change have less confidence than other respondents in the public broadcaster Yle and leading daily newspaper *Helsingin Sanomat* (Reunanen 2020, 32–33).

Another shared tension concerns mainstream politics and Finland's legacy media channels. While many of these new publications have adapted the look and structure of news media, they also tend to present themselves as an alternative or counterforce to the news media (see Seuri and Toivanen 2021). Thus, scholars have used concepts such as “alternative media” and “counter-media” (see, e.g., Ylä-Anttila et al. 2019; Noppari and Hiltunen 2018; Holt 2018; Starbird 2017). A more suitable expression for many of them would be pseudojournalism (Seuri and Toivanen 2021; Schudson 2020, 13; Kovach & Rosenstiel 2014), as they are politically motivated publications, imitating news media, but purposefully disregarding journalistic media's practices and ethical standards.

The European migrant crisis of 2015 propelled Finland's best-known pseudojournalist publication *MV-lehti* to become a major media presence in the country for a short period. According to a 2018 analysis by *Helsingin Sanomat*, *MV-lehti* articles attracted 18 million unique visitors at its peak in January 2016, beating out Finland's second biggest daily newspaper *Aamulehti*. The articles in question spread especially well on Facebook. Over the span of two years, *MV-lehti* content was shared on Facebook 900,000 times, with over 1.4 million “likes” (HS 2018.) Another study has found that the manner of speech and expressions found in *MV-lehti* have made their way to the Finnish Parliament, where MPs that have been known to be critical of immigration have used language typical to the publication (Ylä-Anttila et al. 2019).

Since the heyday of *MV-lehti*, the fringe media ecosystem has grown more fragmented, and ideologically more diverse. There are still many sites that aim to build alternative narratives to mainstream politics by both pseudojournalistic publishing and coordinated, network-executed campaigns and associated memes, catchy slogans, and frameworks. As a visible symptom of polarisation in the Finnish media sphere, the development of a right-wing media ecosystem continues to be one of the key issues for the future of the public sphere.

### Conspiracy theories push for the mainstream

It wasn't until the European migrant crisis of 2015 and the outbreak of the Covid-19 pandemic in 2020 that it became apparent in Finland that more than just people on the periphery were susceptible to problematic information and conspiracy theories. In the autumn of 2020, misleading claims about the virus and the restrictive measures to curb infections spread throughout Finland's wellness and yoga communities. The distributed material strongly questioned the benefits of face masks and other safety measures (HS 2020b). Influencers in these communities – important nodes

in their networks – introduced people to questionable material circulated from conspiracy websites.

Some of the distributed material came from the QAnon movement, and some of the Finnish influencers even openly supported the cause. QAnon is a US-based right-wing conspiracy theory launched in 2017 on the 4chan message board. Its core claim is that former president Donald Trump is secretly fighting a war against a global elite group, which is engaged in eating and sexually abusing children. QAnon has achieved success by combining many features of previous conspiracy theories into an inclusive and playful narrative framework. A loose, global network bent on sowing suspicion of established institutions has since grown up around it. After the pandemic begun, the world of QAnon became intertwined with other Covid-19 conspiracies and anti-vaccination disinformation (see Bodner et al. 2020; Haimowitz 2020; Zuckerman 2019).

The case of QAnon illustrates the vulnerabilities of the hybrid media system. The pandemic pushed people's everyday lives off the tracks and brought uncertainty, fear, and financial distress in its wake. Some people sought refuge in alternate realities, in which the pandemic was a plot cooked up by the global financial elite, the pharmaceutical industry and other invisible background players. The internet and social media provided material to support these views. This is how some of the Finnish wellness industry entrepreneurs found themselves under the same banner with US supporters of Donald Trump. It is conceivable that the members in wellness communities already had a predisposition for this, as many had rejected medical science in favor of alternative healing methods. The exceptional situation made it easier for members of this community to distance themselves even further from the mainstream discussion, i.e., academic research, public authorities, and legacy media.

Historically, emergencies such as global pandemics are fertile breeding grounds for the spread of disinformation and fake news (Lewandowsky and Cook 2020). Disinformation circulated after the Spanish flu in the early 1900s, but in 2020 the internet made it all too easy for conspiracy theories to go mainstream (Bodner et al. 2020). In the online discussion forums and message boards, scepticism towards universal truths, institutions and authorities is at times distilled into “witty paranoia”. People believe in their own abilities in figuring out what's really going on behind the façade, by relying on their own intuition and search engines (Andrejevic 2013, 83–84). “Do your own research,” as the proponents of conspiracy theories and pseudoscientific speculation often say.

It is important to note that the number of people in the Finnish wellness community who have given support to conspiracy theories has not been very large. Even so, it is an alarming phenomenon. A group that insulates inside its own echo chamber can have a significant local effect, and potentially play an outsized role in steering or muddling the public debate. The key issue may not be how many people take

the conspiracy theories seriously, but how they affect the information environment. The primary motivation of some actors may be to spread cynicism, so the public begins to see intrigue and bias at every turn, therefore causing them to question whether they should believe anything communicated by traditional institutional actors (see Pomerantsev 2019).

The rise of conspiracy theories is closely linked to the international logic of anti-elite populism. The often-cited essay by Hofstadter (1964) on the “paranoid style” in American politics illustrates how populist politicians pretend to protect their supporters from international conspiracy networks that are extraordinarily capable and hostile. In a typical conspiracy theory narrative, an everyday person suffers injustice in the hands of a powerful body (Vehkoo 2019). Yet according to Runciman (2018), the idea that conspiracy theories are only for underdogs does not hold true, as many power brokers from Trump to Hungary’s Viktor Orbán and Turkey’s Recep Tayyip Erdoğan support and seek to benefit from them. Pomerantsev (2019) has even argued that conspiracy theories are replacing ideologies in our era. They have become a means for maintaining control in an age in which old-fashioned censorship is no longer possible.

In Finland, conspiracy theories have by no means entered the mainstream, but the emergence of QAnon and anti-vaccine theories indicate that Finland is far from immune to international influence. The situation can change quickly if proponents of conspiracy theories were to access political power in the government. In Finland, this scenario could come to fruition already in the next parliamentary elections, if the populist Finns Party – whose MP’s and MEP’s have, in recent years, been connected with right-wing discussion forums and online activists – is to become the biggest party and form the government coalition.

## **5. What can journalistic media do to keep the information environment healthy?**

The hybrid media system places new demands on the legacy media. To start, journalistic media is a node that is dependent on the trust of different parts of the network. The situation is completely different from the one that gatekeeper media faced. Yet many actors actively seek to take advantage of the media’s interface status. We have previously presented a series of empirical case studies that show how journalism can’t always live up to the demands of the new media environment – whether in its coverage of post-truth narratives or in its ability to separate fact from fiction (Vihma et al. 2018). With every failure, the journalistic media may unwittingly end up promoting the objectives of certain political movements or interest groups.

### From a gatekeeper into a network node

A network node can only succeed if it knows what it is doing, and the other parts of the network understand its role. One central problem is that as former power brokers, the representatives of legacy media, have in the past carried out several tasks that are being performed today without them. It seems just a moment ago that radio, television, and newspapers were able to create the public sphere – providing people with meaningful content, entertainment, and a sense of belonging. In this bygone era of ritual media use, the audience grew in connection with the reality defined by the legacy media. In a digital environment, this is unequivocally no longer the case. The average Finn is more likely to log into Facebook and Instagram each day than watch a television programme from the public broadcasting company or read a Finnish newspaper over breakfast.

This raises a question that is critical for journalism: What makes it different from all other content, in a world where everything is content, and everyone is a content creator? In a hybrid media system, those who sow confusion and doubt take advantage of people's trust in the old media system as audiences' understanding of the change lags behind (Nothhaft et al. 2019, 40). The essence of fake news and pseudo-journalism is precisely that they mimic the look and feel of journalism (Vehkoo 2019). In Finland, for example, key distributors of disinformation have at times sought to present themselves as a "Journalist Union" and a "European Centre for Hybrid Competence", that is presenting themselves as credible sounding institutional actors (HS 2019).

If journalistic media in Finland – and in the West more generally – hope to remain relevant, they must respond to the challenge with measures that improve the quality of journalism and keep journalism an active part of people's everyday lives. This list of measures is a start towards ensuring that journalism continues to be a key node in the network:

1. Creating a realistic situational assessment and clarifying the media's role.
2. Strengthening perceptions of truth and expertise.
3. Improving transparency and openness (including introspection).

Journalistic media cannot be forced to move outside the sphere of the hybrid media system's operational logic. It cannot ignore the appeal of personality brands or the public longing for opinions and debate. Instead, the legacy media should understand its role as a guardian of a healthy information environment. The better it fulfils its traditional roles of *authenticator*, *sense maker*, *witness bearer* and *watchdog* of power structures, the better the media will serve the public and democracy (Kovach and Rosenstiel 2014, 26–27). In addition, people have increasingly come to expect the

legacy media to assume roles of *partner* and *curator*, due to its status as a key node in the network (see Vihma et al. 2018, 226–227; Kovach and Rosenstiel 2014, 28–29). Ideally, journalism provides people with the information they need to be free and independent. This information should also serve society at large and support democratic decision-making.

Beyond understanding its own role, legacy media should seek to improve the overall quality of information by promoting specialisation and expertise in the news organisations. Finnish media have recently made encouraging steps towards restoring journalistic expertise, as newsrooms have recruited and brought forward different kinds of specialists. The role of journalistic media as a reliable information source is certainly not becoming easier, as new possibilities for manipulating audio and video content are likely to set off a new wave of fake news. These changes will require even sharper expertise and an astute ability to separate the wheat from the chaff and present things in their proper context.

The legacy media's core competence is the process of collecting, interpreting, and presenting information. Thus, promoting reliability would require that this process be as transparent as possible. The need for transparency is pressing in the fight against pseudojournalism and disinformation because while fake news specifically mimics the journalistic form, it nevertheless rejects the journalistic process. Transparency gives the public the tools to differentiate authentic journalistic content from propaganda. Thus, journalists must be able to explain how and why the information they provide is special and socially significant. The stories they write should also take care to explain where the information is from, who they have interviewed, and why certain choices have been made. Opinion pieces should be clearly distinguished from the news material, and errors should be corrected in a straightforward manner. In addition, journalists need to understand that their contribution to the defence of democratic ideals is first and foremost dependent on the tradition of liberal democracy, in which the three branches of power, the rule of law, and civil rights all work to keep leaders in check (see Schudson 2018, 7).

### Solutions are bigger than the media alone

The three goals we selected above are not easy to implement and do not alone solve the problems associated with the crisis of the media. In liberal democracies, the core of past media systems was a *confidence* in the system's ability to expose false information and lies and hold the distributors of misleading information accountable. The system was self-correcting as long as everyone shared the same rules (Nothhaft et al. 2019, 42). In a hybrid media system, it is increasingly difficult to hold liars accountable, and exposing something as a lie may not reduce the message's effect. Studies show that people want such lies to be exposed more clearly and decisively, but there is a fear that blatantly

calling out lies would lead to greater polarisation and inadvertently strengthen the spread of disinformation (Newman et al. 2020). Disseminators of fake news may take advantage of the ever-present “us-vs-them” mentality, as well as the uncertainty that arises when unsubstantiated claims are publicly disproved.

The role of social media platforms has sparked a similar debate, due to their growing significance for the future of journalistic media. Technological change has caused many disruptions for legacy media, including a transition from an analogue world to a digital one, the rise of social media, and the increasingly central role of mobile technology. Platform economy has led to a situation in which many venerated representatives of legacy media need to publish “on someone else’s land” (Bell et al. 2017) – instead of simply sharing information on radio, TV, print, or even their own websites or applications. As a result, we find ourselves in a situation in which tech companies like Facebook and Google set the terms and conditions by which legacy media can connect with their audiences. Media companies are growing more and more aware of metrics, first encouraging a clickbait headline boom and video factories, followed by long-form articles maximizing read time as well as feel-good Instagram posts. Platform architectures and algorithms – and the regulations that apply to them – are directly connected to the future of journalism and how legacy media will be able to reach fragmented audiences.

Journalistic media alone cannot solve the problems posed by the digitalisation of the public sphere. The resilience of the Finnish media environment relies in equal measure on the future of media literacy and training, sustainability of democratic institutions and the rule of law, as well as on the stability of the geopolitical environment. The problems the media environment is facing may not even be solvable, only treatable.

## **6. Conclusion: An uncertain future**

The backstory of Finland as a stable Nordic nation is often reinforced by the success in various international comparisons. While the performance of Finland and the other Nordic countries in these ratings should by no means be downplayed, the results should not give the impression that these countries are somehow immune to global trends. Things could go sour quickly if Finns believe the international media hype about resilience to fake news and Russian influence. Stories like this must not lead to closing eyes from the challenges and hard realities.

Talk of resilience can also run astray. Not too long ago, the Nordics – Sweden in particular – were framed as being immune to the emergence of far-right politics. However, the popularity of the populist Sweden Democrats shot up to make it one of the top three parties in Sweden. Finland is currently going through what some might

call its fourth wave of post-World War II populist sentiment. The anti-establishment Finnish Rural Party (SMP) had two peaks in support in the 1970s and the 1980s, and on the latter, it joined the government, a rarity in Europe at the time. In 2011, Timo Soini's Finns Party accomplished a surprise success in the parliamentary elections with an anti-EU campaign, now seen as a prelude to the re-emergence of populist movements across Europe. Today's Finns Party, surviving from its split of 2017, identifies closely with international right-wing populism. It communicates anti-immigration sentiments, confrontation with the elite and the so-called mainstream media, and contempt for multilateralism as well as toying with conspiratorial thinking and a cynical attitude towards the principles of liberal democracy.

Therefore, it is good to be introspective: Has the resilience of Finnish society and its media environment really been tested yet? While it is true that hybrid interference and information campaigns have been targeted at Finland, none of them were large-scale operations. However, it is easy to imagine situations in which foreign powers have a strong interest in attempting to sway public opinion in Finland, especially if some domestic groups would stand to benefit from this outside influence. Examples of such scenarios could include a potential referendum on NATO or EU membership. The migrant crisis in Europe and the coronavirus pandemic have reminded that the political climate in Finland can grow polarized quite quickly, creating fertile ground for meddling and manipulation. A situation like this might test the limits of a liberal political culture and free speech – as was witnessed in the Brexit vote – even in a country like Finland, with its much-lauded resilience to fake news and disinformation.

## Bibliography

### Literature

- Abernathy, Penelope Muse. 2020. *News deserts and ghost newspapers: Will local news survive?* Center for Innovation and Sustainability in Local Media, School of Media and Journalism. University of North Carolina at Chapel Hill. Available at: [https://www.usnewsdeserts.com/wp-content/uploads/2020/06/2020\\_News\\_Deserts\\_and\\_Ghost\\_Newspapers.pdf](https://www.usnewsdeserts.com/wp-content/uploads/2020/06/2020_News_Deserts_and_Ghost_Newspapers.pdf)
- Andrejevic, Mark. 2013. *Infoglut. How Too Much Information Is Changing the Way We Think and Know*. New York: Routledge.
- Aral, Sinan. 2020. *The Hype Machine. How Social Media Disrupts Our Elections, Our Economy and Our Health – and How We Must Adapt*. HarperCollins.
- Bell, Emily J., Taylor Owen, Peter D. Brown, Codi Hauka and Nushin Rashidian. 2017. *The Platform Press: How Silicon Valley Reengineered Journalism*. Tow Center for Digital Journalism, Columbia University. <https://doi.org/10.7916/D8R216ZZ>
- Bodner, John, Wendy Welch, Ian Brodie, Anan Muldoon, Donna Leech, and Ashley Marshall. 2020. *Covid-19 Conspiracy Theories. QAnon, 5G, the New World Order and Other Viral Ideas*. Jefferson: McFarland & Company.
- Bradshaw, Samantha and Philip N. Howard (2019). *The Global Disinformation Order: 2019 Global Inventory of Organised Social Media Manipulation*. Working Paper 2019.3. Oxford, UK: Project on Computational Propaganda. Available at: [comp-prop.oii.ox.ac.uk/research/cybertroops2019/](http://comp-prop.oii.ox.ac.uk/research/cybertroops2019/).
- Chadwick, Andrew (2017). *The Hybrid Media System: Politics and Power*. Second Edition. Oxford University Press.
- d’Ancona, Matthew (2017). *Post-Truth. The New War on Truth and How to Fight Back*. London: Ebury Press.
- European Commission (2020). Standard Eurobarometer October 2020. Available at: <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2262>.
- Fan, Rui, Jichang Zhao, Yan Chen and Ke Xu. 2014. “Anger Is More Influential than Joy: Sentiment Correlation in Weibo.” *PLoS ONE* 9(10): e110184. DOI: 10.1371/journal.pone.0110184
- Freedom House. 2020. Repucci, Sarah. *Freedom in the World 2020: A Leaderless Struggle for Democracy*. Freedom House. Available at: <https://freedomhouse.org/countries/freedom-world/scores>.
- González-Bailón, Sandra. 2017. *Decoding the Social World. Data Science and the Unintended Consequences of Communication*. London: MIT Press.
- Hallin, Daniel C. and Paolo Mancini. 2004. *Comparing media systems: Three models of media and politics*. Cambridge: Cambridge University Press.
- Holt, Kristoffer. 2018. “Alternative Media and the Notion of Anti-Systemness. Towards an Analytical Framework”. *Media and Communication*, 6(4): 49–57.
- Howard, Philip N. (2020). *Lie Machines. How to Save Democracy from Troll Armies, Deceitful Robots, Junk News Operations, and Political Operatives*. London: Yale University Press.
- Hyvönen, Ari-Elmeri (2018). “Careless Speech. Conceptualizing Post-Truth Politics.” *New Perspectives*, 26(3): 31–55.

- Jantunen, Saara (2015). *Infosota. "Iskut kohdistuvat kansalaisten tajuntaan"*. Keuruu: Otava.
- Jack, Caroline (2017). *Lexicon of Lies: Terms for Problematic Information*. Data & Society Research Institute. Available at: [datasociety.net/pubs/oh/DataAndSociety\\_LexiconofLies.pdf](https://datasociety.net/pubs/oh/DataAndSociety_LexiconofLies.pdf).
- Jensen-Eriksen, Niklas and Elina Kuorelahti. 2017. *Suuri Affääri. Helsingin Sanomien yrityshistoria 1889–2016*. Helsinki: Siltala.
- Kavanagh, Jennifer and Michael D. Rich. 2018. *Truth Decay. An Initial Exploration of the Diminishing Role of Facts and Analysis in American Public Life*. RAND Corporation. Available at: [www.rand.org/pubs/research\\_reports/RR2314.html](http://www.rand.org/pubs/research_reports/RR2314.html).
- Kleis Nielsen, Rasmus & Richard Fletcher. 2020. "Democratic Creative Destruction? The Effect of a Changing Media Landscape on Democracy." In *Social Media and Democracy. The State of the Field, Prospects for Reform*, edited by Nathaniel Persily & Joshua A. Tucker, 139–162. Cambridge University Press.
- Kleis Nielsen, Rasmus; Richard Fletcher, Annika Sehl and David Levy. 2016. *Analysis of the Relation Between and Impact of Public Service Media and Private Media*. Oxford University Consulting: The Reuters Institute for Study of Journalism (RISJ). Available at: <https://reutersinstitute.politics.ox.ac.uk/sites/default/files/research/files/Analysis%2520of%2520the%2520Relation%2520Between%2520and%2520Impact%2520of%2520Public%2520Service%2520Media%2520and%2520Private%2520Media.pdf>.
- Knuutila, Aleksi and Salla-Maaria Laaksonen. 2020. "Viraali vihaiisuus ja tahmea nauru: tunteet ja algoritmit digitaalisessa vaalikampanjoinnissa." In *Politiikan ilmastomuutos: Eduskuntavaalitutkimus 2019*, edited by Sami Borg, Elina Kestilä-Kekkonen & Hanna Wass, 394–418. Helsinki: Oikeusministeriö.
- Knuutila, Aleksi, Heidi Kosonen, Tuija Saresma, Paula Haara and Reeta Pöyhtäri. 2019. *Viha vallassa: Vihapuheen vaikutukset yhteiskunnalliseen päätöksentekoon*. Valtioneuvoston selvitys- ja tutkimustoiminnan julkaisusarja 57/2019. Helsinki: Valtioneuvoston kanslia.
- Kovach, Bill and Tom Rosenstiel. 2014. *The Elements of Journalism: What Newspeople Should Know and the Public Should Expect*. 3rd edition. New York: Crown.
- Lewandowsky, Stephan and John Cook. 2020. *The Conspiracy Theory Handbook*. Available at: <http://sks.to/conspiracy>
- Mair, David, Laura Smillie, Giovanni La Placa, Florian Schwendinger, Milena Raykovska, Zsuzsanna Pasztor and Rene van Bavel. 2019. *Understanding our political nature: How to put knowledge and reason at the heart of political decision-making*. Luxembourg: Publications Office of the European Union.
- Manjoo, Farhad. 2008. *True Enough. Learning to Live in a Post-Fact Society*. Hoboken: Wiley.
- Newman, Nic, Richard Fletcher, Anne Schulz, Simge Andi and Rasmus Kleis Nielsen. 2020. *Reuters Institute Digital News Report 2020*. Reuters Institute for the Study of Journalism. Available at: [reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR\\_2020\\_FINAL.pdf](https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR_2020_FINAL.pdf)
- Nimmo, Ben. 2015. "Anatomy of an Info-War: How Russia's propaganda machine works, and how to counter it." [stopfake.org](http://stopfake.org), 19.5.2015. Available at: <https://www.stopfake.org/en/anatomy-ofan-info-war-how-russia-s-propagandamachine-works-and-how-to-counter-it/>.

- Noppari, Elina and Ilmari Hiltunen. 2018. "Populistinen vastamedia eliittejä haastamassa." In *Media & populismi: Työkaluja kriittiseen journalismiin*, edited by Mari K. Niemi and Topi Houni, 236–272. Tampere: Vastapaino.
- Noppari, Elina and Mari K. Niemi. 2017. "Sopuleista someaikaan – median valta politiikassa." In *Poliittinen valta Suomessa*, edited by Mari K. Niemi, Tapio Raunio and Ilkka Ruostetsaari, 245–268. Tampere: Vastapaino.
- Nothhaft, Howard, James Pamment, Henrik Agardh-Twetman and Alicia Fjällhed. 2019. "Information influence in Western democracies: a model of systemic vulnerabilities." In *Countering Online Propaganda and Extremism: The Dark Side of Digital Diplomacy*, edited by Corneliu Bjola and James Pamment. Routledge.
- Paasonen, Susanna. 2014. "Juhannustanssien nopea roihu ja Facebook-keskustelun tunneintensiteetit." *Media & viestintä*, 37(4): 22–39. DOI: 10.23983/mv.62836
- Pomerantsev, Peter. 2019. *This is Not Propaganda. Adventures in the War Against Reality*. London: Faber and Faber.
- Pynnöniemi, Katri and András Rácz, ed. 2016. *Fog of falsehood. Russian strategy of deception and the conflict in Ukraine*. FIIA Report No. 45. The Finnish Institute of International Affairs.
- Reinsel, David, John Rydning and John F. Gantz. 2020. *Worldwide Global DataSphere Forecast, 2020–2024: The COVID-19 Data Bump and the Future of Data Growth*. IDC.
- Reunanen, Esa. 2020. *Uutismedia verkossa 2020. Reuters-instituutin Digital News Report – Suomen maaraportti*. Media-alan tutkimussäätiö & COMET. Available at: [trepo.tuni.fi/handle/10024/122596](https://trepo.tuni.fi/handle/10024/122596).
- Runciman, David. 2018. *How Democracy Ends*. London: Profile Books.
- Schudson, Michael. 2020. *Journalism. Why it matters*. Cambridge: Polity.
- Schudson, Michael. 2018. *Why Journalism Still Matters*. Cambridge: Polity.
- Seemer, Jonas, Antti Halonen and Pekka Passi. 2016. *Mediamarkkinoiden tila ja kilpailukyky*
- Suomalaisen median kansainvälinen vertailu, taloudellinen tila ja kilpailuedellytykset*. Valtioneuvoston selvitys- ja tutkimustoiminnan julkaisusarja 50/2016. Helsinki: Valtioneuvoston kanslia.
- Seuri, Olli and Pihla Toivanen. 2021. "Fortifying boundaries – The 'how and why' of the Finnish media and countermedia from 2014 to 2018." *Journalistica* 15(1), 59–89. DOI: 10.7146/journalistica.v15i1.125038.
- Shearer, Elisa and Katerina Eva Matsu. 2018. *News Use Across Social Media Platforms 2018. Most Americans continue to get news on social media, even though many have concerns about its accuracy*. Pew Research Center. Available at: [www.journalism.org/2018/09/10/news-use-across-social-media-platforms-2018/](https://www.journalism.org/2018/09/10/news-use-across-social-media-platforms-2018/).
- Sivonen, Jukka & Arttu Saarinen. 2018. "Puolueiden kannattajien luottamus mediaan." *Yhteiskuntapolitiikka*, 83(3), 287–293.
- Starbird, Kate. 2017. *Examining the Alternative Media Ecosystem through the Production of Alternative Narratives of Mass Shooting Events on Twitter*. Association for the Advancement of Artificial Intelligence. Available at: [faculty.washington.edu/kstarbi/Alt\\_Narratives\\_ICWSM17-CameraReady.pdf](https://faculty.washington.edu/kstarbi/Alt_Narratives_ICWSM17-CameraReady.pdf).
- Vehkoo, Johanna. 2019. *Valheenpaljastajan käsikirja*. Kosmos.

- Vihma, Antto, Gunilla Reischl and Astrid Nonbo Andersen. 2021. "Climate Backlash? Comparing the populist parties' climate policies in Denmark, Finland and Sweden." *Journal of Environment & Development*, 30(3): 219–239. DOI: 10.1177/10704965211027748
- Vihma, Antto; Jarno Hartikainen, Hannu-Pekka Ikäheimo and Olli Seuri. 2018. *To-tuuden jälkeen. Miten media selviää algoritmien ja paskapuheen aikana*. Helsinki: Teos.
- Välimäki, Reima, Olli Seuri and Anna Ristilä. 2021. "Pseudohistoriaa Suomen muinaisista kuningaskunnista – Ongelmallisen tiedon kierto laitaioikeiston mediaekosysteemissä." *Niin & näin*, 1/2021, 118–135. Available at: <https://netn.fi/node/7957>
- Wihbey, John P. 2019. *The Social Fact. News and Knowledge in a Networked World*. London: MIT Press.
- Wigell, Mikael. 2019. "Hybrid interference as a wedge strategy: a theory of external interference in liberal democracy." *International Affairs*, 95(2): 255–275. DOI: 10.1093/ia/iiz018
- Ylä-Anttila, Tuukka, Gwenaëlle Bauvois and Niko Pyrhönen. 2019. "Politicization of migration in the countermedia style. A computational and qualitative analysis of populist discourse." *Discourse, Context and Media*, 32: 1–8.
- Zuckerman, Ethan. 2019. "QAnon and the Emergence of the Unreal." *Journal of Design and Science*, 6. DOI: 10.21428/7808da6b.6b8a82b9

#### Media sources

- 60 minutes. 2019. Youtube/Unsheltered/Built by Angels. Season 52, Episode 10. CBS News 1.12.2019.
- CNN. 2019. "Mackintosh, Eliza. Finland is winning the war on fake news. What it's learned may be crucial to Western democracy." *CNN*. Available at: <https://edition.cnn.com/interactive/2019/05/europe/finland-fake-news-intl/>.
- Grieco, Elizabeth. 2020. "U.S. newspapers have shed half of their newsroom employees since 2008." Pew Research Center. Available at: <https://www.pewresearch.org/fact-tank/2020/04/20/u-s-newsroom-employment-has-dropped-by-a-quarter-since-2008/>.
- Haimowitz, Ian. 2020. "No One is Immune: The Spread of Q-anon Through Social Media and the Pandemic." Centre for Strategic & International Studies, Technology Policy Blog 17.12.2020. Available at: <https://www.csis.org/blogs/technology-policy-blog/no-one-immune-spread-q-anon-through-social-media-and-pandemic>
- Hofstadter, Richard. 1964. "The Paranoid Style in American Politics". *Harper's Magazine* 11/1964.
- HS. 2020a. Lassila, Anni. "Helsingin Sanomien tilaajamäärä ylitti 400 000 ensimmäistä kertaa seitsemään vuoteen: 'Faktapohjaiselle journalismille on kysyntää', sanoo päätoimittaja Kaius Niemi." *Helsingin Sanomat* 29.10.2020. Available at: <https://www.hs.fi/talous/art-2000006704256.html>.
- HS. 2020b. Valtee, Jari. "Q ja Suomi." *Helsingin Sanomat* (Nyt) 2.11.2020. Available at: <https://www.hs.fi/nyt/art-2000006706094.html>.
- HS. 2019. Halminen, Laura. "Valemedia MV-lehden puuhamiehet perustivat "Toimittajaliiton", jonka taustalla on Venäjä-yhteyksistään tunnettu Johan Bäckman."

- Helsingin Sanomat* 21.12.2019. Available at: <https://www.hs.fi/politiikka/art-2000006351322.html>
- HS. 2018. Mäkinen, Esa. "MV-lehden valheet yhdistettynä Facebookin ahneuteen on otollinen kasvualusta vihalle." *Helsingin Sanomat* 18.2.2018. Available at: <https://www.hs.fi/mielipide/art-2000005572328.html>.
- Kantar. 2020. "Mediamainonnan määrä laski -7 % vuoden kolmannella kvartaalilla." Kantar TNS. Available at: <https://www.kantar.fi/uutiset/mediamainonta-2020-kolmannella-kvartaalilla>.
- MacFarquhar, Neil. 2016. "A Powerful Russian Weapon: The Spread of False Stories." Atlantic Council, 19.8.2016. Available at: <https://www.atlanticcouncil.org/blogs/natosource/a-powerful-russian-weapon-the-spread-of-false-stories/>
- Reporters Without Borders. 2020. "Finland. Land of the free press – and its enemies." Available at: <https://rsf.org/en/finland>
- SL 2020. Virranta, Riikka. "Maa, jossa levikit kasvavat." *Suomen Lehdistö* 14.8.2020. Available at: <https://suomenlehdisto.fi/maa-jossa-levikit-kasvavat/>.
- TS-STT. 2014. "Soini: Suomi ei sorra lapsia kansalaisuuden perusteella." *Turun Sanomat/STT* 16.11.2014. Available at: <http://www.ts.fi/uutiset/kotimaa/700878/Soini+Suomi+ei+sorra+lapsia+-kansalaisuuden+perusteella>
- Yle. 2020. Harjumaa, Marika & Ikävalko, Kari. "Sanoma ostaa Aamulehden, Satakunnan Kansan ja 13 muuta Alman lehteä." *Yleisradio* 11.2.2020. Available at: <https://yle.fi/uutiset/3-11202282>.

# VIII THE SECURITY ENVIRONMENT

*Charly Salonijs-Pasternak*

*Finland's security environment has undergone major changes in the span of one generation. The end of the cold war, EU membership and an increasing international network of cooperation have improved Finland's security. Yet, during the past decade, increasing great power competition has made the global security environment less favourable to Finland, as have actions by Russia in Finland's immediate security environs. These are some of the six broader trends that impact Finland's security. Finland has responded to the changing security environment and sought to improve societal resilience to a range of events that would imperil Finland's security. While these efforts have borne fruit and Finns seem confident in their ability to weather future storms, there are identifiable challenges that Finnish society and political leadership will need to contend with in an increasingly difficult to predict security environment, at local, regional and global levels.*

## Introduction

Finland's security environment is marked by decreasing global predictability, increasing interdependence and a relatively constant threat assessment regarding national defence. National security is conceptually seen to include military, economic, societal, technical, diplomatic and environmental aspects, but in practice the balance and weight given to the different dimensions differs.

There are six broad trends which impact Finland's security environment. As a small country, Finland has limited tools with which to influence these trends. Increasing resilience through both physical and psychological preparation, as well as a pragmatic approach to security policy is therefore key for Finland to deal with the challenges presented by the uncertainties of its security environment. The increasing uncertainty of the security environment is of particular concern for smaller states such as Finland, because due to their size, they cannot afford to make large mistakes in their foreign or security policies. On the other hand, Finland's military security environment, particularly from a 'threat perspective' is stable: Russia is the only perceived potential military threat to Finland. While this is not publicly written into documents, nor stated by Finnish officials, within Finnish society it is treated as more than a conventional wisdom, rather it is an axiom.

In addition to describing the six broader trends that impact Finnish security, this chapter provides an outline of the changes to Finland's security environment during the past quarter century, focusing on more recent changes, and how Finland has sought to deal with the challenges presented by these changes. Familiar conceptual frameworks are augmented by individual cases or examples, to paint a broad picture of the security environment, and Finland's response to it. The frameworks are ones frequently used in (military) security analysis, such as ASCOPE, PEMSCII and DIMEFIL, as well as a number of SWOT-analyses of Finland's security environment. While security has often been divided into external and internal/domestic security, with different organisations responsible for these in Finland, the two frequently overlap. Thus, while the chapter focuses on Finland's external security environment, matters of internal security and safety are considered.

## **Finland's security environment since the end of the cold war**

The Finnish security environment of today is influenced by historical geostrategic isolation, relative regional stability and increased global uncertainty. The major trend regarding Finland's geostrategic isolation has been that over the past century it has been steadily decreasing. Particularly in the past three decades there has been a genuine improvement in Finland's security environment, from a regional structural perspective. From the perspective of global challenges such as climate change or pandemics, Finland's security environment has, however, become more challenging.

Looking at the daily flood of news and information regarding world events, it is easy to forget positive longer-term developments<sup>224</sup>. This also applies to Finland's security. While the security environment has deteriorated during the past decade, in a historical context, Finns have never been as safe as they are now – even amid a global pandemic. There are numerous domestic reasons for this, but externally the key reason is the dramatic change in the 'geography of security' that has taken place over the past quarter-century. During this time Finland has become a member of the European Union and radically deepened security related cooperation with many states and organisations. The increase in security, economic, and political cooperation around the Baltic Sea region has also been dramatic. At the same time, the historically only existential threat to Finland's survival – the Soviet Union – disappeared, and was replaced by a globally less influential Russia. Taken together, these have significantly improved Finland's security environment.

---

224 This point is made in an explicit data focused way in Rosling and Rosling Rönnlund, *Factfulness: Ten Reasons We're Wrong About the World--and Why Things Are Better Than You Think*.

What has not changed is Finland's geography, next to two of Russia's strategic areas: St. Petersburg region, Russia's most important energy export & commercial hub, and the Koala peninsula, home to strategic second-strike nuclear forces. Combined with a significantly improved military capability and the current Russian leadership's desire to continue to impose some control or influence on the domestic politics of its 'near abroad' or former Soviet space, it is easy to understand why regarding national defence, Finland's national defence threat assessment remains stable.

Comparing Finland and the surrounding security environment between the final years of the cold war and the early 2010s serves as a basis from which to analyse recent and ongoing changes. A DIMEFIL (Diplomatic, Information, Military, Economic, Financial, Intelligence, Law enforcement) framework provides a balance between depth and clarity.

Towards the end of the cold war, Finland had with the acquiescence of the two superpowers, built a 'diplomatic personae' that was officially neutral, and while a recognized Nordic democracy, it was still clearly within the political sphere of interest (and influence) of the Soviet Union. The Agreement of Friendship, Cooperation, and Mutual Assistance (FMCA) between Finland and the Soviet Union had effectively restricted Finland's room for manoeuvre both in domestic and international politics but persistent diplomatic efforts in the United Nations, the CSCE (Conference on Security and Co-operation in Europe) and as a member of the Scandinavian/Nordic family of countries ensured Finland was not perceived as a satellite of the USSR. Overall, Finland's room for manoeuvre was at any given time tied to the overall global security dynamics. In the information sphere, it was seen as critical that Finland be internationally perceived as a Scandinavian democracy operating along free market principles, while domestically continuing to limit any criticism or public commentary regarding the Soviet Union.

Militarily, Finland had for much of the cold war been treated as literal 'flyover country', with both the west and east being ready to violate Finnish sovereignty during peace as well as in the event of a military crisis, including through the use of nuclear weapons on Finnish territory. Moreover, while Finland had throughout the cold war managed to avoid the Soviet Union's demands to activate the military articles of the FMCA, the agreement limited actual military preparations (as did the Paris peace agreement from 1947) and in conjunction with political guidance, meant that public defence preparations were conducted to repel an invasion by western powers. In practice, there was never any doubt within the military or among the general population from where the actual military threat emanated.

From an economic perspective, Finland had in 1989 a balance of trade that was heavily oriented towards the west, with Germany, Sweden and Great Britain each seeing a similar level of exports as the Soviet Union. However, its political dimensions

and the relative ease of bilateral 'clearing-trade' increased the perceived influence of the 15% (long-term average) trade volume with the Soviet Union. Finland's moves to seek closer cooperation and membership in the European Free Trade Association (EFTA) in the 1960s and with the EEC in the 1970s were also generally seen as not only economically motivated, but also politically important. The forest-industry (paper & pulp), industrial machinery and metal/chemical industries accounted for the lion's share of exports. As in other similar states, many currently privatized industries and organisations, such as telecommunications, were still state owned, and more liberal finance/banking regulations had only been introduced through the 1980s. Devaluing the national currency (markka) was available as a tool to maintain the competitiveness of export industries, though at a cost to domestic consumers.

The foundation for Finnish intelligence efforts, and cooperation with other states in the matter, were laid during and immediately after World War II. Perhaps most famously, as part of the Stella-Polaris operation, the key files, equipment and personnel of Finnish military intelligence were transferred to Sweden. The escape of key military officers to the west (particularly to the United States) and Finland's geographic location laid the groundwork for continued unofficial intelligence cooperation throughout the cold war. To maintain political deniability, cooperation was frequently only known to a handful of cadre officers. The focus of Finnish military intelligence work remained the Soviet Union. Finnish law-enforcement functioned much like others, focusing on domestic matters, with some increase in cooperation and exchange of best practices as terrorism emerged as a security threat throughout Europe in the 1970s.

The Finnish security environment, as seen through the DIMEFIL prism, would change dramatically during the following 25-30 years. The dissolution of the Soviet Union ended the need to diplomatically balance between the west and the east, and Finland joined the EU in 1995. The culture of speaking more reservedly about Finland's eastern neighbour began to change. However, official foreign-, security- and defence policy documents tend to focus on specific actions and their negative impacts, refraining from labelling Russia or other great powers such as China as 'general adversaries.' Thus, Finland frequently adopts a political communication strategy of not unnecessarily provoking great powers, while being ready to criticise specific actions (such as the invasion of Crimea or 'dark flights' by military aircraft in Baltic Sea Region).

Overall, the changes in the Finnish security environment during the past three decades, have demanded improvisation and flexibility from Finnish political and economic actors. Finland has become a member of the EU, cooperates deeply with NATO, and is a respected and sought partner in other fora of security cooperation. Regional stability has improved through the expansion of EU and NATO -memberships, as well as increased economic and energy interdependence in the Baltic Sea Region.

## **The six trends that influence Finland's security (environment)**

The six broad trends that influence Finland's security environment range from global ones, to those impacting individual actors and regions. These trends and their sub-components have both positive and negative impacts on Finland's security environment. Their net effect on the security environment is, however, increased complexity and decreasing predictability and stability.

The six broader trends that impact Finland's security environment are:

1. Great power relations are in flux, geopolitics are again relevant and now joined by Geoeconomics (moreover, many great powers face internally challenging dynamics)
2. Global challenges, such as climate change & pandemics (impact on flow of people and trade)
3. Expanding toolbox for state & non-state actors (malignant hybrid interference)
4. International system of norms & rules challenged everywhere
5. Key security actors (EU & NATO) in midst of change
6. Decreasing predictability and increasing interdependence around Baltic Sea & Arctic

Together, these trends influence the strengths, weaknesses, threats and opportunities of Finland's security environment.

### ***Trend 1: Great power relations in flux, the return of Geopolitics and the emergence of Geoeconomics***

Thought related, the three sub-components of this trend impact Finland and its security environment in subtly different ways. That great power relations are in flux is at the global level fundamentally a question of the relationship that China and the United States develop in the coming decades, and how other large predominantly regional powers (from a security perspective) choose to interact with the two countries. The shape of this relationship will impact the nature of the global security system/order itself. It would likely be in Finland's interest if some version of the post-World War II order continued, since it has fundamentally served Finland well, especially after the end of the cold war.

Though a similar explicit bipolarity that characterised the cold war is unlikely, both the United States and China are in the process seeking to bolster their position through different approaches. This is particularly visible in the principles through which both seek supporters, allies or partners. The Trump presidency notwithstanding, the US has predominantly sought to attract other states to together develop and

uphold the current global security order, including its more contested 'values' components. Though its foreign policy actions have a mixed result, rhetorically the Biden Administration has returned the United States onto the path of seeking to work with other 'likeminded states.' Crucially, much of the United States' current global power is a result of its global network of allies and partners. In contrast, China has sought to develop primarily a mercantilist client-state system, where economic and development opportunities result in a kind of political subservience to the Chinese state. In terms of Finland's security environment, the US approach is clearly preferred and to date Finland has not frequently been put into a position of having to directly choose between the two great powers.

The second strata of great powers tend to be regional in nature, while all have some global aspirations, these include India, Japan, Korea, Brazil, France, United Kingdom and Russia. How these great powers interact with the United States and China influences the nature and impacts of great power politics on smaller states such as Finland. The greatest threat to Finland would involve the emergence of a global great power system, where large powers increasingly act solely based on their own interests, forcing smaller states to 'pick a side' across all fields, whether economic, political, military, cultural, technological or diplomatic. Thus far, Finland has been able to build relationships with each of these regional powers, based on Finland's interests, but recognizing that Finland is a small player and must seek to align itself with states and then together seek to influence broader policies that are seen to be in Finland's interest.

A separate but interlinked phenomena is the return of geopolitical thinking and emergence of geoeconomics<sup>225</sup>. Located in one of the pivot zones where geopolitical competition is historically seen to take place, the return of the concept has some implications for Finland, especially since both the Baltic Sea and Arctic are now seen by great powers as locations where geopolitical considerations weigh increasingly heavily<sup>226</sup>. Added to this, the emergence of Geoeconomic thinking and behaviour, where states seek to conduct power politics by utilizing economic means and tools<sup>227</sup>. Most crucially for Finland, Geoeconomic tools often seeks to divide a state by creating groups of economic winners and losers, with winner being beholden to the state employing Geoeconomic tools, thereby being placed in a position to compromise national security or at the least complicate the national security environment and calculations of Finnish state officials.

---

225 Wigell, Scholvin, and Aaltola, *Geo-Economics and Power Politics in the 21st Century*.

226 Mikkola, "The Geostrategic Arctic."

227 Scholvin and Wigell, "Power Politics by Economic Means."

<b>Finnish SWOT analysis of trend 1:</b> Great power relations in flux, the return of Geopolitics and the emergence of Geoeconomics	
<b>Strengths:</b> Societal trust in authorities Geographic location (northern and relatively isolated) Membership in the EU	<b>Weaknesses:</b> Size (fewer economic resources, at absolute level) Relatively little influence in world politics.
<b>Opportunities:</b> Provide ‘good offices’ and services to all of the major powers	<b>Threats:</b> Great powers increasingly acting based solely on their interests, in a mercantilist fashion, demanding other states ‘pick a side’.

***Trend 2: Global challenges, such as climate change & pandemics  
(impact on flow of people and trade)***

Global challenges such as climate change or pandemics shape Finland’s security environment. They do this directly and indirectly. What separates these global challenges from the previous trend is that states and their populations can only address them together, at regional or global levels, and private sector companies and NGOs also have a large role in addressing them. By definition, no individual country or actor can independently solve these challenges, but they can worsen them. Therefore, addressing the challenges identified within this trend requires global cooperation and coordination.

Finland has for many years considered climate change and pandemics as two global security challenges, which must be considered within the scope of foreign policy and domestic security preparations. The importance of climate change to the development of the Finnish security environment was highlighted by the fact that in the 2019 government programme, the first two words were ‘Climate change’ (*Ilmastonmuutos*). The logic is that unchecked climate change would have across the board negative consequences to the Finnish security environment. Climate change and various impacts attributed to it are also woven throughout the 2020 government report on foreign and security policy, as opposed to being separated into its own sections. The Finnish government has also supported research on the impact of climate change on Finnish security and the comprehensive security approach<sup>228</sup>. Preparations for a pandemic and its various societal impacts has been a responsibility of national, regional

228 Hakala et al., “Ilmastonmuutos Ja Suomen Turvallisuus: Uhat Ja Varautuminen Kokonaisturvallisuuden Toimintamallissa.”

and local authorities for some decades. An updated version of the 2012 pandemic action plan was used as the foundation for responding to the Covid19 outbreak in the spring of 2020<sup>229</sup>.

For Finland, the greatest threat posed by these global challenges is the relatively rapid change in global flows, in trade or migration, that they can cause – especially in the case of pandemics. The general uncertainty caused by climate change and its long-term potential for catastrophic consequences to societies across the globe are potential but not yet concrete direct threats to Finland.

<b>Finnish SWOT analysis of trend 2: Global challenges (Climate change &amp; pandemics)</b>	
<b>Strengths:</b> Finland is viewed as a ‘constructive partner’ in addressing global challenges Geographic location ‘protects’ Finland from some initial adverse effects.	<b>Weaknesses:</b> Size (fewer economic resources, at absolute level) Little actual ability to impact global emissions or enforce targets.
<b>Opportunities:</b> Business opportunities for ‘cleantech’ and ‘healthtech’	<b>Threats:</b> Relatively rapid change of global flows in trade, migration etc. increasing uncertainty. Unless addressed proactively, pandemics could impact the ability of society (incl reservists) to defend the country.

***Trend 3: Expanding toolbox for state & non-state actors  
(malignant hybrid interference)***

The third trend that impacts Finland’s security environment is the expanding toolbox for state and non-state actors; in the case of the latter making them sometimes equally or more potent threats to security than traditional states. Two features of this expanding toolbox are particularly noteworthy. First, the spread and ‘democratisation’ of technologies that a few decades ago were not even available to great powers. These include mobile communications and data on flows and geography. The second feature is the rapidity of technological and behavioural developments which at times outstrip public authorities and legal frameworks.

From a state actor perspective, the expanded synchronized use of the full spectrum of tools available to states to interfere in and with other states is a growing reality.

<sup>229</sup> Salonijs-Pasternak, “Finland’s response to the Covid-19 epidemic.”

While the target is often a specific state, ‘hybrid interference’ frequently also has the goal of challenging concepts and behaviours that are foundational to liberal democracies like Finland<sup>230</sup>. From a security environment perspective, this challenges Finland’s legal tradition where laws are written specifically, and all actions of public authorities must have a legal foundation.

New technologies can be adopted for use in ways that authors of laws have difficulty in imagining. However, while individuals can now cause or influence individuals events that cause insecurity, they rarely have the ability to impact the security environment as a whole – especially since it is frequently the reactions of those legally in power that have the potential to more significantly alter the security environment. Here Finnish authorities have focused much of their efforts on seeking broader agreement and cooperation, for example, seeking EU-level approaches to how current and future technologies (such as artificial intelligence and facial recognition software) are used and controlled.

<b>Finnish SWOT analysis of trend 3: Expanding toolbox for state &amp; non-state actors (malignant hybrid interference)</b>	
<b>Strengths:</b> Finland has human-capital to develop an understanding and potential ‘responses’ to new tools	<b>Weaknesses:</b> Finnish legal system is at times too inflexible to rapidly account for new ‘tools’
<b>Opportunities:</b> Business: development of niche tools to counter the nefarious use of new technologies	<b>Threats:</b> Use of a wide range of tools from dis-information to migrants flows can temporary ‘flood’ the processing capacity of the political elite and the population as a whole.

***Trend 4: International system of norms & rules challenged***

The international system of norms, rules and agreements is being systematically challenged by signatories to those agreements, as well as other actors. This is a particular problem for those states that rely on a functioning international rules-based order, such as Finland. History is replete with examples of one or more actors in a conflict not following norms set by the other, as well as adherence to norms between actors that nonetheless exist within the ‘cultural realm’ within which they were developed and agreed upon. However, the post-World War II regime of increasing international structural and agreement-based cooperation, including the self-limiting behaviour of

---

230 Wigell, “Hybrid Interference as a Wedge Strategy.”

great powers within the UN-system has been particularly beneficial for many smaller states.

The number of instances where international norms or rules are challenged is legion but four broader categories, all with individual examples, reveal what a broad challenge this is, and how it can impact the security environment for a country like Finland.

The first category is the slow overturning of norms. The case example is island building in the South China Sea. While the example occurs almost on the other side of the globe, the norms that are currently being broken there could in the long run impact the Baltic Sea region and Finland. A number of countries are engaging in building new islands, for a variety of reasons, including economic, political and military aspects<sup>231</sup>. The key issue is whether regional states de facto accept the geographic and legal claims that these new 'territories' give rise to, and whether or not the international community accepts them. Especially the latter would have negative implications regarding international law. If the norms against such activity were not only broken but became accepted, and the associated claims regarding economic zones and security and defence parameters were de facto recognised, this could have seriously negative consequences for Finland. While the Baltic Sea is filled with islands, the idea that a state could claim new pieces of land and therefore both economic and security zones around it would not have a positive impact on Finland's security environment.

The second category is the violation of norms. In this case, the example is the use of chemical weapons. Chemical weapons have been frequently used in Syria, primarily against urban civilian targets; they have become a feature of the Syrian war<sup>232</sup>. The norm against the use of chemical weapons has also been broken in another insidious way. Military grade nerve agents have been used to assassinate or attempt to assassinate a number of Russian civilians, with the most famous cases being the 'Salisbury' and 'Navalny' cases, where the chemical agent used was Russian in origin – Novichok – and all signs indicate the use was ordered and sanctioned at the very highest levels of the Russian government<sup>233</sup>.

The third category is push back on norms or purposeful 'muddying of waters'. The example here is democracy, including human rights, and freedom of speech or free media. Because a number of states do not have a genuine or attractive story to tell about the development of their societies, they have chosen to instead attack liberal democracies with the tools that liberal democracies themselves hold dear. The most

---

231 "Island Tracker Archive."

232 "Timeline of Syrian Chemical Weapons Activity, 2012-2021 | Arms Control Association."

233 "Skripal Suspects Confirmed as GRU Operatives"; "FSB Team of Chemical Weapon Experts Implicated in Alexey Navalny Novichok Poisoning"; Yaffa, "How Bellingcat Unmasked Putin's Assassins"; "Russian Poet Dmitry Bykov Targeted by Navalny Poisoners."

prominent example is the (mis)use of the freedom of speech and an open media environment to spread disinformation and seek to either muddy or silence debate.

The fourth category is related to the above third one, as certain practices are mis-used or labelled with the aim of confounding or distracting outside observers. An example of this is the use of so-called humanitarian convoys sent by Russia into eastern Ukraine. In the very early stages of the war in 2014, these convoys found support even among some in the EU and United States, until it became clear that these ‘humanitarian convoys’ were logistic convoys for Russian and Russian backed military units. By the end of 2020 the OSCE Special Monitoring Mission to Ukraine had identified some 100 such convoys, but the actual number is likely greater still<sup>234</sup>.

<b>Finnish SWOT analysis of trend 4: International system of norms &amp; rules challenged</b>	
<p><b>Strengths:</b></p> <p>Finland has the standing to take a position on norms and rules being broken (it is not one of the major breakers of them)</p>	<p><b>Weaknesses:</b></p> <p>Finland must balance between standing up for the international order on which its trade and diplomacy is based, yet, due to its size refrain from public criticism of many larger state actors. Finland tends to criticise specific actions, rather than the actors themselves.</p>
<p><b>Opportunities:</b></p> <p>Development of new norms</p>	<p><b>Threats:</b></p> <p>New norms that undermine international order</p> <p>New norms that directly impact how Finland can defend itself (an example is the Ottawa Treaty prohibiting the stock-piling and use of anti-personnel mines)</p>

***Trend 5: Key security actors (EU & NATO) in midst of change***

For Finland, membership in the European Union has always involved aspects of identity, security and economics. Strengthening the EU’s role in security writ large, while ensuring that the EU is a core rule and trade agenda-setting global power has been in the interests of Finland. The expansion of the EU’s influence (even membership) is generally seen as a positive by Finnish officialdom, and increased EU-wide integration as good for Finland. The EU has also continued its evolution as a security actor. This increase in the EU’s profile and competence regarding security matters has come

234 OSCE, “Daily and Spot Reports from the Special Monitoring Mission to Ukraine.”

about by changes in the global security environment, continued flows of people onto EU territory, intensifying problem of violent radicalism by both domestic right-wing actors and Islamic terrorists, concerns about use and abuse of technologies for cyber actions, and Russians aggressive behaviour towards its neighbours.

The EU has also, especially during the past four years, become more active within the space of its common foreign and security policy - strengthening European defence cooperation. Increased security and defence cooperation through permanent structured cooperation (PESCO), the European defence agency (EDA), and the Coordinated Annual Review on Defence (CARD) are welcomed by Finland. Individual efforts, such as 'military mobility' (under PESCO) that seeks to enable European militaries to more easily cross borders during exercises, or in military conflicts, is a good example of cooperation that is beneficial to Finland and in the long run contributes positively to the Finnish security environment. Finland has also together with some other member states, most notably France, pushed for increased debate and clarification around what the EU's security guarantees (Article 42.7) could mean in practice. This discussion could contribute to the development of a clearer understanding of the role that member states give Article 42.7, but at the moment it may give a false sense of security in Finland, as in the military sphere NATO is the relevant actor for almost all EU members. However, increasingly strong internal disagreements over fundamental aspects of democratic societies within some EU member states do not augur well for the internal cohesion of the EU, something which is particularly important to Finland.

NATO has reoriented itself towards its historic collective defence task, but finds itself in a position where internal cohesion is being tested by actions of some member states. Yet, the Alliance is as more capable now than before of addressing both the territorial defence and international engagement/operations tasks it has set for itself. NATO, however, frequently finds itself in a position where it feels forced to reinvent itself to remain relevant in the eyes of its membership, including the United States. Two decades of focus on peacekeeping and crisis management operations in the Balkans and in Afghanistan came to an effective end in 2015. Between 2014 and 2020 NATO has primarily focused on redeveloping its traditional collective territorial defence function. This has been especially welcomed by NATO's easternmost member states. NATO's internal cohesion has been tested by among other things, Turkey's increasingly difficult policies in the Middle East and northern Africa, as well as the continuing flow of refugees and migrants into southern Europe.

Both the EU and NATO have been forced to take on their agendas the complex issues surrounding migrant/refugee flows (natural or purposefully generated) as well as the Covid-19 pandemic. While neither the EU nor NATO actions were decisive in the initial stages of the pandemic, both organisations are grappling with what their

roles should be in future pandemics, since the public at large expects both to assist. The use of migrants as a tool to pressure both individual EU members and the EU as a whole has been visible throughout the second half of 2021, with Belorussia driving individuals it has encouraged to fly to the country towards its Polish, Latvian and Lithuanian borders.

NATO may see new members particularly in the Balkans, as Finnish and Swedish NATO membership continues to look unlikely. This will continue to increase the heterogeneity of the membership. The debate within Europe about increased strategic autonomy by Europe (as seen in France) or merely strengthening the European pillar of NATO (German and British view) will have an impact on NATO's future and the future of the transatlantic relationship.

As a whole, the two central international actors from Finland's security perspective, European Union and NATO, each faces ongoing uncertainty and challenges. However, there is little reason to believe that they have been permanently weakened or that they will quickly become irrelevant. Rather, both NATO and the EU have throughout their history shown an ability to transcend what are seen as existential crises.

<b>Finnish SWOT analysis of trend 5: Key security actors (EU &amp; NATO) in the midst of change</b>	
<p><b>Strengths:</b></p> <p>Membership in EU, therefore a part of decision making.</p> <p>Increased cooperation with NATO on issues directly relevant to territorial defence.</p> <p>Finland does not need to take a position on NATO's intra-member disputes.</p>	<p><b>Weaknesses:</b></p> <p>As a partner but non-member, Finland has less influence in NATO development.</p> <p>Finland is ultimately too small to genuinely impact the direction of either the EU or NATO as security actors.</p>
<p><b>Opportunities:</b></p> <p>Both organisations moving towards more comprehensive views on security – more aligned with Finnish views.</p> <p>Finland is seen as a small but positive contributor on issues seen by larger members in both organisations as being vital or important.</p>	<p><b>Threats:</b></p> <p>EU becomes 'too unwieldy' to make effective decisions (becomes paralyzed by intra-member squabbles).</p> <p>NATO loses interest in Russia, focuses on too broad a global 'problem set'.</p>

### ***Trend 6: Decreasing predictability and increasing interdependence around Baltic Sea & Arctic***

The sixth trend that impacts Finland's security situation is decreasing predictability and increasing interdependence around the Baltic Sea, reaching out to the Arctic. Between 2015 and 2018, a 'new normal' was reached regarding military activity in the Baltic Sea region, a much higher level of activity than at any time since the end of the Cold War. Decreasing predictability has required Finland to take multiple steps to increase its preparation and resilience in the event of a range of crises. From Finland's perspective the increased economic interdependence and overlapping membership structures (EU, NATO, Euro) that have emerged among and between the states around the Baltic Sea mean that in the event of a crisis Finland is more likely to be drawn into a conflict but also more likely to receive assistance from others.

While it is a part of many of the above broader trends, Russia must be mentioned separately as a challenge to Finland's security. Russian actions during the past decade, using a range of tools at its disposal to destabilize and increase its power over others, while at the same time seeking to undermine the credibility of foundational institutions (election integrity, media) has made Finland's specific and general security environment less predictable and more dangerous. One Russian action in particular deserves attention, its 2015-16 'Refugee proof of concept' (see box below) as well as a concrete response by Finland to a chain of events that serves as an example of the complexity of the security environment and the cooperation needed to address many threats to that security (box on Airiston Helmi in following section).

#### ***The Refugee Proof of Concept***

In 2015, most of Europe faced a new challenge, what to do with the hundreds of thousands of refugees seeking to escape conflict and misery or to find a new better life in Europe. Due to its geographic location, Finland was not immediately touched by these developments. Finland's neighbour Sweden received more refugees, with the official tally for the year reaching over one hundred thousand. Ultimately, Sweden let through some tens of thousands of individuals so that they could enter Finland along the northern border shared by the two countries. At the same time smaller volumes of refugees sought to enter Finland in ships directly from Germany or the Baltic states. Due to pre-existing preparation, plans, and relationships, Finnish authorities were relatively quickly able to create a process to receive these migrants and refugees, and house them across the country. Politically this caused societal friction, with some political parties seeking to benefit from the situation. These developments did not go unnoticed by Russia.

Russia did not initiate the initial refugee and migrant flows, but seeing their disruptive and divisive effect on numerous European countries, sought to capitalise on it. Thus, in November 2015, individuals started appearing at northern Finnish-Russian border crossings, including at Rajajooseppi (Lotta), in ways that was not customary. The 1340-kilometre border between Finland and Russia is one of the more well-guarded and marked borders in the world. Unauthorised crossing of the border anywhere along the border is inevitably discovered.

The total number of individuals who sought to cross the border, on foot, using bikes or cars was in total some 1700, less than a tenth of the total number for the year. Thus, the volume of those seeking to cross from Russia to Finland was not an unsurmountable problem. Rather, it was other aspects of these events that caused senior civil servants and political decisionmakers to worry. Many of the individuals seeking to cross from Russia to Finland had based on subsequent interviews by Finnish officials been briefed on what to say – that they were seeking asylum, knowing that Finland would honour its international obligations. Suspicions that the refugee flows were not spontaneous were confirmed when more than half of the individuals interviewed said that they had resided legally in Russia for five to ten years; an especially large number came from around Moscow. The distribution of nationalities (thirty-six in total) was also inconsistent with what might have been expected at the time. During interviews, Finnish officials also discovered that many of the individuals in question had simply been told to hand in their residence papers, board a bus and thus begin the journey towards north-western Russia, where they were temporarily housed in a hotel, and then forced to move towards the Finnish border and ask for asylum in Finland.

When this issue could not be solved through normal civil servant to civil servant non-political processes, the crisis was raised to the political level. When Finnish officials went to Russia to discuss a possible solution, they were issued a clear threat. The officials were told that there were 1.3 million refugees which Russia did not know what to do with, but much depended on how Finland would behave. Russia knew that sending some thousands of individuals to Finland would not in and of itself destabilised Finland but suggesting that it could send a million more certainly would.

For a proof of concept such as this to work, Russia had to show that it could initiate a flow of refugees at any point or time of its choosing, and that it could also close or end such a flow. Ultimately the solution was political, with Russia achieving something it had sought to do for decades: a temporary agreement that went against Nordic and EU Schengen rules. Under the agreement, border crossings at three named crossing points were restricted for a period of six months. Only Finnish Russian and Belarussian citizens could cross at these crossing points. Due to longstanding Nordic agreements, Finland sought to ensure that all Nordic citizens could also use these crossing points, but Russia refused this. Thus, Russia was able to achieve one of its long-standing objectives,

reaching an agreement with an EU-member that violated the Schengen agreement. As an addendum, the Finnish defence minister at the time, Jussi Niinistö, also passed on a similar threat to the rest of Europe, saying that Russia had also indicated there could be up to ten million refugees and migrants that it might have to let's pass through or send from its territory towards Europe.

While the agreement expired and none of the concerns about demands for a future agreement occurred, the incident is well remembered in the collective memory of Finnish politicians and senior civil servants<sup>235</sup>. Russia proved that it had the tools to destabilise a neighbour, without resorting to military force, while seemingly only following international agreements.

<b>Finnish SWOT analysis of trend 6:</b> Decreasing predictability and increasing interdependence around the Baltic Sea and Arctic	
<b>Strengths:</b>  Baltic Sea region is fundamentally a 'mare nostrum' for both EU and lesser extent NATO.	<b>Weaknesses:</b>  Russia benefits from less stable and less predictable environment (as long as energy exports can continue).
<b>Opportunities:</b>  Interest in Finland has increased significantly since 2014, including in security and defence cooperation.	<b>Threats:</b>  Inadvertent military conflict  Finland becoming a pawn in great power military conflict.

Over the past three decades Finland's security environment has twice shifted in very dramatic fashion. Between 1990 and 2010 Finland's security environment continued to improve, while during the past decade it has become increasingly complex and less predictable, at the system level. However, due to a range of responses by Finland, Finland's security situation, including its room for manoeuvre in the diplomatic, military, information and economic spheres is greater than at almost any other point in its history.

<sup>235</sup> Nerg and Järvenkylä, *Tiukka Paikka*; Lakka, "Orpo muisteelee "kovaa paikkaa" Venäjän kanssa vuoden 2015 pakolaiskriisin aikaan"; Nurmi, "Uutuuskirja."

## Finland's responses to the changing security environment

Finland has responded to this changing security environment in many ways, making adjustments to a solid base. The reason is that Finland's entire security architecture is based on the idea that preparations are useful for a range of potential crises, not only war. Building a broader societal resilience, along with concrete capabilities in various sphere – such as defence – is therefore seen as critical. While Finland's experiences in addressing the global Covid-19 pandemic have highlighted a number of issues that need to be fixed, for example in legislation and cooperation between authorities and the private sector, overall, those experiences have confirmed that Finland's approach to societal security is useful in building resilience in the face of a complex security environment. With regard to harder security, Finland's approach is based on four layers described below.

### *Finland's four-layer approach to improving security and resilience.*

Finland's approach to increasing societal resilience in the face of a broad range of hard security challenges is built on four components: (1) the stability of society; (2) comprehensive approach to societal security; (3) expanding and deepening web of security cooperation; (4) functioning defence system<sup>236</sup>.

The fundamental stability of Finnish society is related to the political, economic, educational, health and other developments described elsewhere in the book. Together they have historically created a sense of societal progress and ownership in society, as well as a sense that it is important for Finland to continue to exist – making Finland worth defending. The annual Fragile States Index compiled by the Fund for Peace has ranked Finland as the most stable country in the world for the past decade<sup>237</sup>, and together with other indicators it suggests Finland is relatively stable. When Finns are asked about their personal 'will to defend' ("If Finland is attacked, would you personally be ready to take part in national defence tasks according to your competences and skills?") the post-cold war average is 85% who say they are personally ready to take part, and 11% reply that they are not. These numbers suggest that 'Finland is worth defending' and that it is fundamentally stable. However, as indicated elsewhere in this volume, there are serious and legitimate concerns about whether these two factors can be relied upon in the future.

The second component is Finland's comprehensive societal security approach<sup>238</sup>. The fundamental idea is that societies must prepare to deal with a range of possible

---

236 Saloniemi-Pasternak, "FIIA Comment - An Effective Antidote."

237 "Fragile States Index | The Fund for Peace."

238 "Turvallisuukskomitea – Turvallisuukskomitea on Kokonaisturvallisuuteen Liittyvä Ennakoivan Varautumisen Pysyvä Ja Laajapohjainen Yhteistoimintaelin."

crises, from short-term man-made ones to longer term natural ones, from storms to pandemics and electrical or internet service blackouts to wars. The Covid-19 pandemic made it clear that while the Finnish system is good, there are many avenues for improvement and several lessons to be implemented. For example, legislation is frequently written much too specifically; this is usual in Finland as it provides the legal basis for civil servants to act and make decisions but is limiting in dynamic situations. Moreover, the approach in theory recognizes that cooperation between private sector and non-governmental organisations and the government (which must often take the lead) with is needed. Frequently, however, this cooperation exists only on the tactical level, and at the level of political statements – ignoring the in between longer-term operational planning and preparation level.

Third, Finland has built an increasingly dense web of security cooperation, at both bi- and multilateral levels. Especially bilateral cooperation with Sweden has increased significantly, in both depth and breath. Cooperation with the United States has also increased significantly. In addition to this, Finland has pushed for increased cooperation between Nordic states, within the Nordic Defence Cooperation (NORDEFCO) framework, and engaged with large European powers such as Germany, France, the United Kingdom in their respective defence cooperation structures. While this cooperation frequently focuses on hard security and defence, especially within the Nordics cooperation in civilian security related fields has also increased.

Fourth, Finland has a functioning defence system. Currently the system is based on mandatory national service for men, which provides a large enough volume of reservists, and a mix of large volume and high-tech capabilities. Due to a decreasing number of men who are capable of completing their national service obligations, there are efforts to entice an increasing number of women to serve on a voluntary basis. Mandatory service for men and women, however, does not seem likely in the short- and medium runs. Despite relatively limited resources the system is generally seen to be legitimate and able to provide for a national defence. However, support for the current system has decreased from 69% in 2016 to 52% in 2020<sup>239</sup>, suggesting broader societal cultural shifts for example regarding views on gender equality, will force a reassessment of the foundation of the current defence system. The generally broad support that Finnish defence policy enjoys from across the Finnish parliamentary landscape<sup>240</sup> suggests that any changes will be done through consensus agreements and enjoy support across government-opposition parties.

---

239 Information (ABDI), “Finns’ Opinions on Foreign and Security Policy, National Defence and Security.”

240 Salenius-Pasternak, “Kansanedustajien näkemyksiä turvallisuuspolitiikasta vuonna 2020”; Salenius-Pasternak, Charly, “Eduskunnassa yhtenäinen rintama.”

## *Finland's responses in diplomatic, information, military, intelligence and law-enforcement spheres*

At a general level the above four components contribute to strengthening Finland's hard security capabilities and contribute to a society-wide national deterrence function and increased societal resilience. To analyse Finland's more specific responses to the changed security environment described above a modified DIMEFIL framework is used (Diplomatic, Information, Military, Economic, Financial, Intelligence, and Law enforcement), as it balances between depth of detail and overall clarity. However, as economic, and financial spheres are covered elsewhere in the book, they have been left out of the analysis.

In the diplomatic sphere Finland has sought to proceed along three parallel tracks. Of most significance, Finland has ensured that it remains a steadfast and reliable member within the European Union, and attractive partner in different cooperation fora, such as NATO. In addition to this, Finland has sought to contribute to providing 'good offices' to larger powers, such as for meetings between senior US and Russian officials. Finnish president Sauli Niinistö was one of the few world leaders who had personally met and held face to face discussions with the leaders of great powers, such as China, Russia, the United States and Germany, all within the space of a few months, suggesting that Jinping, Putin, Trump and Merkel found some utility in meeting the president of a considerably smaller country. Finland has also sought to maintain a functioning pragmatic and diplomatic relationship with Russia, which has mainly consisted of continued civil service level working meetings, and prior to the Covid-19 pandemic, biannual meetings between presidents Niinistö and Putin. In addition to this, Finland has through its diplomatic service sought to portray a picture of a small but active actor in the sphere of humanitarian assistance and long-term development cooperation. Overall, Finland has built a 'diplomatic identity' that combines its European Union membership, desire to be seen as active in the global human rights -realm, and a reliable and predictable diplomatic actor.

In the information sphere, Finnish officialdom has reacted to the reality of modern information activities, as described below. However, of greater societal importance is the high level of literacy and general consumption of journalistic news, which together raise the bar for widespread acceptance of disinformation or conspiracy theories, as described in a previous chapter. After some initial reluctance, Finnish officials have become more adept at official communications, and operating in the modern complex information space. For example, when the first Russian claims surfaced about abuses that Finnish authorities were claimed to have engaged in vis a vis Russian families in Finland, the Finnish authorities adopted a position of not responding as the claims were thought to be unbelievable to anyone, or simply stated that

they were unable to comment because it was a matter still being processed. The false charges remained ‘in the air’ and formed a part of the emerging Russian narrative that Finland was hostile to Russians. When similar claims resurfaced some years later, the Finnish government led by the foreign ministry reacted quickly, clearly, and forcefully to address the false claims.

In 2015 and 2016, in response to the increased volume and sophistication of Russian information operations, the Finnish government recognised it had to develop a better understanding of the new reality, beginning to train various levels of the civil service to recognise and address information operations. Still, the fundamental *modus operandi* of official Finland when it comes to security matters is twofold. First, the authorities recognise the need for increased speed, but feel that their responsibility is to provide correct and reliable information, even if it means being perceived as slow. A key weakness is that communications is often pushed down to the lowest possible level, but this means that individuals who are not necessarily adept at or experienced in communicating are expected to communicate in the increasingly complex information space, leading to occasional problems. Second, especially when it comes to the military, a ‘Do. Don’t tell’ -approach remains standard. This approach is evolving, including an increased understanding of the need for increased transparency and communication from authorities. An example of this is the 2021 government defence report, which emphasizes the need to further develop capabilities in the realm of information operations<sup>241</sup>. Overall, Finland has reacted to the changed information environment and is reasonably well protected from external disinformation, but the population at large is susceptible to domestic misinformation. Finnish authorities are largely hesitant to become more active in this sphere, due to a fear that overbearing communications efforts would be seen as propaganda and in the worst case an effort to silence protected speech.

In the military realm, the Finnish military underwent a significant transformation between 2014 and 2018, With the Finnish defence forces shifting from primarily a training organisation to one focused on readiness<sup>242</sup>. In 2014, had the Finnish government needed land forces for a military operation, it could have counted on small hastily created units of cadre personnel and the Finnish special operations forces, which together would have numbered in the hundreds<sup>243</sup>. By 2018 the new rapid response units (VYKS) created at each military base, meant that an order of magnitude more forces with integrated logistics, artillery, communications, and engineering, could be deployed within hours. In military terms, this meant that the Finnish Navy, Air force and Army could rapidly and jointly respond to military threats. The 280 000 strong

---

241 Valtioneuvosto, “Government’s Defence Report,” 34.

242 Saloniemi-Pasternak, “FIIA Comment - Securing Finland.”

243 Saloniemi-Pasternak, “Defence Force for the 21st Century: Finland Needs New and Robust Capabilities.”

fully mobilised field army is, however, not in equally good shape, in terms of equipment or training. The 2021 government defence report does, however, list the development and increased use of reservists as one of its key development foci. In addition to this, Finland has continued its development and procurement projects according to plan, taking into consideration emerging Russian capabilities displayed in Ukraine and Syria, as well as revamping the training of conscripts. Overall, Finland's military response to the changing security environment has been robust and has enjoyed political support from across the Finnish Parliament.

In terms in intelligence, the most significant change has been the adoption of Finland's first comprehensive law on intelligence. The law codified existing practices, created a civilian intelligence actor, and updated the Finnish authorities legal foundation for conducting intelligence operations in the cyber arena and abroad<sup>244</sup>. The need for such a law and preparations for it had started prior to 2014, but the change in the overall security situation likely aided in the passing of the final legislation. The Intelligence Ombudsman's annual reports indicate that the law has served its purpose and that authorities have acted within the set legal framework<sup>245</sup>. Overall, the intelligence law has enabled Finland to improve its situational awareness, which is likely improve further with deeper international cooperation and the new platforms and sensors that the Finnish military and other security actors are in the process of acquiring.

In the space of law-enforcement, one operation and a set of more general actions high-light Finland's two-pronged approach to law-enforcement – and the law more broadly – and how it can be used to address challenges in Finland's security environment. The broader action that Finland has taken due to changes in its security environment is for ministries to go through and propose amendments to legislation, to close gaps or vulnerabilities that could be used by an adversary. In 2017, Finland amended the Territorial Surveillance Act and the Criminal Code to make it clearer that not only the police but also the Frontier Guard and Finnish Defence Forces could be used to address potential 'little green men' efforts. Other changes in legislation involve restrictions on what kinds of government positions dual-citizens can hold (for example within the military), drones, real-estate deals close to sensitive locations etc<sup>246</sup>. Changes in laws have then been followed by exercises where the use of the new laws is 'tested', for example to ensure a smooth handover of operational responsibility

---

244 <https://supo.fi/en/intelligence-legislation>, [https://www.eduskunta.fi/FI/naineduskuntatoimii/kirjas-to/aineistot/kotimainen\\_oikeus/LATI/Sivut/tiedustelulait.aspx](https://www.eduskunta.fi/FI/naineduskuntatoimii/kirjas-to/aineistot/kotimainen_oikeus/LATI/Sivut/tiedustelulait.aspx)

245 Tiedusteluvalvontavaltuutettu, "TIEDUSTELUVALVONTAVALTUUTETUN KERTOMUS VUODELTA 2020."

246 Ferm, Tiina (2017). Hybrid CoE Strategic Analysis 3: Laws in the Era of Hybrid Threats. Hybrid CoE The European Centre of Excellence for Countering Hybrid Threats. Accessed 5.12.2020, <https://www.hybridcoe.fi/publications/hybrid-coe-strategic-analysis-3-laws-in-the-era-of-hybrid-threats/>

between the police, border guard and military in a given type of operation. The fundamental understanding, especially regarding the changing of laws is that an adversary is likely to (mis)use laws against a society based on a rule of law. Thus, it is critical to ensure the opportunities to do so are limited, and that laws are periodically evaluated and new potential vulnerabilities addressed.

Finland has, however, also learnt to use law-enforcement as a means to neutralize potential broader security threats, in a way that seeks to minimize diplomatic or foreign policy backlash. The best known public case is generally known as Operation Airiston Helmi.

### *Operation Airiston Helmi*

In autumn 2018 Finnish authorities conducted an operation across the Turku archipelago in southwestern Finland against some dozen locations owned by the mysterious Airiston Helmi company. Some 400 individuals from a number of authorities participated in the raids. The formal reason for the operation was a tax evasion and fraud investigation, even if the Finnish security police and military had been interested in the activities of the company for many years.

Finnish real estate ownership regulations had been liberalised beginning in the late 1990s, and citizens of EU member states face few restrictions or requirements for registration. Concerns were brushed aside as a string of real estate purchases near strategic locations were completed during the late-2000s, into the 2010s. In 2010, the defence, interior and justice ministries were of the opinion that such real estate deals posed no problems, a view at odds with the reality that no formal mechanisms existed for cataloguing, tracing or preventing such deals, even when they occurred close to important military, communications or transport hubs. In early 2014 Finnish politicians were still of the opinion that real estate purchases by Russians were of no concern regarding national security.<sup>247</sup> The reality was that at least the Finnish military and security police were at this point privately concerned by the pattern of some real estate purchases. While the great majority of purchases were inconsequential, the frequency with which land was purchased and cabins or storage facilities built, next to important military or communications nodes was too great to be an accident. A year after Russia's illegal annexation of Crimea, the Finnish defence minister Carl Haglund was the first high-ranking official to not only acknowledge the issue as important but to express concern about the security implications of some real estate activity.

247 Eronen, Jussi. (2016). *Analyyysi: Venäläisten maakauppoja hyssyteltiin pitkään – vasta Ukrainan sota herätti päättäjät*. Accessed 5.12.2020, <https://yle.fi/uutiset/3-8673869>

Of particular interest in public debate was the company Airiston Helmi, founded in 2007. It had over a decade purchased land across islands leading to one of Finland's key commercial ports, in Turku, but also adjacent to the string of Finnish naval bases in the Turku archipelago. The company had also procured two decommissioned Finnish navy ships, and ignoring the purchase agreements, retained the original navy color scheme. While the company proclaimed its purpose was to serve tourists, by renting out houses, it made no discernible profit (losses of €300 000 in 2017) while having the resources to procure new property and refurbish properties for over nine million euros. Individuals in Finnish police and defence organisations had increasing concerns of the activities they witnessed but lacked any legal standing or framework under which to address these concerns. Thus, other Finnish authorities already involved in international money laundering investigations, were alerted.

The September 2018 raid was led by the Central Criminal Police, but included local police, tax authorities, the border guard, and the Finnish military. Much was made of the inclusion of the military, but in Finland cross-authority cooperation is an almost daily occurrence and does in and of itself not suggest anything serious. However, in this case the operation was in planning for months, included detailed surveillance of the locations and the highest political levels in Finland were alerted to it in advance.

During the raid some €3.5 million in cash was discovered, as was technical equipment that is unusual for a regular tourist-cabin location. The official story remains that the operation was simply a matter of tax evasion, money laundering and unpaid pensions. By the end of 2021, the assets themselves have either been sold or are in the process of being sold, and the criminal investigation is ongoing. Yet, many observers believe that the operation also served notice to Russia, that Finnish authorities were ready to address threats to security, but in a way that made diplomatic protests less likely, as the official and legal reason for action by Finnish authorities has to do with more mundane matters of money-laundering and tax evasion.

Overall, in the sphere of law-enforcement, Finland has sought to minimize risks that are inherent in its societal approach to rule of law, and is in the early 2020s better positioned to respond to misuses of law (lawfare) than a decade earlier. Yet, the detail-orientedness and inflexibility of laws – as they are frequently written – is a notable weakness that can be exploited by a potential adversary.

## Conclusions

The evolution of Finland's security environment has been rapid, both since 1990 and 2014. Finland's strengths in addressing these changes are various, but begin from a

generally functioning society, and the fact that Finnish governments and civil servants (authorities) are generally respected and trusted. This and a reputation for functioning government institutions has made it easier for Finland to develop a 'known personae' in international security relations, enabling increasingly deep cooperation with other organisations and countries.

Despite this, Finland also suffers from some weaknesses, the principal ones being that it remains peripheral – even on Europe's map – both geographically, historically and still at times mentally. However, in a sign of the dynamism inherent in any evaluation, the past six years have brought Finland closer to many larger western states.

Finland enjoys a number of opportunities, mainly relating to increasing interdependence and thereby increasing the interest of others to assist Finland, if the security environment necessitates it. Finland also has an opportunity to seek to tie Russia into cooperation in the Arctic, despite increasing indications that the 'Arctic exception' is eroding and the region is becoming one of the many areas where cooperation is giving way to great power competition.

From a threat perspective, in addition to the six trends above, the singular hard security threat for Finland remains Russia. Additionally, an increase in Geoeconomic competition may threaten Finland's ability to conduct trade as it would wish to. Finnish state actors also identify increasing violations of international agreements and norms, combined with a lack of new ones on emerging technologies, as (potential) threats to Finnish security.

Finally, when Finnish citizens were asked during 2020 whether "during the next five years Finland and Finns will live in a safer or less safe world compared to the present" the respondents split nearly evenly. The survey by The Advisory Board for Defence Information (ABDI) has asked the same question for three decades, and the 'less safe' answer given by forty-seven (47%) of respondents is effectively the median and average over that three-decade period<sup>248</sup>. Yet, when The Finnish Innovation Fund (SITRA) asked Finns in 2021 about their view of the future, sixty-nine percent (69%) said they see Finland's future as being either better or at least as good as now<sup>249</sup>. Thus, Finns seem to recognize the evolving international security situation, but have confidence in their national ability to deal with it.

---

248 Finns' opinions on foreign and security policy national defence and security 2020. Accessed 10.12.2020: [https://www.defmin.fi/en/the\\_advisory\\_board\\_for\\_defence\\_information\\_abdi/bulletins\\_and\\_reports/finns\\_opinions\\_on\\_foreign\\_and\\_security\\_policy\\_national\\_defence\\_and\\_security\\_2020.11683.news#3ca01f01](https://www.defmin.fi/en/the_advisory_board_for_defence_information_abdi/bulletins_and_reports/finns_opinions_on_foreign_and_security_policy_national_defence_and_security_2020.11683.news#3ca01f01)

249 Dufva, Rowley, and Vataja, "Tulevaisuusbarometri 2021."

<b>General Security Environment SWOT Analysis</b>	
<b>Strengths from a Finnish perspective</b> <ul style="list-style-type: none"> <li>• EU Membership</li> <li>• Finland is a 'known quantity' in security – broad security perspective but mil focus on national defence</li> <li>• Government authorities are generally trusted + functioning society and government institutions + respect for the rule of law</li> </ul>	<b>Weaknesses from Finnish perspective</b> <ul style="list-style-type: none"> <li>• <b>Peripheral</b>, geographically, historically, mentally</li> <li>• Regional patchwork of memberships (EU, NATO, Euro etc) requires continuous activity within and between membership networks.</li> <li>• <b>Economy</b>, and therefore funds allocable for defence, is relatively small.</li> </ul>
<b>Opportunities from Finnish perspective</b> <ul style="list-style-type: none"> <li>• Tying others to the securing of Finland, not just its defence</li> <li>• Deeper cooperation, bilateral and multilateral (Sve, USA, NATO, JEF, etc.) + deeper EU wide security cooperation</li> <li>• Cooperation increases in the Arctic (on environment &amp; SAR)</li> <li>• Increased pol/econ/mil interdependence, leading to closer nit societies</li> </ul>	<b>Threats from Finnish perspective</b> <ul style="list-style-type: none"> <li>• Worsening regional security environment, mistrust</li> <li>• Increasing violations re int'l agreements, lack new ones to cover emerging tech,</li> <li>• Global economic collapse,</li> <li>• Continued negative developments in Russia &amp; long term instability.</li> <li>• Increased espionage &amp; leakage of sensitive information</li> <li>• Capture of actors in political system by foreign hostile actors</li> </ul>

	late-1980s	early 2010s
Diplomatic	'Bridge between East and West' Neutral, under Soviet influence regarding foreign and to some degree domestic politics + FMCA	EU member, diplomatically and politically western.
Information	High literacy.	Free media, high literacy and media followership. Technically advanced.
Military	National service, large reserves, under-armed. Focused on territorial defence and Soviet Union. UN PK operations gave int'l experience, no other int'l mil cooperation (outside of procurement).	National service, large reserves, modern armaments. Focused on territorial defence and Russia. Extensive int'l cooperation.
Economic	market economy, trade dependent; majority of trade with western partners, Soviet trade accounts for avg. of 15 % but has larger political role.	market economy, beneficiary of globalization. Mixture of industrial production and services. EU is central in terms of trade partners, standards and agreements.
Financial	Initial steps in opening up Finland to global financial flows.	Fully part of global financial flows, more tightly woven into regional bank network; a node for int'l money laundering efforts.
Intelligence	Focused on Soviet Union	Military focused on Russia, civilian intelligence on extremism, counterintelligence
Law-enforcement	International links but mainly domestic focus.	International cooperation is daily, focused on domestic and broader threats (terrorism)

However, one weakness are the foreign- and security policy mantras that can be seen in explicit statements, or that form the implicit foundation of other statements. This is acceptable and a reasonable approach, as long as those communicating are aware of the mantras and use them for a purpose. However, when statements are made and they are actually believed or contribute to policy formation, then there is a danger.

Some examples, that nothing threatens us (frequently with the addition of ‘right now or today’). This is frequently true, the risk of a military attack against Finland is vanishingly small on any given day. It does, however, create some potential issues regarding resourcing of defence and security related budgets. If citizens continually hear that there is no current threat and that everything is under control, then why increase defence spending (as is planned throughout much of the 2020s)?

Another frequent mantra is that ‘nobody benefits’ from increased tensions, crises or war. This is blatantly false. It is true that a small country reliant on international trade and a rules based international system does not generally benefit from an attack against it, but clearly a number of individuals, organisations and even states benefit from uncertainty and military actions.

## Bibliography

- Asia Maritime Transparency Initiative. “Island Tracker Archive.” Accessed November 1, 2021. <https://amti.csis.org/island-tracker/>.
- Bellingcat. “Skripal Suspects Confirmed as GRU Operatives: Prior European Operations Disclosed,” September 20, 2018. <https://www.bellingcat.com/news/uk-and-europe/2018/09/20/skripal-suspects-confirmed-gru-operatives-prior-european-operations-disclosed/>.
- Bellingcat. “FSB Team of Chemical Weapon Experts Implicated in Alexey Navalny Novichok Poisoning,” December 14, 2020. <https://www.bellingcat.com/news/uk-and-europe/2020/12/14/fsb-team-of-chemical-weapon-experts-implicated-in-alexey-navalny-novichok-poisoning/>.
- Bellingcat. “Russian Poet Dmitry Bykov Targeted by Navalny Poisoners,” June 9, 2021. <https://www.bellingcat.com/news/2021/06/09/russian-poet-dmitry-bykov-targeted-by-navalny-poisoners/>.
- Dufva, Mikko, Christopher Rowley, and Katri Vataja. “Tulevaisuusbarometri 2021.” Sitran Selvityksiä. Helsinki: SITRA, 2021.
- “Fragile States Index | The Fund for Peace.” Accessed November 8, 2021. <https://fragilestatesindex.org/>.
- Hakala, Emma, Sanna Erkamo, Pyykönen, Juha, Heikki Tuomenvirta, Oras Tynkkynen, Kati Berninger, and Antto Vihma. “Ilmastonmuutos Ja Suomen Turvallisuus: Uhat Ja Varautuminen Kokonaisturvallisuuden Toimintamallissa.” Helsinki: Valtioneuvoston kanslia, 2021. <https://www.fia.fi/en/publication/ilmastonmuutos-ja-suomen-turvallisuus>.
- Information (ABDI), Advisory Board for Defence. “Finns’ Opinions on Foreign and Security Policy, National Defence and Security.” Serial publication. Helsinki: ABDI, December 10, 2020. <https://julkaisut.valtioneuvosto.fi/handle/10024/162558>.
- Lakka, Päivi. “Orpo muistelee ”kovaa paikkaa” Venäjän kanssa vuoden 2015 pakolaiskriisin aikaan: ”Venäläiset eivät tästä mitään saaneet”” *Ilta-Sanomat*, March 6, 2019, sec. Poliitiikka. <https://www.is.fi/politiikka/art-2000006025678.html>.

- Mikkola, Harri. "The Geostrategic Arctic: Hard Security in the High North." Briefing Paper. Helsinki: Finnish Institute of International Affairs, April 11, 2019. <https://www.fiia.fi/en/publication/the-geostrategic-arctic>.
- Nerg, Päivi, and Nina Järvenkylä. *Tiukka Paikka*. Helsinki: Docendo, 2019. <https://www.adlibris.com/fi/kirja/tiukka-paikka-9789522915986>.
- Nurmi, Lauri. "Venäjän ja Suomen rajasopimus oli pelkkää paperia – turvapaikanhakijat majoitettiin ensin hotelliin ja ohjattiin sitten pyörillä ja Ladoilla Suomeen." *Aamulehti*, March 6, 2019, sec. Uutiset. <https://www.aamulehti.fi/uutiset/art-2000007326846.html>.
- OSCE. "Daily and Spot Reports from the Special Monitoring Mission to Ukraine." Accessed November 1, 2021. <https://www.osce.org/ukraine-smm/reports/convoy>.
- Rosling, Hans, and Anna Rosling Rönnlund. *Factfulness: Ten Reasons We're Wrong About the World--and Why Things Are Better Than You Think*. Sceptre, 2018. <https://www.amazon.com/Factfulness-Reasons-World-Things-Better/dp/1250107814>.
- Salonius-Pasternak, Charly. "An Effective Antidote: The Four Components That Make Finland More Resilient to Hybrid Campaigns." FIIA Comment. Helsinki: Finnish Institute of International Affairs, March 10, 2017. [http://www.fiia.fi/fi/publication/710/an\\_effective\\_antidote/](http://www.fiia.fi/fi/publication/710/an_effective_antidote/).
- . "Defence Force for the 21st Century: Finland Needs New and Robust Capabilities." ICDS Occasional Paper. Tallinn: International Centre for Defence Studies, June 2014.
- Salonius-Pasternak, Charly. "Eduskunnassa yhtenäinen rintama: Kansanedustajilla laaja konsensus Suomen turvallisuuspolitiikasta." Briefing Paper. Helsinki: Finnish Institute of International Affairs, April 2, 2020. <https://www.fiia.fi/julkaisu/eduskunnassa-yhtenainen-rintama>.
- Salonius-Pasternak, Charly. "Finland's response to the Covid-19 epidemic - Long-term preparation and specific plans." FIIA Comment. Helsinki: Finnish Institute of International Affairs, March 20, 2020. <https://www.fiia.fi/julkaisu/finlands-response-to-the-covid-19-epidemic>.
- . "Kansanedustajien näkemyksiä turvallisuuspolitiikasta vuonna 2020." Briefing Paper. Helsinki: Finnish Institute of International Affairs, March 6, 2021. <https://www.fiia.fi/julkaisu/kansanedustajien-nakemyksia-turvallisuuspolitiikasta-vuonna-2020>.
- . "Securing Finland: The Finnish Defence Forces Are Again Focused on High Readiness." FIIA Comment. Helsinki: Finnish Institute of International Affairs, May 18, 2017. [http://www.fiia.fi/fi/publication/683/securing\\_finland/](http://www.fiia.fi/fi/publication/683/securing_finland/).
- Scholvin, Sören, and Mikael Wigell. "Power Politics by Economic Means: Geoeconomics as an Analytical Approach and Foreign Policy Practice." *Comparative Strategy* 37, no. 1 (January 1, 2018): 73–84. <https://doi.org/10.1080/01495933.2018.1419729>.
- Tiedusteluvalvontavaltuutettu. "TIEDUSTELUVALVONTAVALTUUTETUN KERTOMUS VUODELTA 2020." Helsinki: Tiedusteluvalvontavaltuutettu. Accessed November 15, 2021. <https://tiedusteluvalvonta.fi/-/tiedusteluvalvontavaltuutettu-julkaisi-toisen-vuosikertomuksensa>.

- “Timeline of Syrian Chemical Weapons Activity, 2012-2021 | Arms Control Association.” Accessed November 1, 2021. <https://www.armscontrol.org/factsheets/Timeline-of-Syrian-Chemical-Weapons-Activity>.
- “Turvallisuuskomitea – Turvallisuuskomitea on Kokonaisturvallisuuteen Liittyvä Ennakoivan Varautumisen Pysyvä Ja Laajapohjainen Yhteistoimintaelin.” Accessed November 8, 2021. <https://turvallisuuskomitea.fi/en/frontpage/>.
- Valtioneuvosto. “Government’s Defence Report.” Publications of the Finnish Government. Publications of the Finnish Government. Government of Finland, September 9, 2021. <https://julkaisut.valtioneuvosto.fi/handle/10024/163407>.
- Wigell, Mikael. “Hybrid Interference as a Wedge Strategy: A Theory of External Interference in Liberal Democracy.” *International Affairs* 95, no. 2 (March 1, 2019): 255–75. <https://doi.org/10.1093/ia/iiz018>.
- Wigell, Mikael, Sören Scholvin, and Mika Aaltola, eds. *Geo-Economics and Power Politics in the 21st Century: The Revival of Economic Statecraft*. Routledge, 2019. <https://www.routledge.com/Geo-economics-and-Power-Politics-in-the-21st-Century-The-Revival-of-Economic/Wigell-Scholvin-Aaltola/p/book/9780367480493>.
- Yaffa, Joshua. “How Bellingcat Unmasked Putin’s Assassins.” *The New Yorker*, March 31, 2021. <https://www.newyorker.com/news/dispatch/how-bellingcat-unmasked-putins-assassins>.

# IX CASE STUDY: FINLAND AS A TARGET OF RUSSIAN INFORMATION INFLUENCE

*Martti J. Kari and Riku Hellgren*

**“A lie that is told often enough becomes true” – Lenin**

*This article discusses Russian views on the conflict with the West in the information environment, information influence as a tool of Russian foreign policy and Russia's information influence on Finland. Understanding these views is important in order to be able to identify and to respond to Russia's information influence. The article examines the information operation of the Soviet Union; especially the KGB's A service modus operandi, because Russian security organs continue to apply A service methods in information operations. To identify and to respond to Russian information influence is vitally important for Finland, because as an EU member state Finland is in a permanent, long-lasting and low-intensity information war with Russia aimed at breaking up the EU and maintaining Russian influence over Cold War time Eastern Bloc and neutral states. In addition, Finland, as a non-NATO member with 1,300 kilometres of common border with two of Russia's extremely important areas, is a target of information operations aimed at keeping Finland out of NATO and hindering the development of Finland's national defence. Russia has a nearly hundred-year-old tradition of fighting information warfare, producing messages tailored to the target audience, and using the appropriate instrument to deliver these messages. This challenges EU and its member states, including Finland, because long-lasting, low-intensity warfare is difficult to respond to and, for example, in Finland there is a lack of knowledge, structures, processes and legislation to defend against information warfare or information influence.*

## **Introduction**

Our operating environment has changed considerably over the last hundred years. In the wars that preceded World War I, battles were fought on land and at sea. In World War I, aircraft introduced a third dimension to warfare. The space race of the United States and the Soviet Union made space the fourth dimension of the operating environment, and the digitalization that began in the 1980s made cyberspace the

fifth dimension. Some researchers combine information with cyberspace, forming a combined cyber and information space. However, information has probably always been used as a tool of warfare. In the world wars, the use of information as part of the operation was already of great importance, but the digitalization and the cyberspace operations significantly increased the importance of information as a tool of influence and its rate of propagation and propagation.

The great powers take advantage of the air, space and information environment and strive for information supremacy (Parliament, 2014). What is interesting and challenging about the information space and information supremacy is that the information dimension is not a military environment and information supremacy cannot be acquired (merely) with weapons. Another challenge is that influencing in the information space can occur during times of deep peace – if there is such a thing.

## **Information influence – the Russian perspective**

According to the Russian definition, the information space is an operating environment related to the creation, modification, transmission, use and storage of information. It affects the information infrastructure as well as information at the individual and societal level (MORE, 2011; CSTO, 2019). Russia does not distinguish between the information infrastructure used to process information and the information processed in it, but together they form an information space (SBRE, 2013). Information warfare is a struggle between two or more states in an information space (MORE, 2011). Information warfare is characterized by the fact that it is waged without interruption every day, not just during war or armed struggle (Prokofiev, 2003). Information warfare can be offensive or defensive (Sergeev, 2015).

This information warfare may be information technological or information psychological in nature. The objects of information technological warfare are information technology systems. Its aim is the destruction of information systems, processes and resources (Kamyshev, 2009). In the West, this information technological warfare is called cyberwarfare.

Information psychological warfare is a conflict among human communities aimed at achieving political, economic, military or other goals at a strategic level. The idea is to influence the civilian population, leadership and/or armed forces of an adversary by disseminating information, information material and combating adversarial information (Manoil, 2005). The aims of information psychological warfare are the overthrow of political, economic and social systems, mass psychological processing to destabilize society and the state, and forcing the target state to make decisions favourable to its opponent (Kamyshev, 2009).

Information psychological warfare is conducted by information psychological

operations. The purpose of information psychological operations is to make an impact on the cognitive dimension of the target individual and society to change his/her perceptions or activities by producing, modifying or restricting the availability of information. The final purpose is to make an impact on the knowledge and wisdom of the target. Knowledge is the fact or condition of knowing something with familiarity gained through experience or association. New knowledge is created, when old knowledge is confirmed or overturned by new information. Wisdom means the ability to use knowledge to see situations in context and make decisions based on this understanding.

According to the doctrine of information security of the Russian Federation (UP-646, 2016), the most important objects to be protected from information psychological influence are the information support needed by democratic institutions and the cooperation of the state leadership and civil society, as well as the so-called national story, a narrative consisting of history, culture and a nation's spirituality.

In this article, Russia's information influence (information operations) on Finland refers to an offensive information psychological influence implemented, led or sponsored by the Russian state, which aims to achieve political, economic, military or other goals at the strategic level by influencing the country's civilian population, leadership and/or defence forces. It includes information modified or prepared for this purpose, information material or activities. The targets are democratic institutions, the cooperation of the state and civil society, and the national narrative of society, which consists of history, culture, and spiritual values. In this article information technological influence consists of cyberattacks.

## **The Soviet Union and information influence**

The information operations of Soviet Russia and the Soviet Union should be studied because the *modus operandi* of Russian intelligence and security services have remained unchanged or changed only a little. The operational structure and culture of the intelligence and security services, including information operations, have also remained partly unchanged since the establishment of the Cheka. The Cheka was a Soviet-Russian security service established in December 1917. In February 1922, the Cheka was incorporated into the Russian People's Commissariat for Internal Affairs (Ministry of Internal Affairs, NKVD) as the State Political Administration (GPU). In 1923, the GPU became the United Political Administration (OGPU) (Verbenko, 2017).

The Bolsheviks used information influencing from the beginning of their activities. The term *disinformation*, defined as false information with the intention to deceive public opinion, first appeared in the Russian language in the 1920s. The GPU was responsible for this information influence. In January 1923, the Politburo decided

to set up a disinformation office within the GPU, the *Desinformbjuro* (DB). The office's tasks included the following (Zirnov, 2003):

- Assess the quality of information collected by foreign intelligence services on Russia.
- Determine what information interests foreign intelligence services.
- Estimate the level of knowledge of the enemy about Soviet Russia.
- Compilation and technical preparation of false information and documents with the aim to give the enemy a misconception about the internal situation of Russia, the organization and status of the Red Army and NKVD, etc.
- Supply of this false material to the enemy through the GPU and the *Razvedupravlenie*
- Produce and publish false information in newspapers and magazines.

DB's first information operation targeted Poland. In 1923, false news was published in *Pravda* and *Izvestia* about a possible Polish attack on Germany. However, the news did not have the desired effect and the Central Committee decided to use the foreign press to disseminate false news in the future. The OGPU's first successful information operation took place in 1923, when the DB succeeded in blackmailing Grand Duke Kirill, who sought the status of the Tsar of Russia, so that both Russian monarchists and Kirill's Bavarian financiers withdrew their support.

The OGPU's most successful operations in the 1920s were Operation Trust and Operation Syndicate 2. In these false flag operations, the OGPU succeeded in creating the image that an underground monarchist organization operated in Russia. They gathered information about monarchist organizations operating in the West, and ultimately nearly destroyed anti-Soviet organizations and individuals among Russian emigrés. As part of the operations, the GPU experimented with a new method to influence world public opinion. With the help of GPU operatives, the famous monarchist Vasili Shulgin visited Russia under a false identity. Shulgin was shown the best parts of Soviet Russia, and after returning to the West, he wrote a book praising Soviet Russia that the Bolsheviks would win (Primakov, 2014).

Stalin's purges affected OPGUs, and information operations were partially paralyzed. With the outbreak of World War II or, in Russian terms, the Great Patriotic War, activities aimed at deceiving the enemy took on a considerable share of the tasks of state security organs. The misleading of the enemy was partly entrusted to the counter-intelligence bodies. During the Korean War, the Soviets, with the help of the "International Commission of Inquiry", succeeded in generating findings that the United States used a bacterial biological weapon in the war to spread diseases to North Korea through rodents and insects. MGB operation predecessors, the KGB's predecessor,

then donated scientists to prevent them from taking a position that the research findings were not based on facts, and journalists to publish “research findings”.

The operational successor to the *Dezinformburo* was the Active Measures Service, a service of the first directorate of the KGB. Active measures were open or secret intelligence along with special operations and measures aimed at accomplishing the following (Shavaev, 2017; Mitrokhin, 2002):

- Influence the internal political life of the target countries, foreign policy, solutions to international
- problems for the benefit of the Soviet Union, other socialist countries and communism;
- Weaken and destabilize the political, military, economic and ideological position of the capitalist world and nullify the enemy’s intentions;
- Create favourable conditions for the implementation of the Soviet Union’s foreign policy
- Mislead the opponent.

The KGB’s active measures included supporting pro-Soviet forces, exerting political influence through influential agents, and disseminating disinformation. Pro-Soviet forces included the Communist and other leftist parties as well as peace movements in various Western countries. Influential agents were individuals who concealed their connections to Soviet intelligence and who played an active role in their country’s politics at the governmental or party level as well as in business, trade unions, or the press. Disinformation was disseminated to mislead public opinion or policymakers and/or to discredit individuals, organizations, and politics in enemy countries and their allies (Pomerantsev & Weiss, 2014).

The A service was responsible for the entire disinformation production chain. It analysed the situation in the target country, selected the information to influence targets and means to be used, and prepared an operation plan based on the analysis. The A service selected the operators to be used in the information operation, and recruited them and formed an influencer-agent network. After the start of the operation, the A service monitored the safety and the effectiveness of the operation and, if necessary, changed the operation to better correspond to the target conditions. The operations were financed via the A service (Darczewska & Żochowski, 2017).

The tactic of the A service, for example, was to place the fake news first in a small third-world newspaper, after which it would be published in pro-Soviet and Soviet-funded Western European and American media. After that, the false news began to, in the words of a former A service operations officer, “spread by itself like an avalanche” (Zirnov, 2003).

The A service was an elite unit within the KGB. The service recruited sociologists, historians, psychologists, political scientists and journalists with experience of working abroad and capable of analytical thinking. The aim was to understand the characteristics of the strategic culture and national thinking of the target country and its people and, based on this understanding, to create disinformation based partly in the truth in order to achieve the political goals of the Soviet Union. It was important to be able to connect views that supported Communist ideology to information that explains the worldview and world events (Dniprov, 2016).

Difficult tasks for the A service were situations in which active measures had to be used to protect unpopular decisions or measures made by the Soviet leadership. For example, the invasion of Afghanistan at the end of 1979, the shooting down of a passenger plane over Sakhalin, the persecution of dissidents and depriving citizenship to Alexander Solzhenitsyn demanded great efforts from the A service. It was particularly difficult and important to establish the first part of the disinformation, which could then be relied on and referred to in the future. The A service spent significant money on Western journalists to get this first-stage disinformation published in the Western press (Dniprov, 2016).

The A service found channels in the Western press for its information operation. According to Lieutenant General Shebarshin, the last head of the Soviet Union's foreign intelligence, "a journalist was found in a newspaper who agreed to publish the necessary text in exchange for financial compensation". The Washington Post was the only newspaper whose journalists the KGB failed to bribe, according to a former active operations officer (Zirnov, 2003).

In the last years of the Soviet Union, the A service sought to justify its existence by supporting Mikhail Gorbachev. The service paid for the publication of articles praising Gorbachev and Perestroika in the Western press and sought to create "Gorbymania".

## **Russian information operations**

Strategic culture is a set of persistent and consistent historical patterns of how state leadership thinks about the threat and use of force, including information influence, to achieve political goals. These patterns originate from historical experiences and are influenced by the historical, geographical, and political philosophical, cultural, and cognitive experiences and characteristics of the state (Johnston, 1995). Russian information influence can be considered a use of force that belongs to long-lasting, low-intensity warfare against the West. For this reason, it can be explained using the theory of strategic culture.

One of the basic assumptions of Russian strategic culture is that the international arena is a dangerous, chaotic and volatile battlefield (Sinovets, 2016). The National

Security Strategy of the Russian Federation (UP-683, 2015) states that the use of force in international politics is increasing. This has led to Russia's confrontational approach to the international community. The Kremlin is also legitimizing the Putin regime by transferring internal tensions within Russian society to external enemies (Darczewska & Żochowski, 2017).

According to President Putin, the Soviet Union was a besieged fortress constantly under threat of attack by the West (Aron, 2008). NATO enlargement and war in eastern Ukraine have bolstered this narrative and brought back the Soviet-era perception of permanent war between Russia and the USA. The Clausewitzian belief in the use of force has been one of the fundamental elements of Russian strategic culture. The Soviet Union waged an ideological-psychological war against its alleged enemies, a trend which continues in today's Russia. The tools and methods of modern "active measures" differ little from those used during the Cold War (Darczewska & Żochowski, 2017).

The Chief of the General Staff of the Armed Forces of Russia, General Valery Gerasimov (2013), gave a speech in 2013, in which he stated that the rules of war have changed. The Clausewitzian belief in the use of force to achieve political aims can still be seen, but the role of non-military means to achieve political and strategic goals has grown. In many cases, non-military means have exceeded the power of weapons in their effectiveness. The lines between war and peace have been blurred. The concept of the permanent war zone has also been introduced in the Military Doctrine 2014. Asymmetrical actions, such as the use of internal opposition to create a permanently operating front through the entire territory of the enemy state, as well as information operations are also part of the changed rules.

The aims of the Russian information influence directed at the West are the maintenance and possible expansion of the so-called *Russkiy mir* (i.e. the Russian world and its sphere of influence), weakening the eastern flank of NATO, limiting the influence of the United States in Europe, the break-up of the European Union and building a pro-Russian lobby (EP, 2016; Darczewska & Żochowski, 2017). Russia is seeking to call into question democratic values, divide Europe, mobilize domestic support and create the image of states that have lost their capacity to act in the EU's eastern neighbourhood. The Russian administration finances parties and other organizations within the European Union, thus seeking to undermine political cohesion. Russia seeks to destabilize other countries by supporting political extremists and through large-scale disinformation and media campaigns. Russia supports anti-EU forces within the EU, particularly far-right parties and populist forces and movements that deny the fundamental values of liberal democracies. One of Russia's main strategies is to spread and feed an alternative narrative, often based on a distorted interpretation of historical events, that seeks to justify Russia's external actions and geopolitical interests (EP, 2016).

Maintaining a sphere of influence includes keeping control over Belarus, regaining control over Ukraine and destabilizing the Baltic States by undermining their national narratives, disintegrating the EU and limiting EU policy in Eastern Europe. Weakening the eastern flank of NATO includes stoking disputes between NATO member states and setting the partners against each other to make it difficult to create alliances. Limiting the influence of the USA in Europe includes stoking anti-American sentiment among the authorities and societies of Europe and to create a strategic division between the EU and the USA. Russia tries to break up the EU by setting its members against each other and undermining the value of its institutions, inciting fear and insecurity among EU citizens and sowing doubt in transatlantic partnerships in the minds of the EU's citizens and its neighbours.

In their information operations, the Russians take advantage of fundamental Western values such as freedom of speech and an open society. Within the same information operation, it is typical to tell different target groups a different narrative. Russia is simultaneously offering several versions of reality with the aim of strategic deception. Different propaganda is directed to the West and to its own citizens. Russian-language propaganda seeks to strengthen popular support for the Kremlin and to provide an alternative truth to Russian-speaking population in the West. For example, in justifying the conquest of Crimea, the Kremlin used the narrative that Crimea is historically part of Russia and that the rights and the lives of the Russian minority had been threatened in Crimea after the rise of "fascists" in Kiev. The foreign narrative focused on reiterating that the annexation of Crimea to Russia was based on a referendum, which was legal under international law.

Russia invests significant financial resources in its disinformation and propaganda tools. They are used either directly by the state or by companies and organizations controlled by the Russian government. These include think tanks and special foundations (e.g. Russkiy Mir Foundation), special authorities (Rossotrudnichestvo), multilingual television channels (e.g. RT), virtual news agencies and multimedia services (e.g. Sputnik), social and religious groups and the Internet and social media (EP, 2016). Tools for influencing information in Russia include pro-Russian websites and portals, the Russian Orthodox Church, groups and political parties that are friendly towards Russia or critical of closer integration within the EU, and extreme nationalist parties. Pro-Russian forces include peace movements, communist parties and other extreme groups in various Western countries. Just as during Soviet times, Russia is also using influential agents, individuals who conceal their connections to Russian intelligence and who have an active role in their country's politics at the governmental or party level, in business, trade unions, or the press (Pomerantsev & Weiss, 2014).

Russia also uses the long-term construction of social, political and intellectual groups, which are friendly to Russia and support the implementation of Russian

political objectives, such as politicians, local authorities, business circles, educational cooperation, artistic groups, sports teams and their fans' associations. Other groups include radical, populist, anti-American, Eurosceptic and separatist political parties and movements for information influence. The Russian Orthodox Church, gun advocacy groups, motorcycle clubs, or anti-Immigration research Outlets also offer appealing avenues for the Kremlin to gain a physical and virtual foothold in the West (Watts, 2018). Russia also has the ability to create a migration crisis and organize demonstrations to support Russian foreign policy. In some countries, Russia blames the local authorities for the destruction of Russian symbols and for stoking Russophobia.

## **Examples of Russian Information Operations in Finland**

The definition of information influence stated by the Finnish Prime Minister's Office (PMO) is close to the Russian definition of information-psychological warfare. According to the PMO definition, information influence is a strategic activity that seeks to systematically influence public opinion, people's behaviour and decision-makers, and thus to affect the ability of society to function. Means of information influence include disseminating false or misleading information and using accurate information for other purposes. The aim is to get the target to make decisions that are harmful to itself and to act against its own interests. The ultimate goal of information influence in Finland is to destroy Finland's national narrative.

The strategic goals of Russia's information influence on Finland are to ensure that Finland remains, in at least some form, within its sphere of influence. Russia also seeks to prevent Finland's accession to NATO, hinder the country's defence development, foster the break-up of the EU, weaken citizens' confidence in the country's leadership and the European Union, destroy its national narrative and increase Finns' positive attitudes towards Russia.

### ***Preventing Finland's accession to NATO***

Russia is also looking to secure Northwest Russia militarily, including the Murmansk and St Petersburg areas, by preventing Finland's accession to NATO, and by impeding development of Finnish military capabilities and alliances. Russia executes direct information operations in the statements of Russian political and military leadership. Different Finnish organizations, movements and politicians then often echo these statements.

Time after time, high-level political and military leaders are reminding Finland about the disadvantages of NATO membership. Former Chief of General Staff Army General Nikolai Makarov said in his speech in Finland in June 2012 that, according to Russian experts, Finland's practical participation in NATO's so-called NORDEFCO

cooperation and in joint military exercises with the organization prove that Finland is gradually joining NATO. Under certain circumstances, this may even pose a threat to Russia security (YLE, 2012).

In 2014, Finland signed a memorandum of understanding (MOU) with NATO on host nation support for the execution of NATO operations, exercises and similar military activity. This MOU was criticized by both Russia and some Finnish politicians. For example, the Left Alliance stated in its goals for the 2020–2023 period that the party will demand a review of the host nation support agreement by Parliament, with the aim of revoking it (Left Alliance, 2021).

Russian authorities, when speaking about Finland's international position, often use the word "neutral". During the Cold War, Finns used the word when Finland tried to signal that Finland was not part of the Eastern Bloc led by the Soviet Union. Since joining the EU, Finland has stated that, as an EU member, it cannot be neutral in the conflict between the European Union and a third party (MoD, 1997). By continuing to call Finland neutral, the aim has been to give the impression that Finland, at least in some form, is still in Russia's sphere of influence and to highlight that even though Finland is part of the EU it still differs from the nations who belong to both it and NATO. While visiting Finland in 2016, President Putin (2016) stated the following in a press conference:

*Speaking of which, we are doing so on the basis of Finland's neutral position. Imagine for yourself that Finland would join NATO. That would mean that Finnish troops would become independent, would cease to be sovereign in this in the full sense of the word, they would become part of NATO's military infrastructure that would suddenly appear on the borders of the Russian Federation. ... As a member of NATO, Finland would have to fight Russia. Think for yourself if it is for you necessary and decide for yourself.*

In 2017, the Russian ambassador to Finland, Pavel Kuznetsov, repeated president Putin's message in an interview (Haapala, 2017):

*Every country has the sovereign right to define its own national security and defence policy. However, I think everyone understands that bringing NATO's military infrastructure closer to our borders is forcing us to take appropriate retaliatory action. Maybe someone needs it, but at least not the peoples of Finland and Russia.*

It is interesting to notice that some Finnish politicians continue to use the word "neutral" when describing Finland's foreign and security policy. For example, in 2019,

Member of Parliament Johannes Yrttiaho (Left Alliance) stated the following (Ristamäki, 2019):

*Since the Second World War, Finland's foreign and security policy has been based on balancing. Being neutral and militarily non-aligned.*

### ***Hindering Finland's defence development***

In addition to preventing Finland's NATO membership, Russia is using information influence to complicate and hinder the deepening and strengthening of defence cooperation between Finland and Sweden. In May 2018, Russian defence minister Sergei Shoigu criticized the increased cooperation between Finland and Sweden. According to him, the declaration of intent to facilitate military cooperation between Finland, Sweden and the USA allows countries to participate fully in NATO military exercises and to use military alliance forces and arms control systems. Reciprocally, NATO has been granted unhindered access to the airspace and territorial waters of these countries (Yle, 2018).

### ***Increasing Finns' positive attitudes towards Russia***

One aim of Russian information influence is to increase Finns' positive attitudes towards Russia. One of the tools for this is the Finnish–Russian association (RUFİ), which was established in April 2017. According to RUFİ, its purpose is to improve the relations between Finland and Russia by cooperating with Finnish and Russian parties, organizing, among other things, cultural and artistic cooperation, political influence, counselling, and interpretation and translation assistance. According to its website, RUFİ will help improve and patch up existing negative relations with Russia through cultural and informative influence. The aim is to create a sympathetic line, a warm, comrade-like approach to Russia. The association acts as an antibody to incitement, exaggeration and panic, so this is a kind of correction. RUFİ will fight against Russophobia, and will try to change Finns' perceptions of Russia to be more positive (Karkkola, 2017). The background and financing of RUFİ is unclear.

In May 2017, 2018 and 2019, RUFİ has organized a so-called March of the Immortal Regiment in Helsinki, which is originally a Russian commemoration of the Soviet Union's victory in World War II. In the invitation, RUFİ states that

The Helsinki Immortal Regiment will work for world peace, and for Nazism, fascism and war between Russians and Finns to never break out again! The Helsinki Immortal Regiment belongs to the World Immortal Regiment and is subordinate to the Organizing Committee of the International Immortal Regiment. (RUFİ 2019)

Daria Skippari-Smirnov, one of the organizers of the march, stated in 2017, that the march is not political and the organizers do not have a partner in Russia. The Russian embassy in Helsinki is aware of the march, but there are no direct connections to Russia. According to Skippari-Smirnov (Korkee, 2017):

The march is not a demonstration, but I would characterize it as a celebration event. We want to change Finns' perceptions of Russia... Johan Bäckman is not a member of the association, but has shown his support.

According to Watts (2018), Russia is using information influence also through sport teams and their fan associations. It is possible that the Kremlin is using the Finnish hockey team Jokerit as a tool of information influence. The participation of the Jokerit hockey team in the KHL (the Russian hockey league) and their fan association can be considered as seeking Russian political objectives. Jokerit has played in the KHL since 2014. From 2014 to 2017, Jokerit showed a loss of more than €40 million. In 2018, the loss was more than €12 million. Russian owners have paid for the losses (Lempinen, 2017). According to a Finnish analyst, the interest of financing of Jokerit must be a non-financial return. It is difficult to see a business connection in this case (Oivio, 2019). According to Professor Tuomas Forsberg, the KHL can have a positive impact on the image of Russia. Thanks to the KHL, Russia will become more familiar in Finland as well. For example, people learn to map the cities of hockey clubs. According to Forsberg (Sillanpää, 2018):

The biggest impact is on young people whose image of modern Russia is bleak. The KHL balances those tones. Young people see that normal and interesting things are happening in Russia.

### *Destroying the Finnish national narrative*

According to the Finnish Prime Minister's Office (PMO, 2019), the ultimate goal of information influence is to destroy Finland's national narrative, and it has been in the Kremlin's interests to remind both Finns and Russians of Finnish wartime wrongdoings and cooperation with Germany during World War II. This message, when combined with the accusations of Russophobia presented by the Russian media, is likely directed to Russians living in Finland<sup>250</sup> as well.

The Winter War, which was a humiliation for the Soviet Union, because Finland managed to avoid Soviet occupation by fighting against the Red Army, is an essential

---

<sup>250</sup> According to Statistics Finland, on 31 December 2017, about 60,000 Russian citizens lived in Finland (of which about 30,000 are also Finnish citizens), which is more than 1% of the country's total population.

part of the Finnish national narrative. In October 2019, a month before Finland was preparing to commemorate the 80-year anniversary of the beginning of the Winter War, Russia launched an information operation. The Russian media published news on Finnish concentration camps in Eastern Karelia, which was occupied by Finns from 1941 to 1944. According to the news, Finnish occupation authorities gathered the Russian population to these camps for “ethnic cleansing”. Information on the camps was based on documents released by the FSB (RIA Novosti, 2019).

Another example of an information operation aimed against the Finnish national narrative and to remind Russians of Finnish wartime wrongdoing is the so-called Sandormah case. In 1996, Research and Information Centre Memorial in St Petersburg found documents proving that NKVD had executed thousands of gulag prisoners in the 1930s in Karelia. Karelian historian Yuri Dmitriev managed to find the place called Sandormah and to identify about 8,000 victims of “the Great Terror” executed in Sandormah (Yarovaya, 2017). In 2016, Russian newspapers and TV started to spread a new narrative about Sandormah. According to the Russian media, Sandormah was a place where Finns, who were occupying that part of Karelia during World War II, executed thousands of Soviet prisoners of war (Sokirko, 2016). It is interesting to note that Anatoly Razumov, a Russian historian who specialises in the purges, compares the Russian narrative of Sandormah with the Russian narrative on Katyn (AFP, 2018). In Katyn, a forest near the Russian city of Smolensk, the NKVD executed around 25,000 Polish soldiers in the spring of 1940 on Stalin’s orders.

Soviet and now Russian information operations are using the similarity of the names of Katyn near Smolensk in Russia and a small Belarusian village called Khatyn (Хатынь). In the Belarusian village, Germans executed 156 Belarusians in March 1943. The Soviet Union as well as Russia have used this event as a tool in their information operations. The name of the Belarusian village, Khatyn, is close to the name Katyn, especially in English. Russian ministry of foreign affairs and embassies publish press releases and tweets at the end of March telling about the massacre of Khatyn. The reason why the Soviet Union, which lost more than 27 million people during World War II, is reminding the world every year about the Belarusian Khatyn massacre is that they are trying to confuse people and cover up the Katyn massacre in Smolensk.

## Conclusions

Finland does not have, in the eyes of the Kremlin, a special position created by history or good neighbourly relations, despite what some circles in Finland want to believe. Talking about Finland’s special status can be considered a Russian information influence operation, the aim of which is to maintain the faith of Finns in a benevolent

neighbour and that staying out of NATO is vitally important for Finland's security. Ordinary citizens are targeted in ways which are not always possible to recognize as tools of information influence. Information influence operators, who understand the characteristics of Finland's strategic culture and national thinking, can try to keep Finland in the Russian sphere of influence by sustaining and amplifying the narrative of Finland's neutrality. This narrative of neutrality, which brings peace and safety, continues to create the impression that military non-alliance is the only solution in this changed situation as well. The fact is that Finland is not neutral but a part of a Western community of values. This means that Finland is also a participant of the information war with Russia, whether Finns like it or not.

As a member of the EU, Finland is a target of the Russian information operations to disrupt the European Union. These operations contain arguments that sanctions against Russia are ineffective, the USA is abandoning Europe and the EU is breaking up into national states. As a non-NATO member in the vicinity of Russia's vitally important areas St Petersburg and the Kola peninsula, Finland is also a target of tailored information operations which aim at weakening the eastern flank of NATO, maintain Russia's sphere of influence, and building a pro-Russian lobby.

The challenge is the structure of Russian information warfare, which consists of information technology (cyber) and information psychological components. For over a hundred years, starting with Cheka's disinformation bureau, Russia has had a tradition of producing information tailored to a country's strategic culture and national thinking and delivering targeted messages. For the delivery of this information, Russian special services has used and continues to use selected means and methods to target all levels of society, from high-level politicians to ordinary citizens, in a way that it is difficult to see how all the different pieces of information delivery are connected.

Finland does not have the structures and processes to respond to this combined information warfare. The response to information technology influence e.g. to cyberattacks is fragmented between different ministries and organizations. This fragmentation creates a situation where the conditions for success are virtually non-existent. In 2014, Finland established the National Cyber Security Centre. In 2019, Finnish civilian and defence intelligence agencies received access to networks to collect intelligence information, but not to protect critical information infrastructure.

In February 2020, the Government created the post of a national cyber security director (CSD). The role of the CSD is to coordinate the development, planning and preparedness of cybersecurity. Under the leadership of the CSD, an overall picture and development programme for cybersecurity will be prepared in accordance with the country's 2019 cybersecurity strategy. The problem is that the CSD's task is not operational, for example, the director does not coordinate the response to cyberattacks in practice. Another problem is that the CSD is placed in the Ministry of Transport

and Communications (MTC), not in the Prime Minister's Office. This means that CSD has no real authority over other ministries than MTC. Finland needs a well-mandated and structured national organization to fight information technical influence. The two most recent examples of failure are the hackings of Finnish Parliament and Psychotherapy Centre Vastaamo in autumn 2020.

Finland lacks coordinated processes or an organization to lead the fight against information influence. The Prime Minister's Office has attempted to do so, but the results have not been a great success. Finland needs a national information security director and an organization to counter information influence. This is important because Finland, as a member of the EU and a neighbour of vitally important areas of Russia, is in a permanent war in the field of information influence with Russia.

## Bibliography

- AFP. 2018. Russian digs accused of covering up Stalinist crimes. 13.9.2018. <https://www.france24.com/en/20180913-russian-digs-accused-covering-stalinist-crimes>
- Aron, L. 2008. The Problematic Pages. In memory of Alexander Solzhenitsyn. The New Republic. <https://newrepublic.com/article/62070/theproblematic-pages>
- CSTO 2019. Venäjän ja Valko-Venäjän informaatioturvallisuussopimus. Соглашение о сотрудничестве государств – членов Организации Договора о коллективной безопасности в области обеспечения информационной безопасности\* Вступило в силу для Республики Беларусь 1 апреля 2019 года. [https://pravo.by/upload/docs/op/E01700001\\_1555016400.pdf](https://pravo.by/upload/docs/op/E01700001_1555016400.pdf)
- Darczewska, J. & Żochowski, P. 2017. Active Measures – Russia's key export. June 2017. Ośrodek Studiów Wschodnich im. Marka Karpia. Centre for Eastern Studies. <https://www.osw.waw.pl/en/publikacje/point-view/2017-05-30/active-measures-russias-key-export>
- Dnipro, V. 2016. Рейс МН17: очередной «прокол» кремлевских жуликов. 23.08.2016 <http://vnews.agency/exclusive/40961-reys-mh17-ocherednoy-prokol-kremlevskih-zhulikov.html>
- EP. 2016. European Parliament resolution of 23 November 2016 on EU strategic communication to counteract propaganda against it by third parties. (2016/2030(INI)). [https://www.europarl.europa.eu/doceo/document/TA-8-2016-0441\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-8-2016-0441_EN.html)
- Gerasimov, V. 2013. The value of science in anticipation. New challenges require rethinking the forms and methods of warfare. Ценность науки в предвидении. Новые вызовы требуют переосмыслить формы и способы ведения боевых действий. *Военно-промышленный курьер*, 8 (476). <https://www.vpk-news.ru/articles/14632>
- Haapala, T. 2017. Venäjän uusi Suomensuurlähettiläs IS:lle: Suomen Nato-jäsenyys johtaisi vastatoimiin. Iltasanomat, 7.10.2017. <https://www.is.fi/kotimaa/art-2000005398069.html>
- Johnston, A. 1995. Cultural Realism: Strategic Culture and Grand Strategy in Chinese History. Princeton:University Press.

- Kamyshhev, E. 2009. Information Security and Protection of Information. Информационная безопасность и защита информации. <http://window.edu.ru/resource/033/75033/files/InfoBesop.pdf>
- Karkkola, M. 2017. Venäläisen voitonpäivän Helsinki-marssin järjestäjä: ”Tämä ei liity mitenkään talvisotaan eikä Moskova maksa meille”. Uusi Suomi. 5.5.2017. <https://www.uusisuomi.fi/uutiset/venalaisen-voitonpaivan-helsinki-marssin-jarjestaja-tama-ei-liity-mitenkaan-talvisotaan-eika-moskova-maksa-meille/2c8b778e-f3cc-37b5-94e4-45d950938ecf>
- Korkee, E. 2017. STT: Voitonpäivän marssi Helsingissä jakaa tunteita – ”viittaa täkäläisiin putinisteihin ennemmin kuin Kremliin” Demokraatti. 6.5.2017. <https://demokraatti.fi/voitonpaivan-marssi-helsingissa-jakaa-tunteita-viittaa-takalaisiin-putinisteihin-ennemmin-kuin-kremliin>
- Left Alliance 2021. LEFT ALLIANCE’S GOALS 2020–2023. <https://vasemmisto.fi/themes-and-values/left-alliances-goals/>
- Lempinen, M. 2017. Jokerien karneat tappiot KHL:stä jo yli 40 miljoonaa euroa. 21.9.2017. <https://www.is.fi/khl/art-2000005376521.html>
- Manoilo, A. V. 2005. Информационно-психологическая война: факторы, определяющие формат современного вооруженного конфликта. <https://psy-factor.org/lib/psywar35.htm>
- MDRF. 2014. Military doctrine of the Russian Federation. Военная доктрина Российской Федерации. <http://www.scrf.gov.ru/documents/18/129.html>
- Mitrokhin, V. 2002. KGB Lexicon: The Soviet Intelligence Officer’s Handbook, London 2002.
- MoD. 1997. Euroopan turvallisuuskehitys ja Suomen puolustus Valtioneuvoston selonteko eduskunnalle 17.3.1997. [https://www.defmin.fi/files/245/2512\\_2142\\_selonteko97\\_1\\_.pdf](https://www.defmin.fi/files/245/2512_2142_selonteko97_1_.pdf)
- MORF 2011. The conceptual view of activity of the Armed Forces of the Russian Federation in information space. <http://ens.mil.ru/science/publications/more.htm?id=10845074@cmsArticle>
- Oivio, J. 2019. Yrityselämän asiantuntija listaa outouksia Jokereiden ja venäläisfirman liitossa – ”Summa on aivan hurja lukema”. Iltalehti. 19.6.2019. <https://www.is.fi/khl/art-2000006148195.html>
- PMO. 2019. How to counter influencing through information: a handbook published. 5.4.2019 <https://vnk.fi/en/-/opas-informaatiovaikuttamiseen-vastaamises-ta-ilmestynyt>
- Pomerantsev, P. & Weiss, M. 2014 The Menace of Unreality: How the Kremlin Weaponizes Information, Culture and Money. Institute of Modern Russia. Peter Pomerantsev, Michael Weiss. “The Menace of Unreality: How the Kremlin Weaponizes Information, Culture and Money.” | StratCom (stratcomcoe.org)
- Primakov, J. 2014. История российской внешней разведки. Очерки. Том II. <https://studfiles.net/preview/6724015/>
- Prokofiev, V.F. 2003. Secret weapon of information war: an attack on the subconscious. 2nd ed. <http://ataka-na-podsoznanie.narod.ru/prokofev-book.html>
- Puolustuksen pitkän aikavälin haasteet. Parlamentaarin selvitysryhmä. 2014. [https://www.eduskunta.fi/FI/naineduskuntatoimii/julkaisut/Documents/ekj\\_3+2014.pdf](https://www.eduskunta.fi/FI/naineduskuntatoimii/julkaisut/Documents/ekj_3+2014.pdf)

- Putin, V. 2016. Заявления для прессы и ответы на вопросы журналистов по итогам российскофинляндских переговоров. 1.7.2016. <http://www.kremlin.ru/events/president/transcripts/52312>
- RIA Novosti. 2019. Без срока давности: история финских концлагерей — насилие и голод. 24.10.2019. <https://ria.ru/20191024/1560145307.html>
- Ristamäki, J. 2019. Kansanedustaja selventää: tästä syystä hävittäjähankinta vaarantaisi Suomen turvallisuutta - hävittäjät keskeinen osa ”sotilaallista liittoutumista Naton ja Yhdysvaltain blokkiin”. Iltalehti, 29.08.2019. <https://www.iltalehti.fi/politiikka/a/6b831084-62c1-4da6-b551-880199de5485>
- RUFI. 2019. Бессмертный Полк Хельсинки/ Kuolematon Rykmentti Helsinki. <https://www.facebook.com/events/636606966778549/>
- SBRF. 2013. Basics of Russian Federation national policy on international information security to 2020. Основы государственной политики Российской Федерации в области международной информационной безопасности на период до 2020 года. <http://www.scrf.gov.ru/security/information/document114/>
- Sergeev, I. 2015. Информационно-психологическая война как форма эскалации межгосударственных конфликтов. <https://vernsky.ru/pubs/sergeev-i-v-informatsionno-psihologicheskaya-voyna-kak-forma-eskalatsii-mezhgosudarstvennyh-konfliktov-58629483f2ad471e773c71a1>
- Shavaev, A. 2017. Активные мероприятия. [https://www.e-reading.club/chapter.php/1022729/46/Shavaev\\_-\\_Razvedka\\_i\\_kontrrazvedka.html](https://www.e-reading.club/chapter.php/1022729/46/Shavaev_-_Razvedka_i_kontrrazvedka.html)
- Sillanpää, S. 2018. Gennadi Timtsenko on Putinin jokeri. HS. 1.9.2018. <https://www.hs.fi/kuukausiliite/art-2000005807929.html>
- Sinovets, P. 2016. From Stalin to Putin: Russian Strategic Culture in the XXI Century, Its Continuity, and Change. Odessa. Mechnikov National University. <http://www.davidpublisher.org/Public/uploads/Contribute/57eb1fe5a12bc.pdf>
- Sokirko, V. 2016. Вторая правда концлагеря Сандармох: как финны замучили тысячи наших солдат. TV Zvezda. 4.8.2016. [https://m.tvzvezda.ru/news/qhistory/content/201608040821-ge82.htm?utm\\_source=m.tvzvezda&utm\\_medium=pagelinks&utm\\_campaign=newslink&utm\\_term=v1](https://m.tvzvezda.ru/news/qhistory/content/201608040821-ge82.htm?utm_source=m.tvzvezda&utm_medium=pagelinks&utm_campaign=newslink&utm_term=v1)
- UP-683. 2015. Presidential Decree of December 31, 2015 N 683 ”On the National Security Strategy of the Russian Federation. Указ Президента Российской Федерации от 31 декабря 2015 г. №683 “О Стратегии национальной безопасности Российской Федерации». <http://rg.ru/2015/12/31/nac-bezopasnost-site-dok.html>
- UP-646. 2016. Доктрина информационной безопасности Российской Федерации 5 декабря 2016 г. №646. <http://kremlin.ru/acts/bank/41460>
- Verbenko, J. 2017. Создание «Специального бюро» дезинформации. [http://kazak-center.ru/news/sozdanie\\_specialnogo\\_bjuro\\_dezinformacii/2017-09-26-3539](http://kazak-center.ru/news/sozdanie_specialnogo_bjuro_dezinformacii/2017-09-26-3539)
- Watts, C. 2018. Russia's Active Measures Architecture: Task and Purpose. The Alliance for Securing Democracy. May 22, 2018. <https://securingdemocracy.gmfus.org/russias-active-measures-architecture-task-and-purpose/>
- Yarovaya, A. 2017. The Dmitriev Affair. The Russian Reade. March 1, 2017. <https://therussianreader.com/2017/03/10/yuri-dmitriev-karelia-frameup/>
- YLE. 2018. Venäjän mielestä Suomen ja Ruotsin Nato-yhteistyö heikentää turval-

- lisuutta – puolustusministeri uhkaa vastatoimilla. 25.7.2018. <https://yle.fi/uutiset/3-10321183>
- YLE. 2012. Kenraali Makarovin puhe kokonaisuudessaan. Armeijankenraali Makarovin puhe 5.6.2012 Maanpuolustuskurssiyhdistyksen tilaisuudessa. <https://yle.fi/uutiset/3-6169951>
- Zirnov, J. 2003. Дезинформбюро. 80 лет советской службе дезинформации. Kommersant 13.1.2003. <https://www.kommersant.ru/doc/358500>

# X CASE STUDY: THE COVID-19 PANDEMIC IN FINLAND

*Klaus Ilmonen and Matilda Hellman*

*The COVID-19 pandemic, as a sudden external unexpected disturbance, provides an interesting case study in resilience. Finland has (so far) coped relatively well with the pandemic – as the strengths of Finnish society appear to meet the demands set by the nature of the crisis. Finland may not be similarly well-placed to meet other types of crisis that target its weaknesses, such as the structural challenges of the economy and the labour-market and the characteristics of political decision making.*

## Effects of the Pandemic to Date

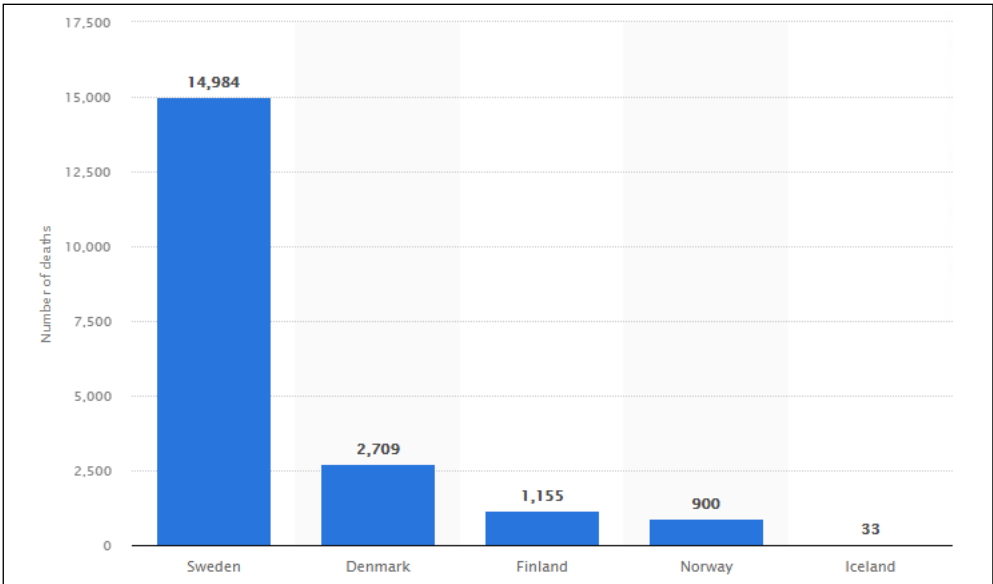
It may be premature for a comprehensive analysis of how Finland has coped with the Covid-19 pandemic. At the time when this book goes to print, the world is still struggling with the immediate health- and economic effects of the crisis. The country reached its goal of 80 % coverage of twice vaccinated inhabitants in November 2021 and a third dose has started to be administered. In the second half of 2021, society has started to reopen according to a strategy that centres primarily around recommendations pertaining to general caution, hand hygiene, distancing, facemasks and a corona passport -tool.

Some observations can, however, be helpful for understanding how the crisis affected Finland and how it has been managed. Statistics regarding mortality rates due to the pandemic and how it has affected economic performance suggest that, in an international comparison, Finland has coped rather well with the Covid-19 pandemic. The number of deaths per capita has remained low, as has the number of patients requiring treatment in intensive care units. Among Nordic peers, Finland and Norway have fairly similar results as regards the above statistics while Sweden, having followed a very different strategy, has recorded over ten times more deaths per capita than Finland. A comparison of the cumulative number of corona deaths in the Nordic countries is displayed in Figure 1. In comparison with the other Nordic countries, Sweden forms an exception in its strategy [of less mandatory restrictions]<sup>251</sup>.

---

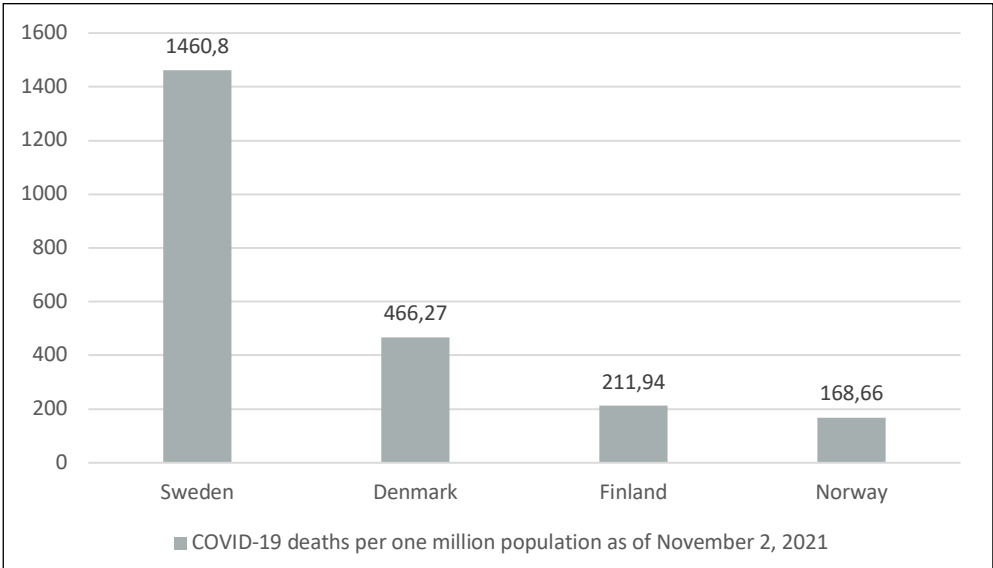
251 Aders Tegnell, “The Swedish public health response to COVID-19,” 320-323.

Figure 1: Cumulative number of coronavirus (COVID-19) deaths in the Nordic countries (as of October 28, 2021)



Source: Statista 2021.<sup>252</sup>

Figure 2: COVID-19 deaths per one million population in the Nordic countries

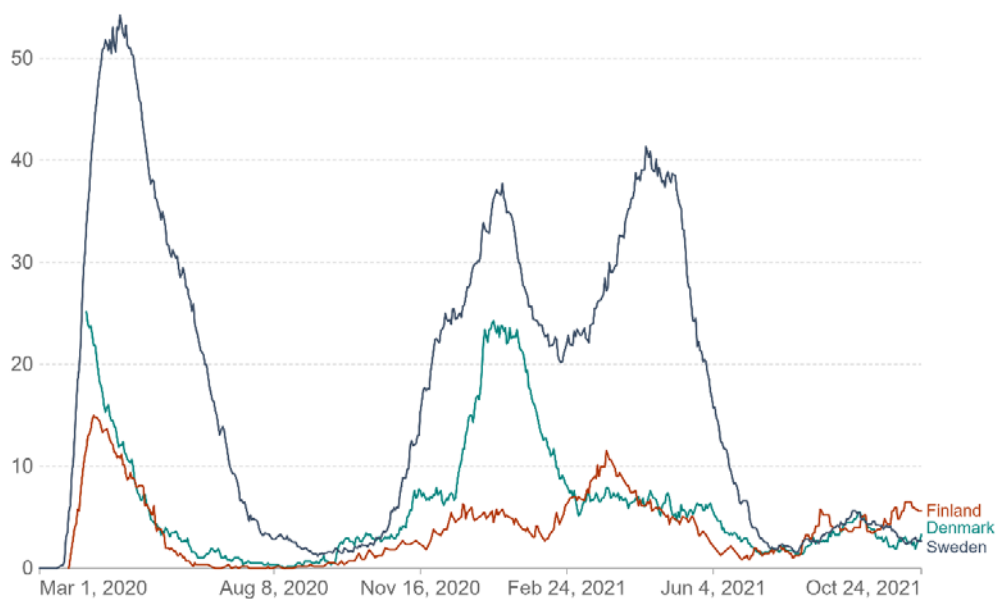


Source: Statista 2021.<sup>253</sup>

<sup>252</sup> Statista, "Cumulative number of coronavirus (COVID-19) deaths in the Nordic countries."

<sup>253</sup> Statista, "Coronavirus (COVID-19) deaths worldwide per one million population as of November 10, 2021, by country."

*Figure 3: Number of COVID-19 patients in intensive care units per million in Sweden, Denmark, and Finland.*

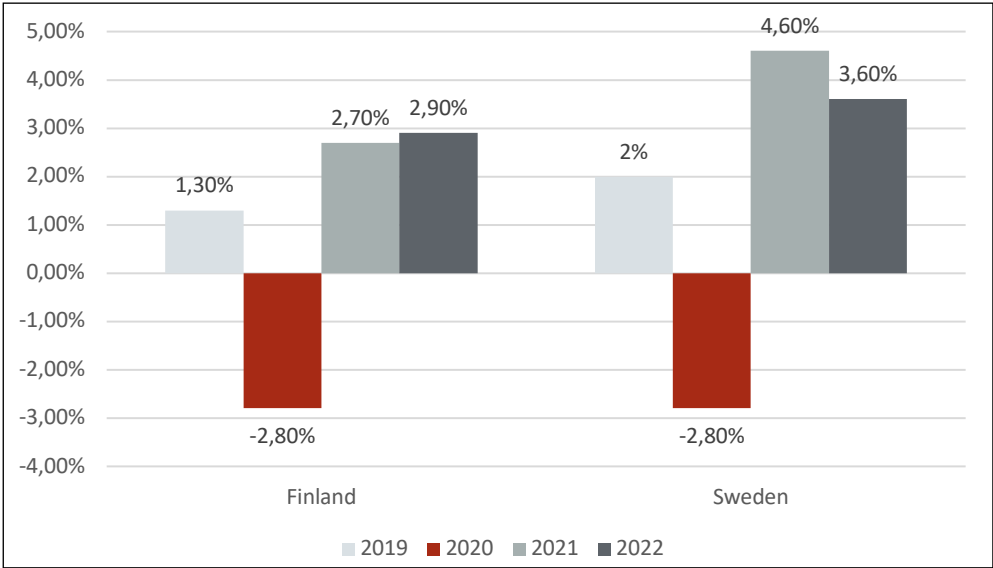


Source: Our World in Data 2021.<sup>254</sup>

Estimates regarding economic growth suggest that the Finnish economy has not suffered more than the Swedish economy despite the widely different pandemic strategies in the two countries. To a significant extent, the economic impact of the pandemic has in Finland been limited to specific sectors vulnerable to the restrictions that were put in place due to the pandemic. These include retail services, such as restaurants and hotels, as well as parts of the transportation sector, such as sea and air travel. These sectors are not, however, dominant in the Finnish economy so that the slowdown in these sectors have not had a great impact on the economy as a whole. It should be noted, however, that the Finnish government made significant increases in government indebtedness in its budgets to support the economy. Overall, the global economy has remained relatively robust through the crisis, partly due to considerable interventions by central banks.

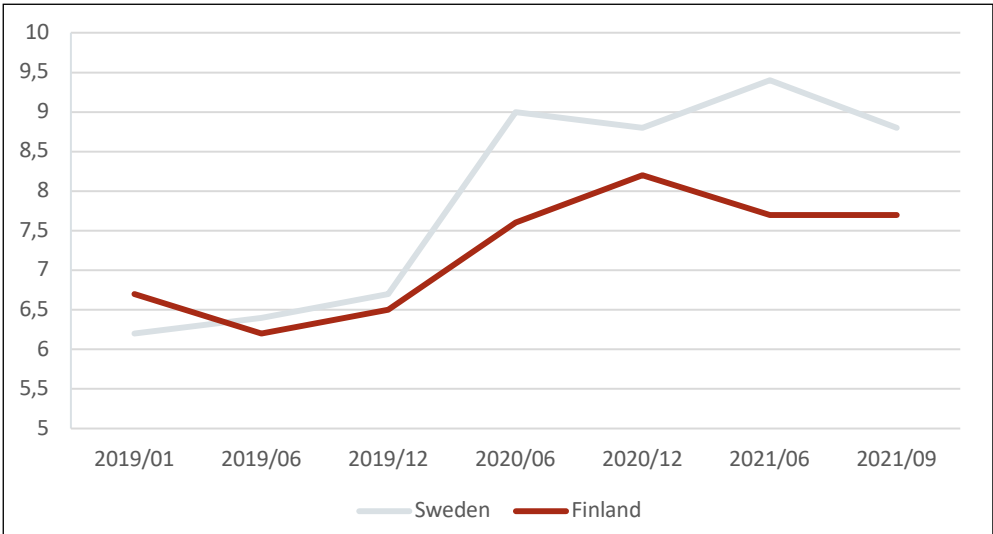
<sup>254</sup> Our World in Data. “Number of COVID-19 patients in ICU per million.”

Figure 4: Growth forecast for gross domestic product (GDP) in Finland and Sweden from 2019 to 2022.



Source: European Commission 2021.<sup>255</sup>

Figure 5: Harmonised unemployment rates (%) in Finland and Sweden



Source: Eurostat 2021.<sup>256</sup>

255 European Commission. “Economic forecast for Finland.”; *see also* European Commission, “Economic forecast for Sweden.”

256 Eurostat. ” Harmonised unemployment rates (%) - monthly data.”

## Development of the Pandemic

As in most European countries, Finland initiated significant restrictive measures in response to the crisis in mid-March 2020. This was the first time the country declared a state of emergency in peace time. The government immediately restricted travel to Finland and closed off the capital region, where the epidemic was more widely spread. Schools made a rapid transit to remote education and many workplaces were satisfactorily operating in remote mode within days from the eruption of the pandemic. The restrictions affected the spread of the epidemic in Finland during late spring 2020 and restrictions were eased over the summer.

The fall and the winter of 2020-2021 saw a further surge in the prevalence of COVID-19. Restrictions continued during the first half of 2021. Finland was relatively slow in opening up society during the fall of 2021, and only introduced the possibility of using Covid-passes in late 2021. A reason was the fourth wave of increased prevalence, which started to grow primarily among not yet fully vaccinated young adults in the summer of 2021. Towards the winter season, hospital capacity was again burdened by COVID-19 patients – the vast majority of whom were not vaccinated.

The initial economic impact of the pandemic was significant with decrease in sales and considerable layoffs especially in retail services. The government increased its spending and state debt to support the economy at large and business sectors that had suffered losses; the economy was still estimated to have contracted by some eight percent in 2020. Once the responses to the pandemic started to have an effect on a global level, the economy was expected to grow in 2021 by some 2.9 percent and to grow further in 2022 by 3.0 percent.<sup>257</sup>

The level and nature of restrictions has varied through the crisis. To a significant extent the government has relied on recommendations instead of legal restrictions. The government sought to rely on existing governance structures and an active communication strategy with regular and detailed public press briefings. The advice of government medical experts was made public, but the government retained control of policies regarding restrictions on social interaction. Overall, the government's actions have been viewed favourably.<sup>258</sup>

---

257 The Bank of Finland, "Finnish economy takes off – but rapid growth just temporary."

258 For a broader discussion, see Matilda Hellman, Saara Salmivaara and Janne Stoneham, *Calm Chess Player or Self-Aware Administrator? How the Finnish and Swedish Public Health Agencies Addressed the Public During the Corona Outbreak*,

## The Strengths of Finnish Society

In many respects, the Covid-19 crisis played to the strengths of Finnish society. This might be due to the kind of preparedness required during a pandemic. The skills required in the beginning pertain especially to a “mastering of the unknown”: the authorities must initiate a time-out period of observation and planning and this needs to be justified and executed within the existing social contract. (Hellman et al. 2022) Finland was prepared in terms of a democratically sound, reliable and high-quality welfare structure. In terms of favourable welfare infrastructure, one could mention, for example, universal health care, a high level of overall wellbeing and a generally high level of education. A well-functioning welfare state media system and a public health authority which has an integrated scope of the social field has shown to favourably affect uniform messaging to citizens. The current government was newly appointed and enjoyed high popularity. The Finnish public exhibited trust both in the political leadership and the authorities in the executive branch. Government agencies succeeded in communicating with the public effectively.

The management of this type of crisis is related to operational political decision-making and effective coordination, execution and communication by government authorities. The political leadership in Finland was able to take rapid decisions to manage public health concerns using largely the existing governmental organizational set-up. Finland is a small country with a large government sector and relationships between government agencies are typically close. Thus, coordination and execution among agencies was relatively effective. Finland also maintains certain core supply readiness and has emergency organizations in place. While these proved somewhat inadequate to deal with the crisis, and tactical errors were made in the early phases of the crisis, the government was able to take corrective measures and strengthen emergency management during the crisis.

Overall, the trust in government authorities and competent specialists have remained strong during the pandemic. While restrictions during the pandemic included statutory measures, mostly the government and healthcare authorities have issued recommendations that have, by and large, been followed. Government actions were seen to be logical and functional and to respond to expectations. In the long run, some sense of exhaustion among the population has become visible in the phases before society started to open up. The level of people choosing not to get vaccinated for the Covid-19 virus remains at over 10 percent of the adult population (fall 2021).

Overall, Covid-19 has never become politicized in Finland to the same degree as in, for example, the United States and the United Kingdom. Public health issues have been at the core of the Nordic welfare state, and there is broad consensus on the importance of public health policies. A sense of egalitarianism has been maintained as

regards how the pandemic was addressed. There have consequently been few opportunities for populist movements to seek political gain from questioning the management of the virus or the vaccination strategies, for example.

Finland might not be similarly geared to cope with other types of crisis that would play to other types of systemic or sociocultural weaknesses. As has been discussed, the Finnish political system remains somewhat corporatist in nature and lacking transparency as regards political processes. While the Finnish economy is robust and relatively broad in scope, it is still not sufficiently diversified. The labour-market remains rigid, and the pension system still has considerable structural challenges. Moreover, there are still strong political narratives related to existing economic structures that strengthen the entrenchment of dated structures in the economy. Consequently, a crisis particularly dangerous for Finland would be one that affects traditional economic sectors and calls for changes in the labour-market or that requires strategic political decisions that challenge established narratives. Finland has experienced such crisis in the form of a recession in the early 1990's when the fall of the Soviet Union affected Finnish export industries at the same with an economic downturn in Europe. These developments had an extraordinary impact on the Finnish economy and society at large that brought the country to its knees and the long-term effects of which can still be seen in the generations that experienced the recession period. While Finland was ultimately able to manage the crisis many of the structural problems in the economy underlying the crisis still remain unaddressed.

## Bibliography

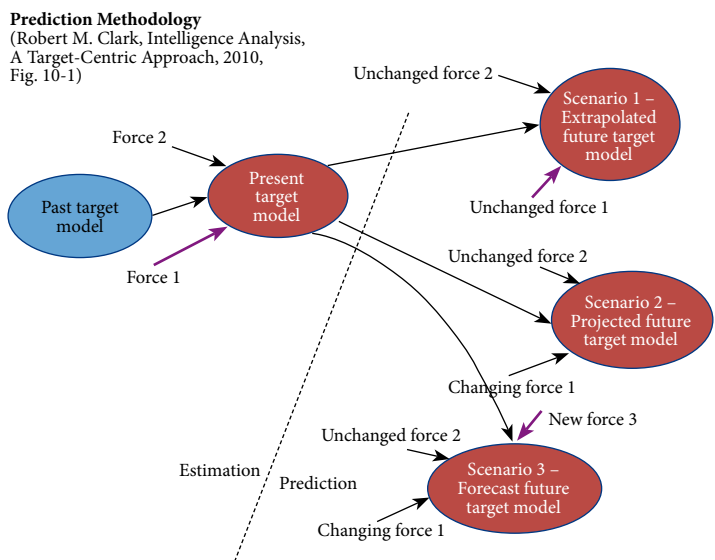
- European Commission. "Economic forecast for Finland." Last Accessed 15 November 2021. [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/finland/economic-forecast-finland\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/finland/economic-forecast-finland_en).
- European Commission. "Economic forecast for Sweden." Last Accessed 15 November 2021. [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/sweden/economic-forecast-sweden\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/sweden/economic-forecast-sweden_en).
- Eurostat. "Harmonised unemployment rates (%) - monthly data." Last Accessed 15 November 2021. [https://ec.europa.eu/eurostat/databrowser/view/EI\\_LMHR\\_M\\_\\_custom\\_89629/bookmark/table?lang=en&bookmarkId=9fe2520f-0f4e-465f-b9fb-c7d5e41c81ce](https://ec.europa.eu/eurostat/databrowser/view/EI_LMHR_M__custom_89629/bookmark/table?lang=en&bookmarkId=9fe2520f-0f4e-465f-b9fb-c7d5e41c81ce).
- Matilda Hellman, Saara Salmivaara and Janne Stoneham, Calm Chess Player or Self-Aware Administrator? How the Finnish and Swedish Public Health Agencies Addressed the Public During the Corona Outbreak, in Matilda Hellman, Tom Ketunen, Saara Salmivaara and Janne Stoneham (eds.), *Governing Human Lives and Health in Pandemic Time*, Routledge, 2022.
- Our World in Data. "Number of COVID-19 patients in ICU per million." Last Accessed 15 November 2021. <https://ourworldindata.org/grapher/covid-icu-patients-per-million?country=FIN~SWE>.
- Statista. "Cumulative number of coronavirus (COVID-19) deaths in the Nordic countries." Last Accessed 15 November 2021. <https://www.statista.com/statistics/1113834/cumulative-coronavirus-deaths-in-the-nordics/>.
- Statista. "Coronavirus (COVID-19) deaths worldwide per one million population as of November 10, 2021, by country." Last Accessed 15 November 2021. <https://www.statista.com/statistics/1104709/coronavirus-deaths-worldwide-per-million-inhabitants/>.
- Tegnell, Anders. The Swedish public health response to COVID-19. *Apmis*, 129, 2021, 320-323.
- The Bank of Finland. "Finnish economy takes off – but rapid growth just temporary." June 15, 2021. <https://www.suomenpankki.fi/fi/media-ja-julkaisut/tiedotteet/2021/suomen-talous-ampaisee-vauhtiin--valiaikaista-kasvu-on-vain/>.

# XI PROJECTIONS FOR THE SECOND CENTURY OF INDEPENDENCE

*Klaus Ilmonen*

In the previous chapters this study has identified certain key factors that have shaped the Finland of today. These include, for example, the development of industrial structures, overall economic growth, the development of the Finnish welfare state , regional political developments, such as the EU, and the development of the regional security situation. The continuous development of these circumstances will continue to shape Finnish society. It may consequently be useful to briefly consider the effects of these developments from the perspective of how they may affect the resilience or vulnerability of Finnish society. The purpose here is not necessarily to predict the future – which is a notoriously difficult exercise. Instead, considering potential future developments, and factors that might shape it, is useful for better understanding the current status of our society. Instead of predicting where we are heading, this chapter can be used to demonstrate where we are now.

A number of predictive methods are used in intelligence analysis to draw up potential future scenarios. A standard model is based on identifying the factors that affect the current operating environment and making projections based on the continued or changed effects of those factors.



## *Factors Affecting Finland Today*

The previous chapters have described the dynamics of key aspects of Finnish society, including the economy, social structures, politics and security, among other. Developments in these areas influence how Finland as a nation develops on the whole. External factors are no less – and often more – influential. Oftentimes it may even be difficult to separate internal and external factors in an economy that is interdependent with its trading partners. These would include development of the world economy, the future of the EU, regional security developments, technological developments and their impact on society etc.

### *Economic developments*

[The key factor affecting the path of Finnish society is the development of the economy. Even modest economic growth provides the premise for positive developments in society. However, the structure of the economy plays an important role, with polarization being a key concern with broader implications on society on a global level. But specific structural problems, such as an inflexible labour market, dated social security systems and a pension problem, pose challenges far beyond their immediate economic aspects. They both undermine the premises of economic growth and increase polarization of society.]

In recent years, Finland has managed to create numerous promising start-ups and several older companies continue to play a major role in international economy. Yet, the Finnish economy is not able to renew itself as extensively as it should. The Finnish export-sector is not particularly diversified, economic growth has been relatively low during the last decade and start-ups are often bought by foreign companies at an early stage or disappear for other reasons. The government is no longer as interested in supporting education and research and development as it was in the 1990s and 2000s. Some sectors are suffering from labour shortages, and the unemployed often lack skills needed by the employees. From the economic point of view, the aging country would need more immigrants, but politically it is hard to admit them to the country.

### *Political developments*

Finland continues to be a stable parliamentary democracy, where public institutions work effectively and the rights of individuals are protected. People trust public institutions. Yet, the tradition of consensual politics has deteriorated during the last couple of decades and the politicians have found it hard to agree on major reforms, for example, in health and labour sectors. Political polarisation is increasing and populists play a major role in politics.

### *The Information Environment*

The hybridisation of the media system has already led to a more unpredictable public sphere. While internet and social media hold a lot of democratising potential, their impact on politics has been conflicting. Politics has become more reactive, and politicians, policymakers, and different stakeholders are all susceptible to shift their stances depending on the political winds. Ideological as well as sometimes trivial disputes disrupt political processes, which makes long-term planning in policy harder.

### *Social developments*

Sectorial mergers and vertical restructuring of the social and health field services are putting its mark on the Finnish welfare society. The structural reform of the health-care sector (the so-called “SOTE-reform”), which entails a new democratic influence structure, opens up for party-political interests to infiltrate the service system level planning and execution processes. While it is perhaps not likely to fundamentally change the welfare state system’s basic institutional principal logic, caution should be exercised for ensuring the autonomous executive power over time. This is a question that requires scholarly observation, and which can easily get neglected in the handling of more concrete social policy and welfare political concerns. Questions pertaining to lack of welfare labor forces as well as challenges with new public service provision models are likely to receive more attention in the next five to ten years.

### *The Security Environment*

Looking at the most significant trends impacting Finland’s security environment, from a hard-military security perspective two seem most relevant. First, increasing great power/block competition, which presents small countries with different potential choices. Second, increasing multinational cooperation and interdependence. These are most relevant, as Finland can through its own policy choices have some impact on its future, as opposed to broader trends such as refugee flows or the global development of technology.

The (re)emerging great power competition framework, presents Finland with a few different choices, with the likely path being between the extremes of tying oneself completely to one great power and on the other hand seeking fully balanced and similar relationships with all great powers. In Europe, from a great power competition perspective, small and large regional powers have different roles and potential strategies vis a vis global great powers. For example, the United States expects larger regional powers – who are also formal allies – such as France, the United Kingdom and Germany to behave in a concerted and consistent fashion across multiple dimensions (diplomatic, economic, security); this may not always happen but the expectation still

exists. As a smaller country that is not formally allied with a great power, Finland has greater leeway in how it acts within these diplomatic, economic and military dimensions. This in turn enables Finland to more easily maintain functional relationships with Russia and China, without incurring the wrath of the United States. Maintaining a functional relationship with Russia is especially important, from a security, stability and economic point of view. However, in a large crisis, this may also risk Finland being left outside the considerations of great powers, which in turn suggests an increased need to deepen international security cooperation – as Finland has done through the 2010s.

The second trend that is likely to impact Finland is increased international / multilateral cooperation, across a range of security related issues. As described earlier, throughout the 2010s Finland has chosen to increase and deepen participation with international security focused organizations such as NATO, but also through a web of cooperation frameworks such as the Joint Expeditionary Force led by the United Kingdom, and various bi- and trilateral as well as regional efforts. While these efforts are useful with a view towards confirming interoperability of military forces and increasingly of decision making, they can in the long run result in an unwarranted sense of security, and overload small bureaucracies. The number of meetings that the web of cooperation efforts necessitates – as few of them have a secretariat to assist – has already increased the workload of Finnish civil servants, in some cases detracting from their ability to conduct other necessary business. In the long run, this trend is detrimental to Finnish security. Perhaps more insidiously, an ongoing focus on ‘doing a lot’ combined with political speeches suggesting that the cooperation itself increases Finland’s security, may lull both decisionmakers and the Finnish citizenry into a false sense of security.

## Projections

The Finnish government, parliament and various think-tanks have focused on identifying factors and trends that can affect the development of Finnish society, as well as potential future scenarios such developments may lead to. Relevant factors include political, economic, social, technological, environmental cultural and security related phenomena.<sup>259</sup> Different future scenarios have been drawn up based on the impact of these phenomena.<sup>260</sup> These include a model characterized by rapid technological developments and economic growth, another reflecting the impact of the fight against

---

259 Ahvenharju, et. al., *Tulevaisuustiedon Lähteillä – Analyysi ennakointirapporteista ja tulevaisuuden ilmiöistä*.

260 Elinkeinoelämän valtuuskunta, *Lastuna Laineilla – Suomi-skenaariot 2020–2028*.

climate change and the implementation of a green economy, as well as model based on the decline of the impact of federal and national level centralized governments and the emergence of regional hubs and economic centres. A fourth model predicts changes in geopolitics and the decline of globalization resulting in a more protectionist (but isolated) nation state.

For the purposes of this study, three future scenarios for Finland have been projected based on the trends identified in the different chapters of the study. The projections vary primarily as regards factors relevant for assessing the resilience of Finnish society. As discussed, these scenarios can be useful for understanding the current position of Finland with respect to vulnerability and resilience.

### ***1. Connected Finland***

In a basic scenario, extrapolating from current trends affecting Finland, Finnish society continues to develop on expected paths. The economy grows at low or moderate levels and Finland succeeds in broadening its industrial structures over the long term and maintains or develops its technology. The effect of climate change on the economy and society at large is expected to be moderate over the medium-term considering Finnish economic structures and its climate conditions. Finland will still face serious challenges in at least intermediate level with regard to relatively high levels of unemployment (due to technological development and polarisation of the labour market) and further polarisation of the population with rural areas facing severe economic challenges. The pension system will be strained due to a challenging demography. This will continue to affect the political environment and challenge traditional consensus-driven politics. Changes in policy can become more rapid than what has been the norm in Finnish politics.

The basic scenario assumes that the regional political situation remains stable over the longer term with respect to the development of EU and the regional effects of geopolitical developments. Finland can be expected to seek to continue its committed engagement as an EU member, and to develop even stronger ties with other Western nations, including NATO membership. The basic scenario accepts that the somewhat increased tension in the security situation in the Baltic Sea region may continue over the next years, due to geopolitical developments and the construction of the Nord-Stream 2 pipeline. However, it is assumed that the situation would not escalate further and that appropriate mechanisms will be introduced to maintain stability.

A more positive alternative of the basic scenario is based on the premise that Finland would be able to successfully leverage industrial and technological developments and establish a position as a regional niche hub in technological innovation, for example. These possibilities are identified in the government's reports on future

scenarios<sup>261</sup> – though it is not clear that Finland is better placed than its regional peers to pursue such strategies. If these scenarios would be realized, this would increase strengthen international networks and promote economic growth – but not necessarily affect polarization or political stability, for example.

## *2. Declining Finland*

In an alternative scenario, economic development is not sufficiently robust and/or economic growth not sufficiently inclusive to allow for continued stability. This scenario could be the result of an increase in protectionist economic policies, for example, or a continued increase in income differences. Polarisation could have more severe political consequences resulting in increasing political instability. Populist political movements may obtain a stronger and more permanent position than earlier, for example, and we may see similar political phenomena as in the United Kingdom and the United States. In this scenario, political developments will be more volatile both as regards domestic and foreign policy. Finnish vulnerability to developments in the region, including foreign influence, would increase.

## *3. Isolated Finland*

In a more negative scenario, the effects of a weaker economy and a level of political instability are combined with serious negative external developments, such as a significant weakening of the EU and/or an escalation of the regional security situation. In this scenario, Finland is increasingly isolated politically and restrained by a weaker economy. In this scenario, the scope of Finnish foreign policy alternatives would be diminished. From an economic perspective, this scenario would be negative. Foreign investment would decrease and with isolation the economic and industrial structures would not develop favourably. Growth would decrease and society would regress resulting in increasing political volatility.

However, this scenario is not completely new to Finland. Finland faced a significant economic crisis after the fall of the Soviet Union with, for example, a banking crisis and unemployment rates close to 20 percent. The country was able to cope with the situation and the government was able to pursue responsible policies that resulted in renewed growth. Finland has also experienced a level of political isolation during the Cold War, as the country established its position next to the Soviet Union. Finland has historically survived and learnt to cope with such influence. In fact, increased crisis awareness and awareness of external threats has previously had a stabilizing effect internally. In these earlier examples, however, the information environment has been

---

261 Hjelt, "Valtioneuvoston tulevaisuusselonteko: kestäväällä kasvulla hyvinvointia."

less fragmented than today, which may have contributed to the formation of uniform policies conducive to political stability in a way that is no longer possible.

## Conclusions

There appears to be some level of awareness of the fact that Finnish society can be vulnerable to future developments that we cannot always control. There also appears to be an interest in increasing this awareness, especially in the aftermath of the Covid-19 pandemic. However, even as this awareness has increased, it does not appear that there is a readiness to address structural issues affecting the economy. The entrenched structures of the economy and the political system may among the most serious vulnerabilities of Finland.

## Bibliography

- Ahvenharju, Sanna, Laura Pouru-Mikkola, Matti Minkkinen and Toni Ahlqvist, *Tulevaisuustiedon Lähteillä – Analyysi ennakointiraporteista ja tulevaisuuden ilmiöistä* [At the Sources of Information About the Future – An Analysis of the Predictive Reports and Future Phenomena], Publication of the Future Committee of Parliament 6/2020.
- EVA, *Lastuna Laineilla – Suomi-skenaariot 2020-2028* [A Chip Floating on the Waves – Finnish Scenarios 2020-2028]. EVA-Report 1/2020.
- Hjelt, Mari. *Valtioneuvoston tulevaisuusselonteko: kestäväällä kasvulla hyvinvointia* [Government Future Report: Welfare through Sustainable Growth]. Publication series of the Prime Minister's Office 18/2013 [https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/79547/J1813\\_Valtioneuvoston%20tulevaisuusselonteko.pdf](https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/79547/J1813_Valtioneuvoston%20tulevaisuusselonteko.pdf).

## XII CONCLUSIONS – BUILDING RESILIENCE

*Klaus Ilmonen*

Finland is a small remote country that has caused very few problems for its neighbours. It is a stable country that wishes to promote regional stability and to contribute to world affairs in a constructive manner relative to its prosperity and place in the world. Concerns related to political resilience may not seem critical, then, and until recently there has been a certain naivete regarding security matters and the risk of external influence on political decision making or more generally on the dynamics of Finnish society. For example, a Finnish foreign minister dismissed the need for a more robust foreign intelligence service<sup>262</sup> only a year before it was found that the computer systems of his ministry had been subject to significant hacking by a foreign power<sup>263</sup>. In reality Finland can of course not separate itself from the rest of the world, and has to be engaged in matters affecting our society – both domestically and internationally.

The world is changing rapidly - as is Finnish society. It remains important to develop resilience of Finnish society; we need to identify our weaknesses and vulnerabilities – in the economy, in social cohesion, in public media and in our political and governmental institutions. This study has sought to identify weaknesses in our systems in these areas. Just by being aware of these areas of potential vulnerability it should be easier to be identify attempts to take advantage of them and, consequently, to strengthen systemic weaknesses.

Researchers have formulated a blueprint for developing resilience in the following terms: “To build collective resilience, communities must reduce risk and resource inequities, engage local people in mitigation, create organizational linkages, boost and protect social supports, and plan for not having a plan, which requires flexibility, decision-making skills, and trusted sources of information that function in the face of unknowns”<sup>264</sup>.

---

262 Harju, Pohjanpalo and Sutinen, ”Tuomioja tyrmää salaisen palvelun.”

263 ”Tuomioja: Cyber Espionage Embarrassing for Finland and MFA,” Yle.

264 Norris *et.al.*, ”Community Resilience as a Metaphor, Theory, Set of Capacities, and Strategy for Disaster Readiness.”

In many respects, Finland is well-placed to develop resilience to face future challenges. As has been discussed herein, the Covid-19 crisis has provided a case study for assessing societal resilience and has raised awareness of the need for agility in governmental action as regards responding to rapidly evolving circumstances. On the other hand, other types of crisis, such as the recession of the early 1990's, revealed the core vulnerabilities related to structural challenges of the economy that have largely remained unaddressed due to the characteristics of the Finnish economic and political systems. If Finland were able to apply lessons learned from the management of the Covid-19 crisis, as well as from the economic crisis of the early 1990's, we may well have the basis for the blueprints needed to deal with future challenges.

# FINLAND FACT SHEET

## POPULATION

**Population:** 5,5 M<sup>265</sup>

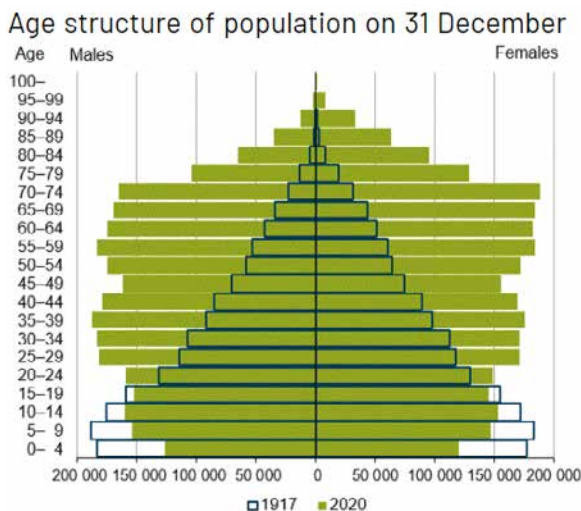
**Three largest cities:** Helsinki, Espoo and Tampere<sup>266</sup>

**Helsinki (Capital):** 658 339 (September 2021)<sup>267</sup>

**Espoo:** 295 538 (September 2021)<sup>268</sup>

**Tampere:** 244 029 (September 2021)<sup>269</sup>

*Figure 1: Population pyramid*



Source: Statistics Finland.<sup>270</sup>

<sup>265</sup> Statistics Finland, "Birth rate rose slightly form last year." Official Statistics of Finland (OSF): Preliminary population statistics. September 2021. Accessed 9.11.2021. [https://www.stat.fi/til/vamuu/2021/09/vamuu\\_2021\\_09\\_2021-10-21\\_tie\\_001\\_en.html](https://www.stat.fi/til/vamuu/2021/09/vamuu_2021_09_2021-10-21_tie_001_en.html)

<sup>266</sup> Statistics Finland, "Population." Statistics Finland, "Population." Accessed 9.11.2021. [https://www.tilastokeskus.fi/tup/suoluk/suoluk\\_vaesto\\_en.html#Development%20of%20population](https://www.tilastokeskus.fi/tup/suoluk/suoluk_vaesto_en.html#Development%20of%20population)

<sup>267</sup> Statistics Finland, "Preliminary population structure by area, 2021M01\*-2021M09\*." Statistics Finland, "Preliminary population structure by area, 2021M01\*-2021M09\*." 30.9.2021. Accessed 29.10.2021. [https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin\\_vrm\\_vamuu/statfin\\_vamuu\\_pxt\\_11lj.px/](https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin_vrm_vamuu/statfin_vamuu_pxt_11lj.px/)

<sup>268</sup> Statistics Finland, "Preliminary population structure by area, 2021M01\*-2021M09\*." Statistics Finland, "Preliminary population structure by area, 2021M01\*-2021M09\*." 30.9.2021. Accessed 29.10.2021. [https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_vrm\\_vamuu/statfin\\_vamuu\\_pxt\\_11lj.px/table/tableViewLayout1/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin_vrm_vamuu/statfin_vamuu_pxt_11lj.px/table/tableViewLayout1/)

<sup>269</sup> Statistics Finland, "Preliminary population structure by area, 2021M01\*-2021M09\*." Statistics Finland, "Preliminary population structure by area, 2021M01\*-2021M09\*." 30.9.2021. Accessed 29.10.2021. [https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\\_vrm\\_vamuu/statfin\\_vamuu\\_pxt\\_11lj.px/table/tableViewLayout1/](https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin_vrm_vamuu/statfin_vamuu_pxt_11lj.px/table/tableViewLayout1/)

<sup>270</sup> Statistics Finland, "Population Structure." Statistics Finland, "Population." Accessed 9.11.2021. [https://www.tilastokeskus.fi/tup/suoluk/suoluk\\_vaesto\\_en.html](https://www.tilastokeskus.fi/tup/suoluk/suoluk_vaesto_en.html).

## **EDUCATION (2020)<sup>271</sup>**

**Share of population with educational qualifications after basic level education:**

**3 468 701, 74 %**

**Population with Tertiary Education: 1 525 542, 33 %**

**Population with Upper Secondary Education: 1 896 509, 41 %**

## **NATIVE LANGUAGES (2020)**

**Finnish: 4 811 067, 86,9 %**

**Swedish: 287 871, 5,2 %**

**Sami: 2 008, 0,0 %**

**Other: 432 847, 7,8 %**

## **NATIONAL ACCOUNT**

**GDP: 237,5 billion € in 2020<sup>272</sup>**

**GDP per Capita: 42 936 € in 2020<sup>273</sup>**

**Public Debt: EUR 167.1 billion, 69,4 % relative to GDP (September 2021)<sup>274</sup>**

**Tax rates (2020): Personal Income Tax Rate 56,95 %, Corporate Tax Rate 20,00 %, Sales Tax Rate 24,00 %, Social Security Rate 31,55 %, Social Security Rate for Companies 20,66 %, Social Security Rate for Employees 10,89 %**

**Exports: 85,2 billion € in 2020<sup>275</sup>**

---

271 Statistics Finland, "Educational structure of population 2020." Statistics Finland. "Educational structure of population 2020." Accessed 9.11.2021. [https://www.tilastokeskus.fi/til/vkour/2020/index\\_en.html](https://www.tilastokeskus.fi/til/vkour/2020/index_en.html).

272 Statistics Finland, "National Accounts." Statistics Finland, "National Accounts." Accessed: 9.11.2021. [https://www.tilastokeskus.fi/tup/suoluk/suoluk\\_kansantalous\\_en.html](https://www.tilastokeskus.fi/tup/suoluk/suoluk_kansantalous_en.html).

273 Statistics Finland, "National Accounts." Statistics Finland, "National Accounts." Accessed: 9.11.2021. [https://www.tilastokeskus.fi/tup/suoluk/suoluk\\_kansantalous\\_en.html](https://www.tilastokeskus.fi/tup/suoluk/suoluk_kansantalous_en.html).

274 Statistics Finland, "General government debt grew." Statistics Finland, "General government debt grew by EUR 1.3 billion in the second quarter of 2021." Published 24.9.2021. [https://www.stat.fi/til/jyev/2021/02/jyev\\_2021\\_02\\_2021-09-24\\_tie\\_001\\_en.html](https://www.stat.fi/til/jyev/2021/02/jyev_2021_02_2021-09-24_tie_001_en.html).

275 Statistics Finland, "National Accounts." Statistics Finland, "National Accounts." Accessed: 9.11.2021. [https://www.tilastokeskus.fi/tup/suoluk/suoluk\\_kansantalous\\_en.html](https://www.tilastokeskus.fi/tup/suoluk/suoluk_kansantalous_en.html).

## Bibliography

- Harju, Jukka, Olli Pohjanpalo ja Teija Sutinen. "Tuomioja tyrmää salaisen palvelun" [Tuomioja Knocks Down Intelligence Service], *Helsingin Sanomat*, November 19, 2012. <https://www.hs.fi/kotimaa/art-2000002593379.html>.
- Norris, Fran H., Susan P. Stevens, Betty Pfefferbaum, Karen F. Wyche and Rose L. Pfefferbaum. "Community Resilience as a Metaphor, Theory, Set of Capacities, and Strategy for Disaster Readiness", 42 Am. J. of Community Psychol., 127, 2008.
- Official Statistics of Finland (OSF): Preliminary population statistics. September 2021. Accessed 9.11.2021. [https://www.stat.fi/til/vamuu/2021/09/vamuu\\_2021\\_09\\_2021-10-21\\_tie\\_001\\_en.html](https://www.stat.fi/til/vamuu/2021/09/vamuu_2021_09_2021-10-21_tie_001_en.html).
- Statistics Finland, "Population." Accessed 9.11.2021. [https://www.tilastokeskus.fi/tup/suoluk/suoluk\\_vaesto\\_en.html#Development%20of%20population](https://www.tilastokeskus.fi/tup/suoluk/suoluk_vaesto_en.html#Development%20of%20population).
- Statistics Finland, "Preliminary population structure by area, 2021M01\*-2021M09\*." 30.9.2021. Accessed 29.10.2021. [https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin\\_vrm\\_vamuu/statfin\\_vamuu\\_pxt\\_11lj.px/](https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin_vrm_vamuu/statfin_vamuu_pxt_11lj.px/).
- Statistics Finland, "Population". Accessed 9.11.2021. [https://www.tilastokeskus.fi/tup/suoluk/suoluk\\_vaesto\\_en.html](https://www.tilastokeskus.fi/tup/suoluk/suoluk_vaesto_en.html).
- Statistics Finland. "Educational structure of population 2020." Accessed 9.11.2021. [https://www.tilastokeskus.fi/til/vkour/2020/index\\_en.html](https://www.tilastokeskus.fi/til/vkour/2020/index_en.html).
- Statistics Finland, "National Accounts." Accessed: 9.11.2021. [https://www.tilastokeskus.fi/tup/suoluk/suoluk\\_kansantalous\\_en.html](https://www.tilastokeskus.fi/tup/suoluk/suoluk_kansantalous_en.html).
- Statistics Finland, "General government debt grew by EUR 1.3 billion in the second quarter of 2021." Published 24.9.2021. [https://www.stat.fi/til/jyev/2021/02/jyev\\_2021\\_02\\_2021-09-24\\_tie\\_001\\_en.html](https://www.stat.fi/til/jyev/2021/02/jyev_2021_02_2021-09-24_tie_001_en.html).
- "Tuomioja: Cyber Espionage Embarrassing for Finland and MFA," *Yle*, October 31, 2013. [https://yle.fi/uutiset/osasto/news/tuomioja\\_cyber\\_espionage\\_embarrassing\\_for\\_finland\\_and\\_mfa/6911773](https://yle.fi/uutiset/osasto/news/tuomioja_cyber_espionage_embarrassing_for_finland_and_mfa/6911773).

# THE POLITICAL ANALYST'S FIELD GUIDE TO FINLAND

## – VULNERABILITY AND RESILIENCE

Finland has excelled in statistical and international rankings related to key elements of developed societies, such as educational matters, safety and the general contentment (or happiness) of the population. This handbook looks beyond these statistics and seeks to provide relevant context for a fuller picture of contemporary Finnish society. The handbook is intended to serve as a contribution to the political analysis of vulnerabilities and resilience in Finland. The handbook is written for persons who are interested in Finland in a professional capacity and is intended to raise awareness and debate on the dynamics of our society so that we can continue to develop the resilience of our institutions in a volatile world. The handbook is a joint project of scholars with research interests related to economic history, political and social studies, information and hybrid operations and general security.

# THE POLITICAL ANALYST'S FIELD GUIDE TO FINLAND

Finland has excelled in statistical and international rankings related to key elements of developed societies, such as educational matters, safety and the general contentment (or happiness) of the population. This handbook looks beyond these statistics and seeks to provide relevant context for a fuller picture of contemporary Finnish society.

The handbook is intended to serve as a contribution to the political analysis of vulnerabilities and resilience in Finland. The handbook is written for persons who are interested in Finland in a professional capacity and is intended to raise awareness and debate on the dynamics of our society so that we can continue to develop the resilience of our institutions in a volatile world.

The handbook is a joint project of scholars with research interests related to economic history, political and social studies, information and hybrid operations and general security.

ISSN 2737-0046  
ISBN 978-951-39-8931-6



Cover layout Panu Moilanen

**JYU Reports 10**  
Published by the University of Jyväskylä 2021