Global economy: Finland's saving grace

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Skyrocketing unemployment and depressed domestic markets have prodded the Finns into the export business.

Finland's stagnant domestic economy and high unemployment may be fairly common knowledge, yet it's still quite a sting to read a headline such as the one that appeared in *Finnish Business Report* (September 1993, p. 12), "Unemployment taking its toll, exceeds 20%." The report from Finland's minister of labor, Ilkka Kanerva, announced that as of July 1993, more than 90,000 of those unemployed had been continuously out of work for more than one year, and 115,000 of those unemployed were under the age of 26.

In a country with just over 5 million people, 20.4% unemployment is staggering. But it's forced Finland to examine its options for recovery and growth. For Finland's foreign trade minister, Pertti Salolainen, the country's key to recovery lies in the European Community and the European Free Trade Agreement (*Finnish Business Report*, September 1993, p. 4). Finland's negotiations on accession to the EC will be completed in early 1994. Following a European trend, Finland will then hold a national referendum on EC membership.

A June 1993 report from the Confederation of Finnish Industry and Employers published in *Finnish Features* notes that Finnish membership in the EC will allow industry "to compete on an equal footing in its main markets. It will provide opportunities for full-scale economic integration, which will in turn promote efficiency and structural adjustment of all national resources."

Much like the United States' economy, all of Europe's economy is undergoing a slow, somewhat painful transition; Finland is no exception. Domestic economies based on production are no longer the norm.

"The world is entering a new era," says Salolainen, who notes that in Finland, for example, people can no longer be put to work in simple tasks. No more shovelmakers are required.

In this special focus on Finland, Ambassador Jukka Valtasaari provides a Finnish perspective on the recent changes in Europe. The current European political environment, he notes, is often described as a *sea of change*.

The companies featured have become a part of this transition into a new era. They are succeeding because their sights are set beyond their borders. Calculated risks are establishing them as the new players on the export block.

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