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Trends in academia: Finland
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Main points

- The economy
- Labour market reforms
- Conflicts
- Public investment in RDI
- The HE funding model and the long-term plan for RDI investments

The economy

Very low labour productivity growth.

- <https://talouspolitiikanarviointineuvosto.fi/en/reports/report-2023/>
- <https://www.etla.fi/en/publications/briefs/milta-suomen-aineeton-paaomakanta-nayttaa-ruotsiin-ja-saksaan-verrattuna/>
- <https://www.etla.fi/en/publications/briefs/suomen-tulevan-kasvun-avain-aineettoman-paaoman-ymmartaminen-kokonaisuutena/>

Low economic growth.

High budget deficit. <https://valtioneuvosto.fi/sv/budgeten-2024>

The yearly deficit should be reduced by 9 billion euros by 2027 according the government.

The biggest areas of public spending include

(a) healthcare and social security and

(b) education.

Political promise not to cut education spending.

Labour market reforms & conflicts

The government wants to make the Finnish labour market more flexible by increasing local bargaining and in other ways.

<https://tem.fi/en/the-orpo-government-s-labour-market-reforms>

There were political strikes against the government.

<https://www.sak.fi/sites/default/files/attachments/why-have-the-unions-in-finland-launched-political-strike-action.pdf>

Some unions participated, some did not.

The political strikes were futile and ended for the time being.

<https://yle.fi/a/74-20087808>

<https://yle.fi/a/74-20082087>

Public investment in RDI

To increase productivity and growth, there is parliamentary consensus to increase the share of RDI investments to 4% of GDP by 2030. <https://julkaisut.valtioneuvosto.fi/handle/10024/165008>

The consensus led to the adoption of the Act on the State Funding of R&D During the Period 2024-2030 (lag om statlig finansiering av forsknings- och utvecklingsverksamhet åren 2024–2030). <https://www.finlex.fi/sv/laki/ajantasa/2022/20221092>
https://www.eduskunta.fi/SV/vaski/HallituksenEsitys/Sidor/RP_211+2022.aspx

The state does not actually promise to invest the equivalent of 4% of the GDP to RDI. The private sector's current share is 2/3. The state therefore commits to raise its own RDI funding to 1.2% of the GDP (§ 2(1)).

In any case, there should be much more money in the system.

The long-term plan for RDI investments and the HE funding model

The actual allocation of increased RDI funding is still open. There should be a long-term plan (§ 3 of the Act). The government is working on a long-term plan. <https://valtioneuvosto.fi/sv/-//1410845/en-arbetsgrupp-som-bereder-en-plan-for-fou-finansieringen-inleder-sitt-arbete>

Under the public funding model, university funding is largely allocated to education. Basic funding must by law be increased to match inflation (index). But yearly intake is increased as well (a 50% goal). Real growth in costs is so far not covered.

Public research funding is centralised, competitive and project-based (via Academy of Finland, Business Finland).

A one-off doctoral pilot programme (1000 funded places, 3 years).

The trend: basic funding replaced by project-based funding.

While RDI funding is expected to increase, some HE institutions have laid off faculty and staff due to shortage of funding.

Universities have a financial incentive to acquire polytechnics (yrkeshögskolor, for increased educational volumes).

Polytechnics have an incentive to lobby for the same status as universities (for increased research funding).