

European Telework Status Report 1998: Finland

This is an extract from the country summaries section of the European Commission's 1998 Status Report. The complete report is online at <http://www.eto.org.uk/twork/tw98> in a variety of formats, including Word, HTML pages and Acrobat .pdf files. Links to further information about telework in Finland are in the Finland national page at European Telework Online - <http://www.eto.org.uk> .

Summary

With one of Europe's smallest populations distributed across its fifth largest geographic area, Finland has strong natural motivation towards both conventional and advanced telecommunications applications. This is reflected in its very rapid take-up of Internet and widespread acceptance of uses such as online banking, which is well established in Finland while still a novelty or a future possibility in many other countries. Finland also leads Europe in mobile communications, both as a user and supplier. Telework, unlike home banking or mobile telephony, involves organisational, social and behavioural changes; telework in the sense of a general new way of working has been slower to gain acceptance. Take-up has been influenced by the high unemployment rates associated with the recent recession, from which Finland is still recovering; people are concerned with getting or keeping a job rather than with how and where the work is done. Nonetheless, with something over 5% of the workforce already using telework to some degree (depending on the definition), it can be expected to spread as unemployment rates are reduced.

In more specialist forms of telework - such as tele-medicine - a dispersed population plus a highly developed information infrastructure makes Finland a natural leader. The Government has proactive Information Society strategies and Finland is very well placed to play a significant role in Information Society developments both in Europe and globally.

Telework background and take-up of ICTs

General background:

- With a small population, spread across a large geographic area, Finland is Europe's most sparsely populated country:

	Population (millions)	Area ('000 km ²)	Population per km ²
Netherlands	15.4	41.5	371
Belgium/Luxembourg	10.1	30.5	331
UK	58.1	243	239
Germany	81.1	358	227
Italy	57.2	301	190
Denmark	5.2	43	121
Portugal	9.8	89	110
France	57.7	544	106
Austria	7.9	84	94
Greece	10.4	132	79
Spain	39.6	505	78
Ireland	3.5	70	50
Sweden	8.7	450	19
Finland	5.1	338	15
USA	267.1	9373	28
Japan	125.1	378	331

- Finland's economy has been undergoing a faster transformation than in most European countries since the collapse of Soviet Union, which accounted for between 20% to 25% of Finland's foreign trade. There has been a relatively rapid switch services employment:

	1975			
	Employment (%)		Employment (%)	
	Agric + Ind	Services	Agric + Ind	Services
Finland	51	49	36	67
Ireland	54	46	43	57
Netherlands	41	59	27	73

- Strenuous national efforts have brought Finland out of a deep recession and unemployment is now falling, though still uncomfortably high and above the European average.
- The transformation has included very rapid take up of new telecommunications methods. Finland is among the world's most intensive users of mobile phones and Internet, although the pace of growth together with difficulties in measurement and reporting mean that Internet numbers must be treated with caution:

	Mobile subscribers (% of telephone subscribers, 1996)	Internet usage (users per 1000 population, 1997)*
Sweden	28.1	152
Finland	29.1	146
Denmark	26.5	131
UK	11.6	95
Germany	6.7	65

* Source: IDC (<http://www.idcresearch.com>) estimate for December 1997

- In Nokia, Finland boasts one of the world's leaders in mobile telephony.
- Finland's small population supports two official languages (Finnish and Swedish) as well as widespread knowledge of English.

Driving factors:

- Large distances and a widely scattered population provide a motivation to explore all kinds of telematic applications, so that Finland has been among the pioneers in focused applications such as telemedicine.
- The Government is committed to a proactive information society policy and public authorities and services at all levels are actively pursuing online services. All citizens have access to the Internet at public libraries. IT and telematics training is regarded as a key national priority.
- Public acceptance of new communications applications is high: home banking for example is well established and widespread.

Constraints:

- Although telework in Finland is generally a positive personal response to the benefits of telework, high levels of unemployment have made some people reluctant to risk novel and uncertain ways of working so that telework in the form of working at home can also be seen as a response to unemployment.
- Although there have been a number of publicly supported telecentre projects designed to bring work to small, scattered communities, few have been successful in achieving sustainability without ongoing public funding.

supporting and funding projects in the framework of 'Finland's National Telework Development Programme'. This programme also involves changes in the public administration and the public sector itself.

In 1995, two units of the administration of the town of Espoo, the technical centre and the department for town planning, started a telework-pilot. It emerged as a self-organising process in cooperation between senior management and staff members. Reduction of commuting time has been one of the advantages seen for the employees, and one of them with a backbone disease is now able to work full-time. In policy terms, the encouragement of an integrated employment policy, increased flexibility of labour, and traffic reduction, are all important. The cost effects of teleworking are monitored to provide potential follow-up projects with findings.

All tasks carried out at the central office are shifted for two days per week to home offices. Two teleworkers are in charge of traffic planning and related word processing. The third person involved is the project manager of the pilot, working for the technical centre. Work is restructured by team- and result-oriented management. Jointly, the unit's manager and the teleworker define the objectives up to two weeks in advance.

- The normative social profile for a majority of Finns has been as wage-earners rather than entrepreneurs and marketeers; there is a need for stronger and more robust structures supporting and legitimising telework as a recognised and fully integrated part of the employment and self-employment environment before most employees will be keen to take the plunge.
- While there are no explicit legal constraints on teleworking, trade unions are not yet very positive about increasing flexibility in the organisation of work.

Telework activities and results

- Telework in Finland is both a mechanism adopted by self-employed people and participants in work-and-trade co-operatives, as well as seen as an organisational strategy by some enterprises.
- There are no legal or other insurmountable barriers to organisational telework, but neither are there particular strong driving factors or motivation to change.
- Finland has, however, established itself on the European "map" so far as telework is concerned, with substantial contributions to European discussion and understanding. In 1998 the main European conference on telework research findings and requirements is being held in Turku.

Conclusions

- Although home based telework for part of the working time, in conjunction with working at the ordinary workplace for most of the rest, is reasonably widespread by general European standards, it is low relative to Finland's general leadership in the use of IT and telecommunications. On the other hand, mobility at work is well established and growing fast; a majority of the workforce uses mobile phones, Internet use is well adopted, laptop computers are widely used by professionals and managers.
- The extent of teleworking can be expected to change if the economic and employment recovery is sustained, labour moves from over- to under-supply, employers have to work harder to attract and retain staff, and employees become more confident. The technological infrastructure is in place.
- Telework, with teletrade, has an important role in sustaining the more isolated Finnish communities. Success in this will require steps to be taken to widen acceptance and recognition of telework and (especially) of self-employment, for example to provide parity of treatment for employees and self employed, alongside the existing actions to promote entrepreneurship.
- The link between telework and teletrade is particularly important in Finland; Finns are natural co-operators and joiners but traditionally to a lesser extent entrepreneurs and marketeers. Given Finland's high profile in Internet use, the opportunities are there to become a proactive source of new Information Society innovations and services that can be marketed and applied world wide.