THE IMPACT OF THE GLOBAL CRISIS ON SME AND ENTREPRENEURSHIP BEHAVIOR – ROMANIA AND FINLAND CASES

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Abstract
This paper discusses about the impact of the global crisis for the SME and entrepreneurship behavior. The first part represents an incursion of the current financial and economic crisis, the causes of the crises and the impact of the crisis. For this paper we’ve analyzed the entrepreneurial behavior into the crisis period in two European countries, Romania and Finland, following the economical context from the two countries. At the end, the study develops a critical approach on the entrepreneurial behavior from the two countries. The economic crisis offers policy makers an opportunity to address structural weaknesses and accelerate change, laying the foundation for stronger, more durable growth.

Keywords: economic crisis, global crisis, entrepreneurship behavior, Finland, policy makers, Romania

JEL Classification: E65, Q56

Introduction
The world is confronted with the worst financial and economic crisis since the Great Depression. The evolving crisis, which began within the world’s major financial centers, has spread throughout the global economy, causing severe social, political and economic impacts. The financial system from Romania had evaluated in conditions strongly marked by the virulent manifestation of the global financial and economical crisis. For Romania, the present external climate leaves the mark through: the aggravation of the risk perception, including through the association with the regional evolutions; the contraction of the external marketplaces; difficulties into the external financing; on the micro economical level, duplicating the liquidity risk with the solvability risk.

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The economic crisis offers policy makers an opportunity to address structural weaknesses and accelerate change, laying the foundation for stronger, more durable growth. Several countries, including Finland emerged from past recessions significantly more competitive, thanks to structural reforms and increased spending on innovation and education.

1. The current financial and economic crisis

The crisis is, in part, a result of excessive deregulation of financial markets. Restoring the global economy to health will require restoring to the state the appropriate role of regulator of financial markets. In addition, the externalities associated with both the global economic crisis and the global climate crisis can only be addressed by restoring government to its appropriate role in providing collective action at the national and the global levels.

This crisis is negatively affecting all countries, particularly developing countries, and threatening the livelihoods, well-being and development opportunities of millions of people. The crisis has not only highlighted long-standing systemic fragilities and imbalances, but has also led to an intensification of efforts to reform and strengthen the international financial system and architecture.

Developing countries, which did not cause the global economic and financial crisis, are nonetheless severely affected by it. The economic and social progress achieved during recent years, in particular on internationally agreed development goals, including the Millennium Development Goals, is now being threatened in developing countries, particularly least developed countries. This progress, partially underpinned by a period of high economic growth in many countries, needs to be secured and enhanced in the face of threats posed by the crisis. Our endeavors must be guided by the need to address the human costs of the crisis: an increase in the already unacceptable number of poor and vulnerable, particularly women and children, who suffer and die of hunger, malnutrition and preventable or curable disease; a rise in unemployment; the reduction in access to education and health services; and the current inadequacy of social protection in many countries. Women also face greater income insecurity and increased burdens of family care. These particular human costs have serious development consequences on the human security of those affected. An equitable global recovery requires the full participation of all countries in shaping appropriate responses to the crisis.

Although the financial and economic crisis has affected all countries, it is important to take into account the varying impacts and challenges of the crisis on the different categories of developing countries.

In today’s globalized economy, all nations are far more closely tied together than ever before. The global reach of the crisis calls for prompt, decisive and coordinated action to address its causes, mitigate its impact and strengthen or establish the necessary mechanisms to help prevent similar crises in the future.

1.1 Causes of the crisis

The specialists consider that the starting of the financial crisis in October 2008, in USA and other countries represents the most serious commotion of the international finances from
the Great Depression from 1929-1933. Effects of the present crisis are spreading, beyond the financial sphere, to the level of the world economy, affecting the economical growth and the labor market and generating a series of other linked up effects with conjuncture implications or with long and medium terms implications, regarding the structure of the financial world system and its interface with the real economy.

The drivers of the financial and economic crisis are complex and multifaceted. The main causes of the crisis are linked to systemic fragilities and imbalances that contributed to the inadequate functioning of the global economy.

Major underlying factors in the current situation included inconsistent and insufficiently coordinated macroeconomic policies and inadequate structural reforms, which led to unsustainable global macroeconomic outcomes.

The present financial crisis which crosses the world economy points out the interlacing of some common causes, traditional of the economical-financial crisis phenomena, generally, with other untraditional, specific.

Among the main traditional causes of the economical-financial crisis we mention: the boom period of the credit growing in very big proportions; the strong growth of the prices for the actives, mainly on the real-estate market; the lending in uncontrolled proportions of the economical agents less or at all solvable (it is about the sub-prime mortgagers)

Regarding the particular untraditional causes of the financial crisis started in October 2008, we mention, first of all, the proportion and the profundity of the sub-prime crisis.

The sub-prime mortgage crisis, which led to a wider crisis in credit markets, was partly caused by an “excess” supply of liquidity in global capital markets and the failures of the central banks in the United States and some other advanced industrial countries to act to restrain liquidity and dampen the speculative increases in housing and other asset prices. While lax financial regulation may have contributed to the particular form taken by the crisis, the magnitude of this excess liquidity, and other associated factors, made further difficulties likely.

These factors were made acute by major failures in financial regulation, supervision and monitoring of the financial sector, and inadequate surveillance and early warning. These regulatory failures, compounded by over-reliance on market self-regulation, overall lack of transparency, financial integrity and irresponsible behavior, have led to excessive risk-taking, unsustainably high asset prices, irresponsible leveraging and high levels of consumption fuelled by easy credit and inflated asset prices. Financial regulators, policymakers and institutions failed to appreciate the full measure of risks in the financial system or address the extent of the growing economic vulnerabilities and their cross-border linkages. Insufficient emphasis on equitable human development has contributed to significant inequalities among countries and peoples. Other weaknesses of a systemic nature also contributed to the unfolding crisis, which has demonstrated the need for more effective government involvement to ensure an appropriate balance between the market and public interest.

The level of international economic interdependence may also have contributed to an increase in vulnerability of the global economic system to external shocks that produce larger negative impacts on global aggregate demand.
1.2 Impacts of the crisis
The crisis has produced or exacerbated serious, wide-ranging yet differentiated impacts across the globe. Since the crisis began, many States have reported negative impacts, which vary by country, region, level of development and severity, including the following:

- Rapid increases in unemployment, poverty and hunger
- Deceleration of growth, economic contraction
- Negative effects on trade balances and balance of payments
- Dwindling levels of foreign direct investment
- Large and volatile movements in exchange rates
- Growing budget deficits, falling tax revenues and reduction of fiscal space
- Contraction of world trade
- Increased volatility and falling prices for primary commodities
- Declining remittances to developing countries
- Sharply reduced revenues from tourism
- Massive reversal of private capital inflows
- Reduced access to credit and trade financing
- Reduced public confidence in financial institutions
- Reduced ability to maintain social safety nets and provide other social services, such as health and education
- Collapse of housing markets.

In what concerns the impact on developing countries, the crisis is likely to extract a particularly high toll on developing countries for following reasons:

- the citizens of these countries have fewer resources with which to cope with a crisis of this magnitude;
- the limited ability to borrow in international financial markets may impose constraints on their ability to pursue counter-cyclical fiscal and monetary policies;
- these ever-present threats have been exacerbated by financial market integration. Countries that have fully opened their capital accounts, have engaged in financial market liberalization, and have relied on private finance from international capital markets are among those likely to be most adversely affected.

Developing countries are forced, for instance, to pursue pro-cyclical fiscal policies because tax revenues decline in a downturn and they cannot find adequate financing for existing, let alone expanded, government expenditures. In this crisis especially, many firms and countries will face credit constraints and higher borrowing costs because capital flows to developing countries are likely to be markedly lower and risk premiums have increased
substantially. To retain foreign investors, countries may be tempted to raise interest rates, with adverse effects on the real economy.

Many countries have come to rely on foreign banks, some from countries that were poorly regulated and followed inappropriate macroeconomic policies and that now find their capital badly impaired. These institutions are now repatriating capital, with adverse effects on developing countries. The difficulty is compounded by the fact that many developing countries have entered into free trade agreements (FTAs), bilateral investment treaties (BITs) and World Trade Organization commitments that enshrine the policies of market fundamentalism noted above and further limit their ability to regulate financial institutions and instruments, manage capital flows, or protect themselves from the effects of financial market protectionism.

2. The entrepreneurial behavior imposed by the economical and financial international crisis

The economical and social costs of the international crisis, doesn’t mean only losses in the year 2008 and 2009 but also the reduction of the production from many countries, the deceleration of the economical growth in other countries, the loss of the work places and also the loss of credibility of the financial markets, an recrudescence of the problems connected to the polarization and to the social tensions. In January 2009, took place to Paris the European Forum of the Business Ethic, under the aegis OECD. In the forum were debated problems of the ethic in business in the conditions of the present economical and financial international crisis.

Between the major causes of the crisis and of the market economy failures are also the inadequacy and the weaknesses of the business behavior. Factors of decision in the economic-financial domain, to the national and international level, researchers and politics, is pronouncing for a fundamental reviewing of the international economical and financial system, for stimulating new rules and behaviors thus to re-equilibrate the report between the market and the settlements of the public authorities, to linger to business more social, ethical and moral responsibility.

Many economists consider that the behavior in business as factor of prime importance for a healthy economy which practical reflects directly the capacity of the market relations to stimulate the loyal competition, to decrease to tolerable dimensions the unhealthy phenomena of corruption, monopole, distortions of the cooperation and networking in the frame of national and international valuable links.

A series of excesses, difficulties and failures on short, medium and long term of the market capitalism can be avoided or substantial reduced on the basis of a set of fundamental, transparent and solid rules regarding the distortion of the economical-social phenomenon and processes. It is considered that is about the behavior of some corporations which are in opposition with the state and with the incorrect practices of some banks which, in certain cases, can destabilize national economies with effects propagated at international level.

The present crises had clearly shown that the economical agents and the market can’t govern alone and that the primate of the exorbitant profit and of some financial innovations can’t and mustn’t eliminate the minimum necessary and sufficient requirements of the ethics in business.
The American economist Joseph Stiglitz, the laureate of the Nobel Prize, was underlining that the new frame of the international financial system must get rid of “any pervert support for pervert accountants, the myopic behavior and the excessive assuming of the risk”

The behavior in business imposes at present reconfiguration of the international economical-financial systems on the basis of guarantying of some schemes of managerial simulative and transparent factors.

Taking into consideration of the behavior factor in business supposes their management in conditions of:

- economical-social and financial responsibility to different levels of decisional hierarchy;
- the transparence of the activities regarding the relation between the efforts and the results of the economical and social activities;
- objectivity in the sense of respecting the requirement of reflecting correctly into the nominal economy the actives and the fluxes of the real economy;
- thrust, safety and honesty in the economical-financial activities into the decisional and executive levels.

The trust or the lack of trust in the frame of one financial system are directly bounded by the observance of some steady ethical norms formal or informal regarding the functioning of the markets and of the commercial societies.

The behavior in business supposes also taking into consideration the benefit, the mutual advantage intra and intergenerational also for the developed countries and also for the developing countries, and also of the objectives of equity, inclusion, cohesion and social solidarity.

To the OECD level was elaborated a Guide for Multinational Enterprises which covers a wide series of the problem for the behavior and ethic in business. This guide was agreed by the state members of the OECD and signed by 11 member states of the OECD and includes the general principles and recommendations which promotes the compatibility with the laws, with the protection of the consumer interests, respecting the man rights, the care against the occupation, work relations, environment protection. The guide was utilized by the Agencies of Rating and Grants when they elaborated recommendations for the corporate responsibility.

Another multilateral instrument refers to the Principles of Corporate Governance (PCG) elaborated by OECD as part of the Forum of Stability regarding the key standards of the healthy financial markets. The principles of the corporate governance solve the structure and the quality of the systems of settlements, distinguishing the importance of some high ethical standards when we develop a business or in relations with the stakeholders. The principles underline the role of the Board of Directors in establishing the ethical standards of some company which doesn’t refers only to the compatibility with the law systems but to an ethical code “of behavior” which can be an effective method to know “the high tone”. If the standards of the high ethic are desired within their nature, the PCG make a direct bound with the performance of the corporations, therefore is underlined the idea that the ethic generate performance (profit).
OECD works intense to improve the multilateral agreements mentioned as in 2009 to offer increased chances to consolidate the ethical environment in business on different canals.

The recovery of the economical growth and the edification of some new international financial system entered into the sphere of preoccupation of the decision factors to the national and international levels. Therefore, OECD elaborated the Strategically Answer to the Economical and Financial Crisis destined to strength the ethic in business in different ways. In this sense, it is to mention the assistance which can give OECD to the countries to strength the transparency in domains like transparency, competition, corporate governance, taxes and pensions, concomitant with promoting of a better financial education and the identification of the domains in which is followed serious difficulties of the settlement instruments.

OECD will intensify the efforts and in other domains like:

- The Implementation of the Principles of the Corporate Governance into the financial sector in which the re-establishment of the thrust had become a major imperative. To the G-20 Summit from Washington from 2008, the member countries of OECD promised to formulate an action plane to solution the weaknesses of the corporate government connected to the financial crisis, mainly regarding: the management of the risk; the remuneration; the rights of the shareholders; the practices of the administrations councils.

- The improvement and the actualization of the OECD guides for Multinational Enterprises elaborated 9 years ago, considering the new elements and changes which brought the present crisis. This guides offer to the enterprises behavior reference adequate to the systems of conformity and management and interpret concrete situations for the financial system.

- It will offer mechanisms perfected by peer review in key domains like opened and responsible investments, anticorruption, competition or other aspects of the responsible behavior in business.

- The cooperation to build a new frame of settlement for a global economy more secure and global. In this sense, OECD with G-20 sketch an action plan in the domain of “Strengthening the International Cooperation and of the Promoting the Integrity on Financial Markets”.

G-8 has in view the elaboration to the world level of some standards regarding the governance rules of the future of the globalization. The elaboration of some new rules for the global economy in the post-crisis period represents a requirement which imposes a collective effort and an answer agreed on international level. These rules must contribute to create an economical and financial frame, solid and sure with the entrapment of all the players which supposes a growth of the importance of the multinational/multilateral organizations.

OECD completed a comprehensive review of entrepreneurship policies in Scandinavian countries, assessing the effectiveness of policies in helping businesses innovate and grow, and highlighting areas for policy improvement.

The global crisis is owed to a systemic failure and not to some shocks of the terrorism acts or to the manipulation of the price of the petrol by some group of countries. This system
created till now permitted a toxic combination between the unethical behavior of some companies and the settlement and the wrong supervision of their activities. The crisis pulled out, also, the non-functions between the international institutions.

3. Methodology and debate of case study
For this work we’ve analyzed the entrepreneurial behavior in the crisis period in two European countries, Romania on one side and Finland on the other side as good practice European model. Firstly we’ve followed the economical context in the two countries. At the end, the study develops a critical approach on the entrepreneurial behavior in the two countries.

3.1 Romania – case study
The financial system from Romania evaluated in conditions strongly marked by the virulent manifestation of the financial and economical global crisis. To the start of the crisis, the Romanian economy was running a period of many years of economical growth in high rhythms, but accompanied by the accumulation of some deficit relatively important, and of the majoring of the external debt on short term.

Regarding Romania, we mention that, regarding to the declarations of the official persons from BNR (Romanian National Bank) and to other financial institutions, not any bank wasn’t in severe situation, doesn’t have liquidities problems, as following the effects of the international financial crisis.

The companies entered into the economical crisis with a financial health relatively good, which permitted to face some moderate shocks, but also on short term. The risk from lending increased, because of some sudden adjustment of the demand and financing offer. A liquidity shock would have important effects on the sector of the companies, while a shock on the rate of turnover generates moderate to severe implications. Otherwise, the evolution of the payment incidents is situated on a strong ascending trend, which asks extra attention.

The subordinate loans, deposits and credits which the banks from Romania received from foreign shareholders, in proportion of 50% have the expiration in 2 years, and 3 mild. Euro will have to be paid between 1-2 years and approx. 2.5 mild. Euro will have to be paid between 6 months and one year. The banking solvability is at a good level (of 13%), and the weak actives have a relatively small proportion in the total amount of the actives (under 1%).

Once with the prudential growth regarding lending, Romanian banks have closed one to another the limits of exposing on the inter-banking market, which means the existence of some reserve consistent plans, regarding the liquidity assurance.

The effects of the financial crisis which induce recession and economical decline, it will also feel on the labor market from Romania, within the growing of the sub-occupation rate, as following the reduction of the work force demand in country and abroad, especially is Spain, Italy and Germany.
Another argument for the opinion according with the local financial market of Romania will feel only indirectly the effects of the international crisis refer to the currency reserve of Romania of 26 mild. Euro, an important factor for countering these effects even in the case of condition hardens from the credit crunch sector.

Also at the global and national level, the bankruptcy state of some bank societies and not only, the decrease of the stock exchange value shares generated a series of fusion and taking over operations as a growth of the stock-exchange stimulated by the low price of the shares buying.

The perception of the banks regarding the credit risk of the companies had deteriorated, that will put up the price of the financing. The firms from the real estate sector, constructions, and tourism are named as being the most risking. After the dimension, the SME’s are considered as being the companies which have the biggest risk. The medium size enterprises, which in 2008 were situated between corporations and micro enterprises from the point of view of the credit risk, doesn’t behave differences against the micro enterprises.

The companies could resist to some more severe shocks if these would produce into a longer time which to permit the adjustment of the financial position and of the costs structure. From the perspective of the cost structure, the companies are vulnerable because of the fix expenses which can’t be easy adjusted on short time. To the aggregate level, companies can support a sudden deterioration of the turn over round 20 per cent not to enter on the negative territory of the profitability. Commerce companies could face some deterioration of the turn over of about 30 per cent, because of the big weight of the variable expenses. To the opposite level are the companies from industry.

3.2 Finland – case study

The Finnish economy has not survived the upheavals of the world economy unscathed, even though the country entered the recession in good shape. During the long period of strong economic conditions significant imbalances did not arise. The financial positions of both the public and private sector were good. The banking sector was and still remains on a sound footing. The strong growth in economic openness during the years of favorable economic conditions as well as a large industrial sector has significantly increased the vulnerability of the national economy. The sudden slow-down in industrial production and the simultaneous financial crisis instantly created a gloomy outlook as domestic demand turned rapidly downward. In terms of losses in production and jobs, 2009 represents a severe test comparable to the steepest decline in the early 1990s. In the early summer, gross domestic product had declined to its level four years previously.

GDP is expected to decline this year by 6%. A contraction figure for the national economy of 6% will require that output at the end of the year does not decline further from the level of the early part of the year. This estimate draws on the assumption that the world economy will slowly begin to recover in the latter part of the year. The global recession will, however, leave its mark on both the world and the Finnish economy. Finland’s relative position will also be hampered next year by the country’s range of export commodities and by its regional structure. Production for the domestic market will continue to decline, as growth in unemployment is reducing household demand and business investment in falling. GDP growth in 2010 is forecast to be ½ per cent at most. The current recession is therefore
expected to be shorter than the recession of the early 1990s. If the production path were to follow that of the early 1990s, growth would not resume until 2011.

The employment rate in 2007 and 2008 surpassed the 70% target level of the Lisbon Strategy. Employment remained high until late 2008/early 2009. Thereafter, however, new recruitment came to a halt almost completely and wide-scale temporary lay-offs were implemented in manufacturing industry. During this half of the year, unemployment has risen at an accelerating rate. Uncertainty about the future trend in employment is exceptionally high in the present situation, but a steep fall in employment during the end of this year and next year may not be avoidable. The employment rate is projected to fall this year to 67½% and in 2010 further to 66%. The unemployment rate is expected to rise this year to 9% and next year to 10½%.

As a consequence of the recession, the deficit in central government finances will rise to 6% of GDP in 2010. The financial position of municipalities will also weaken. Total net lending will rise next year to 4½% and gross debt (EMU debt) of public bodies to 48% of GDP. Funding of public spending and production of welfare services will be adversely affected. In the medium term, growth potential will be weakened by a downturn in labor supply as the population ages. Tightening competition for raw materials and measures to combat climate change will require investments aimed at a resource-efficient and low-carbon economy.

Before the global financial crisis, the Finnish economy was developing favorably and good progress was being made in achieving the national structural policy objectives. Growth was balanced and more or less on a sustainable track. The biggest challenge was reforming economic structures to be able to respond to population ageing. Another significant challenge was responding to climate change. The crisis has altered the situation very quickly. The employment rate is falling sharply and a significant structural financial gap has arisen in public finances. Structural unemployment is threatening to grow. Production capacity is being cut in the export industry, particularly the forest industry. If the structural unemployment grows and the production capacity contracts, the potential production will fall. At the same time, the sustainability problem of public finances will intensify. As a consequence of the crisis, restoring employment and the economy to growth and minimizing the permanent adverse effects of the crisis have become the most important challenges. The medium-term challenge is to restore the economy back to balance and a sustainable growth track. The long-term challenges of population ageing and climate change remain as acute as before the crisis. Restoring the economy to a sustainable growth track, managing demographic change, and climate policy are closely linked to each other. At the same time, to resolve one challenge may promote the achievement of other objectives. Climate and energy policy solutions, when they succeed, offer incentives to innovations and the creation of new production. The renewal of public service production creates opportunities for new private service production and to partnership between the private and public sectors in service production.

The Government’s goal is to raise total public and private R&D funding to 4% of GDP in 2011. The level of public and private R&D funding has been around 3.5% of GDP for several years. The private sector funds around 70% of R&D expenditure. R&D growth is restricted by, among other things, the low number of companies engaged in R&D work. To improve this situation, various activation measures, directed mainly at SMEs, have been initiated. The results of these projects will be apparent only after a few years’ delay,
however. In terms of the productivity and effectiveness of R&D funding, it is important to maintain reasonably high and consistent growth of R&D activity. The requirements of energy and climate policy, financial market problems and the economic recession are factors that might be reflected in companies’ desire to increase investment in R&D. On the other hand, the altered situation may also encourage companies to invest in R&D and innovations. An effort has been made in Finland to broaden innovation policy beyond traditional R&D. This is clearly evident in the innovation policy report submitted by the Government to Parliament in October 2008, in which the priorities of innovation policy are shifted in the direction of markets that promote innovations, non-technological development, user-orientation and public services. Due to the definition of R&D, public investments made in these areas appear as only a small part of R&D expenditure as a proportion of GDP, because the proportion of GDP accounted for by R&D expenditure mainly measures the traditional technology policy. The R&D indicator poorly describes broad-based innovation policy, including the innovation of the service sector. In Finland, as in many other EU Member States, the proportion of GDP accounted for by services’ R&D expenditure is very low. According to the latest research, the service sector does not, however, differ significantly from industry in its capacity to innovate.

At the end of 2008, Finland had around 262,000 companies, of which around 98% are small or medium-sized (according to the EU definition). Of SMEs, 93% are micro-enterprises employing less than 10 people, and of these around 70% are sole entrepreneurs or occasional employers. Finland’s company stock is therefore dominated by small enterprises. The number of companies has increased uniformly in Finland since 1995. In 2008 the number of companies also grew by around 3½%. The number of new company registrations clearly contracted, however, in late 2008/early 2009, which is at least partly due to general economic development. SMEs employ around 62% of companies’ total labour force. Of new jobs, 75% in net terms has been created in SMEs since 1993. In recent years, the proportion of employment accounted for by SMEs has slowed slightly. The goal of entrepreneurship policy is the growth, development and internationalization of SMEs in particular, as well as the creation of new companies. An important short-term objective is also to ensure that viable companies survive beyond the current recession. An essential part of enterprise policy is the development of expertise. By this is meant the development of both the business expertise of companies and the skills of the labor force. Developing expertise is particularly important for maintaining competitiveness in future years, due to ageing of the working-age population and a decline in labor.

Conclusions

During periods of recession, businesses tend to cut investment in research, development and innovation, weakening the prospects for future growth. Entrepreneurs with new ideas and younger companies are particularly vulnerable to financial constraints in a downturn, but large firms also curb spending on R&D during hard times. Creative entrepreneurs can weather the current global economic crisis better than traditional businesses. Business incubators, clusters of innovative SMEs, science and technology parks, and development agencies play an important role in facilitating appropriate access to financing for SMEs at local and regional level.
In Finland, two different goals are emphasized on what concerns SME survival in economic crisis. First of all it is important to ensure that healthy enterprises can manage the sudden financial crisis meaning the availability of money. The functionality of the financial sector has to be ensured and the additional means to get acute financial help both at local and national level has to be developed. The other goal is to ensure the further development during the crisis so that when it better times comes the enterprises are ready to compete for new growth.

A particular challenge of Finland’s National Innovation Strategy is to utilize more widely than in the past the creativity and innovation capacity of individuals and enterprises. Promoting sustainable development through innovations is also a challenge. The proposal for a revised innovation policy emphasizes the development of products and services based on users’ needs as well as the involvement of users in development work. The aim is to enhance innovation policy by bringing public administration actors together into a strategically led entity. This will require the introduction of new instruments as well as the reform of existing support functions and organizations.

References


