

COUNTRY PROFILE



Finland

GLOBAL RANK: 2nd= of 104



Finland scores highly across most indicators, and as a result joins Austria in second place. It is in 5th place for Comparative Liveability and 12th place for Economic Competitiveness.

BACKGROUND

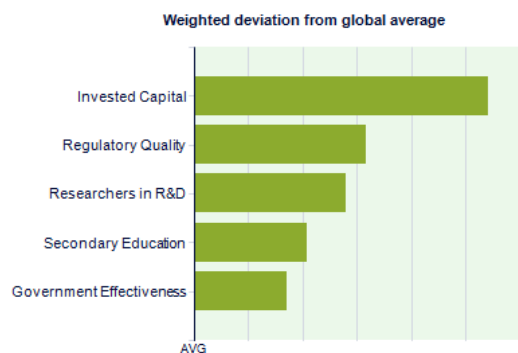
Finland has transformed itself, from a predominantly agrarian economy at the end of World War II, to a sophisticated modern state with per capita income levels to rival any country in Europe. Despite this, growth is restricted by one of the oldest populations in the EU and an inflexible labour market. Finland is noted for its progressive social policies, and it has one of the highest levels of educational attainment and lowest incarceration rates in the world. Finns have also tended to give high priority to environmental issues, and are world leaders in lowering pollution and ensuring sustainable development.

FAST FACTS

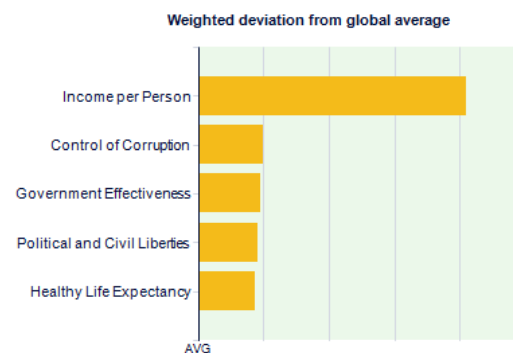
Population:	5.2 million (2008 est.)	FDI (net inflow):	3.17% (2006 est.)
Life Today	7.7 (2006 est.)	Exports	36.84% (2006 est.)
GDP (PPP)	\$185.5 billion (2007 est.)	Imports	33.11% (2006 est.)
GDP (Growth)	4.4% (2007)	Unemployment:	6.8% (2007 est.)
GDP (per Capita)	\$35,300 (2007 est.)	Life Expectancy	78.82 years (2008 est.)
Political System:	Republic		
Foreign Aid:	No data		

KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Finland is a well-governed, free-market manufacturing economy which provides a high level of Economic Competitiveness for its citizens, on a par with Western Europe and its Scandinavian neighbours. The country rebounded from a severe downturn in the 1990s, joined the euro zone in 1999, and has recently outperformed other members, benefiting significantly from high levels of capital investment.

Finland has escaped its past dependence on agriculture. Trade is key to the economy, with exports making up nearly 40% of the GDP. This diverse and innovative economy is known for high-tech exports such as mobile phones, although it also has strengths in forestry, machinery, vehicles, and engineered metals.

At 98%⁹, Finnish satisfaction with freedom of choice is the highest out of the countries surveyed. The fact that nearly all Finns (90%⁹) feel they can 'get ahead' through hard work is testimony to a well-functioning meritocracy. This equity in the distribution of opportunities extends across gender lines: 34% of parliamentary seats are held by women, and female earnings as a percentage of male earnings are better than most countries in Western Europe.

Working hours are on a par with the country's Scandinavian neighbours at 38 hours a week. Leisure time is high at over seven⁹ hours a day, although this is noticeably less than in Norway or Denmark.

The number of highly-educated Finnish researchers working in R&D is testimony to the skills of the workforce. However, although Finland's mass educational achievement is good by global standards, an average of 3.41 years of secondary education per worker is low for a country of this ranking.

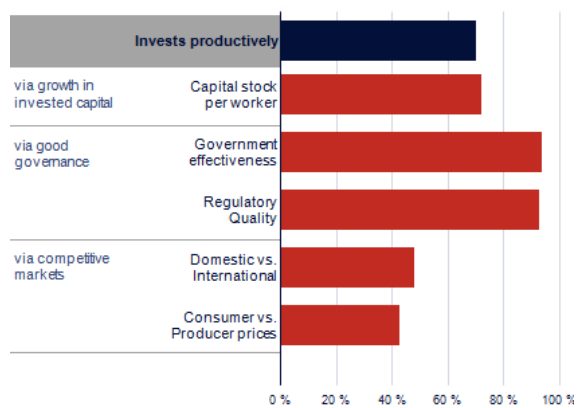
Finland's markets are among the most free and open in Europe. The government increased job market regulation in the 1970s, but has liberalised the country's economy since the 1980s, removing the 'red tape' from financial markets. Overall, regulatory quality is good, although the job market is inflexible. Although the cost of starting a business is low, entrepreneurship is somewhat lacking, and relatively few Finns go into business for themselves.

Political life in Finland is open and generally fair: it is one of the least corrupt countries on earth, government effectiveness is high, and the country also scores highly for political rights and civil liberties.

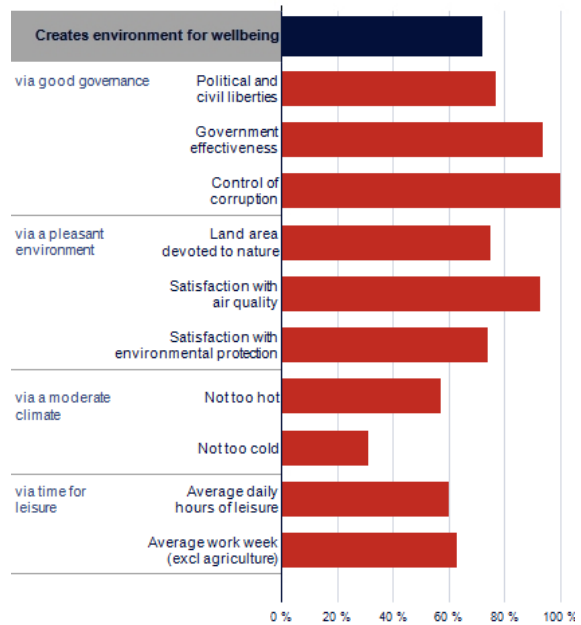
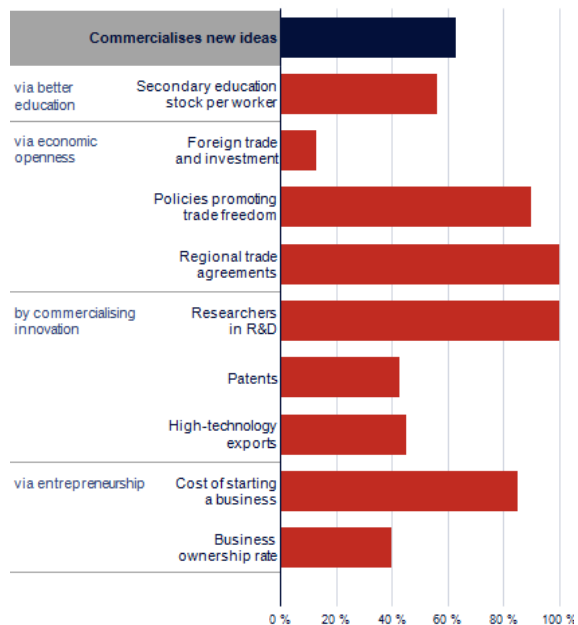
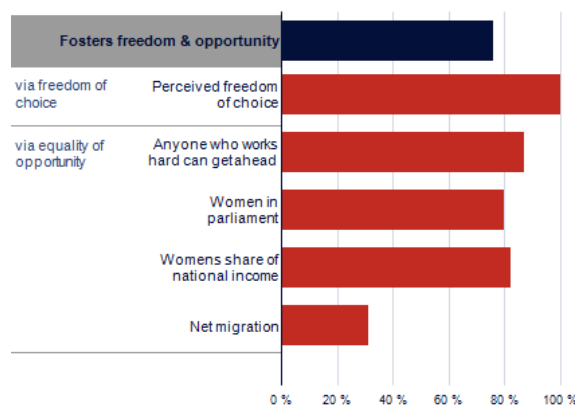
The Finnish welfare system allows for generous parental leave and, like the Danes, Finnish parents have the option to take partial or total leave. 86%⁹ are happy with their personal health and health-adjusted life expectancy is high at 71.1 years.

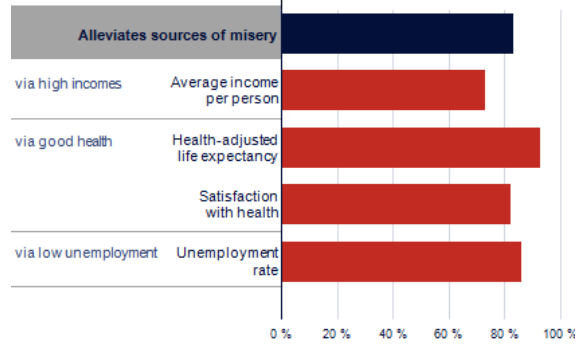
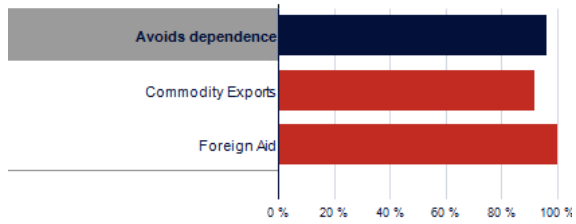
Finnish culture is based on an abundance of nature and fresh air, and 73% of Finns report that they are satisfied with efforts made to preserve their environment, according to the Gallup World Poll. The Finns also benefit from high average incomes, which are helpful for many of the other positive drivers of life satisfaction in turn.

ECONOMIC COMPETITIVENESS: SCORECARD

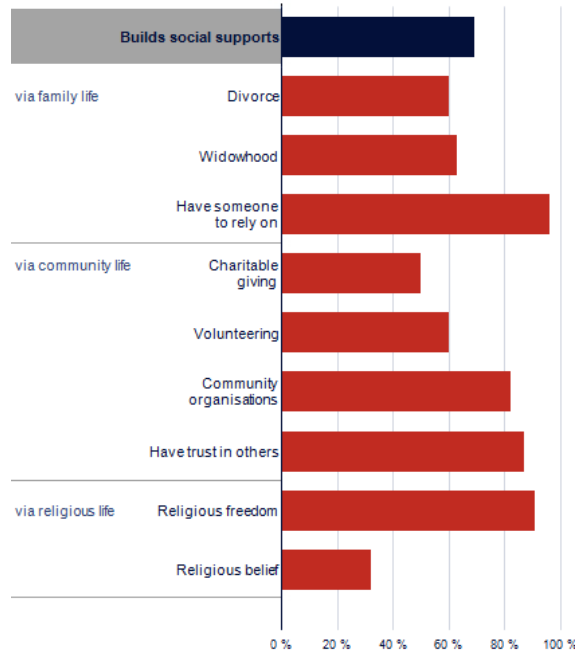


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.