

## *Progress Report of Finland*

### 1. Information society

#### 1.1. Strategy for Information Society

Finland's strategy for making use of the opportunities of the information society and preventing the possible threats involved was published at the beginning of 1995 and the major aims were also incorporated in the official platform of the subsequent government. In spring 1997, the National Information Society Forum made an initiative to reform this strategy. The reform project was launched under the theme "Finnish society - a network of people". The National Fund for Research and Development commissioned some 20 surveys to back up the reform process and at the end of 1998 the strategy was published with the title *Quality of Life, Knowledge and Competitiveness*. The strategy contains seven spearhead projects that aim to promote the stated objectives and principles of development.

#### 1.2. Publications and surveys

Statistics Finland has also been an active participant in the development of information society descriptions. The first large publication *On the Road to the Finnish Information Society* was issued in spring 1997. A new publication, which also contains some new indicators, was published in June 1999. Both compilations also include information on the output, foreign trade and use of information technology. The time of publication was excellent, as the Session of the International Statistical Institute, ISI was held in Helsinki in August and Finland's EU presidency started at the beginning of July 1999.

An inquiry into the use of information and communications technology in enterprises was made as a pilot study for the first time in early 1999. The purpose was to chart enterprises' information technology skills, and the introduction and extent of information technology. The main emphasis in the inquiry was on enterprises' use of the Internet and electronic commerce. The inquiry covered such industries as manufacturing, construction, transport, trade and business services. The data were based on information provided by 977 enterprises. The target group of the inquiry consisted of enterprises with at least 20 employees. The results of this survey were also included in Statistics Finland's new Information Society publication. It should, perhaps, be mentioned that the City of Helsinki's Statistics and Information Service Unit was very interested in the use of ICT in the service sector, in particular, and was prepared to pay for an extra sample to be taken in the Helsinki region to obtain more data for its own analyses.

On the initiative of the European Commission, all EU Member States and Norway and Iceland have carried out, or are going to carry out uniform surveys on the supply and demand of electronic services. The survey on Finland was made in September 1998, when 3,000 randomly selected persons were interviewed. The purpose of the survey was to study to what extent PCs are used at home, school and place of work, how

many computers are connected to the network and which electronic services different population groups use.

Alongside the survey on the economic effects of information technology, Statistics Finland has also examined its social impacts in large interview surveys entitled "Finns and the Modern Information Technology". Another interview survey concerning the use of information technology at work is part of more extensive Quality of Work Life Surveys.

### 1.3. Co-operation with Nordic countries

Not all countries are yet compiling statistics on the information society. Therefore, it is notable that Nordic statistical experts have extended their co-operation, which we hope will provide comparable data on different Nordic countries. If some difficulties in comparability exist between the Nordic countries, there are bound to be more of them between other countries.

The Nordic Council of Ministers has partly funded two projects. The aim of the first project was to design main questions for a questionnaire examining the use of information and communication technology (ICT) in enterprises. In addition to these main questions, each country could supplement their inquiry in the way they wanted. Finland utilised the results of this co-operation in the above-mentioned surveys on enterprises' information technology.

The purpose of the second Nordic project was to come to an agreement on the definition of the ICT sector and to produce comparable statistics on one of the defined ICT businesses in order to make the description more concrete (The Information and Communication Technology Sector in the Nordic countries - a first statistical description. TemaNord 1998:587. Copenhagen 1998). Both reports mentioned above are published in English.

The Nordic group of experts is willing to continue its work and mentioned many new subjects for further study in its report, such as establishing the educational level of ICT sector employees and IT nomenclature. The Council of Minister was not, however, prepared to finance any further surveys, for which reason it is uncertain at the moment whether the projects will be carried out.

### 1.4. Pilot surveys

Statistics Finland is during this autumn compiling a synthesis report on Eurostat pilot survey on telecommunications. The report will include only 4 countries i.e. UK, Sweden, Denmark and Finland, which have by now submitted their final report. The possibilities of making data analysis based on the results are unfortunately very limited since the data tables submitted are often incomplete and even non-existent. This is the case due to several reasons: survey was conducted as a voluntary one yielding very low response rates, the telecom markets are highly dominated by a few big players and therefore due to confidentiality data cannot be published, the questionnaire asked too detailed information that was not available or given etc.

Consequently, the focus of the final report will be on the methodological side, where we have asked the participant to reply a number of questions related to the execution of the survey.

Finland is involved in the Eurostat project on voluntary data collection on business services. The aim is to investigate the definitions and collect available data related to business services within Statistical Institutes. This includes in our case data from Business Register, accounting statistics, employment statistics, labour force statistics etc. At a later stage comparisons across participating EU-member countries will be made.

## 2. Service Price Indices

One of the long-term goals of Statistics Finland is to construct a comprehensive framework for following both price and cost movements in all (market) sectors of the Finnish economy. The service price index will be part of the price aspect of this wider picture. Another, not totally separate need for service price indices is to obtain reliable and suitable deflators of all industries for national accounting purposes. This latter aim has also been emphasised in the EU context, as a growing general need for better and more comprehensive statistical coverage of the service sector.

Statistics Finland has made a couple of pilot surveys on prices of services. But due to lack of funding and prioritisation of other important projects, the work has thus far been postponed. Now the development work has begun and this time we hope to create a system of price indices that would be both permanent and adequate.

We will start by outlining the overall structure of the services to be included. We now consider the Japanese Corporate Service Price Index a good example and use it as our target. In spite of the differences in emphasis, it shows a good structural basis in a comprehensive way. Our index will be strongly based on the NACE classification and we are exploring the final extent of the service price index on the NACE basis. In the first phase we will concentrate on group 74 of section K - Other business activities - but the inclusion of other major service categories may follow, depending on how we get the work underway.

## 3. International Trade in Services

In May 1999, Statistics Finland set up a project that aims to develop statistics on foreign trade of services and carry out data collection. Statistics on foreign trade of services was previously compiled by the Bank of Finland on the basis of enterprises' payment data reported by banks. Finland's membership to the EMU has changed the operational environment and statistics based on currency exchange have become slightly outdated.

When we request financial statement data from enterprises, we have asked for information about foreign trade on the total level (imports/exports). The proportion of services has been ranged preliminarily by deducting from total exports and imports the foreign trade of goods and services, which information we have obtained from the National Board of Customs. The aim of this project is to find out in more detail what type of services the trade concerns and to which continents or countries it is directed.

The first survey concerns the statistical year 1999 and according to our present plan, a more detailed survey will be made every three years.