

## Editorial

by Gunnar Damstrom

Finnish Ambassador to the US Jukka Valtasaari had elected to speak about *Finland and Globalization- Niches and Necessities* at the University of Washington Kane Hall on January 20, 2004.

Ambassador Valtasaari noted similarities between Washington State and Finland- about the same population and GDP; Forest industry prevalent. Finland's land area is about twice that of Washington's. He went on to note Finnish industrial successes: Icebreakers; consumer electronics (Nokia's share of global cellular phone business 36%-37%); serial production of luxury liners; manufacturing of large diesel engines; Metso- world leader in paper manufacturing machinery. According to Valtasaari the successes are off springs of the lost war.

"The niches have developed out of necessity. You have a fixed scenario and have to try to make the best of it" said Valtasaari. Environmental technology is another Finnish success story he continued. At a conference in Stockholm in 1972 the environmental guidelines for an economically and technically sustainable forest industry were laid out. "We elected to regulate the forest industry by enacting stringent environmental laws and forced the industry to live up to the standard. As a result environmental technology emerged".

Valtasaari continued with a characterization of the Finnish psyche. "Finns are stubborn to the limits of endurance. We call it *Sisu*. Finns hate authority. For people interested in Finnish psyche, one of the best sources is a book trilogy by author Väinö Linna- *Under the Northern Star*, which just has been released in English translation". Valtasaari said another characteristic feature of the Finns is their curiosity, particularly as it comes to invention. As example he mentioned the great enthusiasm by which the Finns introduced the telephone. Bell's invention was hardly a year old as several private local networks were already being installed in Finland. After the war it was necessary out of want to use imagination to sustain the industry. The industrial recovery consumed most of the 1950's. The 1960's

were characterized by intense research and development activities. The 1970's was a decade of intense technological assessment. In 1979 the Nordic Mobile telephone network was created. Nokia and L.M.Erickson squared off for the first time. Valtasaari went on to describe the foundation blocks of Finnish success: The first is consensus building. What are the competitive advantages? How can we get people to come together and make decisions? The second is consideration for education. In Finland 70% of the age class now receives college education. Tuition is virtually free. Gender inequality and social mobility are problems Finnish society has to deal with. The third is R&D organization. In the 1970's the Government decided to triple the (Government sponsored) longer term R&D budget. The Government dispatched 25 scouts to different corners of the world with the mission to figure out where the trend is going.

Valtasaari went on to discuss the future. The Finns would like the educational system developed to facilitate international exchange (introduction of the PA system is an example). Finns need to be taught to take risk. Biotechnology is an industry going through rapid expansion. Assimilating EU standards is a major challenge. Russian political change has major influence on Finnish society. "The problem is we don't know in what direction this change is going" said Valtasaari. The Finns are concerned about the attempts to redefine civilization in the Middle East. The Finns ride on the crest of globalization. A recent survey showed Finnish investment in China was six times what the Government had estimated it to be. Telecommunication will continue to be the lead industry. The Finns carved out their niches out of necessity and did their homework meticulously.

## Upcoming Events

### *FACC Annual Meeting*

The Finnish American Chamber of Commerce of the Northwest invites you to come and meet Ms. Tracey Lovejoy, Ethnographer, Microsoft Corporation. She will speak about "Observations of the use of technology by Finns" at the Evening Reception Meeting with Hors d'oeuvres Thursday 5th of February, 2004 At the Doubletree Hotel - Bellevue, 300 112<sup>th</sup> Avenue SE, Bellevue WA. Registration (No host bar) from 6:00 pm, Presentation at 6:30 pm. Please RSVP by Monday, Feb 2<sup>nd</sup>, 2004 to Jarmo Wallenius (425) 788-2768, Matti Suokko (425) 885-7320, or email [jarmo.wallenius@faccnw.com](mailto:jarmo.wallenius@faccnw.com)

### *Event Honoring Scandinavian Veterans of Finland's Wars*

A multi media presentation of Scandinavian volunteers in Finland's wars 1939-1944 will be provided February 7, at 1 p.m. at the Swedish Cultural Center in Seattle. Lieutenant colonel Orvar Nilsson, an officer with the Swedish Volunteer Corps will be present to answer questions. Dr. Donald Johnsson will talk about the war effort and the Scandinavian volunteers. Admission is free.

### *Business Card Exchange*

The Finnish American Chamber of Commerce of the Northwest invites you to come to a FACC-NW Business Card Exchange. Please come and meet other members, Finnish community at large and some of the directors of the FACC-NW board at this informal occasion on Wednesday 18th of February, 2004 at the Northwest Brew house and Grill – Redmond 7950 164<sup>th</sup> Avenue NE, Redmond WA 425-498-BEER Starting at 6:00 pm. No host bar guests and potential new FACC-NW members are most welcome! Please contact Jarmo Wallenius for questions or suggestions at 425-788-2768 or by email [jarmo.wallenius@faccnw.com](mailto:jarmo.wallenius@faccnw.com)

### *Kalevala day Festival*

The Finnish Choral Society of Seattle invites you to the 28<sup>th</sup> Annual Kalevala Day Festival. This year's theme is "The Kalevala

and The Lord of the Rings". Time: Sunday, March 7, 2004, 2:00PM Place: Nordic Heritage Museum, 3014 NW 67<sup>th</sup> Street. The program includes music, singing, recitation, folkdance, and kantele. Kaisa London will present how the spirit and magic of the ancient Kalevala had a profound influence on J.R.R. Tolkien, inspiring him to write "The Silmarillion"; "The Lord of the Rings" as well as the elf language Quenya. Choral Music by the Finnish Choral Society, Directed by Maria Männistö will perform Choral music. There will be performances by Tanhujat Folkdancers, Kalevala Trio, Kantele Music, and sing-a-long.

### *Vappuhippa!*

The Finnish School of Seattle, U.o.W. Scandinavian Department- Finnish Program and the Finnish American Chamber of Commerce are throwing a May Day party to celebrate the end of winter- coming of spring. Time: Saturday, May 1<sup>st</sup>, 2004 at 6pm, Place: University of Washington, Faculty Club. Tickets: \$40 at door; \$35 in advance (until January 31). World famous artists pianist Ralf Gothóni and violinist Elina Vähälä will perform. There will be performances by local choruses and quartets, sing along and dance. There will be a buffet featuring May Day treats. There will be a Spring Auction benefiting the Finnish School of Seattle. For information and ticket reservations: Leena Häkkänen, [hakkanen@verizon.net](mailto:hakkanen@verizon.net), tel. (425) 424 2238 [www.finnsnw.com/suomi\\_koulu.html](http://www.finnsnw.com/suomi_koulu.html)

## Suomi Koulu

by Kristiina Hiukka, President of the Finnish School of Seattle

Who are all those children running around a Seattle yard playing "hippa" and making Father's Day cards in November? The answer: They are students at the Finnish School of Seattle. Every Thursday, and every other Saturday, Grace Lutheran Church in Bellevue is invaded by busy first, second or even third-generation Finns. Some kids visit the Seattle school for a year or two and move on, or return to Finland, others plan to stay involved till their teens.

When the school was founded in 1995 by preschool teacher Airi Suomalainen, it was

not the first time that Seattle offered a Finnish school for its immigrant population. With the ebb and flow of Nordic immigration in this Northwestern city, there's been a Finnish school here almost as long there have been Finns, and the first arrived in the late 1800s. Officially incorporated in 1997, the current school is operated by a small, but determined group of supporters and has established a firm foot in the community. It now has more than 50 students. Working together, through hearts, minds and hard work, volunteer parents and teachers have produced an exciting children's education program, as well as reached out to a growing circle of supporters.

Underlying the efforts of parents and teachers is a desire to create an active and motivated Finnish-speaking learning community for Finnish children and their families. This dedicated group of volunteers wants to offer children and their families an opportunity to *be* and *speak* Finnish.

To back up this mission, the school's board concentrates on raising money (for its approximately \$30,000 annual budget) and developing the school's communications. On the financial side, a teacher development fund was established with a donation from a local Kaleva Brothers and Sisters lodge. This money is used every year to send one teacher to Helsinki to attend a Finnish School Teacher Training week at Opetushallitus. In 1999, at the Seattle FinnFest, the organization contributed a major gift to set up the school's library and the computer. Local Finland-affiliated firms such as Elektrobot, Ekono and Traveltime have also been generous supporters. Annual fundraising events like the Spring Auction – this year on May 1<sup>st</sup> at University of Washington and organized in cooperation with Finnish American Chamber of Commerce - are appreciated celebrations in Seattle's greater Finnish community. Both Finlandia Foundation national as well as the local Seattle Chapter have supported the school. Major funding, however is received from the Finnish Government (Opetushallitus) to pay for teachers' wages. The remarkable number of generous individual donors is an expression of the wide support the school has in the larger community, even among people who have

no children or grandchildren in the school. Tuition (\$80 per semester) covers only a fraction of our expenses and we are under pressure to raise it remarkably unless a major sponsor steps in. Tuition has been kept low in order to make the school as accessible to all Finnish families in the region despite their financial status.

In an effort to make the school better known to all Finns in the Puget Sound area, the school's board has worked hard on communications and school identity. Seattlen Suomi Koulu has an established Internet presence with its own Web site [www.finnsnw.com/suomi\\_koulu.html](http://www.finnsnw.com/suomi_koulu.html) , and publishes a newsletter, *Suomikoululainen*. The school has also produced a variety of flyers, a parent guidebook, and a teacher's handbook. It is visually identified by its simple FIN letterhead and logo on T-shirts.

The school's leadership enjoys a smooth decision-making process due to continuing strategy meetings that have established a common language, mutual understanding of goals, and core values. Activities with community are high on a list of goals. For example, the school wants to support Finnish parents by expanding its library. Another objective is to strengthen students' sense of themselves as Finnish Americans, or Americans with "sisu" spirit! The curriculum enhances the joy of being Finnish and encourages students to live with tolerance and respect for others.

What are the major challenges for the school? "Our biggest challenge is to find and retain qualified, Finnish-speaking teachers," said Airi Suomalainen, Seattlen Suomi Koulu's principal teacher. Currently, the school is in a process of developing a teacher training curriculum in cooperation with professor Andrew Nestingen at the Finnish language Program at the University of Washington. "We haven't secured funding for the program yet," said Suomalainen, and continued "but we find it crucial to educate the resources we do have in the best possible ways to ensure quality learning experiences for children". Suomalainen herself teaches toddlers on Thursdays with two other teachers.

Another major challenge is to find a reliable

and supportive facility in an accessible location. "The current location serves ideally most of the students but the situation with the facility is less than preferable" said Mikko Männistö, immediate past president of the school. He is coordinating the negotiations with the church. "The church does not allow setting up the school's incredible library with hundreds of Finnish children's books, games and videotapes in neat bookshelves in the school room. The storage space is also inadequate" Männistö laments. Therefore, although negotiations are still going on, the leadership is beginning yet another search for a new school facility.

The vision for the school is to serve all Finnish-minded families in the Puget Sound area by enriching their children's experiences in Finnish. This means concentrated efforts in communicating about the school and its services to all Finnish and Finnish-minded families living here. The leadership is an extremely committed team and puts in hours as if they were working for pay! "I've never imagined work on a board of a small volunteer school would keep me this busy – but it's gratifying because I can see the direct results of our work every week in the classroom" said Anne Tuominen, secretary for a second year and a mother of twin toddlers.

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### Homeland News

□ *Compiled & translated by Pentti Rinne*

#### **Weak dollar**

Euro hit another all-time high in January

The downward trend of the US dollar, which has now lasted for more than a year, benefits American industry but puts a real strain on euro countries.

"The United States will only benefit slightly from the improved competitiveness, as there is little market for American products in the struggling European economies", says Jussi Mustonen, the Chief Economist of the Confederation of the Finnish Industry and Employers.

The strong Asian economies, China and Japan, are striving to keep their currencies as weak as the dollar. The Bank of Japan's regular dollar purchases weaken the yen, whereas China has tied the rate of its yuan to the US dollar. In Asia, therefore, the weakening of dollar doesn't really have an effect on the competitiveness of American products.

In this global drama, Europe seems to get the short end of the stick.

In January, the US dollar reached yet another all-time low against the euro. In economic theory, the change of exchange rates is a zero-sum game. When one economic area's export industry loses, another area's export industry wins.

In theory, neither the US nor the European economies are heavily dependent on exports. In both areas, the exports cover only about ten percent of the gross national income.

According to Mustonen, the difference is that in the euro region, in Germany in particular, the export industry has been the prime locomotive for economic growth. Ultimately it boils down to structural problems within the euro region itself. The exchange rates wouldn't matter so much, if the great euro countries could somehow stimulate their domestic markets.

Finland's economy is much more dependent on exporting outside the euro region than an average euro nation. Of Finland's five biggest trading partners, only Germany uses the same currency as Finland. Fortunately for us, the euro has strengthened less against sterling and the Swedish krona.

There is no rule that a strong currency always hinders economic growth.

Germany's post-war growth was based on the ever-strengthening d-mark. Likewise, the US economy's surprise spurt in the second half of the 1990s happened during a strong dollar.

**The short-term economy** both in Europe and in the United States seems perkier than for some time. Real risks lie further in the future.

What happens when the Asian central banks for one reason or another stop buying securities fixed in dollars? According to a



the Otto cash points or by buying a refill voucher (EUR 20) at a retail dealer's shop.

Prepaid cell phone subscription can be used without registering. This opens possibilities for shady characters who want to make calls without being identified. But most customers, about 70 to 80 percent, give out their personal information.

### **Illegal work force**

Expansion of EU means a big change in the Finnish labor market. More than 30 thousand workers come annually to Finland from the EU applicant countries. Work permits were issued to 22 thousand, and nearly the same number worked without permit. There are only a few thousand permanent workers but in the summer, temporary workers come across the borders on nearly 60 daily boat and flight departures from Tallinn.

The problem is that collective wage agreements are not followed. Foreign workers are often paid less, as little as one Euro per hour at worst. When contract work and subcontracting are deregulated as of May 2004, a considerable work force can enter the country without needing work permits. There are Estonian and Russian criminal organizations bringing in cheap labor within the so called gray economy. To control the situation, new laws are needed which make it illegal to undercut minimum wage and to enable the police to investigate wage discrimination.

### **Pensions reform in 2005**

The entitlement criteria for an earnings-related pension and the rules for calculating the pension will change at the beginning of 2005. To encourage people to continue working, the general retirement age will become flexible. It will be possible to retire on an old-age pension according to one's own choice between the ages 62 and 68. The reform is very generous towards those who continue working.

At the same time, the reform also corrects the current situation where persons with the same wage receive different pensions if one of them has changed employer and the other has stayed in the same job. Fairness and equality of the scheme are also enhanced.

The preparation of the reform first concerned private-sector employment contracts and self-employment. With some changes, the reforms will probably be implemented also on state and local government pensions so that the overall reform takes effect at the beginning of 2005. The new pension model will come into force only slowly. It will be fully effective only in the pensions for persons who started work in 2005. The overall reform is a solution for the future.

The Finnish employee pension model is unique in the world. Most of the pension funds are managed by a few companies having close contacts with private life and accident insurance companies. In other EU countries, statutory insurance is generally financed from budgets or public funds.

It is a question of big money: investments by employee pension funds are about 75 billion Euros, which is double the whole state budget. A little over half of the funds are invested in bonds and less than a quarter in stocks. Because of weak market performance, return has been low during the last years.

When negotiating the EU membership, Finland managed to include an exception whereby EU's life insurance directives did not have to be applied to Finnish employee pensions. Finland insisted that free competition would wreck the whole employee pension system.

At present, governments of EU countries are negotiating about a new constitution which would in time cancel the joining agreement between Finland and EU. If the exception is cancelled, EU's life insurance directives would allow foreign companies to compete for employee insurance services in Finland

### **Brain Athletes bring home medals**

Last year, Finland had little success in the traditional sports such as javelin throw or long-distance running. Instead, Finns medaled in multi-language shorthand, informatics and chemistry.

**Niklas Varisto**, 31, won the world championships in multi-language shorthand, in Rome. In this competition, the winner is the one who writes out an acceptable text in most languages. Varisto managed eleven languages: Finnish, Swedish, Spanish, Dutch, Norwegian, general Interlingua,

Italian, English, Danish, Estonian and German. This was Varisto's second gold medal, the first one was from Lausanne in 1998. Varisto does not actually speak eleven languages, only rough basic understanding suffices in this competition.

**Veli Peltola**, 19, won gold at the International Olympiad in Informatics in Wisconsin. Peltola is a veteran who has participated in informatics twice and in mathematics olympiad three times. In each of the olympiad's two-day competition, students get five hours to work on three problems they must solve by designing software. The problems include data and input and output details so the students can write software in the C, C++ or Pascal programming languages to solve them.

**Juho Pystynen**, 18, won bronze at the Chemistry Olympics in Athens. Finland takes these science olympics seriously. Participants are selected through trials, and the selected team participates in training sessions. Besides showing their knowledge of theory, the competitors must work in a laboratory. This year they had to determine the amount of iodine in a solution, and to synthesize peptide.

### **Reindeer herding and old-growth forests**

Metsähallitus, the Finnish state-owned enterprise Forest Park Service (FPS) has announced it will call off the moratorium on logging in that last of Finland's old growth forests agreed upon in July 2003. The FPS is planning to log at least 50 areas in old-growth forests located in Northern and Eastern Finland, despite protests from environmentalists and indigenous Sámi peoples. Earlier in 2003 Greenpeace carried out a series of protests to highlight the plight of the Finnish old-growth forests.

FPS-officials stated that the forests around Lehmiavaara in Kuhmo are to be logged later this year. Reports by the governmental environment research center and the FPS show that numerous red-listed species inhabit the area and that clear cutting that forest would irreversibly harm biodiversity in the area.

"The logging practices carried out by the FPS is in the long run also destroying the core of the indigenous Sámi culture. Finland has signed international agreements (1), which clearly state their obligation to protect

the indigenous people's rights to exercise their own culture. The Samis civil rights are also protected by Finnish legislation. It is time for the FPS and Finnish paper industry to finally realize these judicial obligations," says Matti Liimatainen from Greenpeace. The Finnish ministry for agriculture and forestry fuelled the debate even further by admitting last week that it intends to prepare a new Forest Act, which would restrict the right to carry out peaceful demonstrations in the vicinity of logging operations in old-growth forests. The proposal will be processed by the Finnish parliament this autumn.

Finnish governmental forestry enterprise Metsähallitus is logging old-growth forests in the homeland of indigenous Sámi people. Traditional reindeer herding livelihood of the Sámi is being seriously harmed by the logging, although Finnish legislation is supposed to guarantee the rights of the reindeer herders.

Old forests with ground and arboreal lichen (arboreal = growing on trees) are crucial winter pastures for reindeer. Especially during late winter, when the snow cover is thick and hard, reindeer are almost entirely dependent on habitats containing arboreal lichen as several studies show. These pastures consist mostly of old-growth forests.

Reindeer herding is a central part of the culture of the indigenous people of northernmost Europe, the Sámi. Sámi people live in the northernmost parts of Norway, Sweden, Finland and on the Kola Peninsula of Russia. In Finland, Finns also herd reindeer. However, in the Sámi area of the northernmost parts of Finnish Lapland, the majority of the reindeer herders are Sámi. Herding is conducted jointly in herding co-operatives (paliskunta in Finnish). Each co-operative operates in a specified area. In the Sámi area, where 90% of the land is owned by the state, reindeer herding is greatly dependent on the way the state forestry enterprise, the Forest and Park Service, manages state forests.

Of the 200 thousand reindeers grazing in the forests of Lapland, about half are slaughtered annually. Retail sales of reindeer economy amount to 50 million Euros, and reindeers are also important for Lapland's tourist industry. At present, reindeer meat is in oversupply.