## Education, Equality and Resilience—Finnish Recipe for Success



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During my almost two years in China, I have witnessed the determination and dynamism of the Chinese people that drive the development across this country and its society. At the same time, I have deepened my understanding of China's history and traditions. China is a vast country that often escapes simple truths.

Finland and China differ in many respects, starting with size and geography. Our social and political systems are different, but we both share accountability under the international obligations that our governments have accepted. Furthermore, there are factors that connect us and bring us together. One of them is the rapid, tremendous transformation that has taken place in Finland after World War II and the similarly drastic change in China during the last forty years.

A hundred years ago, newly independent Finland was a poor agrarian nation. Its per capita GDP was only half of that of the Unites States of America and Great Britain. Finland was still receiving development aid from the World Bank as recently as the early 1970s.

However, Finland transformed quickly in the decades after the war, first into an industrialised country and then into a post-industrial information-based society. This transformation followed a path familiar to other countries across the world. Some features in our experience—namely a well-functioning and transparent society, investments in education and focus on equal opportunities and empowering individuals—were clearly the cornerstones that facilitated our transformation. For us, a model of development based on a liberal democratic society and free market economy has clearly been essential.

One of the main factors behind Finland's progress was the understanding that we were a small and remote country. We had to focus on further opening to the world and building an open market economy. This understanding has defined our policies,

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and creating linkages with international markets has been of utmost importance to our citizens, companies and political leaders.

Globalisation can be defined as a byproduct of the international trading of goods, ideas and capital driven by industrialisation and shifts in monetary practices. The intensification of globalisation can be traced back to late twentieth century when the Uruguay Round of negotiations ended in the creation of the World Trade Organization (WTO). Global development since then has been immense, and globalisation has functioned as an enormous driving force for changing societies.

Intense globalisation in recent decades has produced considerable increases in well-being and other clear benefits—but it has also increased a sense of inequality and resulted in phenomena that are challenging for societies to tackle alone. As an open, trade-oriented country, Finland has benefited from a globalised world. Yet, our societal transformation was sometimes painful as we adapted from an agrarian to an industrialised society and then on to a post-industrialised service and technology-driven economy. This has been particularly true for the different realities of urban and rural areas. Our democratic structures and political competition through elections have helped to manage this adaptation and encourage our society to commit to sometimes difficult reforms. Government is often in the lead, but always held accountable to the people.

As for China, change has been tremendous. Driven by the initiation of economic reforms in 1978, China became one of the world's fastest growing economies and emerged as a global economic and trade power. The opening up of China benefited from rapidly globalised trade and actually made China one of its engines. China's accession to the World Trade Organization was a milestone in this process. As China becomes a high middle-income country with a highly educated workforce, it faces new development challenges. For China, in the years to come, further investment in sustainable reforms, both political and economic, are important and also necessary.

Whilst globalisation has contributed to increased well-being and made the world appear smaller, it has not necessarily made it simpler. Over the past decades, there has been a strong belief that global interdependence ties us together and has put us on a path of even closer and stronger cooperation. However, more recently, this belief has been challenged by increasingly inward-looking nationalist and populist tendencies and shifts in international relations.

Global tensions have been mounting, and multilateralism has struggled to deal with them. Last year, Russian aggression in Ukraine fundamentally shook the framework of European security, and the war still continues to dominate our part of the world. Climate-related threats are imminent and visible to everyone. Energy and food crises afflict especially the most vulnerable, who already suffer. We live in unpredictable times.

But the world is still interconnected. There are many challenges we cannot solve alone. We need well-functioning multilateral mechanisms and clearly articulated international rules to hold countries accountable to each other, and to hold governments accountable to the people and the market. This requires continuous work. The only way to ensure this is to engage in dialogue and strive for solutions. In many areas, the European Union and China are competitors. Competition can be a good and positive driving force. However, at the same time, we are witnessing ongoing changes in global dynamics. New, strong economies and powers have appeared, and a more multipolar world is emerging. But changing times should not mean that we shift away from common rules. Multilateralism should not be an area of competition only. We may have differing views but we need to work together to uphold existing rules and the rules-based order.

So, regardless of how we have arrived at the present situation, we need to make shared choices to prosper together. In international trade, the reform of the World Trade Organization is key. We need rules that address the challenges of the twentyfirst century and a dispute settlement system that upholds existing rules and a commitment to transparency. This all comes back to the need to strengthen an open multilateral trading system, the benefits of which are clear and concrete. Common rules enhance predictability and transparency. They foster trade, economic growth and well-being for all. If we deem this multilateral system to be valuable, we must make reforms happen. This is a massive task, and our focus should be on ways we can advance this together.

As a global power and the world's second largest economy, China plays a fundamental role in this process. China can make a difference and harness its power to tackle some of the world's most pressing global challenges, such as climate change. The response to this and other global problems is only possible if all key states are involved. China's role, last year at COP15 in Montreal in reaching the UN agreement to halt biodiversity loss, was decisive. The process showed that it is important to continue dialogue and jointly recognise that there are areas where collaboration is not only desirable, but a necessity.

Lastly, let me come back to the example of my own country. In a globalised, sometimes complicated world, a key factor that has brought us stability and contributed to our growth, is a resilient society that fosters equality and equal opportunities as well as a strong educational basis providing individuals and companies alike opportunities to develop and grow. We are a society that lifts you up, but also carries you when you are in need, with a strong culture of trust. The success story we have created did not happen overnight. It has taken many decades to achieve. Through determination and openness to the world, as well as trial and error, Finland has built its successes. This will be our recipe for the future, too.



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