

Grand Committee

Government Report on the Future, parts 1 and 2

Outlook on the Finland of the next generations

To the Committee for the Future

INTRODUCTION

Pendency

The Government has submitted to Parliament parts 1 and 2 of its Report on the Future – Outlook on the Finland of the next generations (VNS 16/2022 vp). The matter has arrived at the Grand Committee for the purpose of providing a statement to the Committee for the Future.

Experts

The Committee has heard the following experts:

- Juha Jokela, Programme Director, Finnish Institute of International Affairs
- Timo Miettinen, Academy Research Fellow, University of Helsinki, Centre for European Studies
- Kristo Lehtonen, Director, Fair data economy, Finnish Innovation Fund Sitra

THE COMMITTEE'S RATIONALE

The Government Report on the Future forms the basis for dialogue on the future in the Government and Parliament and aims to identify issues that will be important for decision-making and require special attention in the future. The report will be used in building the Finland of the next generations and in strengthening Finland's preparedness for the future. Part 1 of the report addresses the unity of the European Union (EU) and its agency in policy changes affecting Finland's future. Part 2 of the report deals with EU foresight and better regulation as part of forward-looking decision-making.

The Grand Committee shares the Government's view that the EU is the main reference framework, channel of influence and security community for Finland's economy and external relations. Russia's war of aggression in Ukraine has further stressed the importance of EU cooperation. European support for Ukraine has also shown once again that the EU can act jointly and urgently in serious crisis situations.

The EU is also a powerful global player. It plays a key role in areas such as development policy, human rights policy and international work on climate change, as the report points out. The Grand Committee considers that another indicator of the EU's global influence is the fact that EU legislation has also had a significant impact beyond Union borders (the "Brussels Effect"), for example, in the areas of data protection and the environment.

Over the past 15 years, the EU has experienced several major crises, including the financial and banking crisis, the migration crisis, backward steps in the rule of law, the UK's departure from the EU, and the COVID-19 pandemic. In addition, there have been major geopolitical changes over the past ten years. Several crises have shown that EU legislation does not adequately address unforeseen situations. The Grand Committee considers it important to improve the EU's crisis resilience and its response to unforeseen circumstances, as well as to incorporate foresight into legislative work. Therefore, the Grand Committee welcomes the fact that strategic foresight has been more closely integrated into the EU's legislative process, as described in the report.

Crisis situations do not always lead to deeper integration, but so far crises have led to closer cooperation. The war in Ukraine can also be expected to have long-term effects on the direction of the EU. Security and defence cooperation will be developed more actively and efforts will be made to reduce strategic dependencies, as the report states. The enlargement process, which has progressed slowly in recent years, has also moved higher up the agenda, with the European Council granting EU candidate status to Ukraine and the Republic of Moldova in summer 2022 and, subject to conditions set by the Commission, to Georgia. This in turn has increased pressure from the Western Balkans and some Member States to expedite the process for the Western Balkans countries.

The Grand Committee finds it useful to also consider alternative development paths for the EU, as described in the report. Finland should be prepared for scenarios where integration is intensified, as well as for scenarios where it weakens. It is also important to consider what the different scenarios would mean for Finland, how Finland should act in different scenarios, and what direction Finland believes the EU should take. The Grand Committee has stressed in several statements the importance of proactive national decision-making on EU affairs and influence on EU decision-making. Effective EU-policy requires that, in addition to positions on individual legislative issues, Finland has a more comprehensive and clear strategic vision of where the EU should be going and how it can be achieved (SuVL 15/2022 vp).

The Grand Committee emphasises the need for a forward-looking and solution-oriented EU-policy. Finland's EU-policy should be long-term, consistent and constructive, and should cover all the key EU institutions (SuVL 15/2022 vp). It should also be noted that for Finland's EU-policy to be effective, it requires close cooperation with other like-minded Member States. In the expert hearings, it was pointed out that the crises of the past decade have created new tensions between South and North (the financial crisis) and East and West (the debate on the rule of law). In addition, the experts consider that the UK's departure from the EU has changed the dynamics between Member States and strengthened the German–French axis, for example. It is important to monitor and anticipate such changes in dynamics. As the Grand Committee has stated in the past, Finland should seek partners in various matters in an open-minded and context-specific manner (SuVM 1/2021 vp).

Finland has traditionally stressed that it is essential that the EU is able to act and take effective decisions and that it presents a united front. In the expert hearings, it was pointed out that if the EU enlargement process gains new momentum, Finland should be prepared for an increased debate on the reform of EU decision-making and structures. The debate on the establishment of enhanced cooperation, which is already provided for in the Treaties, may also increase in the future.

Regarding the changed international environment, the Grand Committee considers it important that the EU is better prepared for hostile influence attempts from outside. As the report points out, there are signs of the rise of authoritarian regimes and the deterioration of the rule of law around the world. The Grand Committee notes that the rise of authoritarianism will also have repercussions in Europe, and we must be prepared for this. The EU must continue to actively defend and support fundamental and human rights, democracy, and a rules-based multilateral international cooperation. As stated in the report, there are issues related to the rule of law in Europe, including in the EU. In this respect, the Grand Committee considers it important to engage in dialogue between the Member States at a sufficiently early stage and to make use of all available instruments. The Grand Committee agrees with the Government that the erosion of the rule of law is challenging the EU's traditional values and may also undermine the coherence and effectiveness of EU decision-making.

When considering the Finland and the EU of the next generations, the Grand Committee stresses the importance of involving young people in the discussion about the future of the EU. We also need to consider how we can ensure that Finland has sufficient knowledge and understanding of how the EU works and what it means.

It is essential to maintain public support for the EU. At the moment, Finns are more satisfied than average with EU membership. According to the January 2023 Eurobarometer, 75% of Finns thought that EU membership is a good thing and 78% thought that Finland has benefitted from EU membership. Support has increased since the start of the war in Ukraine and, according to the survey, Finns are particularly strongly in favour of EU support for Ukraine. The Grand Committee considers that it is essential to the EU's acceptability to maintain the ability of the EU to focus on issues where cross-border cooperation between EU Member States adds value over national action. The Grand Committee reiterates its view that the EU should build on its own strengths, such as its open internal market, rules-based and responsible trade policy and its leading role in climate action (SuVM 1/2021 vp, SuVL 15/2022 vp). In addition, issues related to security have a more central role than before.

In the hearings, the experts stated that cooperation with Africa will be one of the EU's future priorities. Climate change is accelerating migration, while Russia and China, among others, are increasing their influence in the region. The Grand Committee considers EU cooperation with Africa an issue that should be given more attention than before.

Regarding the internal market, the Grand Committee draws attention to the need to develop a European digital single market. In the hearings, the experts highlighted the intensifying competition for digital power and the increasing use of artificial intelligence (AI). There are significant differences in how data is regulated in democratic and authoritarian countries. As competition intensifies, Finland and the EU should have a vision of what kind of regulation should be promoted globally, and how citizens' privacy can be adequately protected. The Grand Committee refers to its previous statement (SuVL 3/2021 vp) where it stated that it is important for the EU's competitiveness that the EU creates a favourable environment for the development and use of AI. The EU's strength lies in its trust-based and people-centred approach to digitalisation. Building on its values, the EU must strive to be a global leader in how AI is used in a safe and secure way that respects fundamental rights. It is also essential to generally promote a service-oriented development of AI and digitalisation.

PROPOSAL OF THE GRAND COMMITTEE

The Grand Committee proposes that *the Committee for the Future considers what is stated herein.*

Helsinki, 15 February 2023

The following members participated in the decisive committee reading:

Chair Satu Hassi, Green League

1st Vice-Chair Jani Mäkelä, Finns Party

2nd Vice-Chair Merja Kyllönen, Left Alliance
Member Eva Biaudet, Swedish People's Party
Member Ritva Elomaa, Finns Party
Member Sari Essayah, Christian Democrats
Member Maria Guzenina, Social Democratic Party
Member Eveliina Heinäluoma, Social Democratic Party
Member Olli Immonen, Finns Party
Member Anne Kalmari, Centre Party
Member Pia Kauma, National Coalition Party
Member Kimmo Kiljunen, Social Democratic Party
Member Johannes Koskinen, Social Democratic Party
Member Hanna Kosonen, Centre Party
Member Suna Kymäläinen, Social Democratic Party
Member Mika Niikko, Finns Party
Member Jouni Ovaska, Centre Party
Member Lulu Ranne, Finns Party
Member Jussi Saramo, Left Alliance
Member Saara-Sofia Sirén, National Coalition Party
Member Iiris Suomela, Green League
Member Sinuhe Wallinheimo, National Coalition Party
Member Anne-Mari Virolainen, National Coalition Party
Alternate Member Heikki Autto, National Coalition Party
Alternate Member Matias Marttinen, National Coalition Party
Alternate Member Matias Mäkynen, Social Democratic Party
Alternate Member Peter Östman, Christian Democrats

The secretary of the Committee was
Counsel Kaisa Männistö