Assessing Copyright and Related Rights Systems

National Context

Report on Piloting in Finland

This report is the result of the first pilot study implementing Description Sheet 1 – National Context, one of the 37 indicators constituting a methodology framework for assessing the operation of national copyright and related rights systems. The methodology framework has been developed at the Foundation for Cultural Policy Research (Cupore) in Finland as part of a project financed by the Finnish Ministry of Education and Culture. The pilot study was conducted by the core project team, Tiina Kautio and Nathalie Lefever, between March and May 2013, and its results were first published in December 2013 on the website of Cupore.

A handbook presenting the methodology framework is available on the website of Cupore at www.cupore.fi.
Executive summary

This document presents data collected in application of a methodology framework to assess the operation of copyright and related rights systems. More precisely, the information and analysis below correspond to the first description sheet presented in the methodology handbook, titled “National Context”. The goal of this report is to provide a descriptive overview of the national copyright environment in order to support the analysis of the operation of the national copyright and related rights system. The country analyzed here is Finland.

Data has been collected concerning the issues presented in Description Sheet 1 of the methodology framework, i.e. population, languages spoken in the country, economic system, Gross Domestic Product, cost of living and consumer prices, political system and system of government, educational system, level of literacy, indexes on sustainable development, social welfare and the economic landscape, national creative traditions, specific factors likely to influence the market for copyrighted goods and services (geographical, cultural or ethnic borders inside the country, typical means of experiencing culture, etc.), national laws likely to influence the operation of the copyright system, grants, subsidies, prizes, government support and other mechanisms supporting creativity, taxation of copyright revenue and taxes on different kinds of creative products and services. The research was limited to the information necessary for the interpretation of other indicators of the methodology framework. All the necessary data was collected by desktop research, where official statistics and databases were available.

Finland is a classical parliamentary democracy with a multiparty political system. Finnish legislation in matters of copyright is heavily influenced by the European legislation. Issues of human rights (freedom of speech), data protection, competition law or access to communication services have been taken into account when implementing copyright rules.

The Gross Domestic Product of Finland was 35 150 euros per capita in 2011. Finland is part of the open market of the European Union and the Euro Area. The price level in the country is the highest of the Euro Zone, but since 2010, general consumer prices have increased faster than the prices for “culture and recreation”. National markets for copyrighted goods and services are limited by the size of the population and its division in two main languages (Finnish and Swedish). However, a majority of Finns have a sufficient knowledge of other languages to enjoy foreign culture, in particular in English or Swedish.

The population of Finland is generally well educated, with a level of literacy of virtually 100 %. Culture in Finland is supported by public funding for a total of more than 400 million euros these last years. Creative products and services are subject to value-added tax (VAT), and copyright revenue is taxed as earned income or income from capital. A system of levies on recording devices compensates right holders for private copying. Finland has several creative traditions, in particular those related to the minority Sámi culture, but none have so far been the object of particular protection.
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A. CONTEXT OF THE PILOT STUDY

A methodology framework for assessing the operation of national copyright and related rights systems has been developed at the Foundation for cultural policy research (Cupore) in Finland in a project financed by the Finnish Ministry of education and culture. It is a collection of tools for achieving a systematic assessment of the functioning, performance and balanced operation of national copyright and related rights systems.

In the methodology, the assessment of the copyright and related rights system is determined through a framework consisting of so-called description sheets and methodology cards. The description sheets constitute guidelines to produce a comprehensive presentation and description of a country’s copyright and related rights system and its operating environment. The methodology cards propose the collection of specific sets of data, either quantitative, descriptive or qualitative, that will be used as indicators of the functioning, performance and balanced operation of the system. Description sheets and methodology cards are accompanied by detailed information on the data to be collected, as well as analysis guidelines that will help connect them to each other.

The methodology framework is meant to be continuously improved through application feedbacks. For more information, see the Cupore website, www.cupore.fi/copyright.php.

This report presents data collected in application of Description Sheet 1 of the methodology framework, titled “National Context”. It is the result of the first pilot study implementing this indicator in Finland.¹

This study was conducted by the core project team, Tiina Kautio and Nathalie Lefever between March and May 2013.

B. PRESENTATION OF THE INDICATOR

The indicator implemented here is intended to present the national context of the copyright system. It is part of the first pillar of the methodology framework, “Copyright Environment” and its first area, “The Context in Which the Copyright System Operates”. It is a description sheet which provides a descriptive overview of the national copyright environment in order to support the analysis of the operation of the national copyright and related rights system.

As explained in the methodology handbook, an assessment of a national copyright system will allow meaningful results when the figures collected are interpreted in the light of the national context. Therefore, a set of general facts and figures should be gathered in order to provide a background for the interpretation of the data specific to the country in question. Such information will also be useful in presenting the country when the results of the implementation of this methodology are shared on an international scale.

A general description of the national context can include a general country description as well as information on the economic factors, political factors and other factors likely to influence the market for copyrighted goods and services. The description can comprise numerical data as well as descriptive information. The research should be limited to the factors in the national context that are likely to

¹ The study was conducted based on the draft version of the Methodology Handbook, dated 19.7.2012. This report is modified from the original report to better correspond to the version of the Methodology Handbook dated 20.12.2013.
influence the copyright system and not cover topics that will be analyzed in studies based on other indicators of the methodology framework. The data should be analyzed in order to offer a thorough but focused source of background information on the country context. The task consists mainly in gathering information; relatively little analysis work is necessary.

As presented in the Description Sheet 1 of the methodology handbook, the following sets of factors are likely to influence the market for copyrighted goods and services and the needs for copyright protection:

- Population
- Languages spoken in the country
- Economic system
- Gross Domestic Product
- Cost of living and consumer prices
- Political system and system of government
- Educational system
- Level of literacy
- Sustainable development, social welfare and economic landscape
- National creative traditions
- Any specific factor likely to influence the market for copyrighted goods and services (geographical, cultural or ethnic borders inside the country, typical means of experiencing culture, etc.)
- National laws likely to influence the operation of the copyright system
- Grants, subsidies, prizes, and other public or private support for creative activities.\(^2\)
- Compensation mechanisms supporting creativity
- Taxation of copyright revenue
- Taxes on different kinds of creative products and services

The description sheet presenting the indicator can be found in Appendix A of this report.

**C. METHODS**

The description comprises numerical data as well as textual descriptive information. The information collected for this indicator was found through available national and international statistics and other available data sources. The method chosen was therefore desktop study.

A list of national and international information sources used for this report can be found in the Appendices.

\(^2\) This includes all relevant financial and material support for creative activities. Information concerning the mechanisms and levels of taxation of grants were also subject to research, as these will have an influence the revenues.
A. Population

The total number of inhabitants of Finland was 5,401,267 at the end of 2011, around 49.1% (2,652,534 inhabitants) of which were males and 50.9% (2,748,733 inhabitants) were females.

Here are the most recent statistics concerning the size of the population by age group.

<table>
<thead>
<tr>
<th>Age</th>
<th>Males</th>
<th>Females</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–4</td>
<td>154,881</td>
<td>148,096</td>
<td>302,977</td>
</tr>
<tr>
<td>5–9</td>
<td>149,722</td>
<td>143,394</td>
<td>293,116</td>
</tr>
<tr>
<td>10–14</td>
<td>149,569</td>
<td>143,320</td>
<td>292,889</td>
</tr>
<tr>
<td>15–19</td>
<td>167,231</td>
<td>160,535</td>
<td>327,766</td>
</tr>
<tr>
<td>20–24</td>
<td>170,256</td>
<td>162,625</td>
<td>332,881</td>
</tr>
<tr>
<td>25–29</td>
<td>177,541</td>
<td>167,897</td>
<td>345,438</td>
</tr>
<tr>
<td>30–34</td>
<td>174,711</td>
<td>165,536</td>
<td>340,247</td>
</tr>
<tr>
<td>35–39</td>
<td>165,054</td>
<td>155,863</td>
<td>320,917</td>
</tr>
<tr>
<td>40–44</td>
<td>172,221</td>
<td>166,939</td>
<td>339,160</td>
</tr>
<tr>
<td>45–49</td>
<td>189,973</td>
<td>185,618</td>
<td>375,591</td>
</tr>
<tr>
<td>50–54</td>
<td>185,871</td>
<td>185,742</td>
<td>371,613</td>
</tr>
<tr>
<td>55–59</td>
<td>189,879</td>
<td>193,930</td>
<td>383,809</td>
</tr>
<tr>
<td>60–64</td>
<td>193,951</td>
<td>201,272</td>
<td>395,223</td>
</tr>
<tr>
<td>65–69</td>
<td>142,014</td>
<td>154,642</td>
<td>296,656</td>
</tr>
<tr>
<td>70–74</td>
<td>108,607</td>
<td>130,644</td>
<td>239,251</td>
</tr>
<tr>
<td>75–79</td>
<td>75,920</td>
<td>104,590</td>
<td>180,510</td>
</tr>
<tr>
<td>80–84</td>
<td>52,881</td>
<td>91,239</td>
<td>144,120</td>
</tr>
<tr>
<td>85–89</td>
<td>24,345</td>
<td>58,153</td>
<td>82,498</td>
</tr>
<tr>
<td>90–</td>
<td>7,907</td>
<td>28,698</td>
<td>36,605</td>
</tr>
<tr>
<td>Total</td>
<td>2,652,534</td>
<td>2,748,733</td>
<td>5,401,267</td>
</tr>
</tbody>
</table>

In 2011 the mean age of males was 40.2 years and that of females 43.0 years. The age of 100 years or more had been reached by 664 persons, 87 of whom were males and 577 females.

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B. LANGUAGES SPOKEN IN THE COUNTRY

A majority of the resident population of Finland speak Finnish as their native language. The number of Finnish speakers was 4,863,351 in 2011, which covers 90% of the inhabitants. Swedish is the second largest language with 291,219 native speakers (native language of 5.4% of the inhabitants). Swedish has the status of an official language. As a result, the markets for Swedish language products and services are relatively significant.

Sámi languages (Inari Sámi, North Sámi and Skolt Sámi) are spoken by 1,870 residents. The Sámi Language Act makes the Sámi language an official language in some municipalities and some public bodies. Its aim is to ensure “the constitutional right of the Sámi to maintain and develop their own language and culture” through “provisions on the right of the Sámi to use their own language before the courts and other public authorities, as well as on the duty of the authorities to enforce and promote the linguistic rights of the Sámi”. Moreover, a programme to revitalize the Sámi language is currently being prepared by The Ministry of Education and Culture.

- NATIVE LANGUAGES OF THE RESIDENT POPULATION OF FINLAND IN 2011

The statistics produced by Statistics Finland details the native language of Finnish and foreign citizens permanently resident in Finland at the turn of each year. This table details the size of the population speaking Finnish, Swedish and Lapp/Saam (Sámi language).

<table>
<thead>
<tr>
<th>Language</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finnish</td>
<td>4,863,351</td>
</tr>
<tr>
<td>Swedish</td>
<td>291,219</td>
</tr>
<tr>
<td>Lapp, Saam</td>
<td>187</td>
</tr>
<tr>
<td>Other languages</td>
<td>244,827</td>
</tr>
</tbody>
</table>

The following figure presents sizes of population groups with native languages other than the official languages of Finland. The most widely spoken native languages in 2011 were Russian and Estonian.

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6 Namely, the municipalities of Enontekiö, Inari, Sodankylä and Utsjoki.

7 Information of the Sámi language can be found from The Sámi Parliament website (http://www.samediggi.fi/index.php?option=com_content&task=view&id=74&Itemid=167).

Figure 1. The largest groups by native language 2001 and 2011 (Statistics Finland)\(^9\)

Table 3. Population according to language 1980–2011 (Statistics Finland)\(^{10}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Finnish speakers</th>
<th>Swedish speakers</th>
<th>Lappish speakers</th>
<th>Other languages total</th>
<th>Finnish speakers %</th>
<th>Swedish speakers %</th>
<th>Other languages total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>4 787 778</td>
<td>4 476 807</td>
<td>300 482</td>
<td>1 343</td>
<td>9 146</td>
<td>93.5</td>
<td>6.3</td>
<td>0.2</td>
</tr>
<tr>
<td>1985</td>
<td>4 910 664</td>
<td>4 596 908</td>
<td>299 098</td>
<td>1 699</td>
<td>12 959</td>
<td>93.6</td>
<td>6.1</td>
<td>0.3</td>
</tr>
<tr>
<td>1990</td>
<td>4 998 478</td>
<td>4 675 223</td>
<td>296 738</td>
<td>1 734</td>
<td>24 783</td>
<td>93.5</td>
<td>5.9</td>
<td>0.5</td>
</tr>
<tr>
<td>1995</td>
<td>5 116 826</td>
<td>4 754 787</td>
<td>294 664</td>
<td>1 726</td>
<td>65 649</td>
<td>92.9</td>
<td>5.8</td>
<td>1.3</td>
</tr>
<tr>
<td>2000</td>
<td>5 181 115</td>
<td>4 788 497</td>
<td>291 657</td>
<td>1 734</td>
<td>99 227</td>
<td>92.4</td>
<td>5.6</td>
<td>1.9</td>
</tr>
<tr>
<td>2005</td>
<td>5 255 580</td>
<td>4 819 819</td>
<td>289 675</td>
<td>1 752</td>
<td>144 334</td>
<td>91.7</td>
<td>5.5</td>
<td>2.7</td>
</tr>
<tr>
<td>2010</td>
<td>5 375 276</td>
<td>4 857 903</td>
<td>291 153</td>
<td>1 832</td>
<td>224 388</td>
<td>90.4</td>
<td>5.4</td>
<td>4.2</td>
</tr>
<tr>
<td>2011</td>
<td>5 401 267</td>
<td>4 863 351</td>
<td>291 219</td>
<td>1 870</td>
<td>244 827</td>
<td>90</td>
<td>5.4</td>
<td>4.5</td>
</tr>
</tbody>
</table>


**Knowledge of Second Languages**

According to Eurobarometer study on Europeans and their Languages\(^1\), 63% of Finns believe they can you speak English well enough in order to be able to have a conversation. The same figure was 41% for Swedish, 18% for German, 3% for French, 2% for Spanish, 2% for Russian, 1% for Estonian and 1% for Italian. 25% of Finnish respondents said they use the English language almost every day and 15% said they use it often but not on a daily basis.

**C. Economic System**

The economic system in Finland is market economy. Finland is a member of the European Union as well the euro area.

**D. Gross Domestic Product**

Gross domestic product (GDP) is calculated as the value added of the production of all officially recognized final goods and services. GDP in Finland amounted to over 189 billion in 2011. The figure grew by 2.7 percent from the figure of 2010. GDP per capita was 35 150 € in 2011, which places Finland at the 14\(^{th}\) position in a ranking of countries according to their estimated GDP per capita by the World Bank\(^2\).

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP at current prices, M €</th>
<th>GDP per capita, €</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>157 429</td>
<td>30 009</td>
</tr>
<tr>
<td>2006</td>
<td>165 765</td>
<td>31 477</td>
</tr>
<tr>
<td>2007</td>
<td>179 830</td>
<td>34 003</td>
</tr>
<tr>
<td>2008</td>
<td>185 670</td>
<td>34 944</td>
</tr>
<tr>
<td>2009</td>
<td>172 318</td>
<td>32 276</td>
</tr>
<tr>
<td>2010</td>
<td>178 796</td>
<td>33 336</td>
</tr>
<tr>
<td>2011</td>
<td>189 368</td>
<td>35 150</td>
</tr>
</tbody>
</table>

**E. Cost of Living and Consumer Prices**

The cost of living in Finland has increased steadily since 1953, as testified by the Cost of living index\(^3\). In November 2012, the year-on-year change in consumer prices, i.e. inflation, was 2.2%, as calculated by Statistics Finland.

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The Consumer Price Index describes the price development of goods and services purchased in Finland by households resident in Finland. In the commodity group named “Culture and recreation”, the index reveals an increase of price of 0.4% in the two-year period between 2010 and 2012, while the overall price index increased by 6% on the same period.

<table>
<thead>
<tr>
<th>Table 5. Inflation indicators in Finland, November 2012 (Statistics Finland)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Point figure</strong></td>
</tr>
<tr>
<td>Consumer Price Index 2010=100</td>
</tr>
<tr>
<td>Cost-of-living Index 1951:10=100</td>
</tr>
<tr>
<td>Harmonised Index of Consumer Prices 2005=100</td>
</tr>
<tr>
<td>Harmonised Index of Consumer Prices at Constant Taxes 2005=100</td>
</tr>
</tbody>
</table>

In OECD monthly comparative price levels index, Finland is currently showed as having the highest price level of the Euro Zone. Price levels in Finland are also currently 36% higher than in the United States.

**F. POLITICAL SYSTEM AND SYSTEM OF GOVERNMENT (ESPECIALLY REGARDING THE DECISIONAL PROCESS CONCERNING ISSUES RELATED TO COPYRIGHT)**

Finland is a parliamentary democracy with a multiparty political system and a president as the head of state. The Finnish Parliament is unicameral and has 200 members elected every four years. Parliament enacts Finnish law, approves the state budget, ratifies international treaties and oversees the government. Parliament is also responsible for choosing the prime minister and approving the government programme. The government programme is a plan of action agreed by the parties participating in the government and it sets out the main tasks facing the incoming administration.

The government consists of the prime minister and the necessary number of ministers. The prime minister directs the government activities and is elected by parliament. The government is the body which convenes for the general governing of the country, as well as the decision-making body for governmental and administrative matters. The government must enjoy the confidence of parliament.

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16 The OECD statistics on monthly comparative price levels are defined as the ratios of purchasing power parities for private final consumption expenditure to exchange rates. They provide measures of differences in price levels between countries. The data is available online at http://stats.oecd.org/Index.aspx?DataSetCode=CPL. Visited on 20.3.2013.

Purchasing Power Parity (PPP) measures the purchasing power in terms of the amount of money needed to purchase the same goods and services in different countries.


An organigram giving a detailed overview of the Finnish national system of cultural policy decision-making and administration in its wider administrative, political and social setting can be found in the Finnish country profile presented in Compendium of Cultural Policies and Trends in Europe, 13th edition (Council of Europe/ERICarts 2012).
At the moment there are 12 ministries in Finland: Prime Minister’s Office, Ministry for Foreign Affairs, Ministry of Justice, Ministry of the Interior, Ministry of Defence, Ministry of Finance, Ministry of Education and Culture, Ministry of Agriculture and Forestry, Ministry of Transport and Communications, Ministry of Employment and the Economy, Ministry of Social Affairs and Health, and Ministry of the Environment. Each ministry is responsible for the preparation of issues that fall within the scope of the government. Copyright matters are taken care of at the department for cultural, sport and youth policy under the Ministry of Education and Culture.

At the local level, Finland is divided into municipalities which elect local councils.

G. DESCRIPTION OF THE EDUCATIONAL SYSTEM

Everyone (not just Finnish citizens) have the right to free basic education. The Province of Åland (constituting 0.50 % of the Finnish population) has its own educational legislation. The basic education is made up of a nine-year comprehensive curriculum for the whole age group. It is followed by either upper secondary school or vocational education or both. Well over 90 per cent of each age group completing basic education continue their studies in general upper secondary schools or vocational upper secondary education and training\(^\text{18}\). After secondary education it is possible to continue to higher education. The system consists of two complementary sectors: polytechnics and universities. The mission of universities is to conduct scientific research and provide undergraduate and postgraduate education based on it.

The figure here-under presents the Finnish education system.

The national core curriculum is drawn up by the National Board of Education and includes goals and assessment criteria. Within this framework, schools and municipalities then form their own curricular regulations that are sensitive to the local context. Compulsory core subjects in basic education are the mother tongue (i.e. Finnish or Swedish) and literature, the other national language, foreign languages, environmental studies, civics, religion or ethics, history, social studies, mathematics, physics, chemistry, 

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biology, geography, physical education, music, visual arts, craft, home economics and pupil counselling.

H. LEVEL OF LITERACY

The level of literacy in Finland is very high, virtually 100%.

I. SUSTAINABLE DEVELOPMENT, SOCIAL WELFARE AND ECONOMIC LANDSCAPE

Issues of social welfare and sustainable development are important background information that helps understanding large societal changes that affect the decisions of all stakeholder groups. In order to measure social welfare in broader sense, one has to look beyond traditional economic indicators.

- HUMAN DEVELOPMENT AND SOCIAL WELFARE

The human development index (HDI) of the United Nations development program (UNDP) is a comparative measure of life expectancy, literacy, education, standards of living, and quality of life for countries worldwide. The goal of the index is to “put people back at the center of the development process in terms of economic debate, policy and advocacy”, and to “assess the level of people’s long-term well-being”. Finland ranked 21st in the overall index in year 2012 (coming under the category “very high human development”).

The Human Poverty Index (HPI) was developed by the United Nations (UN) as one measure to complement the Human Development Index. It attempts to bring together in a composite index the different features of deprivation in the quality of life to arrive at an aggregate judgment on the extent of poverty in a community. In 2007-2008 Finland was ranked as fourth in the list of counties with the lowest amount of poverty.

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Corruption Perceptions Index (CPI) of Transparency International measures the perceived levels of public sector corruption in 176 countries and territories. Together with Denmark and New Zealand, Finland ranks first in order of least perceived corruption. Moreover, Transparency International’s Global Corruption Barometer collects data on the general public’s views on and experiences of corruption levels in their country, as well as the government’s efforts in fighting corruption. In the 2010/2011 barometer, the data collected in Finland shows that the institutions perceived to be most affected by corruption are political parties, followed by business and the parliament.

- **SUSTAINABLE DEVELOPMENT**

In the Index of Sustainable Economic Welfare (ISEW), issues like income distribution and cost associated with pollution are taken into account. The Genuine Progress Indicator (GPI), on the other hand, measures the environmental impact of the products produced and consumed as well as the amount of people dependent on the government for support. Both ISEW and GPI indicators data have been calculated on a time series from the period 1945-2010 by Jukka Hoffrén from Statistics Finland. The data clearly shows that during this time period both the ISEW and GPI figures (in real prices) didn’t change significantly.

- **ECONOMIC LANDSCAPE**

The Global Innovation Index (GII) by INSEAD & WIPO (2012) aims at measuring innovation beyond traditional measures and looks at both the innovation input (institutions, human capital and research, infrastructure, market sophistication and business sophistication) and output (knowledge and technology outputs and creative outputs). Finland ranked fourth in the overall index of 2012.

The Global Competitiveness Index of the World Economic Forum assesses the competitiveness landscape of 144 countries. Finland ranks third in the overall index. In the Global Competitiveness Report 2012-2013, Finland is described as occupying “the top position both in the health and primary education pillar as well as the higher education and training pillar, the result of a strong focus on education over recent decades. This has provided the workforce with the skills needed to adapt rapidly to a changing environment and has laid the groundwork for high levels of technological adoption and innovation.” It also finds Finland to be “one of the most innovative countries in Europe, ranking 2nd, behind only Switzerland, on the related pillar.”

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27 In a scale of 1 (not at all corrupt) - 5 (extremely corrupt), the figures for different institutions were as follows: Political parties 3.7, Business 3.0, Parliament 2.9, Media 2.7, Public officials 2.7, Religious bodies 2.7, NGO 2.5, Education 2.2, Military 2.0, Judiciary 2.0 and Police 1.9. (Source: Transparency International: Global Corruption Barometer 2010/2011, http://gcb.transparency.org/gcb201011/. Visited on 25.3.2013.)


A summary of the situation of Finland can be found on p. 166-167 of the report.
The Index of Economic Freedom measures ten components of economic freedom, grouped under four broad categories: Rule of Law (including property rights and freedom from corruption), Limited Government (covering fiscal freedom and government spending), Regulatory Efficiency (measuring business freedom, labor freedom, and monetary freedom); and Open Markets (covering trade freedom, investment freedom and financial freedom). It is prepared by The Heritage Foundation in cooperation with the Wall Street Journal. Finland ranks 16th of a total of 185 countries and falls into the category "mostly free".

J. NATIONAL CREATIVE TRADITIONS (ORIGINAL CREATIVE ACTIVITIES THAT ARE PART OF THE NATIONAL CULTURE)

The Finnish creative traditions can be characterized by the sauna (steam bath) culture, traditional Finnish cuisine, as well as certain features in different forms of art and cultural production such as music, literature, cinema, handicrafts and design. The Finnish folklore and myths were written down in the 19th century as the Kalevala, the national epic of Finland, by Elias Lönnrot.

The Sámi are the only indigenous people of the European Union. There are about 9 000 Sámi in Finland with their own language, culture and traditional livelihoods. Sámi art such as handcrafts, costumes and music (yoking being the best known form of music) has its roots in traditional Sámi lifestyle and folklore. This brings special challenges for preserving and advancing cultural heritage. Since year 2000 the World Intellectual Property Organization has provided an arena for discussions on the protection of traditional cultural expressions of indigenous peoples.

The Romani people (also called the Finnish Kale) are a cultural minority of around 10 000 people. Their own cultural identity has remained strong even though they have lived in Finland for over 500 years. It is characterized by a traditional dress, traditional beliefs and habits, a strong sense of community and, although Roma use Finnish (or in some cases Swedish) as their mother tongue, a preserved Romani language.

Article 14(3) of the Constitution guarantees the right of minorities to their own culture and as a result, "the Sámi as an indigenous people and the Roma and other groups have the right to maintain and develop their culture and language." Finland is a party in the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which entered into force on 18 March 2007.

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31 The 2013 Index of Economic Freedom can be found online at the Heritage Foundation website, http://www.heritage.org/index/. Visited on 22.3.2013.

32 Information of the Sámi culture can be found from The Sámi Parliament website (http://www.samediggi.fi/index.php?option=com_content&task=blogcategory&id=105&Itemid=167&lang=english) and the SIIDA-Institute which is the home of the National Museum of the Finnish Sámi and the Northern Lapland Nature Centre (http://www.siida.fi/contents/sami-museum/projects-of-the-sami-museum). The Giellagas Institute, established at the University of Oulu in 2001, has a nation-wide responsibility to organize, introduce and provide Sámi language and cultural studies and research at the academic level (http://www.oulu.fi/giellagas/en/index.html).


Finnish traditional cultural expressions and folklore have not yet been protected internationally as intellectual property. However, Finland is a party to The Unesco the Convention for the Safeguarding of Intangible Cultural Heritage. It came into force in Finland on 21st of May 2013. As a result, inventories of national intangible cultural heritage will have to be drafted and regularly updated in the future.

K. SPECIFIC FACTORS LIKELY TO INFLUENCE THE MARKET FOR COPYRIGHTED GOODS AND SERVICES

No significant geographical, cultural or ethnic borders exist in Finland. Characteristics that are specific to the Finnish market for copyrighted works are the relatively small language market and the division of the markets according to the two national languages (Finnish and Swedish). For these reasons, many creative products are offered in their original languages.

Finland is part of the European Union and of the Euro zone, which facilitate the exchange of goods and services with the other European countries. However, the geographical location of Finland, separated from Europe’s mainland by sea, as well as its globally small market, brings its own challenges to the profitability of international exchanges.

L. NATIONAL LAWS LIKELY TO INFLUENCE THE OPERATION OF THE COPYRIGHT SYSTEM

Finnish copyright law is heavily influenced by international treaties and European legislation, and is in large parts a transposition of European Directives uniformizing the field.

Finland has also ratified the European Convention on Human Rights, which guarantees to citizens some rights likely to influence the application of copyright law. For instance, freedom of speech has been invoked to contest legislation forbidding the distribution of products or services that make possible or facilitate the circumvention of copy protection.

The Finnish Personal Data Act (which is also the transposition of a European Directive) has to be respected when enforcing copyright. This Act regulates the processing of personal data with the goal to insure that the principles of transparency, legitimate purpose and proportionality are met. The rules set out in the Finnish Personal Data Act are applicable even in cases where these rules add an extra burden when seeking to enforce copyright rules. For example, in a case where copyright holders were seeking the identification of possible copyright infringers thanks to their IP addresses, the Data Protection Board (responsible for the interpretation of the Data Protection Act) decided that IP addresses constituted personal data and therefore were protected by the Personal Data Act.

37 There are currently negotiations going on at WIPO with the objective of reaching agreement on a text of an international legal instrument (or instruments) which will ensure the effective protection of traditional knowledge (TK), traditional cultural expressions (TCEs)/folklore and genetic resources. See http://www.wipo.int/tk/en/igc/index.html. Visited on 4.4.2013.


39 See Article 12 of the convention.


Finnish competition law, like other European legislations in the field, forbids the abuse of dominant position. Finnish Collective Management Organizations, whose role is to represent copyright holders and collect copyright remunerations on their behalf, are organized in such a way that each represents a different category of right holders. They therefore enjoy a monopoly and, as private actors, are subject to the competition law rules. Gramex (the Copyright Society of Performing Artists and Phonogram Producers) and Teosto (the Finnish Composers’ Copyright Society) have in the past been accused by the Finnish Competition Authority of abusing their dominant position when imposing sudden increases in copyright remunerations, negotiating separate fees, etc. They have been imposed penalty payments on these grounds by the Finnish Market Court.

Finnish legislation has been set to encourage the development of new technological channels. The Communications Market Act aims to promote the use of services within communications networks and to ensure that communications networks and communications services are available under reasonable conditions to all telecommunications operators and users throughout the country. An amendment in this act ensures all citizens access to a reasonably priced, competitive, high-quality broadband Internet connection. This is likely to influence the access to digitalized copyrighted content.

**M. GRANTS, SUBSIDIES AND PRIZES FOR CREATIVE WORK**

Culture in Finland is supported by both public funding and the copyright system. The Ministry of Education and Culture is the foremost source of funding for cultural activities. The main policy domains financed by the central government (the state) and municipalities are artistic creation (arts education, support to artistic work) cultural and art institutions (most importantly libraries, theatres, orchestras and museums) and the maintenance of cultural heritage.

Government funding of culture and the arts is categorised as either statutory or discretionary grants. Discretionary grants are allocated for art promotion through associations representing different art forms, art and cultural centres and art information centres.

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44 Examples of abuse of dominant position include imposing artificially high prices, obstructing competitors in the market, refusing to deal with certain customers, etc.


48 Article 60c paragraph 3.


Finnish acts regulating public funding in the field of culture are available here:
As presented in Table 6, the national budget for culture was 429 million euros in 2012.

| Table 6. Funds allocated to arts and culture in the national budget, 2009–2012 (Statistics Finland) |
|---------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EUR 1 000 | % | EUR 1 000 | % | EUR 1 000 | % | EUR 1 000 | % | % |
| Culture | 483 499 | 100 | 400 642 | 100 | 426 047 | 100 | 429 122 | 100 | 1 |
| Profits from state pools and lottery operations to subsidise the arts | 204 432 | 42 | 209 342 | 52 | 220 662 | 52 | 222 595 | 52 | 1 |
| % of cultural funds allocated | 42 | 42 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| State/national institutions | 132 911 | 27 | 126 280 | 32 | 127 617 | 30 | 129 659 | 30 | 2 |
| Finnish National Opera | 46 921 | 10 | 48 714 | 11 | 49 967 | 12 | 51 760 | 13 | 4 |
| National Board of Antiquities | 24 359 | 5 | 19 632 | 4 | 19 813 | 5 | 19 438 | 4 | -2 |
| Finnish Film Foundation | 2 670 | 0.1 | 1 862 | 0.1 | 1 980 | 0.1 | 2 075 | 0.1 | 5 |
| Finnish National Theatre | 13 833 | 3 | 13 887 | 3 | 14 262 | 3 | 14 608 | 3 | 2 |
| Finnish National Gallery | 19 485 | 4 | 19 004 | 4 | 18 729 | 4 | 19 221 | 4 | 3 |
| Administration of Suomenlinna | 5 210 | 1 | 3 047 | 0.1 | 2 685 | 0.1 | 2 851 | 0.1 | 6 |
| Finnish Library for the Visually Impaired | 6 968 | 1 | 6 501 | 1 | 6 697 | 1 | 6 412 | 1 | -6 |
| State subsidies and statutory aid | 233 317 | 48 | 125 033 | 31 | 128 074 | 30 | 124 282 | 29 | -3 |
| Libraries | 128 954 | 26 | 8 419 | 2 | 9 471 | 2 | 9 913 | 2 | 5 |
| Museums | 30 875 | 6 | 37 642 | 9 | 38 240 | 10 | 35 845 | 10 | -6 |
| Theatres and orchestras | 67 900 | 14 | 78 866 | 16 | 80 257 | 16 | 78 418 | 16 | -2 |
| Cultural services of municipalities | 5 588 | 1 | 106 | 0.02 | 106 | 0.02 | 106 | 0.02 | 0 |
| Artists’ grants and subsidies | 18 232 | 4 | 19 138 | 5 | 40 885 | 10 | 41 729 | 10 | 2 |
| Grants | 9 632 | 2 | 9 993 | 2 | 13 160 | 3 | 13 391 | 3 | 2 |
| Public lending right compensation grant | 2 950 | 0.6 | 2 895 | 0.6 | 3 100 | 0.7 | 3 100 | 0.7 | 0 |
| Artists’ exhibition compensation grant | 960 | 0.2 | 960 | 0.2 | 960 | 0.2 | 960 | 0.2 | 0 |
| Public lending right compensation grant for music and illustrators | 960 | 0.2 | 960 | 0.2 | 960 | 0.2 | 960 | 0.2 | 0 |
| Extra pensions for artists and journalists | 17 850 | 3.7 | 17 850 | 3.7 | 17 850 | 3.7 | 17 850 | 3.7 | 0 |
| Regional promotion of art | 4520 | 1 | 5 120 | 1 | 5 620 | 1 | 5 520 | 1 | 2 |
| Other art and cultural promotion | 99 039 | 20 | 130 191 | 26 | 129 471 | 26 | 133 452 | 26 | 3 |

The sector also receives the structural funds of European Union (EU) regional policy. These financial instruments intend to narrow the development disparities among regions and Member States56.

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51 Incl. the estimate of the rental costs in 2012.

52 Operating expenditure.

53 In 2010, state subsidies for pre-primary and primary education, public libraries and cultural services of municipalities were moved to the main budget division for the Ministry of Finance.

54 In 2010, state subsidies for pre-primary and primary education, public libraries and cultural services of municipalities were moved to the main budget division for the Ministry of Finance.

55 In 2011, the pensions were transferred to the main title of the Ministry of Education and Culture.

The support for artistic activity by the Arts Council of Finland in 2010 was altogether € 30.8 million. The support was allocated as grants, subsidies, prizes and salaries of artist professors and regional artists. Of this amount, the National Art Councils distributed € 26.5 millions and Regional Arts Councils € 4.3 millions. In addition, Regional Arts Councils financed projects for promoting the arts by € 2.5 million. All in all, a total sum of over € 33 million was allocated through the system of arts councils as a support and promotion for the arts. The highest shares of support of National Councils went to literature (20 %) and visual art (17 %). Regional Arts Councils supported mostly visual art (26 %), music (15 %) and “other” (12 %).58

The Arts Council of Finland distributes different categories of grants:

“The artist grant scheme includes grants awarded by the art councils as well as copyright remunerations distributed by different copyright organisations. State artist grants are paid monthly. From the beginning of March 2012 the amount of each artist grant has been 1,626.99 euros per month. In 2012 the total amount of each annual artist grant is 19,444.88 euros. The Ministry of Education and Culture confirms the amount of state artist grants annually.”59

**Project grants** are intended to support the implementation of individual projects by professional artists and critics in different fields of the arts. **Grants for art projects promoting multiculturalism** are intended to support the artistic activities of immigrants and ethnic minorities, as well as art projects in Finland that promote interaction between different cultures. **Special subsidies for communities** are intended to support individual projects of communities in different fields of the arts, such as associations, foundations, co-operatives and companies. **Operational subsidies for communities** are intended to support the ongoing operations of communities in different fields of the arts, such as associations, foundations, co-operatives and companies. **Support for drama literature** is intended for playwrights who have had a new play performed for the first time in a professional theatre in Finland during the past year. **Grants and subsidies to writers and translators** are intended to support the creative writing work of writers and translators. In addition, elderly writers and translators may apply for grants and subsidies on the grounds of illness or disability.

**Public display grants** are intended to support the five-month work of professional artists whose works may be displayed in public. These grants are available to artists in the fields of the visual arts, photographic arts and industrial arts. **Library grants** are intended to support the implementation of individual projects by professional artists and critics in different fields of the arts. **Grants for art projects promoting multiculturalism** are intended to support the artistic activities of immigrants and ethnic minorities, as well as art projects in Finland that promote interaction between different cultures. **Special subsidies for communities** are intended to support individual projects of communities in different fields of the arts, such as associations, foundations, co-operatives and companies. **Operational subsidies for communities** are intended to support the ongoing operations of communities in different fields of the arts, such as associations, foundations, co-operatives and companies. **Support for drama literature** is intended for playwrights who have had a new play performed for the first time in a professional theatre in Finland during the past year. **Grants and subsidies to writers and translators** are intended to support the creative writing work of writers and translators. In addition, elderly writers and translators may apply for grants and subsidies on the grounds of illness or disability.

57 The Arts Council of Finland, which will be replaced by the Arts Promotion Centre Finland (Taiteen edistämiskeskus, TAIKE) from the beginning of 2013, promotes the arts on both the national and international levels, as well as the aspects of culture that are not covered by any other official body. The Arts Promotion Centre Finland will function as an expert body under the Ministry of Education and Culture.


61 Library grants are the most significant form of public support to literature in Finland. The funds distributed every year as grants and subsidies amounts to ten per cent of the previous year’s book procurements by libraries. Since 1964 these grants have been awarded on condition that the connected works can be loaned free of charge from public libraries. The support is granted by the Board for Grants and Subsidies to Writers and Translators appointed by the Ministry of Education and Culture. The total amount of grants and subsidies allocated per year is 2.6 to 2.9 million euros and it benefits over 900 writers and translators every year.

support the work of illustrators whose works have been published in books or other media and comic artists whose works have been published in comic books, albums or other media. **Library grants for music** are intended for composers, lyricists and arrangers whose works have been published as notes or recordings and for performing artists whose works have been recorded. **Quality support for film productions** is intended for producers of films or other programmes with high artistic merit to support the development of new productions. Organisers of national and international art competitions **may apply for tax-free status for the awarded prizes.** The competitions must be considered artistically significant in order to be eligible. **Grants for international projects** are intended to support international cultural co-operation, export and exchange projects in different fields of the arts. Grants are available to professional artists, art experts and groups in different fields of the arts. **Artist-in-residence grants** are intended to help cover the travel and living costs of professional artists who have been accepted to participate in confirmed international Artists-in-Residence programmes abroad. **Subsidies for international projects** are intended to support international cultural co-operation, export and exchange projects in different fields of the arts. Subsidies are available to communities in different fields of the arts. **Artist-in-residence subsidies** are intended to help cover the start-up and operating expenses of Artists-in-Residence programmes run by municipalities, associations and other communities. **Travel grants** are intended for professional artists, art experts and groups in different fields of the arts to help cover the foreign travel costs of artistically significant projects. **Regional Working grants, Project grants, Subsidies for communities, Project grants for children’s culture, Subsidies for children’s culture, Regional cultural wellbeing grants and Travel grants awarded by the Regional Arts Councils.**

**Taxation of grants**

Under the Income Tax Act\(^{62}\), scholarships, grants for studies and other grants and awards received from the state, a municipality or other public body, or the Nordic Council are tax free. However, they do have an effect on the taxation of grants received from foundations, municipalities and other parties. Scholarships, grants for studies and other grants and awards received from other bodies are taxable income if all taxable income exceeds the state’s annual grant to artists during that tax year, which is €19,444.88 in 2012\(^{63}\). As a result, the tax authorities add up all the grants received by an artist and usually collect income tax on the part that exceeds the state’s annual grant to artists. All grants and awards received from the Central Arts Council, as well as from national and regional arts councils, are nevertheless tax free, even if their combined total is larger than the annual amount of the state artist grant.\(^{64}\)

**N. Compensation mechanisms supporting creativity**

Besides grants, subsidies and prizes, cultural creativity in Finland is supported by two notable compensation mechanisms: copyright levies and remunerations paid within the public lending right scheme.

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\(^{62}\) “Tuloerolaki”, act number 1535/1992, 82 §.


COPYRIGHT LEVIES

The Finnish Copyright Act, in its Chapter 2a, creates an obligation for manufacturers and importers of devices used “to a substantial extent” for the reproduction of a work for private use to compensate rightholders through the payment of a levy. Levies are collected and redistributed through copyright management organisations. The amount of levies and the list of devices submitted to this obligation as well as the general management of this compensation system is decided annually by the Ministry of Education and Culture.

The amount of levies vary according to the device, from 0.20 euros per disk under 1GB to 36 euros for a recorder with over 750 GB of memory (in 2012). There is no private copying remuneration on navigators, mobile phones, computers, tablets or game consoles. Levies are subject to a VAT of 9% (which increases to 10% starting in 2013).

RENUMERATION PAID WITHIN THE PUBLIC LENDING RIGHT SCHEME

Authors are entitled to remunerations for the lending of their works through public libraries. Remunerations are paid to copyright holders in the European Economic Area (EEA) and the money is allocated from the state budget by the Ministry of Education and Culture. The remuneration allocated within the public lending right scheme amounts to 3.8 million euros for the year 2013. The Parliament has also stated that the total amount of remunerations will be gradually increased so that artists will get a fair compensation from the lending of their works to the public.

The collective management organizations Kopiosto, Sanasto and Teosto manage and distribute revenues from the public lending right scheme to copyright owners. Kopiosto distributes the remunerations to the copyright holders of visual arts, Sanasto to the authors of literary works and Teosto to authors in the field of music. The amount of the remuneration is determined on the basis of the Finnish Public Libraries Statistics. This topic is also covered in the area “Management of rights” of the methodology framework (see the report on piloting of Description Sheet 12 – Collective Management of Rights).

O. TAXATION ON COPYRIGHT REVENUE

Copyright revenue is either earned income or income from capital (in the case the right is received as a legacy, through a bequest, or against compensation). Prepayment registration is available to beneficiaries of copyright royalties.

The amount of copyright revenue for a copyright holder can dramatically vary between years, and the copyright revenue of one year can be the result of several years’ work. However, according to Ministry of Education and Culture, the question of dividing copyright revenue into periods of several years for

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70 Source: Tuloverolaki (1535/1992) 52§
the purposes of taxation concerns only a limited number of copyright holders. According to the Ministry of Finance, in 2008 there were 665 persons with taxable copyright and other immaterial rights revenue of over 25 000 euros. Discussions on the need for measures to further clarify tax authorities’ practices in these cases are ongoing at the Ministry of Employment and the Economy and the Ministry of Education and Culture.

**P. TAXES ON DIFFERENT KINDS OF CREATIVE PRODUCTS AND SERVICES**

As of 2013, the value added tax in Finland amounts to 24 % (the general rate), 14 % (the reduced rate for the supply of foodstuffs, animal feed and restaurant and catering services) and another reduced rate of 10 % that applies, among others, to several products and services pertaining to creative industries: the supply of books, the remuneration received by Yleisradio Oy from the TV and radio fund and by Ålands Radio and TV based on the TV licence fees, the entrance fees to cultural and recreational events, the supply and import of works of art in certain situations, the subscriptions of newspapers and periodicals and the remuneration relating to a copyright where received by an organization representing the copyright owners.72

In case of international trade of copyrighted goods and services, the business must find out whether the Finnish value added tax73 applies or that of another country. Finnish Tax Administration defines transfer of copyright as a transfer of intangible services. Sales of intangible services to entrepreneurs are taxed in Finland if they are rendered to their recipient in the buyer’s fixed establishment located in Finland or if the buyer is domiciled in Finland (in the case that the service is not rendered to a recipient in a fixed establishment). Sales to non-entrepreneurs, such as private consumers, are taxed in Finland if the service is rendered to its recipient in the seller’s fixed establishment located in Finland or if the seller is domiciled in Finland (in the case that intangible service is not rendered to its recipient in a fixed establishment). Furthermore, the sales of intangible services is not taxed in Finland if the buyer’s domicile is located outside of the EU Community and the service is rendered to its recipient in a fixed establishment somewhere else than in Finland. This rule concerns such entities as entrepreneurs, private consumers and public organizations.74

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Note also that “Other immaterial rights comparable with copyright, patent, license and trademarks are copyrights of models or photographs, and licenses to arrange viewings of a film or to use software in a computer. If a Finnish cinema theatre or TV broadcasting company purchases the rights to arrange viewings of a film, the place of supply for this service is Finland. If the buyer of an immaterial right such as a patent receives the right to utilize this patent all over the world, this service is not deemed rendered to its recipient in any fixed establishment. In this situation, the buyer’s registered office will determine the place of supply — i.e. the transaction will be taxed in Finland if the buyer is a Finnish entrepreneur.” (Source: Finnish Tax Administration, http://www.vero.fi/en-US/Precise_information/Value_added_tax/International_commerce/Value_added_tax_in_international_service(14716). Visited on 14.12.2012.)
Conclusions

A. ANALYSIS AND SUMMARY OF THE RESULTS

- **POLITICAL AND LEGAL CONTEXT**

Finland is a classical parliamentary democracy with a multiparty political system. The Parliament enacts Finnish law, while the global policy is decided by the government which is also responsible for administrative matters.

Finnish legislation in matters of copyright is heavily influenced by the European legislation. Issues of human rights (freedom of speech), data protection, competition law or access to communication services are taken into account when implementing copyright rules.

- **ECONOMIC CONTEXT**

Finland can be considered as a balanced and relatively small market economy. The Gross Domestic Product of Finland was 35 150 euros per capita in 2011, which places it at the world’s 19th position. The country is part of the European Union’s open market and uses the euro, but remains relatively isolated geographically which influences its international exchanges. Price levels in Finland are currently the highest in the Euro Zone, but the prices for cultural goods and services remain stable: between 2008 and 2010, general consumer prices have increased by 6% while the prices for “culture and recreation” have only increased by 0.4%.

The markets for copyrighted goods and services are limited by the size of the population and its division in two main languages, Finnish and Swedish (although Finnish is largely predominant). However, a majority of Finns have a sufficient knowledge of other languages to enjoy foreign culture, in particular in English.

Culture in Finland has been supported by public funding distributed by the Ministry of Education and Culture for a total of more than 400 million euros per year\(^7\). Government funding of culture and the arts is categorised as either statutory or discretionary grants. Several categories of grants are offered, covering all areas of culture. Grants are for the most part tax-free.

Creators do not enjoy specific tax-cuts; copyright revenue is taxed as earned income or income from capital and transfer of copyright is considered as a transfer of intangible services taxed in Finland under certain conditions. On the other hand, specific public compensation mechanisms are designed to support creativity: a system of levies on recording devices compensates rightholders for private copying, and a public lending right scheme compensates authors for the use of their books by public libraries. Creative products and services are subject to the value-added tax (VAT), but some of them are financially supported through a reduced tax rate.

Finland has also been attributed excellent scores at international indicators measuring innovation, competitiveness and economic freedom in the country.

- **SOCIAL AND CULTURAL CONTEXT**

Finland is a relatively small country considering the number of its inhabitants (5 401 267 inhabitants at the end of 2011) with a relatively high share of aged population (mean age of males: 40.2 years and mean age of females: 43 years).

\(^7\)This has been the figure for the last three years (2009-2011).
Finland has three national languages: around 90% of inhabitants in Finland speak Finnish as their native language, 5.4% Swedish, 0.2% Sámi. About 4.5% of the population speaks a foreign language as their mother language (a percentage increasing every year), with Russian and Estonian being the largest groups. A majority of Finns (63%) consider themselves bilingual in English, while 41% speak Swedish.

All the inhabitants of Finland have the right to free basic education and the educational system covers all levels from pre-primary education to university degrees. As a result, the population of Finland is generally well educated. The level of literacy is virtually 100%.

The country consistently scores high in human and social welfare indicators. Finland is among the countries with least poverty and corruption. It also is a country with very high human development (in terms of life expectancy, literacy, education, living standards and quality of life). As compared to the steady increase in GDP figures, certain indicators of environmental and social impacts (indicators of sustainable economic welfare and genuine progress) have remained relatively constant for the last sixty years.

Finland has several creative traditions, in particular those related to the minority Sámi and Romani cultures. They are protected by the Finnish constitution, but none have so far been the object of international protection as intellectual property.

B. Methodological findings

- Limitations

The research of this study is limited to the factors in the national context that are likely to influence the copyright system. It should not cover topics that will be analyzed in details in the context of studies based on other indicators of the methodology framework. The data should be analyzed in order to offer a thorough but focused source of background information on the country context. The main challenge therefore is in the balance between gathering enough information to meet all future needs when piloting the methodology, and the need to remain sufficiently compact.

- Guidelines for future research

The data is easily found as long as relevant statistics and databases exist. In such a case, no other resource would be necessary. Wherever available data does not exist, or in the cases where such data is not easy to interpret, it might be useful to contact specialists for interviews.

Since the methodology is designed to be internationally implemented, it is important to use sources which are official or widely recognized. All sources should be listed and, as much as possible, widely available for consultation by international researchers.

The time needed for this pilot study will depend for each country on the availability of data and the country’s inclusion in international databases, statistical studies and international indexes. The task consists mainly in gathering information; relatively little analysis work is necessary. In the case of Finland, where most of the data was easily accessible, the workload for collecting data and drafting this report could be evaluated at 3 weeks of full-time work. With the help of an already-made list of useful references, this time could be reduced.
A. Description Sheet


### Description Sheet 1. National Context

Description of the national context of the copyright system; Consider the following topics:

- Population: number of inhabitants of the country
- Languages: list of (main) languages spoken in the country and estimation of the number of speakers
- Economic system
- Gross Domestic Product: aggregate value and value per capita
- Cost of living and consumer prices
- Political system and system of government (especially regarding the decisional process concerning issues related to copyright)
- Description of the educational system and level of education
- Description of the educational system and level of education
- National creative traditions
- Specific factors likely to influence the markets for copyrighted products and services (such as geographical, cultural or ethnic borders inside the country, typical means of experiencing culture, etc.)
- National laws likely to influence the operation of the copyright system: consider for example the other intellectual property rights, contract law, competition and antitrust law, information and communication law, labor law, consumer law, personal data law, fundamental rights such as freedom of expression, and other branches of law balancing the impacts of the exclusivity of copyright law
- Grants, subsidies, prizes, and other public or private support for creative activities
- Compensation mechanisms supporting creativity, such as copyright levies, remunerations as part of a public lending right scheme, etc.
- Possible special rules for the taxation of copyright revenue
- Taxes on different kinds of creative products and services

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77 Consider for example the following issues likely to affect the ways of experiencing culture: percentage of the population continuing their studies after basic education, accessing upper level education or holding a degree at various levels (and, if possible, divided by age groups).

78 To facilitate the analysis of the operation of national copyright systems and benchmarking, it can be meaningful to collect information on the social and economic landscape of the country as well as different aspects of sustainable development. Therefore, as one element of the analysis of national context, one could look at the indexes constructed to measure human development, poverty, sustainable economic welfare, the level of corruption as well as the environmental and social perspectives of the development. The levels of innovativeness, competitiveness and economic freedom will provide important information on the economic landscape.

Consider for example the following indexes:
- The Human Development Index (HDI) of the United Nations development program (UNDP)
- The Human Poverty Index (HPI)
- The Corruption Perceptions Index (CPI) of Transparency International
- The Index of Sustainable Economic Welfare (ISEW)
- The Global Innovation Index (GII) created by INSEAD & WIPO (2012)
- The Global Competitiveness Index of the World Economic Forum
- The Index of Economic Freedom prepared by The Heritage Foundation in cooperation with the Wall Street Journal
- The World Values Survey
- The Happy Planet Index, a project of New Economics Foundation
## Guidelines for data collection

The information collected for this indicator can be found through available national and international statistics and other data. The data is easily found as long as relevant statistics and databases exist. Wherever available data does not exist, or in the cases where such data is not easy to interpret, it might be useful to conduct expert interviews.

The time needed for this study will depend for each country on the availability of data and the country’s inclusion in international databases, statistical studies and indexes.

A list of international sources of information can be found in Appendix 5.

### Definitions

<table>
<thead>
<tr>
<th><strong>Sustainable development</strong></th>
<th>“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”</th>
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<tr>
<td><strong>Social welfare</strong></td>
<td>Well-being and quality of life of a society considered as a whole, including aspects such as the quality of the environment, level of crime, extent of drug abuse, availability of essential social services, religious and spiritual aspects of life.</td>
</tr>
<tr>
<td><strong>National creative traditions</strong></td>
<td>Original creative activities, cultural traditions or folklore that are part of the national culture.</td>
</tr>
</tbody>
</table>

### Limitations of the indicator

The research of this study is limited to the factors in the national context that are likely to influence the copyright system and should not cover topics that will be analyzed in details in the context of studies based on other indicators of the methodology framework.

### B. INFORMATION SOURCES

**International:**

- **Legislation and case-law**

- **Statistics and databases**
  - Corruption Perceptions Index (CPI) of Transparency International - http://www.transparency.org/research/gcb/overview

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79 Consider all relevant financial and material support for creative activities.

Information concerning the mechanisms and levels of taxation of grants could also be provided, as these will have an influence on the revenues.

If considered relevant, the study could also take the artists’ social security and pension arrangements into account.


- Happy Planet Index - http://www.happyplanetindex.org/


- Index of Economic Freedom, Heritage Foundation website, http://www.heritage.org/index/


- UN Data World Statistics (country profiles): http://data.un.org


- WIPO’s Intergovernmental Committee Website: http://www.wipo.int/tk/en/igc/index.htm


- World Values Survey - http://www.worldvaluessurvey.org/

- Other sources

- International Association for the Evaluation of Educational Achievement (IEA): The IEA Reading Literacy Study examines levels of reading literacy across countries. (http://www.iea.nl/data.html)


- The UNESCO Lists of Intangible Cultural Heritage (aiming to ensure the better protection and awareness of intangible cultural heritage worldwide) can be found on UNESCO website, http://www.unesco.org/culture/ich/index.php?pg=00011.


Finland:

- Legislation and case-law

- Statistics and databases


**Other sources**

- Arts Promotion Centre Finland, http://www.taike.fi
- Finnish Competition Authority’s website, http://www.kilpailuvirasto.fi/cgi-bin/english.cgi
- Kopiosto´s Year in Review 2011 - http://www.lainauskorvaus.fi/lainauskorvaus Fi-fi_FI/
- The Giellagas Institute, established at the University of Oulu in 2001, has a nation-wide responsibility to organize, introduce and provide Sámi language and cultural studies and research at the academic level (http://www.oulu.fi/giellagas/en/index.html).