

**Speech at the opening ceremony of Aalto University academic year
2 September 2014**

Managing Director Matti Vanhanen

Ladies and Gentlemen;

The establishment of Aalto University simultaneously with the vast university reform was a conscious and deliberate choice with distinct goals: decision-makers wanted to create exceptional conditions for the university to achieve such results in its focus areas that would benefit Finnish society as a whole, particularly our increasingly international business life.

To this end, the decision was taken to combine three universities, to establish a new decision-making model and to introduce external members to the university board, to strongly invest towards its foundation capital and to allocate additional annual resources to Aalto University at the starting phase in order to build a solid foundation for the new university.

After my career in politics, I have followed up on the first steps of Aalto University and have liked the direction it has taken.

But now that one of the corner stones of the new university is being eroded, please allow me, as one of the decision-makers involved in the establishment of Aalto, to think back on the original purpose of the additional funding.

The decision made by my government was to open up the competition for the annually allocated additional funding also to the other universities so that Aalto would be one of the competitors. But what I have now read in the papers suggests that the appropriation is actually being used to compensate for other universities' budget cuts. If this is true, the original idea of the additional funding seems to have been forgotten quickly.

If there is a firm conviction in society that investing in competence is what gives a high-cost country like Finland a competitive advantage in the ever-fiercer international competition, we have to act accordingly with determination. Companies are constantly faced with the necessity of identifying their strengths and investing in them, and the same is true of nations. Here in Finland, a strong education has been a cornerstone for the nation's development ever since our 19th-century statesman Snellman.

My government made a conscious decision. The additional funding allocated to both the capitalisation and the operational appropriations were not intended as automatic additional funding for the whole Finnish university institution as such. Instead, they were only allocated because of the university reform, and a major share of them were given be-

cause we had faith in the new concept created in the form of Aalto University. In other words, this funding was not taken away from the other Finnish universities; it was an additional boost for the new concept whose success would benefit our entire country and its economy. What is more, the other universities should bear in mind that the capitalisation of the universities would never have come to apply to all universities had it not been for the establishment of Aalto University. That, too, was something extra.

The courage to make these types of political decisions is necessary for our success.

All our universities have a role to play, and all of them must have the opportunity to achieve excellence in research in their focus areas and also deserve to be rewarded by the central government when successful in this fierce competition.

Ladies and Gentlemen,

The prevailing mindset suggests that universities are to set the foundations for ever-emerging technologies, better business competence and management, internationalisation, commercialisation and brand-building. Indeed, meeting such requirements should guarantee the success of any company.

I'm afraid that for Finland, this alone will not do. In addition, we need determinate business owners and entrepreneurs who have both the will and the opportunity to take financial risks; we need a sufficiently flexible capital market to set the foundations for running successful companies and developing them also here in Finland. In addition, our labour market practices need to be updated to meet the needs of the 21st century, an era of a single currency and global competition.

Workplaces at the corporate level need good leadership, the ability to apply innovations made all around the world to all levels of work and such flexibility that allows organising work at appropriate costs for Finnish companies to win competitive bidding procedures and be awarded contracts.

In particular, this flexibility of the labour market at the local level is a taboo subject that is difficult to discuss, although the idea is not to do harm anyone but to boost the demand for Finnish labour.

Finland does not exist in isolation. Instead, it is an inseparable part of the world economy and cannot succeed without being keenly aware of the rest of the world. In order to be successful, we must ensure both our competence and our ability to operate in the ever-changing competitive situation. Many of the norms and practices that govern our working life were born decades ago in a far more stable and protected operating environment characterised by large-scale industries. This is a discussion that I would welcome universities to engage in also through research.

Having said all this, I wish to remind you that in the end, the key ingredient for success is passion and enthusiasm for one's cause. Enthusiasm should not, however, be confused with blindness; I hope to see Aalto educating young people who, while firm believers in their causes, have the ability to let go of ideas that turn out to lead nowhere, to learn from experience and look ahead. This enthusiasm of Aalto University has already reflected positively on Finnish society and entrepreneurship. This is yet another way that Aalto is already living up to the expectations set for it.