

How and Why Wellbeing Services Counties Should Support National Economy?

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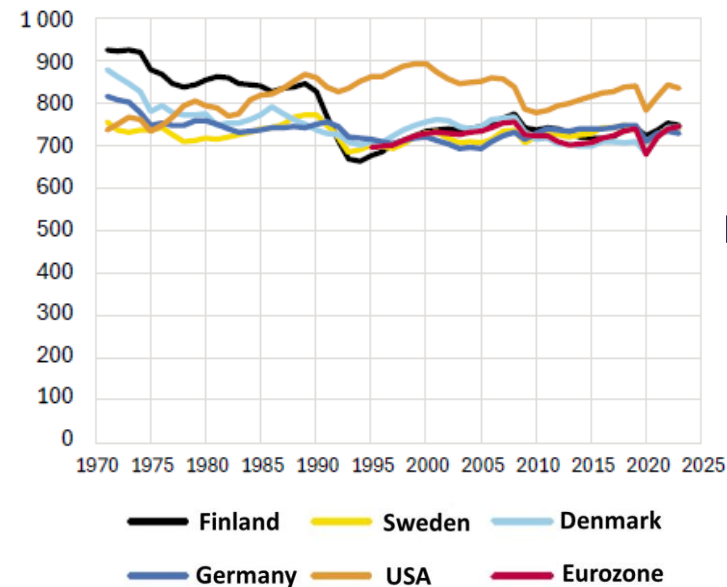
Let's skip the obvious: **Healthy workforce, workforce availability, higher retirement age, health and social services available near site of employment, attractiveness.**

Why wellbeing services counties should support economic growth?

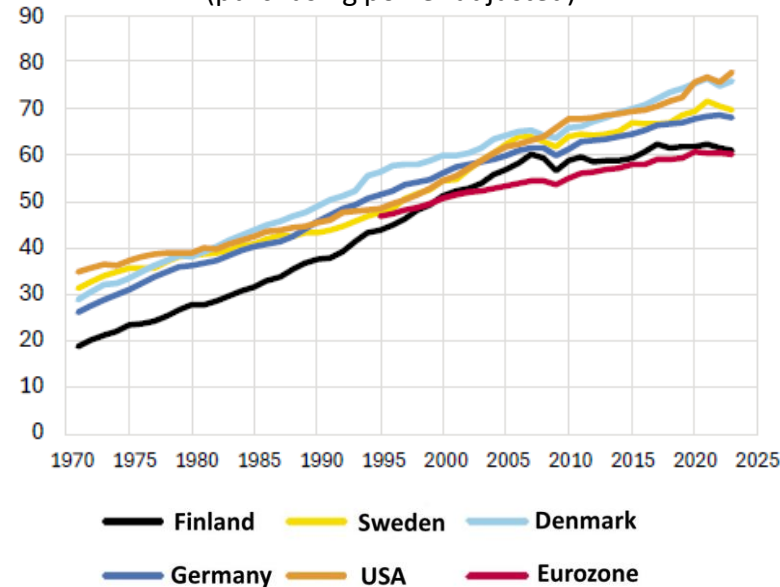
Finnish economic growth has stagnated for 15 years

Where you can see the effects of more than decade of growth programs?

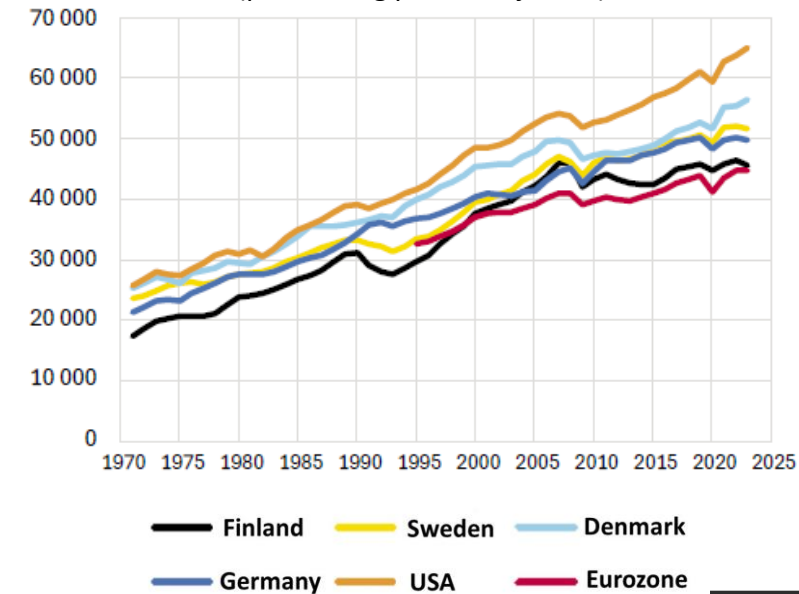
Amount of work: hours/citizen



Work productivity: gross national product/work hours (USD/h)
(purchasing power adjusted)



Standard of living: gross national product/citizen (USD)
(purchasing power adjusted)

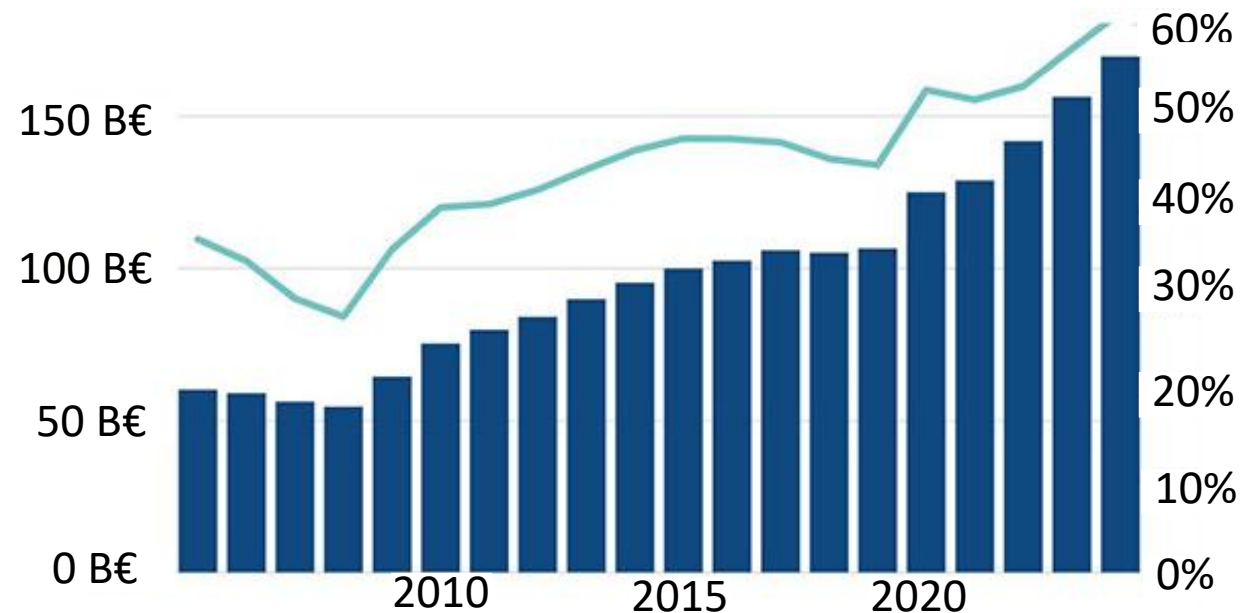


Famine, civil war and Nokia collapse

- Growth of standard of living (GNP/citizen) was among fastest in western europe for 150 years. **However, since 2007 standard of living has not grown.**
- **2010s was third weakest decade in finnish growth.** Only in 1870s and 1910s growth was slower.
- GNP/citizen has not grown since 2007 because production in market sector has diminished.
- **Debt driven growth of public sector is the reason why standard of living has not decreased.**

National debt has tripled since 2007

• Debt in € — % of GNP



Finnish economy is not growing due to inefficiency of the market sector

Matti Pohjola

**MIKSI
SUOMEN
TALOUS
EI KASVA?**

Elintaso ja tuottavuus
verrokkimaihin verrattuna

- In 2023 private sector production was 7% **lower** compared to that in 2007. In Sweden it was 18%, in Denmark 19% and in Germany 11% **higher**.
- **The core reason for this is the inefficiency of the market sector.** Productivity is today 10% lower than it was in 2007.
- Productivity is an indicator of technological development i.e ideas on how raw materials are effectively turned or goods and services desired by consumers.
- Economical growth stems from technology development i.e. innovations.
- **Is finnish economy including public sector supportive of creation and fostering of innovations?**

Public sector has failed to support growth of market sector

- Cutting public spending is needed to limit growth of national debt. However, it does not solve the core problem which is the lack of growth in the market sector.
- The funding models of wellbeing services counties and universities have not been tuned to solve this problem (innovations, research foci, contract research, curriculums).
- According to Draghi-report this is a pan-European problem: "The commercialisation of research results is insufficient. Much of the knowledge generated in research institutions remains commercially unexploited".
- According to an EU-report (HORIZON EUROPE POLICY SUPPORT FACILITY 2021 – 2027) on Finland the core problems are:
 - 1) Lack of incentives for industry collaboration at institutional and individual level.
 - 2) Cultural misalignment between public and private sectors.

Innovation ecosystem of finnish universities and wellbeing services counties has failed economically

- In 2024 finnish universities produced only 25 deep tech companies, which is less than 1% of annual renewal of companies in Finland.
- Total IP-income was less than 2 million€.
- The numbers for wellbeing services counties are even smaller.
- In wellbeing services counties no systematic approach to hunt, evaluate and develop innovations with commercial potential.
- Significant potential is lost contributing to low innovation in market sector and growth of national product.

	Aalto	HY	OY	TAU	TY	LUT	UEF	JY
Patent applications	57	15	15	7	7	3	8	4
New deep tech startups	8	6	1	3	4	1	1	1
IP income (k€)	Ei vertailu- kelpoinen	N/A	424	25	1171	217	-	6



July 23rd, 2025

Dear Juha,

I am delighted to share the [news that Sanofi has agreed to acquire Vicebio](#), a company utilising UQ's Molecular Clamp vaccine technology, in a landmark deal involving an upfront payment of US\$1.15 billion, with potential milestone payments of up to \$450 million.

The deal is the largest ever involving a company that is commercialising intellectual property (IP) from an Australian university.

UQ, through our commercialisation company UniQuest, licensed the technology to Vicebio to progress the UQ technology towards clinical trials and commercialisation.

**UniQuest is the commercialisation company of
The University of Queensland**

\$1b+

Raised to take university technology to market

\$80b+

Gross product sales of licensed UQ technologies

130+

Companies created from our intellectual property portfolio

240+

Active licence agreements

\$977m+

In revenue returned to UQ since 2002

360+

Granted US patents

The multi-billion euro question?

How wellbeing services counties (and universities) should participate in enhancing the competitiveness and innovativeness of the finnish market sector?

Solution: Harness the RDI activities of wellbeing services counties as an engine for Finland's economic growth.

- **Wellbeing services counties and HUS:** 224,000 employees, over 25% of the state budget, 6th best rated healthcare quality in the world.*
- **University hospitals are more significant research organizations than many universities**, and they are maintained by the wellbeing services counties (and HUS), which coordinate research across all cooperation areas.
- **The public sector can improve productivity in its own operations**, which saves costs and frees up employees for the needs of market production. However, **this does not solve the productivity problem of the national economy**.
- The participation of the health and social services sector in developing Finland's vitality aligns with proposal 3.15 in the final report of the Growth project led by Risto Murto:
"Strengthen collaboration between the private and public research sectors through national coordination."

Example: What is needed to make the Business Finland (pipe?)dream of 15 € MedTech exports reality?

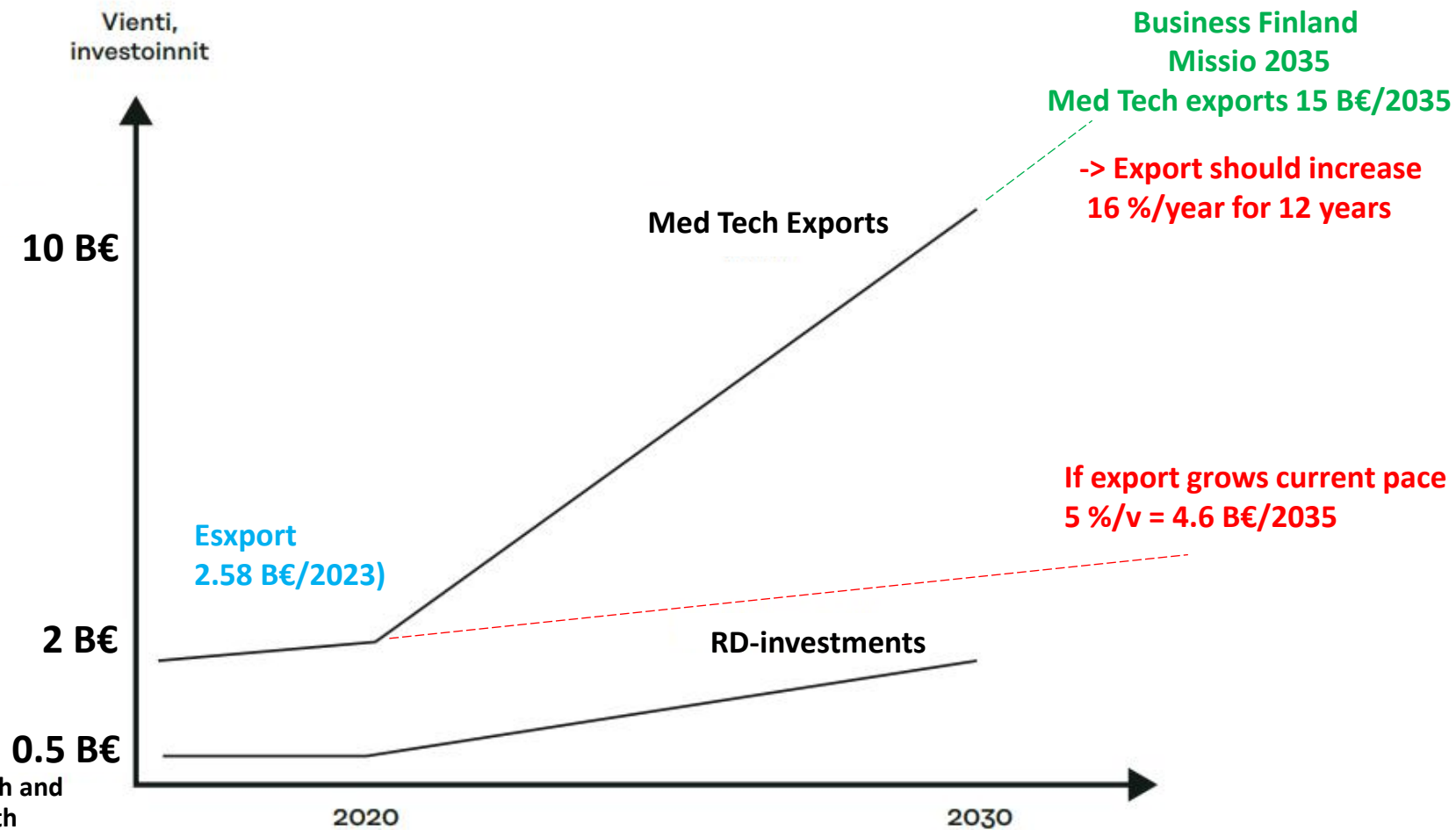


Figure: Sitra's vision for the growth and competitiveness of Finland's health sector 2030

How all this can be realised?

– Key National Policy Measures, part one –

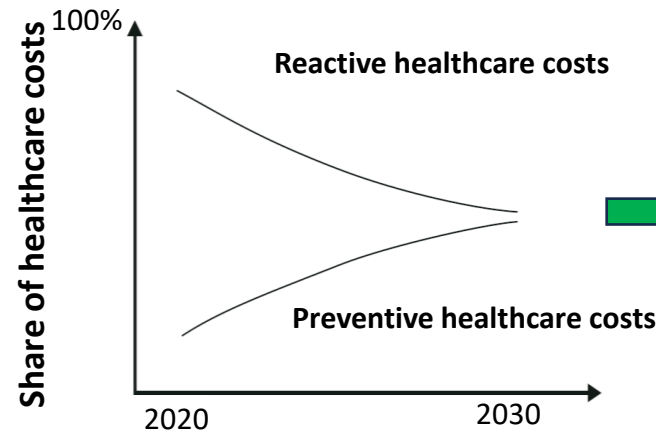
1. Create positive incentives in the welfare regions' funding model
 - a. Change incentive from increasing disease to increasing health
 - b. Modify the funding law's provision on operating revenues
 - c. Introduce performance-based incentives for delivering RDI testing services
 - d. Introduce performance-based incentives for generating innovations, patents, and spin-off companies
 - e. Introduce performance-based incentives for securing external research funding
2. Convert the university hospital supplemental funding to a performance-based model and re-evaluate its level

Current funding model

Hyvinvointialueiden rahoitus 2025 (lähde VM)	
Osuus hyvinvointialueen rahoituksesta	Prosenttia
Sosiaali- ja terveydenhuolto yhteensä	97,794%, josta
Sosiaali- ja terveydenhuollon palvelutarve	81,026 %
Asukasmäärä	13,329 %
Vieraskielisyys	1,986 %
Asukastiheys	1,489 %
Hyvinvoinnin ja terveyden edistäminen	0,993 %
Yliopistosairaalalisä	0,555 %
Kaksikielisyys	0,496 %
Saaristoisuus	0,112 %
Saamenkielisyys,	0,013 %
Pelastustoimi yhteensä	2,206%, josta
Asukasmäärä	65,000 %
Riskitekijät	30,000 %
Asukastiheys	5,000 %



Sitra Visio 2030



Desired future

Investing in prevention

Strengthening the WBSC revenue base

Investment in RDI activities

Strengthening Finland's vitality

How all this can be realised?

– *Key National Policy Measures, part two* –

1. Establish a national company (and supporting regional entities) to collect, manage, and valorize public-sector intellectual property.
2. Establish regional RD-service companies to harness infrastructure of the university hospitals.
3. Set up a national one-stop service for facilitating clinical pharmaceutical and medical device trials: *FinTrials*.
4. Adopt innovative procurement that favors local domestic innovation and production.
5. Invest national assets and research institutions' capital more boldly in Finnish innovations and companies.
 - In pension funds (2024), a total of over €270 billion, of which **only 19% is invested in Finland**; in Sweden about 30% and in Denmark about 40%. **Each percentage point is €2.7 billion.**
 - **Investment in unlisted finnish companies is currently around 1-2%.**

How to ensure that wellbeing services counties can support national economic growth and sustainability of the social and healthcare system

- Guidance from the Ministry of Social Affairs and Health (STM), Ministry of Economic Affairs and Employment (TEM), Ministry of Education and Culture (OKM), and Ministry of Finance (VM) needs to be less siloed.
- The guidance provided by each ministry in its respective field should take into account the key objectives of other ministries. Currently, this is not the case.
- The wellbeing areas must commit to the national R&D investment target (1.2%/2.8%/4%). Currently, this is not the case.
- The importance of the wellbeing areas in the R&D field must be understood and reflected in the funding model both nationally and regionally.

Examples: What Wellbeing Services County of North Savo could do?

1. Assume economy policy role.
2. Increase RD-investment significantly, aim for national goal of 1.2%.
3. Start a new company providing health and RD-services.
4. Total renewal of the innovation ecosystem.
5. Participate actively in building and starting the FinTrials network for coordinated contract research.
6. Continue and accelerate development of register research facilities and support.
7. Continue development of research funding services.
8. Continue execution of Eastern Finland Collaborative agreement on RD-functions.

**Now is high time for government to force ministries in
collaboration to harness public sector to research, innovate,
develop and test new products**