

# National Design Policy Improves Competitiveness

New research documents that in order to compete in the global economy, individual countries must invest in a strategic design system of support, promotion and education. Finland is a good example of this approach.

By Mette Bom

Achieving and maintaining national competitiveness in the global economy is a challenge that various nations approach in very different ways. New research by senior researcher Gisele Raulik-Murphy at Design Wales, the University of Wales Institute, Cardiff, reveals that a well-grounded policy and a strong design system including a strong university level research sector certainly help a country getting there.

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## Complete Design Systems

Gisele Raulik-Murphy has investigated the different strategies for design that Finland, South Korea, Brazil and India have adopted in order to help their economies and businesses remain competitive in the global market.

Of the four countries, Finland and South Korea stand out by having a complete “design system” in place. As Gisele Raulik-Murphy’s defines it, this means a system that implements four fundamental elements:

- design support programmes (targeted at businesses).
- design promotion programmes (targeted at the public).
- design education programmes (formal education systems, including degrees, masters and post graduate courses, as well as further education that enable students to become good design professionals).

- a national design policy (at government level).

“Finland is interesting because it has managed to develop a national design policy from beginning to end. The policy was carried out in consultation with representatives of the Finnish industry, of the design sector and of designers. It was negotiated and approved by the government, and the government allocated the funds for its implementation. This policy was developed in a complete circle, involving all relevant stakeholders, which is a quite unique process compared to how design policies are planned and implemented around the world,” Gisele Raulik-Murphy says, arguing that this design system and the national design policy were contributing factors towards helping Finland grow out of the economic stagnation the country was in, following a severe economic recession in the late 1980s.

## Look to Other Countries for Arguments

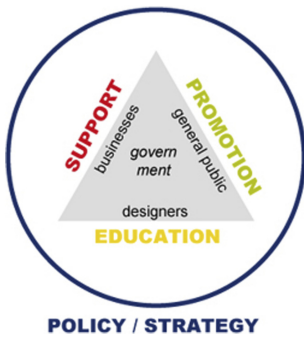
Yrjö Sotamaa is a professor of design innovation at the School of Design, the University of Art and Design in Helsinki (Uiah) as well as a former rector of UIAH. He has a long career in the Finnish design sector and played a key role in the development of the Finnish national design policy, “Design 2005!”, which was published in the year 2000 after several preliminary analyses and studies.

Yrjö Sotamaa comments on the process Finland went through in order to reach its frontrunner position in design:

“As early as 1997-98, a team of design experts, university researchers, industry representatives and designers carried out an analysis, which very blatantly revealed Finland’s strengths and weaknesses. This analysis proved essential to the following development,” he explains.

The team behind the analysis also looked at how other countries like Korea, Taiwan, China and the UK had prepared for competing in the knowledge society, countries which either already had invested or were planning to invest in Research & Development (R&D) to increase their competitiveness.

“With these examples in hand we didn’t really need to convince the government further of the fact that Finland needed a design policy in order to grow out of its serious financial situation. Another strength of the process towards the policy-making was that the State Secretary of the Ministry of Education was in charge, which ensured that it had a high priority,” Yrjö Sotamaa says.



*Design System. According to Gisele Raulik-Murphy's research, support, promotion and education are the main axis for fostering the use of design for competitiveness. However to gain maximum advantage, the implementation of these schemes should be determined by strategic plans or government policies. Illustration: Gisele Raulik-Murphy*

**Design Education at University Level**

The Finnish design sector's research institutions collaborate with industry, which means that research is applied directly and used in production.

"One of the design policy objectives is to make the Finnish design research sector very closely related to the Finnish creative designers and to industry, so that the findings can be applied directly in the production processes, helping the products to reach the market," Gisele Raulik-Murphy says and continues: "In other countries where this type of policy isn't in place, the sectors are much more divided, making it difficult for them to share knowledge and know-how."

The main focus of Yrjö Sotamaa's work with the design policy has been to position design as an academic discipline, so that design is not only seen as something reserved for designers and industry to develop and refine:

"It is true that Finland is a strong player in design research, with over twenty-five years of experience, but I believe one of our main successes is that at a very early point in time we placed our design education at university level, signalling to the world that we took design and design development seriously. Now our University of Art and Design has become a very large and powerful player in design research as well as an attractive institution for foreign students and teachers," Yrjö Sotamaa relates.

**Correlation Between R&D and the Bottom Line**

In her research paper, A comparative analysis of strategies for design in Finland and Brazil, Gisele Raulik-Murphy documents that design in Finland has been integrated with economic policy. Therefore, the area has been able to help the country reach its current position as second in the World Bank's World Competitiveness Index and having a knowledge-based economy with the highest investment rate in R&D in Europe: 3.5% of the GDP.

Yrjö Sotamaa notes that although it can be difficult to prove the direct economic advantages of a comprehensive design system like the Finnish, the country has indeed had visible results of its investment:

"The national design strategy was aimed at having an economic impact. We haven't measured it directly, but we know that more Finnish companies today are aware of the importance of design - how design and design research can help products both reach and stay on the market. They not only know but are also able to implement design thinking in practice. Over 25% of Finland's export is design intensive. We also know that the entire Finnish design service sector and consultancies as well as the design production sector have expanded dramatically," Sotamaa says.

The Finnish mobile phone company Nokia illustrates how investments in design and design research can benefit competitiveness. "An international report at the end of the 1990s revealed that the success of Nokia was based on their design capabilities. The majority of Nokia's designers also come from the University of Art and Design Helsinki, which made it even more obvious that there is a correlation between state investment in the design research sector and the outcome of the Finnish production sector," says Yrjö Sotamaa.

**Denmark Compared**

Denmark is placed in the same macro-economic region and category in the World Competitiveness Index as Finland. Denmark however only meets one of three "design system" criteria established in Gisele Raulik-Murphy's survey: Denmark has design promotion institutions and projects (e.g. the Danish Design Centre). Sweden and Norway, by comparison, have both design promotion and support programmes in place, and in addition, Norway is currently developing a design policy . Gisele Raulik-Murphy comments:

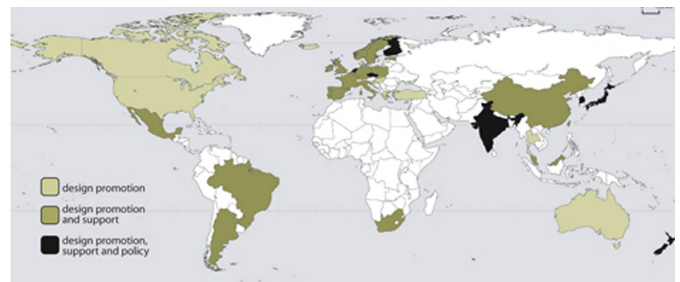
"Denmark didn't have a national design policy or design support programmes at the time of the survey, but that doesn't mean that the Danish design sector is less important. The absence of a policy dedicated to design can be a government's choice. This may then be compensated by other strategies – or it may reflect the government's indifference to design. In many countries where design is not part of the government strategy, the professional sectors organize themselves to promote design. But in that case, the activities cannot be said to be part of a national design system."



*Finnish Design. In Finland, many companies are aware of the importance of design and the potential of design research. According to Yrjö Sotamaa, professor of design innovation and the former rector of University of Art and Design Helsinki, this is one of the effects of Finland's comprehensive national design policy. Design: Alvar Aalto, 1937*

Yrjö Sotamaa, who is also a member of the steering committee of the Danish Centre for Design Research, comments: “I think Danish society would benefit from placing design at university level, and that the design research should be clearly focused on the areas that are relevant to the development of the Danish society and to the economy. In Finland for example, our research projects have been funded by the National Technology Agency, by the Academy of Finland and by Finnish industry. In planning the research programmes we have involved all actors and together tried to point out which areas are relevant from industry’s point of view and from the academy’s point of view”.

*On 1 August 2009, University of Art and Design Helsinki becomes a part of the new Aalto University, which is the result of a merger between Helsinki University of Technology, Helsinki School of Economics and UIAH.*



*Comparison. In her research, Gisele Raulik-Murphy mapped the state of the design systems in various countries. The case of Finland illustrates how a national design policy that includes all the relevant stakeholders can benefit a country’s competitiveness and innovation capacity.*

*Illustration: Gisele Raulik-Murphy*

#### The Raulik-Murphy research project: design policies and systems

In her research, Gisele Raulik-Murphy has identified where design policies and design programmes have been implemented.

The survey was conducted between December 2006 and May 2007 through a structured questionnaire sent out to representatives of different design organisations and design professional sectors around the world. The analysis is based on 83 responses.

Gisele Raulik-Murphy has also investigated how four different countries at different stages of economic development (according to the World Economic Forum’s analysis and ranking) and with different national contexts and governance – Finland, South Korea, Brazil and India – have adopted different strategies for design in order to help their economies and businesses remain competitive in the global market.

The complete study will be presented as a PhD thesis.

#### DANISH CENTRE FOR DESIGN RESEARCH

Danish Centre for Design Research - Center for Designforskning er Kulturministeriets paraplyorganisation for designforskningen ved Arkitektenskolens Aarhus, Danmarks Designskole, Designskolen Kolding og Kunstakademiets Arkitektenskole. Danish Centre for Design Research bidrager til at opbygge og styrke dansk designforskning, til at formidle viden og til netværksdannelse nationalt og internationalt mellem forskningsinstitutioner, virksomheder og offentligheden.

#### MIND DESIGN

Danish Centre for Design Research - Center for Designforskning udgiver hver måned netmagasinet Mind Design på dansk og engelsk. Netmagasinet bringer artikler om udviklingen inden for designforskningen og formidler forskningens resultater til såvel forskere som praktikere og andre interesserede. Magasinet er gratis. Se mere på [www.dcdr.dk/dk/minddesign](http://www.dcdr.dk/dk/minddesign)

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