Cartagena

Charting the Change: Innovations, Well-being, and Economic Transformations

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Business Finland project 2024-26

Transformations through New technologies, green transition, geopolitics

- Higher living standards and well-being?
- Supporting public actions?

WP1. Personal behavior data, pro-self nudging and well-being

Unique Nutrition Ca
impacts on purcha

WP2. Technology use, well-being and labor market outcomes

ase study, Quality of
Life Survey

WP2. Technology use, well-being and labor market outcomes

WP3. Green s
productivity
renewal

International data on industrial policies, Finnish green subsidies

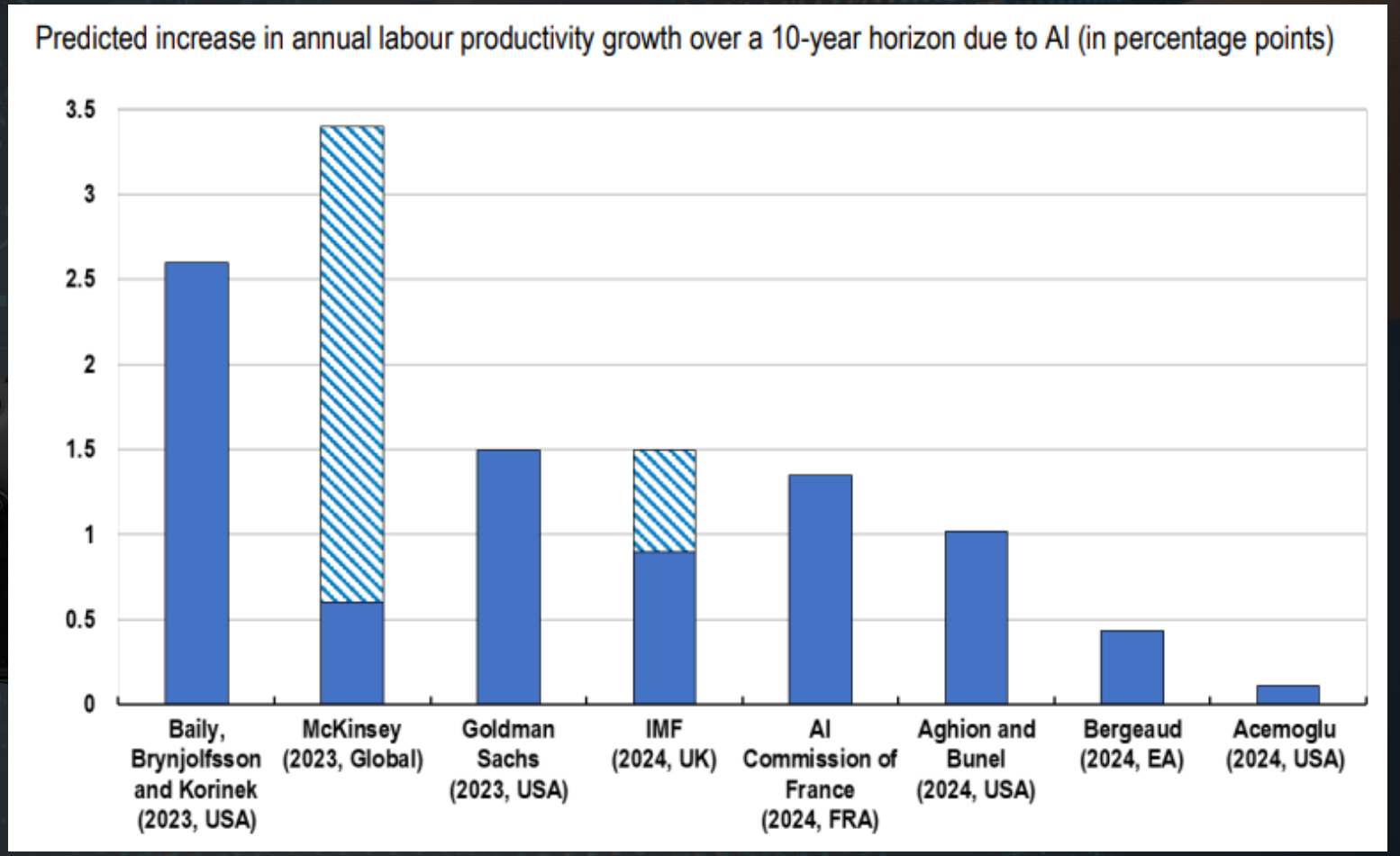
sition frictions,
gy adoption
and well-being

Macroeconomic model of green transition with frictions

Economic growth and AI

Expected to have significant effects

… but how large?



Source: Filippucci, F., P. Gal and M. Schief (2024), "Miracle or Myth? Assessing the macroeconomic productivity gains from Artificial Intelligence". OECD Artificial Intelligence Papers, No. 29, OECD Publishing, Paris

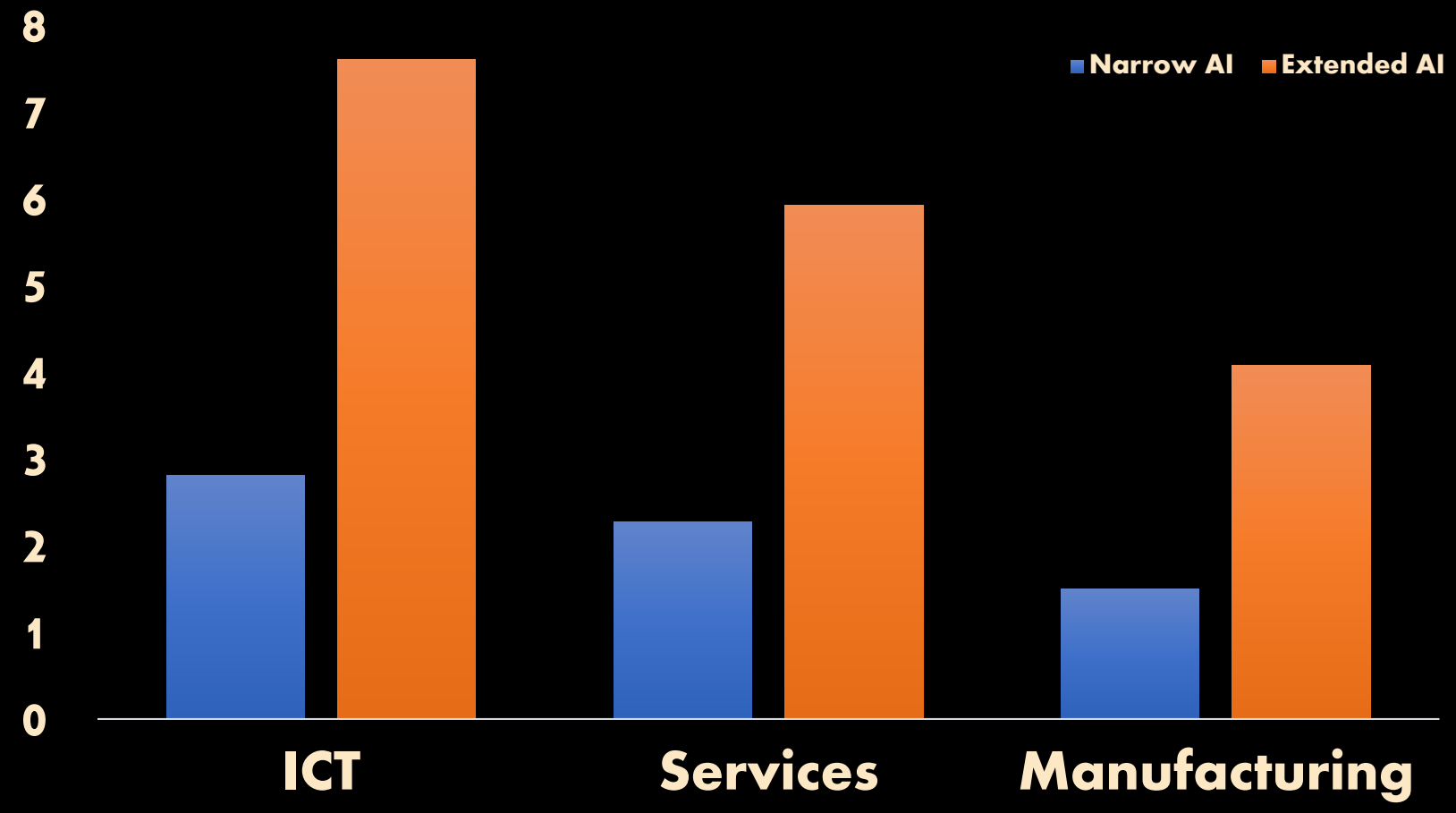
Acemoglu aritmetics

ETLA

Share of tasks adaptive for AI	23%
Share economically feasible	× 20%
Average TFP gain	× 27%
Share of labor in VA	× 57%
10 yr. aggregate TFP gain	0.7%

New insights

Figure. Forecasted 10-year horizon TFP growth impacts of AI by sector



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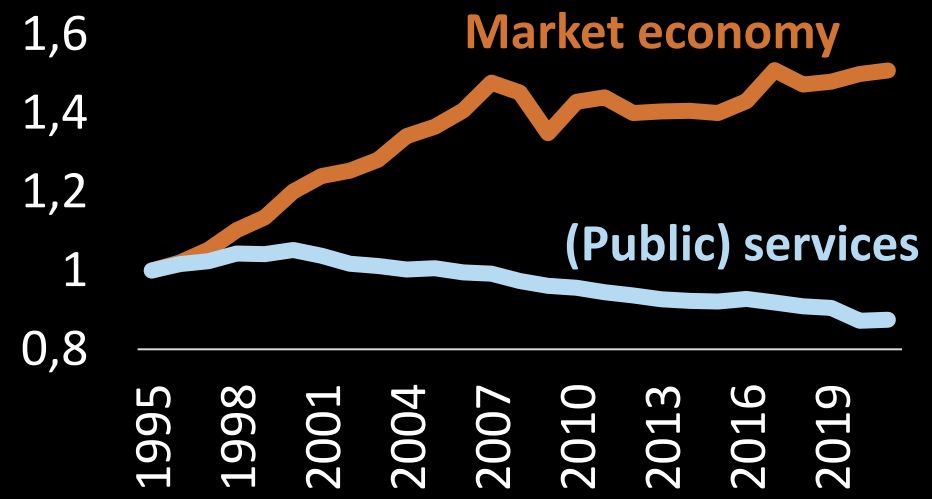
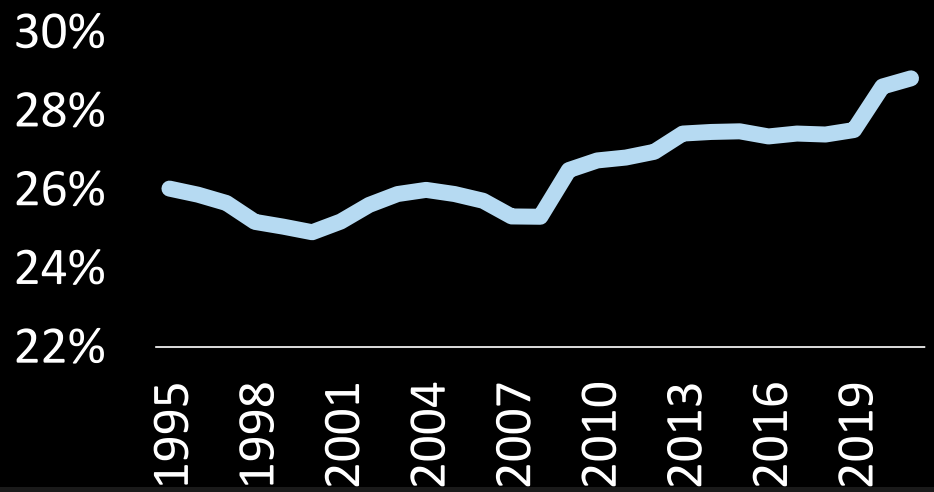
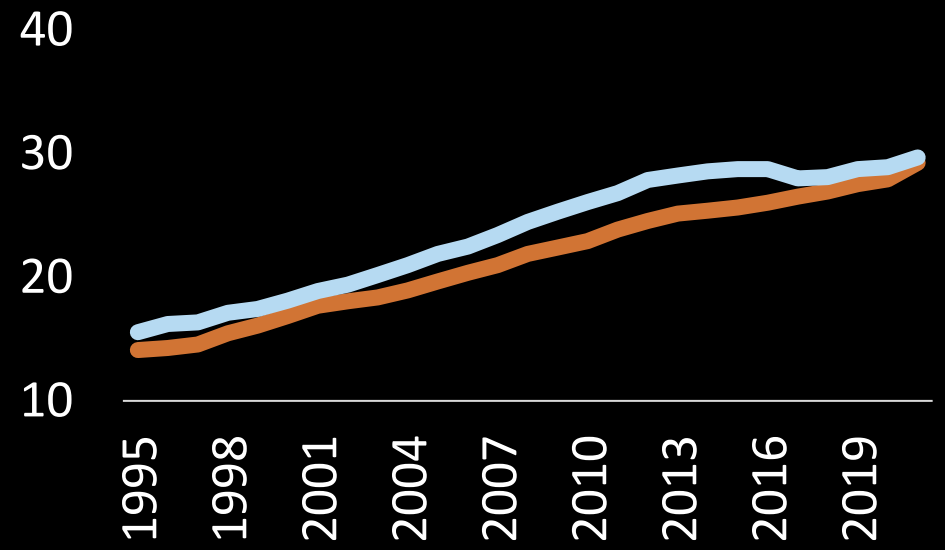
Labor productivity



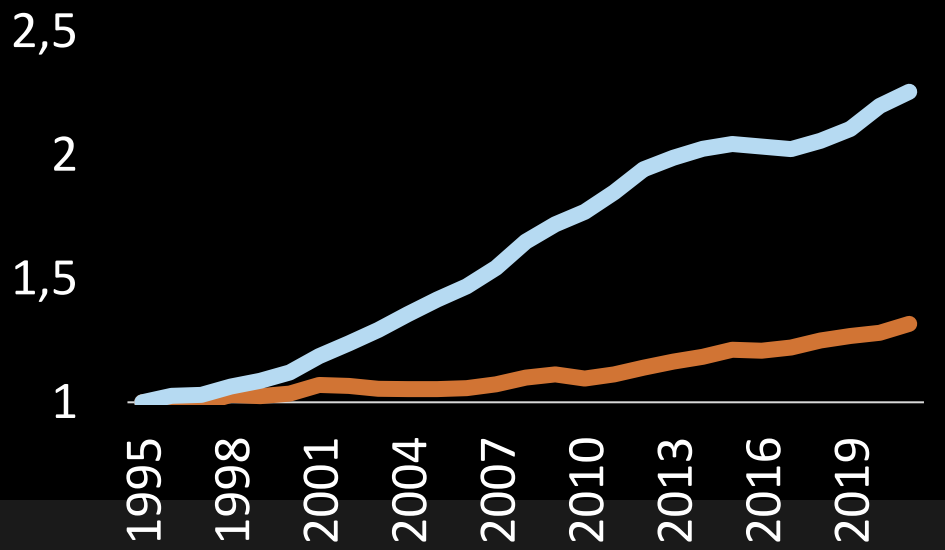
Labor share



Hourly wage



Price of production



Potential in Finland

GDP 23-33	+1.1-3.8% (2.7-10.4 bn)
Services	
Additional GDP contribution	+0.8-2.7% (2.1-7.4 bn)
Share of total growth boost	69-77%

Source: Potential growth based on multi-sector dynamic general equilibrium modeling + OECD micro-level TFP growth estimates. Business Finland project Boosting productivity through digitalization.

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