



# Preparing the economy and financial system for hybrid war: Finland's experience

Peterson Institute for International Economics

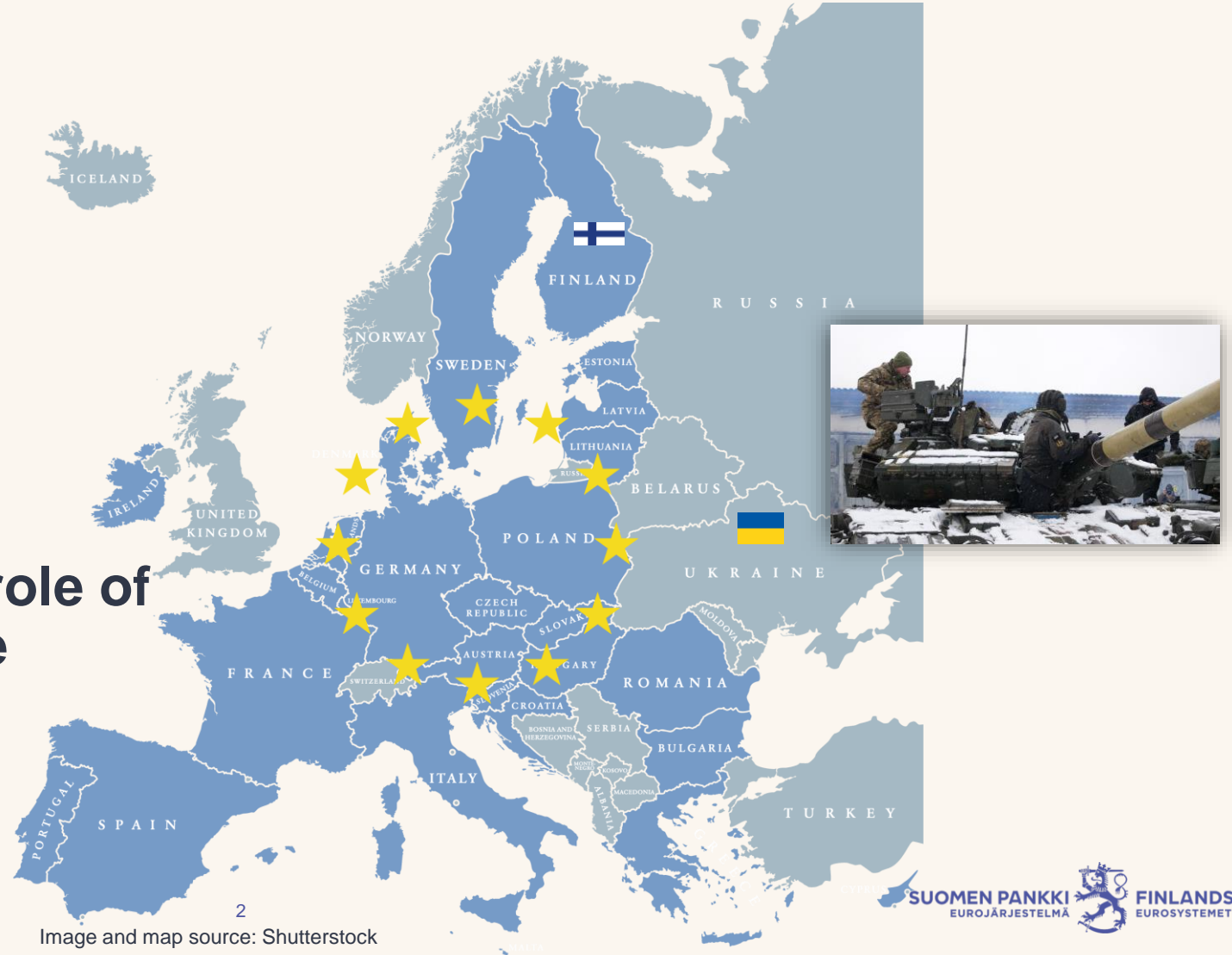
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Governor Olli Rehn  
Bank of Finland

# The security policy environment of Europe and of Finland is transforming as rapidly as it was in the early 1990s

- War in Ukraine
- Energy crisis
- Inflation
- Globalization at risk?

**These changes amplify the role of preparedness and resilience**



# National preparedness involves all sectors and all levels of Finnish society

- Defence forces based on conscription and trained reserves
- Diversified energy supply with > 40% based on renewables
- Stockpiles of critical materials in cooperation with private sector
- Regular public-private cooperation and exercises on preparedness
- Financial sector is no exception – Bank of Finland is responsible for ensuring the safety and efficiency of payment and settlement systems

# The war in Ukraine sped up the implementation of new backup systems for accounts and payments in Finland

## Emergency account system

- Accounts, debit card payments and ATM withdrawals

## Backup solution for interbank payments

- Functionality for clearing and settlement
- All rules regarding liquidity are respected

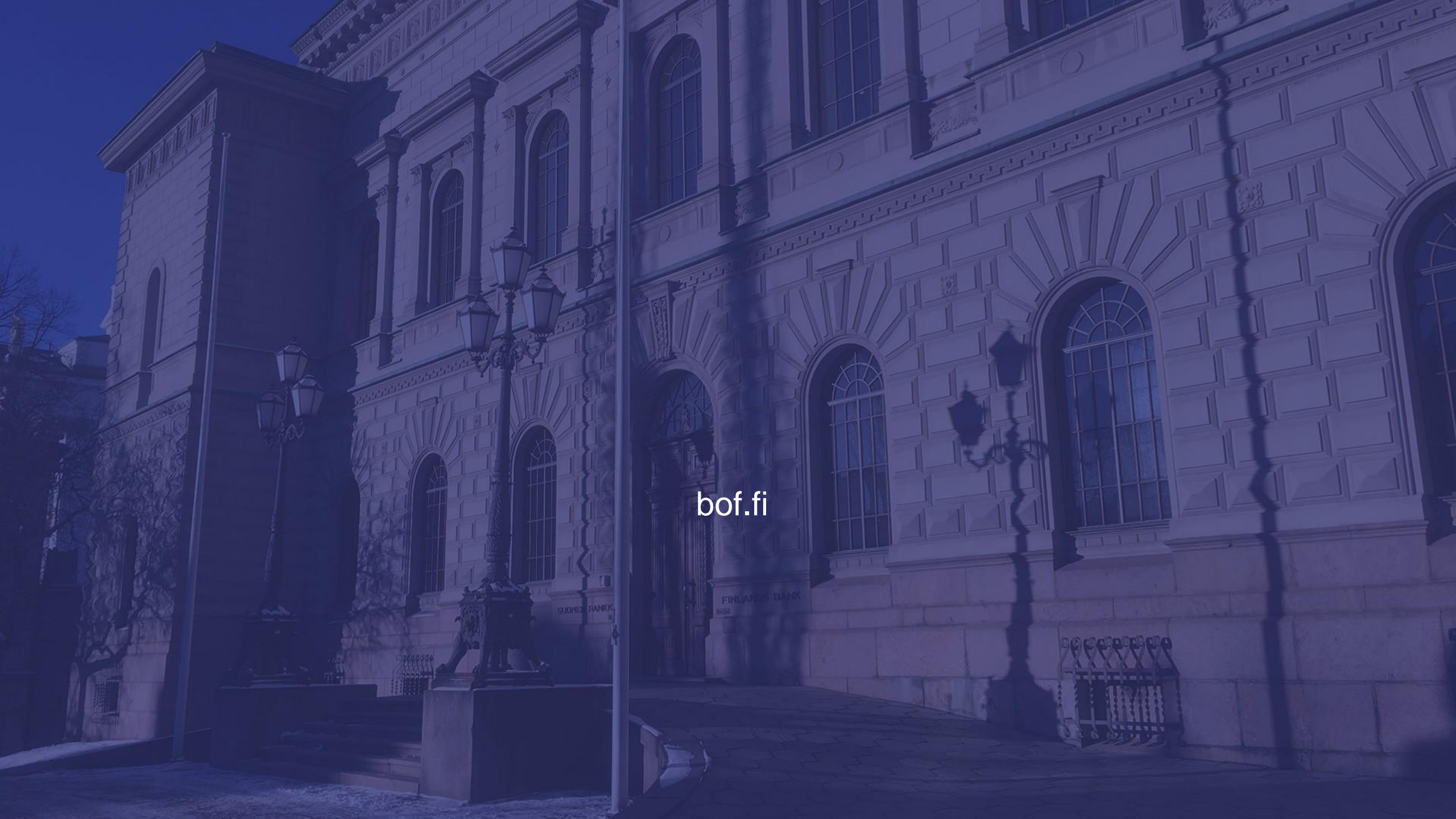
## Credit institutions' liability to maintain readiness to deploy

- Technical capability
- Testing and training

# Conclusion

- Need to be prepared for a long-lasting confrontation between liberal democracies and authoritarian regimes
- Maintain European unity and continue supporting Ukraine
- Finland's resilience builds on an all-encompassing culture of preparedness
- National capabilities form the basis of our response to crises, but international cooperation is equally important
- Imperative that we heed the lessons of the war in Ukraine





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