

Higher Education Reform in Finland between the years 2008 - 2015

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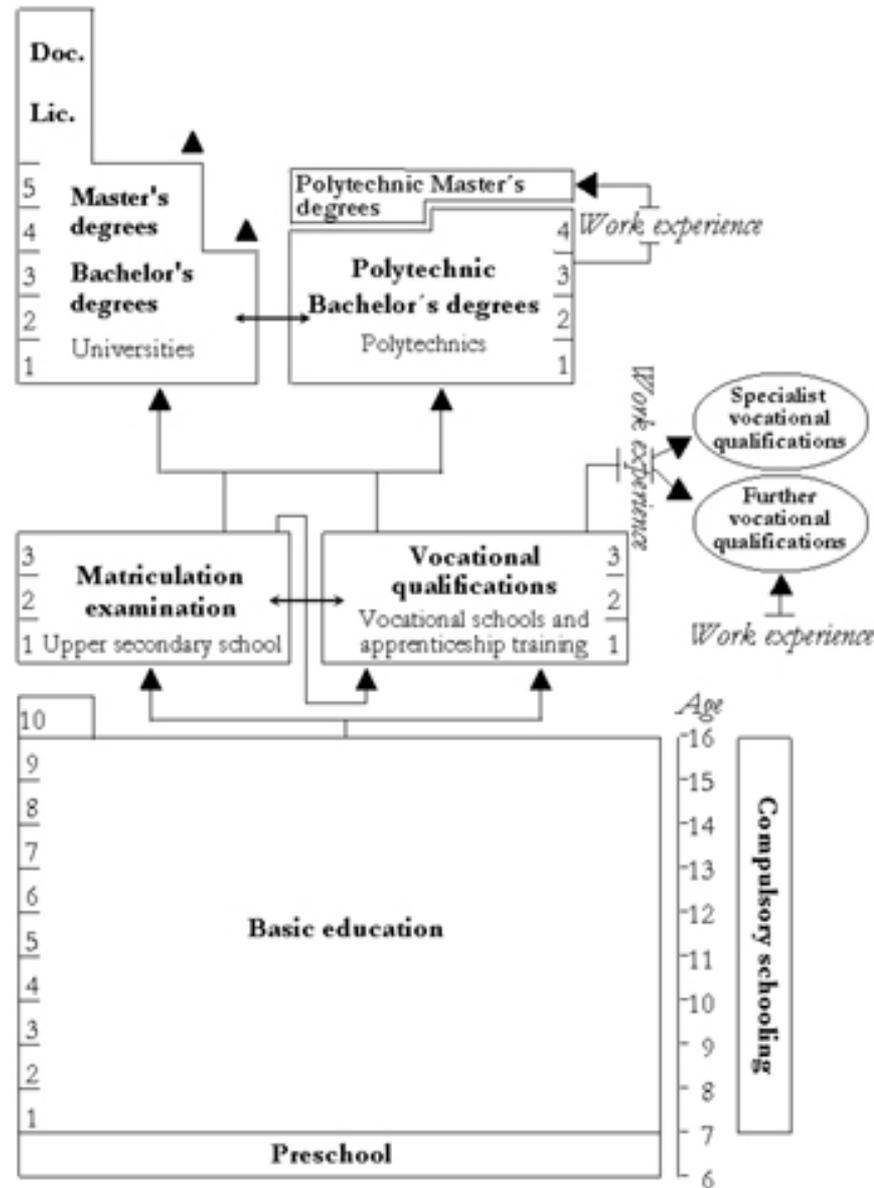
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The Background

At the end of the first decade of the 21st century, the Finnish higher education system is based on a binary model. It comprises of universities and universities of applied sciences (polytechnics) under the auspices of the Ministry of Education and Culture. In 2013, universities and universities of applied sciences had about 169 000 and 138 900 enrolled students respectively.

The Education System of Finland

(Polytechnic is University of Applied Sciences)



The higher education system is seen as an essential element of Finland's national and regional innovation systems, and there is a link between higher education and economic policies. These policies have been strengthened by several national policy initiatives and reforms within both the university and universities of applied sciences sectors. Currently, there are 16 universities and 24 universities of applied sciences in Finland. Constitutionally, Finland is a bilingual nation and two universities and two universities of applied sciences teach predominantly in the Swedish language.

The New University Act

The Finnish education system is about to enter a period of radical change. The new University Act in 2010 provided universities with independent legal status, changed their relationship with the government in several ways, affected university governance arrangements, and altered the relationship between staff and their university employers.

The Goal of the Finnish Government

The Finnish government will support all universities and universities of applied sciences to become very capable in the international competition, so that “by 2020 Finland is the most competent country in the whole world.”

The Binary System in Finland

The Finnish government is committed to a binary system built around discrete degrees, degree titles and functions. It has stated its intention to clarify the division of responsibilities between universities and universities of applied sciences. The binary system in Finland has strong political support.

In this presentation, the focus is on the reform of Finnish **universities of applied sciences**. This reform, which is currently in progress, appropriately follows the guidelines of the new university act.

The Short History of Finnish Universities of Applied Sciences

The Purpose

Finnish Universities of Applied Sciences (polytechnics) are relative newcomers to the higher education scene. They began as experimental institutions in 1991, based largely on the amalgamation of a vast number of small trades and vocational colleges.

The purpose of the experiment was “... to raise the standard of higher vocational studies and to rationalise the structure of the education system”. The new polytechnics, established permanently under the Polytechnics Act in the year 2003, were primarily non-research organisations offering three and a half, four or four and a half year Bachelor-level degrees at beginning.

The Reform

Finnish universities of applied sciences have been tightly controlled via legislation. In effect, many organisational aspects of universities of applied sciences have been guaranteed by legislation.

The reform will change this by making the system more flexible and setting the scene for the development of an “entrepreneurial culture”. Although it seems likely that only some of the reform will have an immediate direct effect on the universities of applied sciences, it is essential that flexibility be built into the Finnish higher education sector. Finnish universities of applied sciences offer both **Bachelor and Master degrees (no Ph.D. degrees)**.

The Elements of the Reform

1. Cutting the number of admissions decided by the government

In April 2012 the government has cut admission to the following fields by 2 030:

• Engineering	-781	
• Tourism	-570	
• Agriculture	-76	
• Culture	-766	
• Natural Sciences (ICT)	-79	total minus 2 272
• Business	+85	
• Social and Health Care	+147	
• Humanities and Education	+10	total plus 242

Before the cut, the annual admission in Finland was 24 607, after decision the annual admission has dropped to 22 577.

The reasons for the cutting and other changes are:

- Smaller age classes, reduce demand for labour in engineering, tourism and culture.
- Demographic changes; higher need for labour in the health care sector.

The Elements of the Reform (cont.)

2. The agreement with the Ministry of Education and Culture

Every university of applied sciences had to sign an agreement with the Ministry of Education and Culture concerning the years 2013 - 2016. The contents of the agreement were:

- the strategies for the university of applied sciences,
- its core competences,
- its fields of education, and
- the total number of students (also the number of aimed degrees).

The Elements of the Reform (cont.)

3. Mergers and cooperation

In Finland there are now 24 universities of applied sciences. The size varies between 1 200 and 16 000 students. The government push smaller universities of applied sciences to merge together, or at least to have a very deep strategic cooperation especially locally.

The purpose is to guarantee quality and cost effectiveness, and to offer students more possibilities for studies.

The Elements of the Reform (cont.)

4.1 The current licence for managing a university of applied sciences

Finnish Universities of Applied Sciences are meant to have a close working relationship with the “working life” and part of their mission is to foster regional development. Core funding comes from the government.

Under the earlier act, a license for managing a university of applied sciences was granted to a local authority (municipality) or a joint municipal body (municipal federation) or to private organisations (a registered Finnish limited company or foundation) or to the government itself.

The Elements of the Reform (cont.)

4.2 The licence for managing a university of applied sciences in 2014

From 2014 (January 1st), under the new act, a license for managing an university of applied sciences was granted to a private organization, **a registered Finnish limited company**, (where stakeholders can be several kind of organisations), regional municipalities, cities, joint municipal federations, universities or several kinds of associations (chamber of commerce).

The board members are representatives of regional business communities and come from outside the university of applied sciences, also members of the staff and members of the students. In the future each field of education should need representation on the board.

The Elements of the Reform (cont.)

Before the above process all universities of applied sciences made in September 2013 an application for the future - **to get the license for managing** an university of applied sciences. The government accepted all applications and all universities of applied sciences **got the licence** but many of them got a shorter or longer list of developing areas, for ex cample to develop totally a new strategy. Dead line is 2017 January 1th.

The Elements of the Reform (cont.)

5. Funding

The new act was passed in the fall 2013.

The funding system is based on the quality and the results of the university of applied sciences.

Indicators are:

1. Education (Degrees) 85 %
2. Research and development 15 %

Inside of these indicators are many smaller indicators.

Conclusion

The reform will lead to increased autonomy for universities of applied sciences, which will be afforded legal status in their own right, and will have much increased financial freedom.

Governance and authority relationships will change, both between universities of applied sciences and the government, and within of universities of applied sciences.

Conclusion (cont.)

From the legal perspective, the major change has been when all universities of applied sciences will be **registered Finnish limited companies.**

Conclusion (cont.)

There are few other sources of funding beyond those that can be derived from governments, students and donors. Funding from domestic corporations, the European Union and other foreign sources are some other funding sources, but much of this also come from government departments.

Universities of applied sciences will improve their research and development income from outside Finland with the continuing efforts to engage with the international research market, but when compared with total income the sums available are likely to be relatively low.

Conclusion (cont.)

In theory, the simplest way to broaden the funding base is to increase the charges paid by the direct beneficiaries of higher education. That is, increase fees (where they exist), or impose them where they do not.

However, this change is unlikely to occur for Finnish domestic students in the near future. Finland's constitution guarantees tuition fee-free education for all students. As noted on the Ministry of Education and Culture website, **“Degree education will still be provided free of charge.”** The legislative reforms will, however, make it possible to charge tuition fees on a trial basis to students from outside EU/EEA countries who are taking part in separate master's programmes, provided that the arrangements include a scholarship scheme”.

The purpose of order education (= to sell degrees outside EU/EEA) is now starting step by step.

"Economy" - Magazine in Finland: Ranking list

The main economical magazine in Finland ECONOMY (Talouselämä) made an evaluation already on the second time and published it. The last time was in 2011 (end of the year).

Is that evaluation now the first step to ranking lists in Finland?

Higher Education Evaluation now:

New Act May 1st 2014: All organizations (all levels) of education will be collected to one centre of evaluation. Until this has been for higher education the own organization: Finnish Higher Education Evaluation Council = FINHEEC. This changes the formal status of FINHEEC, but does not change its tasks. The new agency will be the National Evaluation Center of Education having responsibility on the evaluation from pre-school education to higher education. FINHEEC will be a part of this new center.

The policy of FINHEEC: Enhancement-led evaluation

The FINHEEC evaluations use an enhancement-led approach. The aim is to help higher education institutions to identify the strengths and good practices in their operations as well as development targets. Enhancement-led evaluation supports the institutions in realising their own strategic aims and targeting their future development and also engenders constant development. The enhancement-led approach is used in all phases of the FINHEEC evaluation process: as part of planning, implementation, reporting and follow-up.

Indicators in evaluation

1. Attraction of the university of applied sciences (the number of applicants per study placement)
2. Funding (manysided, not only government funding)
3. Price of the degree (costs)
4. Innovativeness
5. Internationalization
6. Satisfaction of the students
7. Fluency of the studies
8. Number of degrees vrs. The aim given to Ministry of Education and Culture in the negotiation
9. Employment of graduated students
10. Positiv regional impact

Thank you!