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## *Shoots of revisionist<sup>1</sup> education policy or just slow readjustment? The Finnish case of educational reconstruction*

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Decentralization, goal steering, accountability, managerialism, evaluation, choice, competition and privatization are key terms in the international rhetoric of educational policy. However, in the historical traditions and cultural-social framework of various nations, this 'new' policy perspective takes a specific form and shape. In the Nordic countries, with their welfare state tradition which stresses equality in education as well as in other fields of life, radical changes are taking place. This article examines the change in educational policy and governance in Finland during the past decade. The examination is based on many sources and materials including documents, statistics and interviews with educational politicians, administrators and teachers, and a survey of students collected during two comparative research projects during 1998–2001.

### **Introduction**

During the past decade, changes have occurred in the international rhetoric of educational policy which many researchers consider profound, even paradigmatic in nature. Of particular interest is that this new way of thinking in educational policy has met, in the industrialized countries, with almost unanimous acceptance and approval among the political elite. Indeed, researchers speak of a new type of consensus, a tightening of the ranks, and even of an 'educational policy epidemic', a plague which seems to be spreading in differing degrees throughout the industrial world (see e.g. Halpin and Troyna 1995, Levin 1998, Whitty and Edwards 1998, Ball 2001, Green 2002). These policies seem to represent a new way of thinking in a world becoming increasingly globalized and networked, which is related to broader

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economic, social and ideological changes. Expressed on a general level, a form of neo-liberalist education policy discourse seems to dominate the field.<sup>2</sup>

Decentralization, goal steering, accountability, managerialism, evaluation, choice, competition and even privatization as key terms seem to be a critical if not hegemonic part of the Nordic discourse. In the historical traditions and cultural-social framework of the Nordic nations, however, this 'new' educational policy takes on a different significance, its own appearance, and its own power. More than elsewhere, in the Nordic countries, with their welfare state tradition which stresses diminishing inequality in education as well as in other fields of life, the change is radical (see Simola *et al.* 1999, Rinne *et al.* 2000). However, there are also differences within the Nordic countries themselves (Curious Minds 2001). In a recent study of Nordic teachers (Klette *et al.* 2000, 2002), accountability has been interpreted differently, parental choice has different outcomes in practice, policies of 'free schools' diverge and performance related pay for teachers has only been taken up seriously in Sweden. Even the approach towards pedagogy is different in Nordic state-level educational documents.

In order to make sense of these differences and similarities, Carlgren *et al.* (2002) emphasize the following three notions. First, it is important to remember that even if the same policy discourse does enter the policy systems of different countries, policy implementation is a highly complicated and fortuitous affair. As Ball (1994; cited in Ball 2001: 25) points out:

National policy-making is inevitably a process of bricolage; a matter of borrowing and copying bits and pieces of ideas from elsewhere, drawing upon and amending locally tried-and-tested approaches, cannibalizing theories, research, trends and fashions, and not infrequently a flailing around for anything at all that looks as though it might work. Most policies are ramshackle, compromise, hit and miss affairs, that are reworked, tinkered with, nuanced and inflected through complex processes of influence, text production, dissemination and ultimately recreation in context of practice.

Secondly, educational reforms are probably best understood by emphasizing cultures instead of structures as the main basis of permanent and real changes (e.g. Hargreaves 1997). As noted by Tyack and Cuban (1995), it is better to analyse how schools change the reforms. This emphasis refers to the importance of the national cultural context as a key factor mediating international shifts.

The third notion refers to the 'glocalization' thesis, i.e. 'the simultaneity and the interpretation of what are conventionally called the global and the local' (e.g. Robertson 1995: cf. Ball 2000: 25). One should be able to get rid of the two-dimensional thinking rooted strongly in intellectual traditions, and move towards something Apple (1996: 141) describes as the 'difficult problem of simultaneously thinking about both specificity of different practices, and the forms of articulated unity they constitute'. Therefore, in this paper we shall try to conclude with something that could be characterized as a 'commonality within differences' or 'exogenous change' (cf. Ball 2001).

This article examines the change in educational policy and governance in Finland during the past decade. The examination draws on many sources and materials including documents, statistics and interviews with educational politicians, administrators and teachers, and a survey of students conducted during two comparative research projects during 1998–2001.<sup>3</sup> The first sections introduce the Finnish education policy scene in its historical context and examine the emergence of new education policy in the late 1980s. Then, four basic educational changes were analysed that were key elements of this new policy and its implementation: choice, evaluation,

decentralization and cuts. The concluding sections take forward the two intersecting relations noted above: the relation between policy and politics and the relation between global and national/local.

### **Reconstruction through the economic crisis**

The deep economic recession of the early 1990s was more severe in Finland than elsewhere in the world economy. The reasons for these national problems were primarily due to the open monetary politics – the so-called wild ‘casino economy’. Levels of deprivation and poverty began to rise quickly. Unemployment figures exploded in the worst years to reach almost 20%, of which 1/3 were long-term in 1996. In 2002, Finland is still battling with an atypically high official unemployment rate of ~10%, the real percentage being still higher. The solution to the problems of both the economic crisis and a wasteful and inefficient state were sought from the doctrines of market ideology. Although the economic crisis cannot be considered the single cause of the triumph of market ideology, it no doubt functions as a kind of ‘crash course for creating a new world’ (Kantola 2002: 148).

Leadership, the new management and managerialism have been essential mechanisms in political reforms and in the redirection of the entire public sector in the Nordic countries, as well as during the latest shifts in educational policy. The new doctrines of managerialism represent the rise of a new model of power-wielding in the public sector and school administration. One is looking at a force for change that pushes the old professional–ethical systems of administration completely off the playing field and creates, in their stead, an administration based on private enterprise and competition. The manager, for example the school principal, becomes the ‘cultural hero’ of this new administrative system (Ball 2001: 33).

Managerialism is closely connected with the market ideology of the 1990s. With the rise of this ideology, managerialism and managers became the strength in state administration. The advent of managers brought about a change in which the bureaucracy of past eras was renounced. The cultural hero, the manager, brings innovation, activity, profitability, dynamism and drive to administration. At the same time, the manager is a figure who denounces political relationships, who has nothing to do with politics. He or she attempts to solve problems in a practical and rational manner, using only his or her special expertise. In other words, one is dealing with the de-politicizing of the political, how to best practice non-political educational policy (see Kantola 2002: 252–253).

The history of the Finnish nation-state was, until the end of the 1980s, the history of a relatively closed nation, although in the long-term perspective, Finland has always had to cope with powerful neighbours who were its rulers for long periods (Sweden until the year 1807; Russia until 1917). Later, trade relations with the Soviet Union and its geo-political position as a neutral watershed between the super-powers of the east and west has always meant an unique status for Finland. National non-alliance and a closed-doors policy, in fact a kind of isolationism, can be seen in the fact that Finland has remained outside the military alliances of the Cold War, and has maintained various customs barriers, currency regulation, import restrictions and kept its borders closed to immigration, etc. During the so-called Second Republic, which extended to the late 1980s, a national consensus crystallized, among other things, in the rhetoric of an homogeneous country and its population as its

citizens, who needed a particular type of education and training (Alasuutari 1996: 265–266).

This closed Second Republic came to an end when the Soviet Union collapsed, when the world-wide recession began and when Finland joined the European Union in the early 1990s. It would, however, be useful to ask, as Alasuutari (1996) did, in what sense the Second Republic, or in broader terms the national history of Finland really did end in the wake of these phenomena which shook international politics? These changes are apparent in all sectors of domestic politics. The old Nordic welfare state model, sometimes called the Social Democratic model, has had to give way to new ideologies and models of activity. Just as national decision-making power over financial policies was renounced to the international market, in educational policy the autonomy of the end-users of educational services at the municipal level was increased at the expense of national control. As far as educational policy is concerned, one would agree with the statement of a researcher in Finnish political administration of the 1990s: 'The rhetoric of the welfare state has to go, and in its stead we find a rhetoric which stresses individual competition and productivity' (Kantola 2002: 270).

### **The new education policy tiptoeing in since the late 1980s**

At the end of the 1980s, the omnipotence of central management came to an end. It was replaced by a new myth, which promised better efficiency; that is more economic and productive services, by decentralizing authority to local management and schools (CR 1996: 4, 23). The aspiration was to increase the quality of education by 'increasing flexibility and choice' and by introducing new evaluation mechanisms (Ministry of Education 1991: 11). The documents of education policy in the 1990s repeated, time after time, the strong belief in progress through the continuous development of education (Ministry of Education 1995: 8, CR 1996: 55, 82–85, 106–107). While previously it was believed that the goals of education could be achieved by strict norm steering, it was now believed that they could be achieved by setting national core goals and evaluating the achievements afterwards.

The discourse of the relationship between education and individuals has also changed in the 1990s. From the end of the 1960s to the end of the 1980s, it was regarded as the main duty of education to produce citizens to develop society (CR 1970: 4, 22, 1981: 19, 34, 1983a: 5, 60, b: 62, 219). This was replaced in the 1990s with the discourse of education as the 'production of services that take into account citizens' needs' (CR 1996: 4, 23, 55). To conclude, education was now regarded as existing in order to serve the citizen, whereas, in the past, individuals were educated as citizens in order to serve society. The latest state education discourse in the new education legislation of 1999 verifies this position of citizens in relation to society in the form of various individual 'rights' concerning education (SA 1999).

The changes in educational policy during the 1990s were linked to changes in the cross-national environment of action on the one hand, and to changes in Finnish politics on the other. A large number of those within the education policy elite thought that increasing international competition required added investments in the education of the gifted. The rhetoric of 'free the lead' became popular in the Finnish school administration. By this phrase was meant that the comprehensive school had played its part, that is it had raised the educational level of the entire nation – now it

was time to invest in the best (Member of Ministry of Education (ME) 1; Member of National Board of Education (NBE) 2).

And perhaps this international development is another thing, I mean that we saw the economic competitiveness of Finland as the most important thing, and that in the internationalizing world Finland couldn't get by with the masses, but that we should give the gifted a chance to get ahead according to their abilities. That's it, really, that we should free the lead, and support them, too (NBE 2).

Globalization and internationalism in general as abstract forces, or in connection with the EU, were cited by policy makers as axiomatic pressures for changes in educational policy; no other reasons were needed. The only interviewee outside the field contributed a very interesting view on the influence of the international environment. In his opinion, the strength of the Nordic welfare state has been that it offered the possibility of a third way between two big world systems: socialism and capitalism. Now that socialism has been buried, at least on the national level in Europe, the third way is no longer needed, and the Nordic welfare states are in difficulties due to the pressure of market forces. The pressure to dismantle the structures of the welfare state is great. In this sense, the age of the welfare state is over.

Now we're getting into some really big questions ... if we think about the competition of two world systems, socialism and capitalism, well then there was the third way, and this third way was clearly, you know, a kind of social-democratic, Nordic model. Now the competition is over. An so we, aah, no longer need to, you know, make our way between the two ... (Chief director of the National Research and Development Centre for Welfare and Health (STAKES)).

Simultaneous with the changes of the 1990s, there has been a clear shift to the right in Finnish political life. A politically right-wing party achieved significant representation in both the government and in the educational administration in the late 1980s, and this was considered by all the social-democratic informants as one of the reasons for the change in course toward the present educational policy (Representative of Central Organization of Finnish Trade Unions (COFTU); Member of Parliament (MP); Former chief of National Board of Education (exNBE)). On the other hand, the same informants are ready to admit that the reforms were implemented with a surprisingly high degree of consensus.

... during Holkeri's first right-wing government (1987–1991) it was said very explicitly that, that, that's enough of this (laugh), that a small country doesn't have enough resources for this, that we are in a tightening international economic competition, and this requires that we have to invest in the best, and, and scientific, technical education has to be brought to the forefront, and, and all this. So, that was really a clear revision of educational policy, and it was, in a way, interesting that it happened with a rather strong political consensus ... (exNBE).

Perhaps the former director of the National Board of Education described the prevailing educational policy most pertinently when he said that the big change was made without much controversy because smaller separate changes were carried out as independent projects, the results of which were eventually found to be a completely new educational policy. He called this type of policy making 'hidden educational policy':

... so that nobody really knew where things were going on (chuckle). It just happened, so that first a small change in the government allowance system here, then a little change in the curriculum system there, and so on and so on, then little alterations in the school districts here and there. And if you look at each change separately, you would say that there's nothing wrong with this, that's the way it should be. But then, all of a sudden when you spread the whole thing on the table you see that, my goodness, we have a whole new direction in educational policy ... (exNBE).

The Finnish decision makers in educational policy were unanimous in their stance towards the new educational policy; in the research not one of them questioned the justification for it on the grounds of principle. A feeling of there being no alternative

came out strongly in the interviews. Trends in the present age – especially globalization, increasing competition, the rise in the educational level of the population, individuality – demands this form of educational policy, even in Finland. The comments of the informants could be classified into three discursive forms with regard to the possibility of inequality. The first can be called the ‘winners’ discourse’:

Well, yes, this, I think this should produce winners. We have reasonable resources, we have a splendid infrastructure, teachers’ education, there is more money for research at the universities than ever before in Finland, in the history of Finland, so that we really should turn out some winners (ME 1).

The second formation could be called the ‘both type discourse’. The informants admitted that an increase in inequality has occurred, but saw it as a necessary development:

... power and responsibility have been shifted to the municipalities and schools and they have a lot more power at present than the municipalities, for example, they realize themselves, for example in relation to the new school legislation. So that, yes, in this sense the kind of clear uniform nation-wide school system as the tradition is changing slightly, and, and perhaps breaking down, as well, but it’s more a case of making more room for local application and local focus, and schools are searching for their individual profiles, and this has both good points and bad points, just like, just like in everything. But I, anyway I don’t see anything in the basic structure, if we talk about basic education, well, there haven’t been any, really any really big changes (MP).

The third formation openly acknowledges the increase in inequality. We may call it the ‘critical’ discourse’:

... the difference between different regions and between students increases, or has increased in the 1990s and it is, you see, a big challenge at the moment, and the task of the National Board of Education should be the prevention of this trend toward marginalization and combating especially the regional inequality that is increasing (NBE 2).

### **Policy and politics in free choice, evaluation, decentralization and cuts**

In what follows, one will analyse in a more detailed way some of the core elements of the new education policy formation of the 1990s. When describing the changes, one cannot avoid key words such as choice, evaluation, decentralization and cuts. In this treatment, one will analytically contrast policy discourses and political decisions, that is to say more traditionally, words and deeds. One will ask, on the one hand, how is the discourse of choice, evaluation, decentralization and cuts constructed; on the other hand, how are concrete political decisions related to that discourse. Although the changes in education policy and politics during the past decade are not limited to these four key constructs or words, they are obviously of importance in mediating the problematics of social inclusion and exclusion in schooling.

#### *Choice*

One expression of the political change, according to many of the state-level interviewees, was the emphasis on the value of the individual, as opposed to the former idea of collective equality. The value of the individual as a social actor has increased, and this can also be seen in educational policy. The respondents felt that highly educated citizens would no longer stand for governance from above, but would insist

on making educational decisions themselves. Changes in education policy were also explained as changes in general cycles, ideological values, attitudes and the general atmosphere, which have all become individual-centred.

The emphasis of education politics in the 1990s has been to increase 'free choice' at every level. The development plans of the early 1990s included suggestions to increase choice between subjects and also in the number of subjects studied in comprehensive schools. One of the most discussed new practices created during the 1990s has been, however, parental choice of schools at the comprehensive school level. Since the introduction of the comprehensive school in the 1960s and 1970s, there had never been any mention of school choice in the discourse of Finnish state education: school enrolment has been managed by the school districts or catchment-areas. The role of parents was rarely mentioned in state educational discourse before the 1990s, and then mostly only in the context of supporting the work to be done at school. Contrary to this tradition, pupils and parents have now come to be seen as active and rational players and choice makers.

As a result of an amendment to the law made in the early 1990s, the principle of separate school districts (which dated from 1898) was abolished, making it possible for an entire city to function as one school district. Thus, the old principle of the neighbourhood school was threatened. (Ahonen 2001: 167). The economic recession of the early 1990s changed the course of educational policy, and a multi-party 'Parliamentary Committee on Total Reform of the School Laws' (1995–1997) presented a bill in 1996 which emphasized the 'viewpoint of social solidarity'. The new Basic Education Act (1998) confirmed parents' free choice throughout the country, but the municipalities were left with the right to restrict parents' choice of school by stating that such a choice must not supersede the right of other children to attend the school designated by the municipal authorities. In the education commission of parliament, this was formulated as the right to attend one's neighbourhood school (Basic Education Act 1999:172–173, 175). This means that the schools are able to enrol 'outsiders' only if there is room left after accommodating the 'local school students'.

Finland has also remained on the sidelines with respect to the privatization of schools. The Basic Education Act rejected the use of private pedagogical services at the comprehensive school level and limited the freedom to establish private schools. Nonetheless, for quite some time there have been some private comprehensive schools operating with special permission from the government, although these have been few in number.<sup>4</sup> It must be remembered, however, that there have been, and still are, political aspirations in this direction. During the preparation of the Basic Education Act and when it was being debated in Parliament, the idea of private school services and complete freedom to establish private comprehensive schools was rejected (Ahonen 2001: 173).

The creation of school markets is still limited in Finland, even in the larger cities. However, as can be seen from Seppänen's (2001) research on the movement of children resulting from school choices by junior high school students in three large cities, the impact of markets is starting to be felt. In these cities, 22–40% of the local junior high schools were ranked by parents as 'particularly repulsive'. In one-third or even as many as one-half of these schools, students requested to be transferred out. Correspondingly, in two of these three cities, there were 'extremely popular' schools, whose own school districts were so small that they accepted as many as three-quarters of their students from outside their own district. The most popular schools were

older grammar schools in the centre of the city, while the unpopular ones were junior high schools built in the suburbs in the 1970s. There is also a clear bias for parents from the upper-level social strata to choose another school more often than those from the working-class (cf. Rinne and Nuutero 2001).

These findings were published just before and just after the turn of the millennium, and one has no information on the earlier situation. Thus, one cannot say whether this involves segregation which existed before but was not talked about, or is one of the fruits of educational policy changes. In any case, the differences in educational attainment, social strata of parents and educational careers between the schools were significant (see also Olkinuora and Mattila 2001). Another notable observation is that one of the three cities differed from the others in that there were no 'extremely popular' schools whatsoever, and fewer 'particularly repulsive' schools (22%) than in the other two cities. This emphasizes the importance of municipal educational policy and the differences between cities.

### *Evaluation*

In the state educational discourse of the 1990s, evaluation is seen as an essential tool of quality development. While previously it was believed that the goals of education could be achieved by sticking to strict norms, in the 1990s the conviction was that success could only be achieved by setting national core goals, by evaluating achievements in the form of subsequent results, and by directing educational institutions to compete with one another. In this rhetoric, the Finnish 'Planning State' became an 'Evaluative State', attempting to practice educational policy through governing by results. According to the Secretary General of the Ministry of Education, evaluation is seen as a pivotal element in the new steering system since it 'replaces the tasks of the old normative steering, control and inspection system' (Hirvi 1996: 93).

There is a kind of magic of evaluation in curricular texts, too. It could be claimed that the locus of control over the processes and content of teaching has shifted from the teachers to evaluation. According to the curricular texts, evaluation is constant and all-inclusive, effective and omnipotent for all purposes: in serving, stimulating and encouraging the pupil's individual learning process; in reinforcing positive self-esteem; in developing a realistic awareness of his/her abilities and skills; in developing his/her personality and socialization; in the selection for further studies. The new task of learner self-evaluation, set by the Basic Education Act, is believed to form an efficient tool in supporting the development of self-knowledge and in helping the pupil to understand more deeply what s/he is studying. However, this is not enough. The teacher should also be able to self-evaluate him/herself as a teacher as part of the development of the whole school. It is not any exaggeration to say that the teacher should be an omnipotent evaluator and self-evaluator (Simola 2000).

Following the Swedish model, the National Board of Education in Finland began to standardize the mean level in subjects for 9th graders in comprehensive schools. It also began to create a national test bank to check the level of skills and knowledge in school subjects of 9th graders. Obligatory national testing has, however, never been applied in the Finnish comprehensive. The control of the national achievement levels in different school subjects will, however, be checked through some representative sample, researches and tests. These new means of control



and assessment are not as heavy and repressive as in many other countries and there are no published league tables of school performance.

The role of evaluation was established by law in the reform of education legislation (1999). The statutory evaluation system was seen as necessary when moving from norm steering to the control and evaluation of outcomes. According to the Committee report on the Education Legislation Reform: 'Evaluation is an essential means to guarantee the quality of education services and their national comparability'. The purpose of evaluation is 'to support the development of education and improve conditions of learning'. Steered by the Ministry of Education, the National Board of Education has decided on the means to accomplish the evaluation procedures. The organizers of education are obligated to evaluate the education they organize. This self-evaluation includes both evaluation done at the school level and most commonly on the municipal level (CR 1996: 4, 55, 82–85, 106–107). In 2002, there has also been increased discussion about establishing a new body for evaluation at the national level and about taking evaluation at least partly out of the hands of the National Board of Education.

A number of white papers and reports on education have emphasized several times that the evaluation system is not a tool for steering by the state, but an essential part of self-evaluation and part of developing education services locally, regionally and nationally. In addition, evaluation is aimed at 'producing information among students and their parents about the achievement of goals and as a basis for making choices' (CR 1996: 4, 84). The discourse of choice also becomes more and more visible in the discourse of evaluation.

Despite all this, rather more strangely none of the state-level actors interviewed referred to evaluation spontaneously during the interviews. One explanation for this silence might be the fact that the implementation of evaluation practices did not advance very much during the 1990s, at least compared to the rhetoric of evaluation.<sup>5</sup> At the school level, it is possible even to speak about a version of evaluation discourse without evaluation. Following the changes of the early 1990s, there has been virtually no formal control system concerning the work of schools, in spite of a great deal of rhetoric in state educational discourse. A narrative which highlighted the lack of any kind of evaluation, assessment or control was evident among the interviewees at the school level:

Nobody does the evaluation of our teaching here, I have never met anyone here who would have evaluated our standards of teaching (PST30).

It has changed during this 10-year period. Things have become more independent; the functioning of schools has become notably more independent than before. There isn't any inspection or control. We think there isn't any (SSP13).

To sum up then, supervision of the work done in the schools and the results achieved is minimal by international standards. By the beginning of the last decade, all traditional forms of control over the teacher's work had, for practical purposes, been eliminated. Such mechanisms have been school inspectors, a detailed national curriculum, officially approved teaching materials, weekly timetables based on subjects taught and a class diary in which the teacher had to record what was taught each hour. Finland has never had a tradition of nation-wide standardized tests, with the exception of the high school matriculation exam. It was not until 1999 that the responsibility to practice evaluation was formalized and the first surrogate control mechanism, the standard scale for giving marks on the comprehensive school graduation certificate (OPH 1998) was introduced. (see e.g. Simola and Hakala 2001).

However, in requiring all municipalities and schools to evaluate their functioning annually, the Basic Education Act left the door open for the publication of results. The Act stresses the obligation to undertake evaluation and stipulates only that 'the significant results of the evaluation must be publicized' (POL: paragraph 21). The question as to what the 'significant results of the evaluation' are is still open, nor was the question addressed in the preparation stage of the law in any form.<sup>6</sup> The first interpretation of the law by a court has been made in the city of Turku, where the main daily newspaper applied to the court for permission to have access to the results of different schools. The court took the side of the municipal school authorities and refused to require them to surrender the results of individual schools for publication. Although the public ranking of schools and teachers at the basic education level has not been practised in Finland, there is constant pressure in this direction. There is continual discussion on the topic, and rumours that various types of tests and indicators will be taken into use.

### *Decentralization*

The belief in central governance came to an end during the 1980s. The heavily centralized planning and steering system in education, which had been under construction in Finland for decades and reached its peak during the rise of the comprehensive school reform, was abandoned by a resolution of the government in 1988 to reform the entire management of the state. The former sector-based planning systems, with their highly detailed and focused steering regulations, were all abandoned. Among the many defects listed of the former sector planning were its diversity, its unsuitable timetables, the poor implementation of state planning, the bureaucracy, the waste of time and the futility of detailed and inflexible regulations (Kivinen *et al.* 1995, Rinne *et al.* 2000).

The changes in educational policy were part of the more extensive changes in Finnish state policy. Measures to increase local decision-making power had been enacted in other sectors of social policy as well. As one of its first actions, the central-right-wing government of Esko Aho presented a bill to parliament in 1991 reforming the state subsidy system. (Ahonen 2001: 167). The reorganization of the relationship between central government and municipal financing was a primary factor in initiating large changes. In addition to changing the basis for calculating government contributions, this gave local authorities freedom in decisions on how to use funds. Whereas earlier funds received from the state by local treasuries were ear-marked for each administrative sector, municipalities were now given lump-sum funding and allowed to divide the money within their area of jurisdiction as they saw fit. The city or municipality might decide, for example, to save education expenses by firing teachers. The municipalities were given the freedom to 'rationalize' their school networks, which in practice meant that small schools were eliminated.

Behind the massive decentralization and deregulation is some collapse in the previously almost unshakeable belief in centralized planning and centralized governance. Among those interviewed, there was an unanimity and a strong belief in the superiority of local decision-making compared to the older, highly centralized Finnish model. Expertise rests in the municipalities and in the schools, and it can only be brought out if decision-making power rests at the local level, it was stated. The interviewees connected the dissolution of norms and realization of the proximity principle

to the economic depression. Without shifting decision-making to the local level, it would not have been possible to require the municipalities to cut down spending as much as they have done. At the same time, the central administration was able to transfer difficult decisions to the municipal level.

At the local level, this change meant an almost complete break from the earlier government guidance and inspection system, or as one administrator responsible for the educational functions of a large municipality stated in unequivocal terms: 'To put it bluntly, the government officials no longer bother us'.

The strengthening of the local level and the weakening of central administration were overwhelmingly seen as the greatest changes. There was no disagreement among the state-level actors on this point. While earlier there was only one game being played on the field of educational policy, there are now over 400 different games in progress, as one interviewee said, referring to the number of municipalities. Another point that came out quite strongly was a distancing of educational policy making from politics, which showed up, for example, in the unshakeable consensus regarding the reforms of the 1990s.

At the school level, decentralization was experienced in different ways. On the one hand, teachers expressed their appreciation of the increasing autonomy in schools, and of the discussions on basic values and tasks that were being carried out in teachers' lounges during the implementation of the school-based curriculum. On the other hand, however, one key reason for the increasingly busy schedule and hectic pace of the teacher's work was the moving of the planning workload from the national and local bureaucrats to the schools and teachers. Also, the role of the principal has clearly changed from one of a confidant for teachers to that of an executive representing the employer. The aim was to get rid of the public servant who 'pushes papers' and waits for orders from above, and employ instead a dynamic, motivating personal manager. Now the staff have lost the right to choose the principal, who has become the representative of the employer in the school. Simultaneously, the decision-making power of the principal – including financial decisions – has grown substantially. The principal has been made the managing director of the school (Simola *et al.* 2002).

The idea of managerialism has meant a revolutionary change in Finnish state-educational discourse. Now the local level is an autonomous actor in the educational field. This might be one dimension of the new governance, but it also means so-called 'steering at a distance', in that hierarchical forms of control are rejected in favour of some institutional autonomy and self-steering, and replaced, for example, with 'ex-post' corrections made on the basis of 'quality of outcomes'. In an extreme case, however, this kind of 'autonomy' has more to do with managing reduced funding at the school site than with anything else: 'asking those being cut to cut themselves' (Ball 1993: 77; see Taylor *et al.* 1997: 84, Simola, Rimme and Kivirauima 2002).

### *Cuts*

One basic change in education politics was introduced during the early 1990s. Nearly 20% cuts and savings of public resources were made in education which are still making themselves felt in 2002, even though the economic crisis is over. However, the Finnish use of resources for education is, in general, generous by international comparison. In 1992, expenditure in education was 13.9% of all public expenditure

(OECD mean 12%) and in relation to the GDP 7.9% (OECD mean 6.1%) (Hirvi 1996: 124). The economic recession was, however, used to legitimize continuing cuts in public funding in the education sector. Cuts in expenditures from 1990–1994 for comprehensive schools were 15%, for senior secondary schools 25% and for vocational institutions 23%. Nevertheless, enrolment increased, at the same time, 22% in senior secondary schools and 28% in vocational institutions (OPH 1998). The increase in class sizes and decrease of remedial teaching, among other provisions, has resulted from the cost-cutting programmes at the school level. Remedial teaching fell almost to half volume between 1991–1994 (Jakku-Sihvonen and Lindström 1996: 24), and has never since risen.<sup>7</sup>

One indication of the acceptance of ‘a world without alternatives’ at the school level is the silent submission to budget cuts and savings. It seems that, at the school level, the steady decline of resources for education and public expenditure, in general, at both national and municipal levels, is seen as inevitable. The stories are quite pessimistic and sceptical here. In the words of one principal:

I'm not complaining. We live, every community lives in its own way, and I'm not going to waste my energy in complaining all the time about having too little money. This is a fact.

Alongside this, however, a clear lack of trust was expressed by municipal decision-makers in their powers to maintain school resources at a reasonable level when economic problems arise.

One dimension of decentralization is that the local actors have been given more and more freedom in their decisions on resource allocation. The power of the municipalities increased and the style of management changed due to the reformed allocation of state subsidies after 1993. The central management no longer regulated the allocation of resources in detail. The purpose of the new system was to encourage organizers of education to find solutions that would serve its purpose in a functional and economic manner. In addition, the allocation of resources became flexible between different administrative areas, so that the allocation of resources after 1993 was more dependent upon local values (CR 1996: 4, 24). All of this has meant that up until now, due to increased efficiency and cuts in education, costs have fallen more dramatically in rural areas than in other parts of the country (Jakku-Sihvonen and Lindström 1996: 40). Municipalities, both urban and rural, have been clever in finding new ways of cutting costs, including laying off teachers during the depression at the beginning of the 1990s. Because of scarce resources, the real preferences apparent at the municipal level often seem to be in deep contradiction with the optimistic future visions promoted by national educational policy. The Basic Education Act (1998) cemented the growth of the power of the municipalities in organizing Finnish schooling.

### **Shoots of revisionism or just slow readjustment?**

In the contemporary setting, many taboos, such as full employment, broad social security, the inherent value of the Finnish mark, the policy of military non-alignment and the preservation of national property or state-owned enterprises, have become topics for discussion. Finnish business life has more clearly become part of supranational global trade, over which, it is alleged, nation states have relatively few possibilities of exercising control. Many of the most important companies, Nokia as

a good example, that still have their head offices on Finnish soil are largely under foreign ownership and have as many employees abroad as in Finland. Capital, people, goods and know-how move freely across the old national borders. In just over one decade, Finland has become a part of global economic and political relationships to a greater measure than ever before.

In the field of educational policy, however, neither the pervasiveness of the new reality nor its rhetoric are as total as they are in economic policy. While decision-makers in economic policy consider the losers – the unemployed – as a sign of the viability of the system and, thus, a healthy phenomenon, the elite of educational policy either denied the existence of losers under the ‘everybody wins’ principle, or have been prepared to erect new safety nets. The market-based rhetoric and practices have not been able to take root in the core areas of the traditional Nordic welfare state – education, social services and health – as easily as in other areas of society.

At the policy level, it seems that Finland has in 10 years adopted most of the programme of the neo-liberal education policy. However, at the same time it seems that in the level of politics, the change in Finland has not been that rapid. In the field of evaluation and social control, in the field of privatization and in the field of free school choice, ‘progress’ has been slow and clumsy.

An understanding of the partial failure of the neo-liberal invasion is to be found in the national history of Finland. Throughout its history, Finland has learned to keep a balance during many waves of invasion. Under Swedish rule, Catholicism was established from the West, while Orthodox doctrines simultaneously invaded the country from the East. During the Czar’s rule the population defied attempts at Russianization, which severely tested the budding educational activities of the country in the form of strong proselytizing efforts. From the time it achieved independence until the late 1980s, Finland had to get along with its superpower neighbour, the Soviet Union, and in this she succeeded better than many other countries. The basic Finnish populace has always had a stubborn mentality and stood its ground, even though the prevailing political and economic elite at various periods in history would, if left to their own devices, have quickly changed course in the direction indicated by world trade or the political expediencies of the age. The national culture and the educational policies of the country have always undulated between the slick turns of the helm by the power elite and a form of ‘national conservatism’ which sprang up in the wake of these changes in course. The swiftest errand boys of the elite have speedily adapted the exhortations of the centres of power in place at various times. Although the turn of the helm has often been quite radical, a ship does not change course at the same speed.

There is no reason to assume that the change in course that has taken place over the past decade or so will develop in any different manner. Although the economic elite of Finland has edged into a top position in the world market through IT developments and its leading market enterprise Nokia, and even though the political and educational elite of Finland is trying to play the role of model student in the family of the European Union, the mentality and action of the nation follows these changes at a slow and lazy pace. While the forerunners of Finnish educational policy are eagerly rushing to the fore of EU educational policy, the man in the street is not easily enthused about these new trends, but wants to weigh them in the national historical balance in his own good time.

## Notes

1. *Revisionism* (Oxford English Dictionary, <http://dictionary.oed.com>). (1) A policy first put forward in the 1890s by Edward Bernstein (1850–1932) advocating the introduction of socialism through evolution rather than revolution, in opposition to the orthodox view of Marxists; hence a term of abuse used within the communist world for an interpretation of Marxism which is felt to threaten the canonical policy. (2) A term used for a revised attitude to some previously accepted political situation, doctrine, or point of view; *concr.*, the name of the policy adopted by a right-wing Zionist group, active during the formative period of the State of Israel; mostly US, a movement to revise the accepted versions of American history, esp. those relating to foreign affairs since the war of 1939–1945. *Revisionist* (noun) (1) One who advocates or supports revision. (2) *pl.* The revisers of the Bible. (3) *adj.* That advocates or supports revision; pertaining to revisionism or revisionists.
2. Rinne *et al.* (2002) have articulated this policy as a 12-point programme: (1) Parental choice—consumerism: The right of parents to freely choose the school their children attend; seeing parents and pupils as consumers; (2) Privatization: Emphasising on the importance of private school sector; (3) Marketization: Emphasis on the market-based functioning instead of bureaucracy tradition; (4) Managerialism: Schools are seen as enterprises that should be managed as such; school-based management; (5) Competition: Encouragement of competition, stratification and profiling among schools with the attendant image-raising marketing techniques; (6) Deregulation: The loosening of national school legislation and pre-determined regulation; (7) Differentiation: Differentiated curricula and increased school-specific decision-making power in areas of content, the approval of special schools for the gifted and talented; (8) Naming and labelling: The building up of constant evaluation of the work done by the schools and teachers using a transparent and public assessment policy; (9) Outcome based sanctioning: A shift towards steering by results and rewarding high quality schools, including performance-related pay of teachers; (10) Lump-sum funding: A shift to lump-sum budget funding instead of detailed budget categories; (11) Free sponsoring: An increase in school funding from private sources and parents; and (12) Cuts and savings: The elimination of ‘unnecessary’ investments and budgeting in public schooling.
3. This paper is based on two comparative research projects: EGSIE (Educational Governance and Social Inclusion and Exclusion in Europe) and NOS-S (The Council for Research in the Social Sciences in the Nordic Countries). The authors want to express gratitude to all those colleagues involved in these very fruitful research projects.
4. In Finland there are 68 private schools covering 2% of pupils of the comprehensive school level. Since 1999, the government has allowed the establishment of eight new private schools (five Christian, two Freinet and Steiner pedagogical and one Special Education school). (VNS 2/2002 vp: 36).
5. In Finnish literature, there are references according to which it is not the measuring of results and ‘result technology’ that have held an hegemonic position in the state sector, but rather the new techniques of economic administration (see e.g. Summa 1995: 150). On the other hand, on the municipal level, there exist hot markets for different kinds of ‘evaluation business’ which are used by the authorities and also by schools.
6. See HE (1997), SivM (1998), SA (1999).
7. According to the statistics of the National Board of Education (<http://www.oph.fi>), the total sum cost per pupil in the comprehensive school has increased from 1995 to 1999 by 15.7%.

## Abbreviations of interviews

COFTU = Representative of Central Organization of Finnish Trade Unions

ExNBE = Former chief of National Board of Education

ME = Member of Ministry of Education

MP = Member of Parliament

NBE = Member of National Board of Educational

PST = Primary school teacher

SSP = Secondary school principal

STAKES = Chief director of the National Research and Development Centre for Welfare and Health

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