

# The case of university foundations in Finland: evaluating success

Autonomy and Governance in Portuguese Higher Education,  
EDULOG international conference 2023, 2 February

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# This presentation

I Foundation universities in the Finnish higher education landscape

II Evaluating policy success

- II.1 Evaluating political success
- II.2 Evaluating process success
- II.3 Evaluating programme success

III Has foundation university policy in Finland been successful?

# I Foundation universities in the Finnish higher education landscape

## Binary system

- 14 universities
  - Eleven public universities (organized as corporations under public law)
  - Two foundation universities
  - Finnish National Defence University
- 22 universities of applied sciences (organized as public limited companies)

## Historically strong connection to state

- Historically part of nation-building, now part of national competitiveness (Välilä 2018)
- Vast majority of funding from state
- Political idea of a universal and regionally overarching education (Kauko 2011)

## Reactive to external shocks (Kauko 2011)

- Foundation universities part of a broader European trend of higher-education managerialism (Amaral et al. 2003) and structural reform wave (de Boer et al. 2016; Nokkala & Välilä 2016)

# Higher education funding

Public funding for  
higher education  
3.52b€ (4.3% of state  
budget)

(Ministry of Finance 2023)



- Universities 2b€
- Universities of applied sciences 1b€
- Academy of Finland 0.35b€
- Other 0.17b€

Total R&D  
expenditure 7.5b€  
(2,98% of GDP)

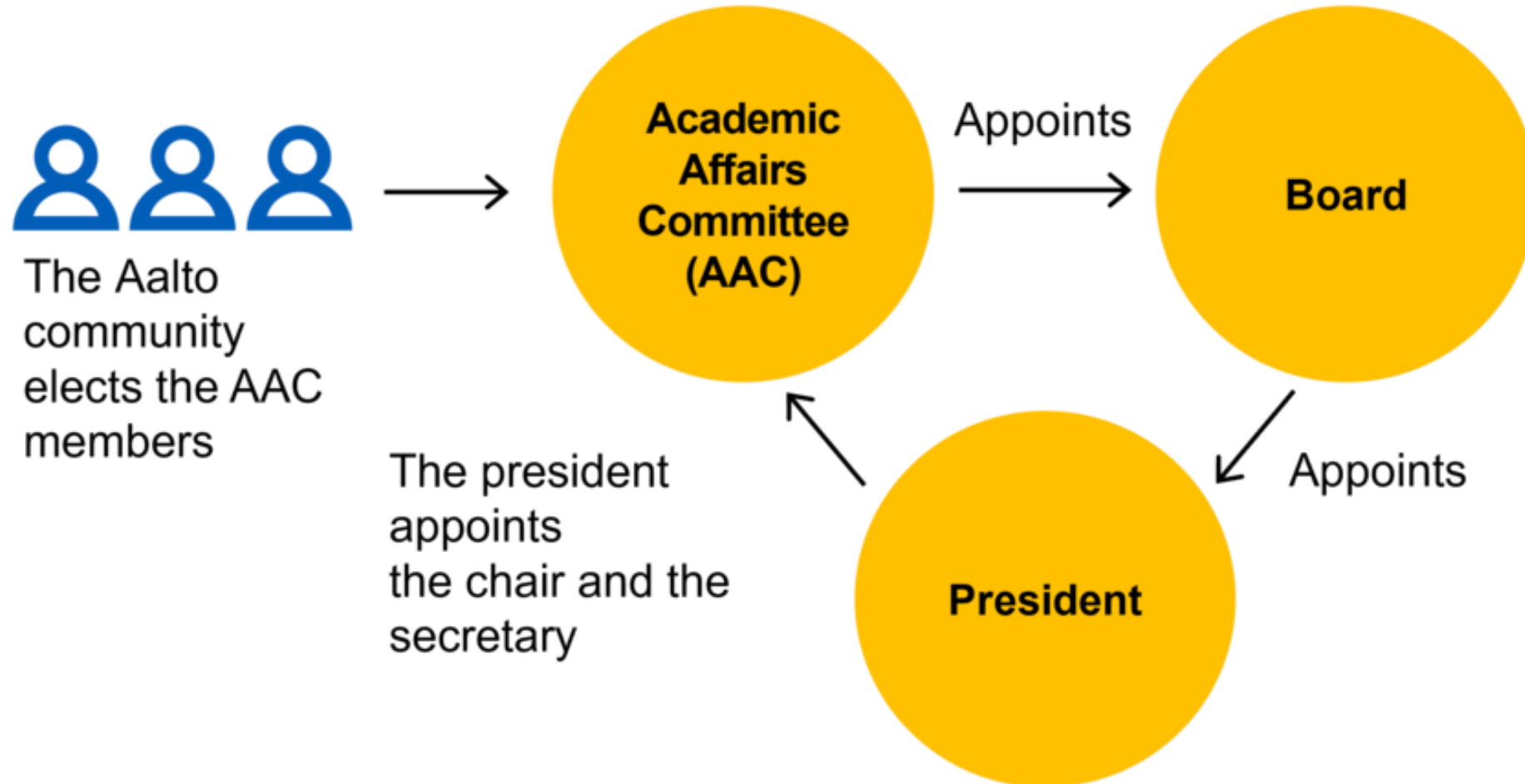
(Statistics Finland 2023b)

- Enterprise sector 5.1b€
- Government and private non-profit sector 0.6b€
- Higher education sector 1.7b€ (Statistics Finland 2023a)
  - 1.5b€ (Universities and university hospitals)
  - 0.2b€ (Universities of applied sciences)

# Foundation universities in Finland: basics

	 <b>Aalto-yliopisto</b> <b>Aalto-universitetet</b> <b>Aalto University</b>	 <b>Tampereen yliopisto</b> <b>Tampere University</b>
<b>Merged in</b>	2010	2019
<b>Merged universities</b>	Helsinki School of Economics Helsinki University of Technology University of Art and Design Helsinki	University of Tampere Tampere University of Technology (owners of Tampere UAS)
<b>Students</b>	12,600	21,500
<b>Staff</b>	4,600	4,200
<b>Budget revenue</b>	377m€ (2021)	336m€ (2022)
<b>Website</b>	<a href="http://www.aalto.fi">www.aalto.fi</a>	<a href="http://www.tuni.fi">www.tuni.fi</a>

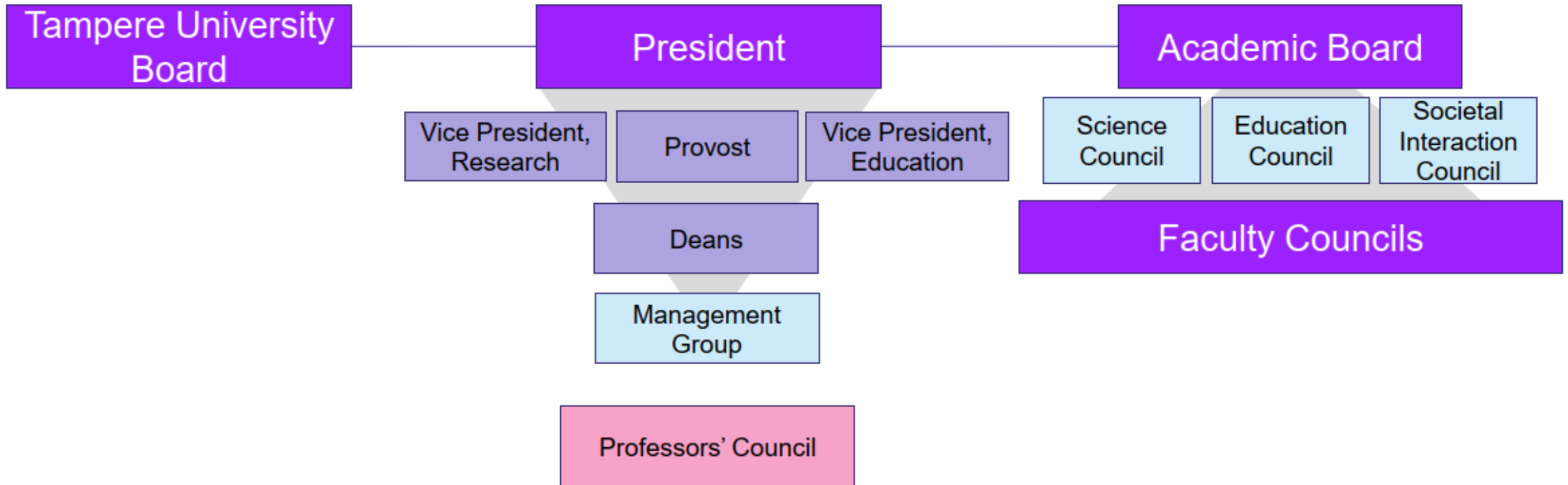
# Aalto University organisation (as described by the university)



<https://www.aalto.fi/en/aalto-handbook/organisation>

# Tampere University organisation (as described by the university)

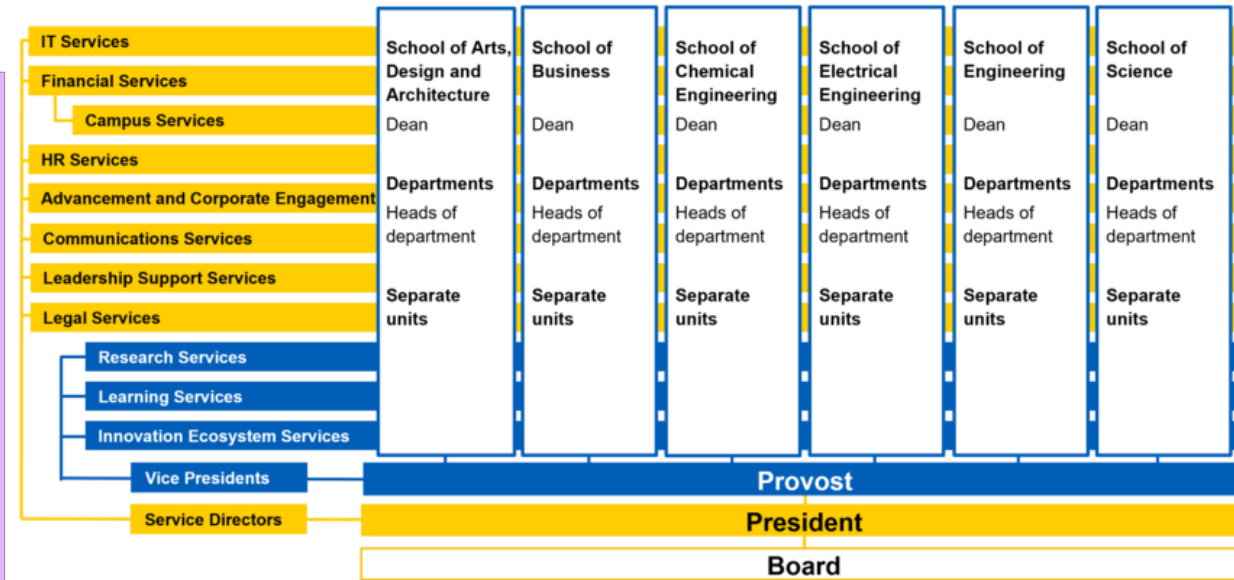
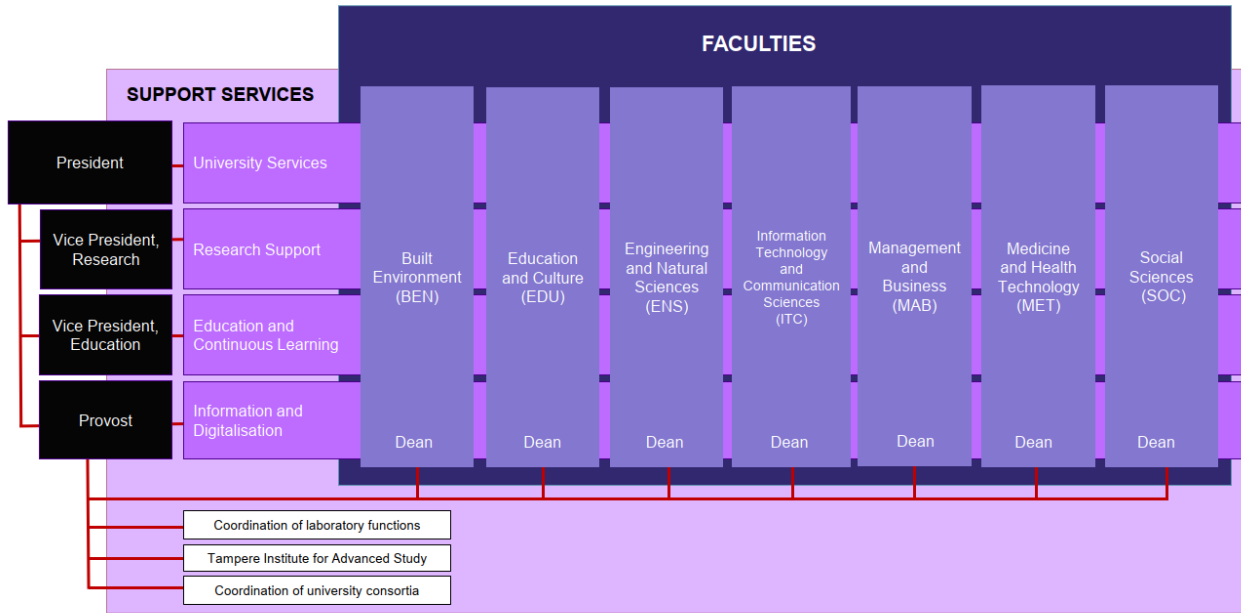
Administrative bodies established under the Universities Act  
Administrative bodies established under the University Regulations  
Preparatory bodies established under the University Regulations  
An advisory body established under the University Regulations





# Both foundation universities are organised as matrix organisations

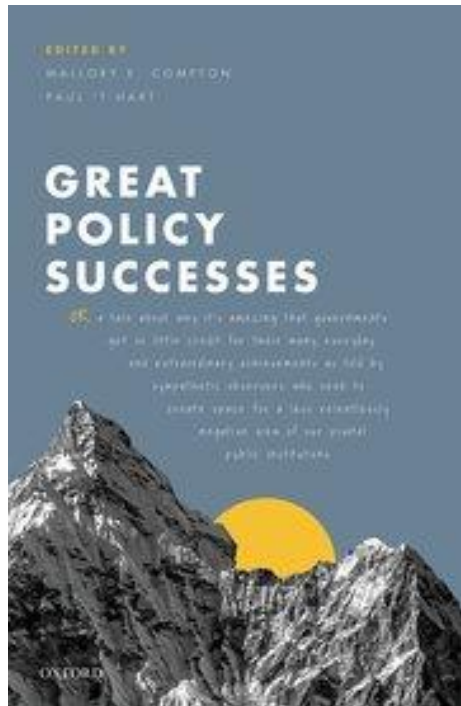
## Organisation 1 Jan 2022



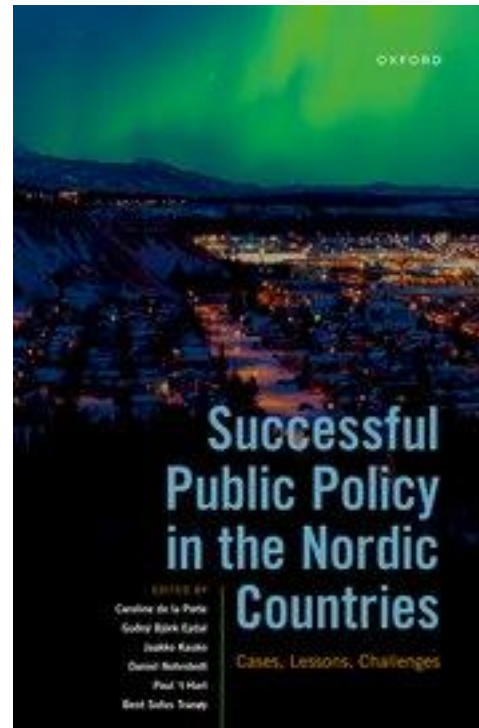
<https://intra.tuni.fi/en/organisation-and-decision-making/leadership-and-organisational-structure/organisational-structure>

<https://www.aalto.fi/en/aalto-handbook/organisation>

# II Evaluating policy success



Hart, P. 't, & Compton, M. (2019). *Great policy successes*. Oxford University Press.



de la Porte, C., Eydal, G. B., Kauko, J., Nohrstedt, D., 't Hart, P., & Tranøy, B. S. (Eds.) (2022). *Successful Public Policy in the Nordic Countries: Cases, Lessons, Challenges*. Oxford University Press.

## Policy Success, Policy Failure and Grey Areas In-Between

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### ABSTRACT

Policy protagonists are keen to claim that policy is successful while opponents are more likely to frame policies as failures. The reality is that policy outcomes are often somewhere in between these extremes. An added difficulty is that policy has multiple dimensions, often succeeding in some respects but not in others, according to facts and their interpretation. This paper sets out a framework designed to capture the bundles of outcomes that indicate how successful or unsuccessful a policy has been. It reviews existing literature on policy evaluation and improvement, public value, good practice, political strategy and policy failure and success in order to identify what can be built on and gaps that need to be filled. It conceives policy as having three realms: processes, programs and politics. Policies may succeed and/or fail in each of these and along a spectrum of success, resilient success, conflicted success, precarious success and failure. It concludes by examining contradictions between different forms of success, including what is known colloquially as good politics but bad policy.

Key words: *policy success, policy failure, policy evaluation*

McConnell, A. (2010). Policy Success, Policy Failure and Grey Areas In-Between. *Journal of Public Policy*, 30(3), 345–362.

Political success	Process success	Programme success	Temporal success
Wide array of stakeholders feel that they have been able to advance their interests	Designing the policy allows choosing appropriate policy instruments	Policy draws on feasible public value proposition or theory of change	Programmatic, processual, and political success are maintained over time
The policy enjoys relatively high social, political, and administrative support	Stakeholders are offered opportunities to influence	The outstated beneficial outcomes are achieved	There is a stable growing strength of coalitions favouring the continuation of the policy
Being associated with the policy increases reputation	The intended aims are achieved with acceptable costs	Costs and benefits are distributed equitably	Emerging narratives about the policy's success confer legitimacy of the whole system

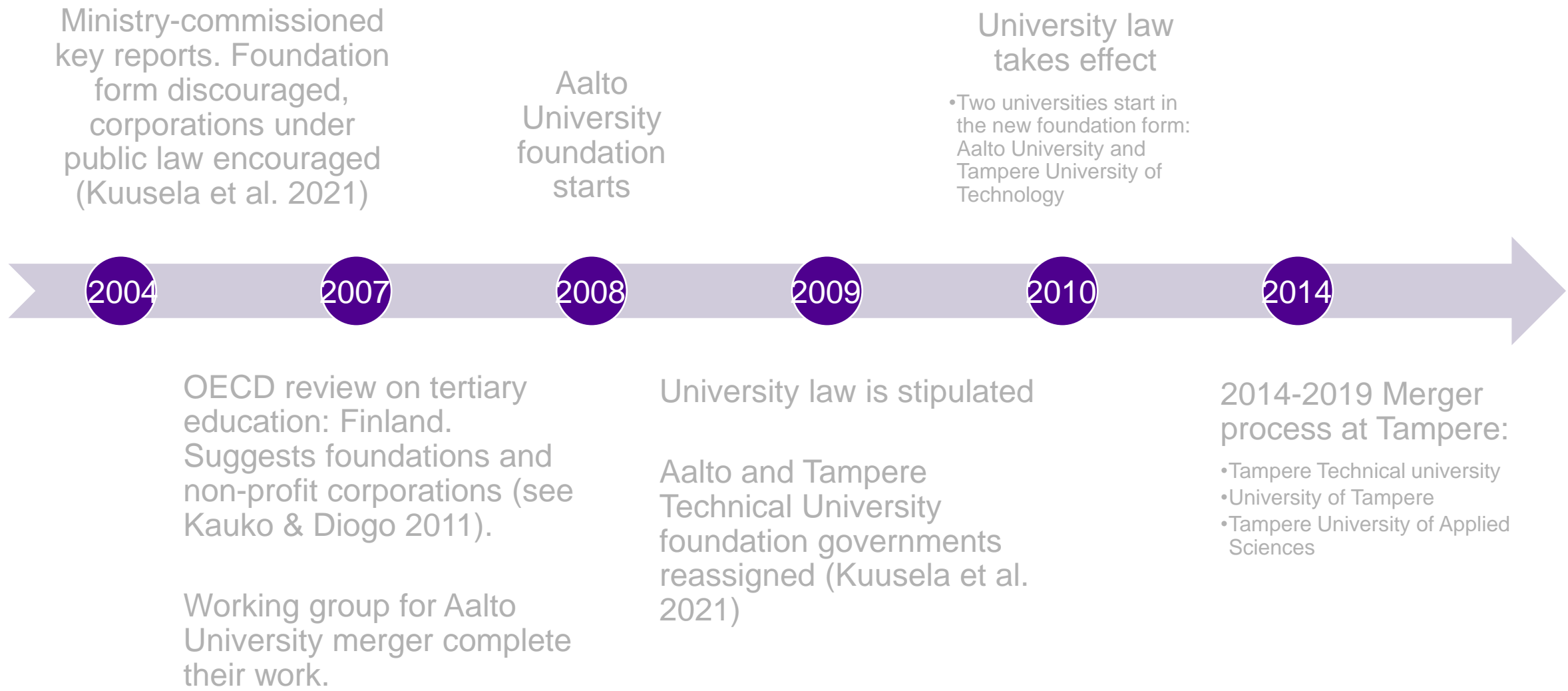
Adapted for this presentation from Hart & Compton (2019) and de la Porte et al. (2022). Also McConnell (2010) used in the evaluation.

# II.1 Evaluating political success

Wide array of stakeholders feel that they have been able to advance interests

The policy enjoys relatively high support

Being associated with the policy brings reputation



## Consensual decision-making on the legal package

- Reform drew on consensual tradition (Holmén & Ringarp 2022)
- Shared understanding of need to compete globally (Kauko 2014)
- In parliament 168 aye, 16 no, 9 missing (Eduskunta 2023).

## Coalition for foundation universities

- Business and industry, Ministry, and University rectorates push foundations forward as part of University Law reform (Kuusela et al. 2021)
- Ministry of Education and Culture used financial incentives and deterrents (Poutanen et al. 2022)

## University communities were more critical

- The Aalto University merger touched many contested points, such as regional policy (support to capital region) and funding equity (capitalization rules) (Kauko 2014)
- University community was sidelined and external interests preferred. (Poutanen et al. 2022)

# Political repercussions for university brand (example of Tampere University)


Communication and branding of the new university: hype versus traditions (Sihvonen et al. 2020)

Public discussion on naming Tampere university uncontrollable (Ainiala et al. 2020)

Risks of quasi-corporate style of communication (Väliverronen et al. 2022)



**Yliopistot** | Tampereen yliopiston rehtoriksi palkattiin muutosjohtaja, ja sen jälkeen on jaettu potkuja, johtajia on paennut ja pikkujoulu-näytelmäkin kiellettiin

 Sunnuntai 13.12.2021 20:33



<https://www.hs.fi/sunnuntai/art-2000008429817.html>



# Evaluation of political success: conflicted

(see McConnell 2010, 356)

Division between nationally shared goals and turmoil inside the institutions

- Stakeholders and university leadership were successful in pursuing their policies
- University communities are divided and in publicity critical voices are strong

Media environment at the moment is risky for Tampere University and its stakeholders.

# II.2 Evaluating process success

Does the policy design allow choosing appropriate policy instruments?  
Are stakeholders offered opportunities to influence?  
Are the intended aims achieved with acceptable costs?

# Choosing managerial tools

Parliamentary constitutional committee contested the government bill suggesting only external board members.

The government did the minimal: added a "joint multimember administrative body" (Poutanen et al. 2022) and changed the appointing practices (Kauko 2014).

Result in foundation universities: tripartite presentation in the academic board and university board with single representatives (Poutanen et al. 2022)

## Frames of internal governance

(University law 2009/558; Foundation law 487/2015)

University	Board	Rector / President	Collegium / joint multi-member administrative body	Faculty boards, deans, units and their heads
Public university	60% tripartite 40% external members	Doctorate, competence, and good leadership skills	Maximum 50 members, tripartite presentation	Other bodies are allowed.
Foundation university	Seven members of which three suggested by founders	No requirements	Maximum 50 members, tripartite presentation	Other bodies are allowed, but they cannot use significant power.

- Managerial shift took place in public universities (Saarinen [Silvén] 2021)
- Managerial choices in foundation universities: altogether one internal board member, managerial internal regulations

# Costs of managerial tools

Pre-reform (2007-2008): academic staff (N=1115) thought that around 70% of cases decisions are made by academics (Pekkola 2011).

Post-reform (2019): Tampere University staff only 11% supported existing internal regulations, 29% would like to see more decision-making power for university personnel, 57% estimated not to have enough information to answer (Kuusela et al. 2019).

# Process success evaluation: modest

The process allows influence of external stakeholders in the university governance

Influence from the tripartite presentation of university members is limited

This has led to discontent among university employees

## II.3 Evaluating programme success

Does the policy draw on feasible public value proposition or theory of change?

How well the outstated beneficial outcomes are achieved?

Are costs and benefits equitably distributed?

## Government Bill (7/2009): competition and broadening funding base as general aims

Increased competitiveness, welfare, culture, creativity, and "Bildung"

- The "globalisation shock" (Välilmaa 2010)
- Thought of increasing international competition as the main driver for changes in the first decade of 2000s (Kauko 2014)

Change of legal status "necessary" according to OECD recommendation

- Ministry of Education inflated the OECD message in the Government Bill (Kallo 2009)
- OECD agenda doctrinal New Public Management, "bureaucratic bottlenecks" (Kauko & Diogo 2011)

Strengthened autonomy

- Autonomy question caused most controversy during legislative process
- Financial autonomy and continued state funding with indicators

Internationalisation

- Strongly connected to dismantling obstacles for markets: e.g. continuing the pilot for tuition fees for students outside EU/EEC (Kauko & Medvedeva 2016)



# Government Bill (7/2009): specific aims

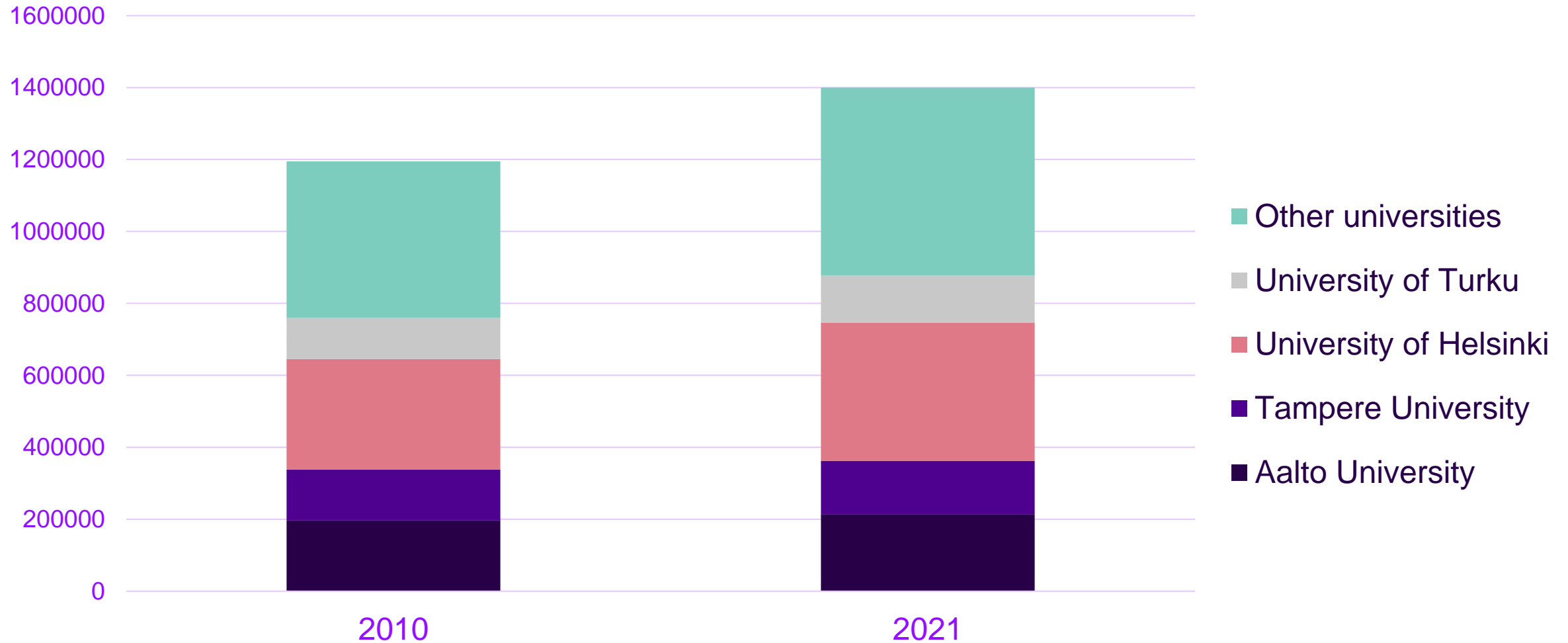
## Aims for internal development for all universities

- Better personnel policy and attractive research career opportunities
- Quality of teaching, specifically management of teaching
- Universities' more strategic goal-setting

## Specific aims for foundation universities

- Competitiveness through better funding accumulation
- Closer co-operation with society and business expected to yield this result.

# Finnish university budgets (k€): foundation universities not in pace



# Foundation university investment portfolios considerable: 2021 financial accounts

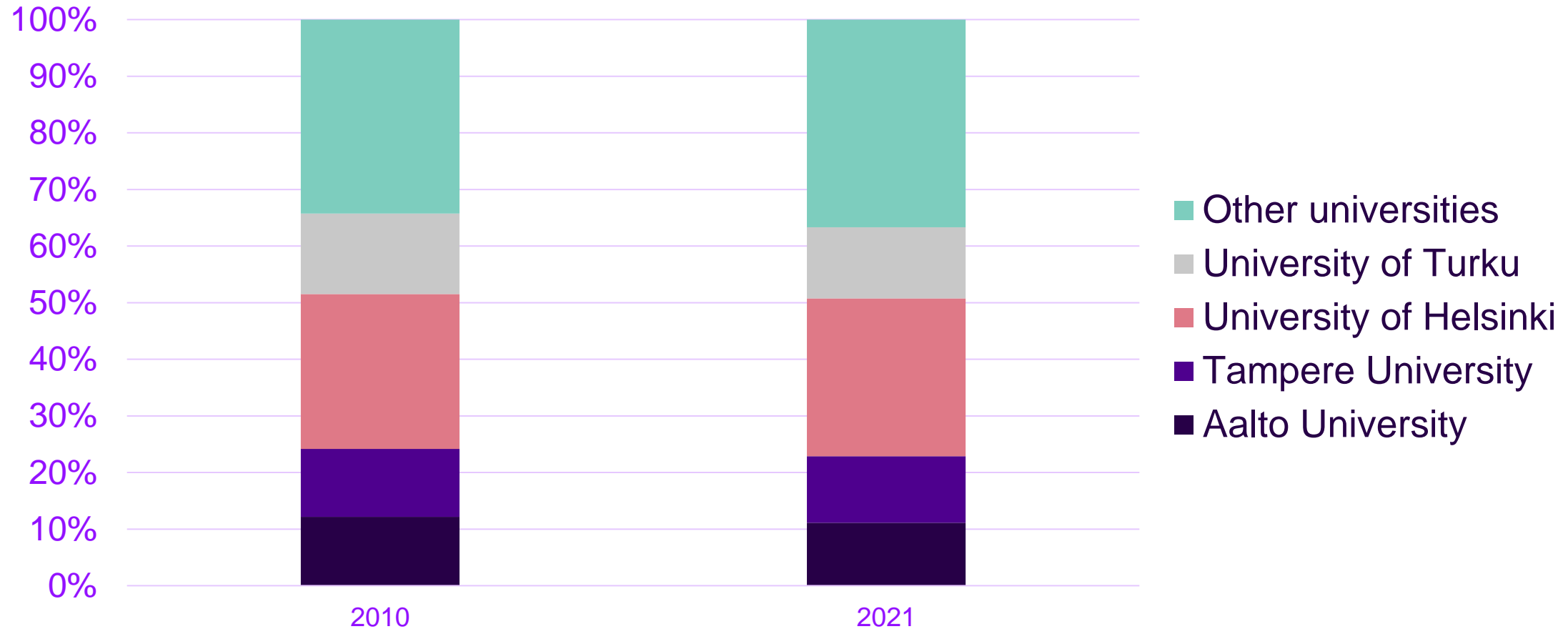
## Foundation universities

- Aalto University (n.d.): 1.3b€
- Tampere University (2022): 0.48b€

## Examples of public universities

- University of Helsinki (2023): 0.68 b€
- University of Turku (2022): 0.23b€

# Share of peer-reviewed journal articles: foundation universities do not produce more



# Foundation universities go against the grain with decreased number of academic personnel

University	Academic personnel in 2021 (N)	Change from 2010 (%)	Non-academic personnel in 2021 (N)	Change from 2010 (%)	Academic per non-academic personnel
Aalto	2,734	-13 %	1,665	6 %	1,6
Tampere	2,251	-4 %	1,472	-8 %	1,5
Helsinki	4,244	-3 %	3,058	-17 %	1,4
Turku	1,877	9 %	1,258	-10 %	1,5
Other	7,648	12 %	4,824	-1 %	1,6
Non-foundation	13,769	7 %	9,140	-8 %	1,5
All	18,754	2 %	12,277	-6 %	1,5

Source: <https://vipunen.fi/en-gb/>

# Number of degrees by international students: Aalto and TAMK seems to attract

Higher education institution	2000	2005	2010	2015	2020	Increase 2000-2020 (%)
Aalto University	180	243	225	444	633	252 %
Tampere University	117	132	168	243	297	154 %
Tampere University of Applied Sciences (TAMK)	27	63	48	57	111	311 %
Other Universities or UAS	1356	1659	1851	3162	3648	169 %
All universities and UAS	1680	2097	2292	3906	4689	179 %

Source: <https://vipunen.fi/en-gb/>

# Evaluating programme success: conflicted (see McConnell 2010, 354)

Finland mainstreaming with Europe and OECD  
(see Kauko & Diogo 2011; de Boer et al. 2017)

## Mixed results on success:

- Foundation universities have not shown the competitive edge in competing for funding.
- The gains from foundation capital still unseen.
- The number of academics working in the foundation universities has gone down, while the general trend has been opposite.
- Aalto University has more non-academic staff working now than at the start of the merger form.
- Aalto University, and the Tampere University of Applied Sciences (owned by Tampere University) seem to attract more international students in relation to others.

# **III Has foundation university policy in Finland been successful?**



# Feeding a conflict

The divide inside academia and between academia and stakeholders has become partly politicised

- Increased stakeholders' influence opportunities
- Communities indicate unhappiness to managerial style

Universities chose managerial options despite there were other opportunities

# The success of foundation university policy is at best mixed

## Main programme goals are not achieved

- unclear on more efficient management,
- no indication of strong financial boost
- unclear on global competition.

## Some goals show potential

- Positive signs in student internationalisation
- Both cases in Finland are really different and thus both have their strengths and weaknesses
- Potential in investment portfolios

## Foundation universities as a culmination of university policies of the 2000s in Finland:

- struggle on resources,
- push to open toward society, competition,
- and managerialism (Välilä 2012; Kauko 2011).

## Policy still quite young

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