



Finland

SCHOOL AUTONOMY AND ACCOUNTABILITY

SABER Country Report
2012

Policy Goals

1. School Autonomy in Budget Planning and Approval

Funding is shared between the central government and municipal governments, but budget allocations and management is done by the Municipal board of education.

2. School Autonomy in Personnel Management

The Municipal education board does the hiring and firing of all school personnel. Salaries are determined by civil service rules. Instead of salaries, school boards use a rigorous teacher selection process to ensure quality and stability in teaching.

3. Participation of the School Council in School Governance

School Councils are not common; the law allows them but parents see no need to intervene in school management because the system works very well. If needed, parents have easy access to budget and performance information that they can use to voice their concerns

4. Assessment of School and Student Performance

There is a well-developed national system for assessing schools and students. It is highly accessible and parents and the public use it on a regular basis.

5. School Accountability

There is an advanced system for assessing performance and system accountability. Parents have easy access to information but must go through the Municipal government to voice their concerns.

Status

Established



Established



Advanced



Advanced



Established



Education in Finland

The two most important factors explaining the success of the Finnish education system are: (i) education has been a national priority for decades, and (ii) the system operates on trust. The Ministry of Education is in charge of education policy and overall central funding. The Finnish National Board of Education, as the operational arm of the Ministry of Education, is responsible for overall education provision and educational development, including the curriculum. Implementation at the school level is the responsibility of municipal governments acting through their Municipal School Board. While education policy is set at the central Ministry level including guidelines about what children need to know at each grade level, schools are free to use their own method to comply with national standards.

Budgetary autonomy is *Established*; budget is controlled by the local governments with input from principals. Personnel management is *Established*. Teacher salaries are relatively fixed by civil service rules and municipalities choose their teachers under very stringent criteria. Participation of School Councils in school governance is *Advanced*. Parents trust school decisions because the system works very well. School and student assessment is *Advanced*. Standardized student assessment is sample-based but schools evaluate their students continually. More importantly, schools use the evaluations to make adjustments on a regular basis. Accountability is *Established*. Although parents and the public have easy access to school academic and financial performance, they have to go through the municipal government to voice their concerns.

The Government funds all public and private schools. Only 1.5 percent of schools are private. School financing of preschool, primary, secondary and vocational education is shared between the central government (about 45 percent) and the municipal governments (about 55 percent). Universities are funded by the central government. The Finnish National Board of Education is responsible for developing pre-primary education, basic education, upper secondary school education, vocational upper secondary education, adult education and liberal arts education.

The Ministry relies on advisory institutions to assess student performance. The Matriculation Examination Board administers the matriculation examination and sets and assesses the tests, while the National Education Evaluation Council administers all matters related to school assessment. Finland has a comprehensive system structure (Table 1).

Age	Grade	Level of Education	
3-6	Pre-School	Pre-Primary	
7-12	1-6	Primary	
13-15	7-9	Lower Secondary	
16-18	10-12	Upper Secondary	Vocational and technical secondary education
18-21	13-15		Vocational and technical tertiary education
18-22	13-16	Undergraduate degree	
22+	17+	Graduate studies	

Source: OECD

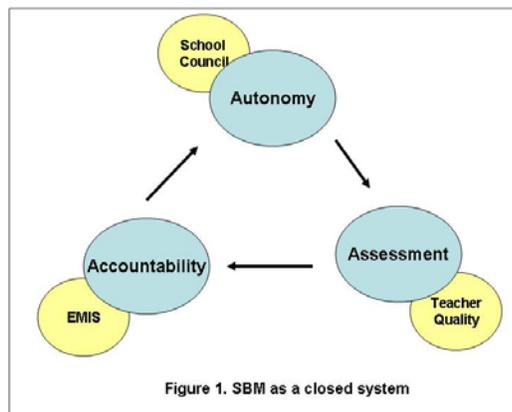
The net enrollment rate for secondary school is 91 percent, and the transition rate from primary to secondary school is 100 percent (Table 2).

Public expenditure on education:	
As % of GDP	6.8
As % of total government expenditure	12.1
Distribution of public expenditure per level (%): 2009	
Pre-primary	6
Primary	20
Secondary	42
Tertiary	32
Pupil/Teacher ratio in Primary	14
Percentage of repeaters in Primary	1
Primary to Secondary transition rate, 2007	100

Source: UNESCO

The Case for School Autonomy and School Accountability

School autonomy and accountability are key components to ensure education quality. The transfer of core managerial responsibilities to schools promotes local accountability, helps reflect local priorities, values, and needs, and gives teachers the opportunity to establish a personal commitment to students and their parents (Figure 1).



Source: Arcia *et al.* 2011

School autonomy is a form of education decentralization in which school personnel are in charge of making most managerial decisions, frequently in partnership with parents and the community. More local control helps create better conditions for improving student learning in a sustainable way, since it gives teachers and parents more opportunities for developing common goals, increased mutual commitment to student learning, and a more efficient use of scarce school resources. By allowing more local control over school operations, school autonomy and accountability fosters a new social contract between parents and teachers by improving communication and increasing local cooperation and local accountability. To be effective, school autonomy must function within a compatible set of incentives that take into account the education policies in the country, and the incentives for their implementation. Moreover, having the managerial responsibilities at the school level automatically implies that the school also has to be accountable to its local stakeholders and to national and local authorities. The empirical evidence from education systems where schools enjoy managerial autonomy shows that it has

been beneficial for restoring the social contract between parents and the school, and that it has been instrumental in setting in motion policies aimed at improving student learning.

The experience from high performing countries, as measured by their performance in international tests such as PISA, indicates that:

- Education systems where schools had more autonomy over teaching content and student assessment tended to perform better on the PISA test
- Education systems where schools have more autonomy over resource allocation and that also publish test results performed better than schools with less autonomy
- Education systems in which many schools competed for students did not systematically get better PISA results
- Education systems with standardized student assessment tended to do better than those without standardized student assessment.
- PISA scores among schools with students from different social backgrounds differed less in education systems that use standardized student assessments than in systems that did not.

As of now, the empirical evidence from countries that have implemented school autonomy suggests that there is a set of policies and practices that are more effective in fostering managerial *autonomy*, the *assessment* of results, and the use of the assessment to promote *accountability*. Benchmarking policy intent for these variables can be very useful to any country interested in improving education system performance (Arcia *et al.* 2011).

Finland's Performance: A Summary of Results from the Benchmarking Exercise

There are five indicators of school autonomy and accountability that can help benchmark an education system's policies that enable school autonomy and accountability:

1. School autonomy in budget planning and approval;
2. School autonomy in personnel management;
3. The participation of the school council in school finance;
4. The assessment of school and student performance; and
5. School accountability to stakeholders

Each of these indicators has a set of sub-indicators that make it possible to judge how far along an education system’s policies are in enabling school autonomy and accountability. Each indicator and sub-indicator is scored on the basis of its status and the results classified as Latent, Emerging, Established, or Advanced:

Latent ○○○○	Emerging ●○○○	Established ●●●○	Advanced ●●●●
Reflects limited engagement	Reflects some good practice	Reflects good practice, with some limitations	Reflects international best practice

A *Latent* score reflects a limited engagement in education policy; an *Emerging* score indicates that the policy in place reflects some good practice; an *Established* score indicates that the program or policy reflects good practice but there may be some limitations in its content or scope, and an *Advanced* score indicates that the program or policy reflects best practice and it can be considered on par with international standards.

1. School autonomy in budget planning and approval is Established

School budgets are controlled by the municipal government and managed by a Municipal Education Board. Municipal funding for education comes from income taxes (which are collected at the municipal level) and property taxes. Estimating the central budget transfer requires an assessment of per student costs at the national level. This average is based on actual expenditures by schools. The average figure, however, has a built-in equity mechanism. Poor schools tend to be in less expensive rural areas or in poor municipalities. The average transfer per student leaves the poor schools with additional funds because their actual costs tend to be below the national average. The

net result is that richer municipalities have to contribute proportionally more.

1. School autonomy in budget planning and approval is Established		
Indicator	Score	Justification
School autonomy in the planning and management of the school budget	Established ●●●○	All public and private schools receive government funding. Municipal boards of education control budget planning and approval for public and private schools at the municipal level.
Legal authority over the management of non-teaching staff and teacher's salaries	Emerging ●●○○	Municipal school boards set teacher and staff salaries using the civil service pay scale as a guide.
Legal authority to raise additional funds for the school	Advanced ●●●●	Municipal governments contribute with 55% of the funding. Schools seem to be amply funded, which in turn implies that there is no need for seeking additional support from parents or other sources.

2. School autonomy in personnel management is Established

Because the education system relies on trust to renew itself, teacher motivation is managed with the aid of several mechanisms:

- Tapping the culture. Until early in the 20th century Finland was a poor country where education was clearly identified by parents as a key factor for economic and social mobility. As a result, there was a general consensus that education had to be taken seriously.
- As a result of the consensus on the importance of education, teachers in Finland always had good training before going into the classroom.
- Education institutions (primary schools, secondary schools and vocational schools) always chose their teachers carefully. Teaching means the acquisition of a civil service position with an open-ended contract, good working

hours for female teachers with children, good retirement benefits, and societal respect. As a result, teaching is a profession found very attractive to people, which in turn means a large pool of applicants for every opening. Currently the school system hires only 10 percent of all the applicants to the teaching vacancies every year.

- Teachers are free to use their own teaching method, as long as they comply with the goals of the curriculum.
- School directors are chosen for their capacity to provide pedagogical leadership and their motivational skills.

In terms of salaries, executives at the National Board of Education indicate that Finland has long considered that teacher salaries should be on par with the salaries of other professions (engineering, medicine, etc.). If a competitive salary is combined with job stability, convenient hours, and summer vacation, teaching becomes very attractive to many who would otherwise go into a non-teaching profession.

2. School autonomy in personnel management is Established		
Indicator	Score	Justification
School autonomy in teacher appointment & deployment decisions	Established ●●●○	Municipal Boards manage the hiring and firing of teachers. They are most active in teacher selection.
School Council's role in teacher tenure or transfer	Established ●●●○	Municipal Councils deal with most personnel issues but principals have a lot of influence in their decisions. Parents can have a voice at the municipal level.
Autonomy in the hiring and firing of principals	Advanced ●●●●	Municipal Councils are responsible for the hiring and firing of principals in public schools. Private school owners hire and fire their own principals. Parents generally do not participate in the process because it works well under the current system.

3. Participation of the School Council in school governance is Advanced

School councils are optional because the general public sees very little need for parent intervention in school operations. Parents seem to consider that the system works well. Since the Municipal Education Board manages schools, the National Education Board considers that that level of disaggregation is enough for ensuring good governance and accountability. Recently, teachers have indicated that motivating young students has become difficult. They attribute it to the lack of incentives brought in by affluence.

3. Participation of the School Council in School Governance is Advanced		
Indicator	Score	Justification
Participation of the School Council in budget preparation	Established ●●●○	The central government assigns per-student allocations using a funding formula. School-level budgets are prepared by municipal governments and by private owners, with feedback from school principals.
School Council's authority to approve the school budget	Advanced ●●●●	Budgets are formula-based and determined at the central and municipal levels. Parent approval is implicit because of parent's trust in the current system.
Manual for the participation of the School Councils in school finances	Advanced ●●●●	There are no manuals since school councils do not have any role in budget preparation.
Role of the School Council in budget implementation	Advanced ●●●●	Budgets are implemented without parent supervision or participation. The system is based on trust and parents seem to accept its current budget implementation performance.
Use of the budget prepared with the School Council's participation	Advanced ●●●●	The Municipal Boards allocate school budgets. Parent consent is implicit. There are formal mechanisms open to parents to express their concerns when needed.

4. Assessment of school and student performance is Advanced

Finland has an advanced system for assessing school and student performance. All schools and students are assessed every year using a wide variety of methods chosen by the school. In addition, PISA scores are amply discussed and used as a gauge for assessing the relative success of the education system.

The driving force for evaluating educational performance is trust. That is, trust in teachers, trust in individual schools, and trust in the capacity of the system to regulate itself and to seek ways in which to improve performance within a context of shared fate and a sense of ownership. Only 15 percent of all schools are inspected annually, and schools that are not inspected rely on self-assessment for correcting problems detected during the school year. Students are assessed daily on ordinary tasks, and more formally at least twice a year. However, the method of assessment and the feedback used to improve student performance is left to the discretion of teachers and the school. One detected weakness of self-assessment is the path to correcting self-detected problems; the correction process can take some time because directors usually recommend taking up one issue at a time. In reality, little is formally known about how teachers and schools assess themselves.

4. Assessment of school and student performance is Advanced		
Indicator	Score	Justification
Existence and frequency of school and student assessments	Advanced ●●●●	Standardized testing is sample-based and done under the supervision of the National Education Evaluation Council. All schools and students are assessed every year using criteria chosen by each school.
Use of school assessments for making school adjustments	Advanced ●●●●	Schools devise their own assessments and make results easily accessible to parents and the public. Schools use the results to make pedagogical, personnel, and operational adjustments.
Frequency of standardized student assessments	Advanced ●●●●	Sample-based standardized testing is done every year. Student assessments by all schools are done regularly, with the frequency of the assessment dependent on its complexity. All students are evaluated every year at least twice.
Use of student assessments for pedagogical and personnel adjustments	Advanced ●●●●	The analyses of student assessments are accessible to parents. Schools regularly use the information to make pedagogical, personnel, and operational adjustments.
Publication of school and student assessments	Advanced ●●●●	Both school and student assessments are made public and are available online.

5. School accountability to stakeholders is Established

Because Finland’s system is based on trust, the sample-based periodic assessment of learning outcomes is taken as a reference point by schools. The Finnish National Education Board publishes an annual set of quantitative indicators that reports on national figures by level of education. In addition, education sector information is also provided by the Official Statistics of Finland, which are produced annually. Finally, every three years there is a formal report on teacher training. Data on school performance aggregated at the municipal level are available online. However, large municipalities have their own data at the school level made available to school staff. In general, the analysis of school and student performance is done at the Ministry or at the Board levels. Because of the level of aggregation of education data the real client for educational accountability is the municipal government. This type of accountability also includes a constant dialogue between the municipal governments and the schools.

		financial reports of their schools. Financial accountability is done within the Municipal government’s normal procedures.
Manual for the participation of the School Councils in school audits	Latent ●○○○	School Councils do not to have a role in school audits.

Enhancing education quality: Lessons from Finland

Finland is one of the top educational performing countries in the world and, as such, it is a benchmark country. This position is not accidental. It is the result of a systematic and sustained attention to education that has gone on for decades. Finland’s education system relies primarily on trust. Education policy is set at the Ministry level with guidelines about what children need to know at each grade level, but schools are free to use their own method to comply with national standards.

Operationally, Finnish schools rely on local governments for budget and personnel management. Over the years Finland has become highly selective of its teachers, which allows parents to remain confident that their children are receiving an education of high quality. This trust is reinforced by the high marks that Finland gets in international measurements of learning outcomes. Schools are constantly using their internal evaluations to make adjustments and municipal governments are always vigilant of the net results.

The main challenge for the country is to remain at its position by maintaining the high quality of its teaching force and by maintaining education as one of its leading priorities. To sustain its position as a high performing country Finland has identified some policies that are in the process of implementation, such as revising its teacher salary policy and addressing potential changes in its demographic structure. This constant awareness of possibilities for improvement bodes well for the future of education in the country.

5. School accountability to stakeholders is Established		
Indicator	Score	Justification
Guidelines for the use of school and student assessments by the School Council	Advanced ●●●●	All schools have guidelines for using student assessments, as per the National Education Evaluation Council.
National or regional systems of educational assessments	Advanced ●●●●	There is a national strategy for the use of the assessment results. The principles guiding school and student evaluation are readily available online.
Comparisons of school and student performance reports	Established ●●●○	Comparisons are made among different types of schools, regions, and with previous years. More detailed comparisons are not regularly available.
School Council authority to perform financial audits	Established ●●●○	School Councils are not involved in budgetary issues, although they have access to detailed

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This report focuses specifically on policies in the area of School Autonomy and Accountability.

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