

## Education and training in a period of economic crisis.

### **Day 2 (1 June 2010; 10.30 – 11.00 h): Input from education councils.**

#### **Input from the Finnish Council:** Impact of the economic crisis on the Finnish education system

The prevailing economic recession has had an impact on the Finnish education system at various levels and sectors of education. There are demands for increasing the productivity of education. The basic structures of education have not been touched, and education and training leading up to qualification has remained free of charge at all levels. The number of schools, colleges and universities has been cut down, but there is still education available to a considerable extent.

Unlike in the 1990s, the government has not reduced funding for education or for any other welfare services during this recession. On the contrary, extra funding for education has been reserved in the government budget. For example, this year, organisers of basic education are granted EUR 30 million of extra funding allocated for reducing the size of teaching groups. However, in order to maintain the level of funding, the government has had to significantly increase borrowing. The Finnish government sees education as an investment in the future, which must not be compromised even during a recession.

The local authorities, municipalities, are mainly responsible for providing welfare services, such as education, and for the quality of education. Government funding accounts for approx. one-third of the expenditure on basic education, general upper secondary education, vocational education and training, and polytechnics. Municipalities meet about two-thirds of the costs. Municipalities have a right to levy taxes. The financial situation of municipalities has become more difficult during the recession as their tax revenues have diminished. There are great differences between municipalities. Some of them are very small and have great financial problems. In the past few years, many municipalities have been consolidated, but there are still almost 350 municipalities in Finland.

The problems of municipal economy have impaired the quality of education. In practical terms, this can be seen, for example, in the closing of schools, longer distances between the home and school, larger teaching groups, a narrower range of courses, and reuse of old study materials. Some municipalities also lay off their teachers from a few days to a few weeks, which means that, based on the employer's decision, some teachers are absent from work without pay and other teachers will have to cover for them. Currently, we are aware of teacher layoff decisions in 14 municipalities this year. There are great differences between municipalities.