**Vesa Vihriälä Education seminar 16 August**

Ladies and Gentlemen

Welcome to our seminar on what we call comprehensive school here in Finland, i.e. the education that takes place in the primary and lower secondary phases.

If any undisputed thesis on economic and social progress exists, it is that that human capital is essential for productivity growth, as well as human advancement in general. Those countries that have high levels of human capital tend to have high levels of GDP per capita and high levels of well-being measured by any indicator broader than the GDP.

It is also rather obvious that systematic education is central to the accumulation of human capital, and thus a key driver of economic growth. Therefore, if we are interested in long-term growth, as we are at Etla, we must be interested in education.

However, it is less obvious what type of education produces the best results and to what extent (in terms of time and resources spent) education investments are economically profitable for the individual and for society at large. Simply adding more hours or years to the time spent in education may not improve the outcomes, at least not significantly, in comparison with enhancing the quality of education.

In their book “Knowledge Capital of Nations” **Eric Hanushek** and **Ludger Woessmann** demonstrate that economic growth across countries is much more closely associated with measures of skills and competencies than with the average time the population has spent in formal education. This is consistent with the observation that Finland has done very well in the renowned Pisa studies, while children in Finland start their systematic education later than in many other countries and spend relatively few hours a week in the school.

The Finnish pupils’ cumulative instruction time in the primary and lower secondary education is among the lowest in the OECD area.

So, it’s the quality rather than quantity of education that matters. But how to produce high quality? When the first Pisa rounds were completed, and the results consistently indicated that on average 15-year old Finns had excellent results, and that the share of weakly performing individual results was low, a lot of attention was directed at the Finnish education system. It started to be seen as a model for systems capable of producing the sort of skills and competencies needed in a modern economy and society.

What was different in Finland in comparison with other countries with broadly similar level of economic development?

After some thought a twin explanation emerged: high quality of teachers, and a large degree of autonomy of the schools. Indeed, the fact is that Finnish primary school teachers are required to have a Master’s-level university education, and the schools have much more freedom in deciding what precisely to teach and what type of material (books etc.) to use than in many other countries.

Nevertheless, this explanation may not be the whole truth.

Namely, at the time of the first Pisa studies, most pupils had been exposed to teaching mainly by teachers who did not have Master’s-degree education, but rather shorter training obtained from colleges called seminars. Furthermore, the freedoms had been increased only very recently and could not have significantly impacted teaching during the pupils’ time at school.

When the share of university-educated teachers increased over time and experience of freedom accumulated, the Pisa results started to weaken rather than improve. The Finnish teachers may have been, and still be, of high quality, but not necessarily because of the university-level education. Rigorous selection processes applied to a vast pool of interested candidates could be at least as important.

While Finland still compares well with most other countries in Pisa, the average results have clearly weakened, the dispersion of results has increased, and, especially, an increasing number of boys do badly. The weakest development is in mathematics, which furthermore interests only a few youngsters at the time when they make choices about subjects to pursue at the upper secondary phase. At the same time, there are countries which have improved their results, even surpassing those of Finland, Estonia being a prime example.

Thus, the recipe of the success of the Finnish comprehensive school, whatever it precisely has been, is either not being applied as effectively as before, or for some reason it is no longer achieving the wonders of the past.

This weakening of educational outcomes has taken place at the same time when the Finnish economy – along with other developed economies – has been going through a skill-biased technical change. People with weak basic skills, and those that lack the capacity to learn new things, have faced a clearly declining demand in the labour market. Furthermore, there are no reasons to believe that this trend will reverse any time soon. The rapid advancement of digital technology, particularly AI, will increasingly destroy routine jobs in which the levels of cognitive and social competencies are of little importance.

On the other hand, demand has increased and is likely to continue to increase for people, who have strong competencies in mathematics/logical thinking, social skills, and who can quickly up-grade and modify their skill-sets.

If the labour market is flexible, it can reallocate the unskilled to some other activities. However, many of those activities are unlikely to provide decent incomes or other rewards. In an inflexible labour market non-employment and exclusion are more likely outcomes. Decent employment and well-being require better alignment of skills and competencies with demand.

Learning the competencies needed in the work place obviously takes place only once the basic education has been completed. Nevertheless, it is equally obvious that this learning can materialise only if the youngsters entering secondary education have sufficient basic knowledge and the right attitude to learning. There is a plenty of evidence that bad learning experiences and the paths to exclusion start early. Becoming a NEET (not in employment, education or training) in the late teens is closely associated with bad performance in the earlier phases of education.

The twin challenge – weakening education outcomes and higher demand for skills – has not gone unnoticed in Finland. Some reforms have already been implemented and further ones are being discussed.

Extending the instruction time is one option.

Some steps have been taken to increase the share of children in pre-primary education. There is talk about intensifying these efforts, as well as about raising the age at which people can leave compulsory education. This - what I would call – quantitative or “more-of-the-same” remedy is complemented by reforming the curriculum of the comprehensive school.

The curriculum reform – OPS2016 – involves among other things a new emphasis on what has come to be called “phenomenon-based learning”. It means that students study a topic, perhaps chosen by the students themselves, in a holistic way instead of within a given subject. Linked to this is a move towards student-centred education. Here the learning process is seen not as one in which the teacher transmits knowledge to the students. She or he rather acts more like a coach helping the students to discover and learn new things.

Are these reforms and reform plans sufficient or, in all respects, even correct answers to the challenges facing us? Is more instruction time an effective response?

If yes, how should it be allocated over time and over subjects? Is enough attention paid to the basic skills in reading, writing, math, without which further learning is impossible? Can the weakest pupils cope with the demands of the student-centred education? Have teachers got enough authority to keep uninterested children focused on learning rather than disturbing others? These are the type of questions we ask and try to find answers to in today’s seminar.

Finland is certainly not alone in the quest for the appropriate educational response to the changing world. Therefore, and because there is a certain tendency in Finland to consider our problems very special, we have invited two prominent experts from the neighbouring Nordic countries, Sweden and Norway, to provide the basis for our discussion.

Professor **Magnus Henrekson** is the Director of IFN, or Institutet för Näringslivsforsning in Stockholm. He is a well-known economist and has published on a wide variety of topics, ranging from growth and entrepreneurship to public sector efficiency and taxation. Last year he published, together with four other experts (from very different academic backgrounds), a book with the title “Kunskapssynen och pedagogiken. Varför skolan slutade leverera och hur det kan åtgärdas”. The book takes a very critical view of the recent trends in basic education in Sweden.

Professor **Stein Ludvigsen** is an educational psychologist, working at the University of Oslo. In addition to his extensive academic research, he has been also involved with practical policy analysis and planning. For example, a couple of years ago he was the chairman of a committee appointed by the parliament to examine how to develop the Norwegian school system for the future.

The presentations will be followed by a panel discussion where the two guest speakers are joined by two Finnish experts: Ministerial Adviser **Ilkka Turunen** from the Ministry of Education and Culture and **Saku Tuominen** CEO and founder of HundrED, a non-profit organisation seeking to promote innovation in education. The debate will be moderated by **Matti Apunen**, Director of the Business and Policy Forum EVA. The audience will have a chance to participate.

Thank you very much, and once more, welcome to the seminar.