

Opetusministeriö

Ministry of Education

Education

Research

Culture

Sport

Youth

ANNUAL REPORT 2006



*Education
Culture*
2006

THE VISION

Finland possesses a Nordic welfare society, where education and training, culture and science are the key factors for the citizens' well-being, as well as for the Finnish economy and modern civilisation.

THE OPERATION IDEA

As part of the Government, the Ministry of Education is responsible for developing education, science, cultural, sport and youth policies, and international cooperation in these fields.

The Ministry promotes education and culture, creates favourable conditions for the production and diffusion of knowledge, for lifelong learning and creativity, and for citizens' participation and well-being.

STRATEGIC KEY AREAS OF THE MINISTRY OF EDUCATION SECTOR

- Securing educational and cultural equality
- High quality creative and innovative society
- Life cycle, lifelong learning and well-being
- Promoting involvement and participation
- Active international influencing
- Developing and productive guidance in the sector



IN THE HEADLINES IN 2006

January: The Helsinki University Library becomes the National Library of Finland. | Subsidies to sport and exercise organisations are increased. | Ten members for the second term of the children's cultural centre network.

February: A comprehensive electronic student selection system for secondary education. | Subsidies of over EUR 3.6 million to cultural events. | The 'Children and the media' project: good media education and safe media use.

March: The new Youth Act enters into force. | Molecular Medicine Research Centre established at the University of Helsinki.

April: The Government report on educational policy is submitted to Parliament: the quality and international nature of education are the challenges for the coming years.

Head

May: The studies of the 2005 IAAF World Championships in Athletics are completed: major events are an opportunity to boost the economy and the expertise capital. | EU Ministers of Education reach agreement on Lifelong Learning Programme. | Autonomy of the Finnish Orthodox Church to be strengthened.

June: Proposal for founding a European School in Helsinki. | Turku proposed as the Finnish applicant for the European Capital of Culture 2011. | Eight new Graduate Schools launched while 111 continue to operate.

July: Active citizenship was the topic for researchers who convened at the Ministry of Education's first meeting during the Finnish Presidency, held in Hyvinkää.

August: Harri Skog takes up post as Permanent Secretary at the Ministry of Education. | The KiVa Koulu programme against bullying at school is developed at the University of Turku.

September: EU Youth Directors convene in Saariselkä. | Amendment to the Copyright Act: copyright holders receive compensation for lending of works through public libraries. | Additional funding for morning and afternoon activities for young school children

October: OECD report says Finnish tertiary education in need of reform. | Structural development in universities progresses. | A new age limit, 13, is introduced for audio-visual programmes.

November: New Nordic culture institution founded in Finland, Nordic Culture Point. | Minister Kalliomäki: Competitiveness through university education and research reform. | Finnish initiative approved in EU: working group to study the position of sports NGOs within the Union.

December: Oulu receives award for services to children and young people. | Training programmes for the qualification of building engineer starts at six polytechnics. | Minister of Culture Saarela: UNESCO cultural diversity convention is a step towards international cooperation in the field. | EU Ministers of Education meet in Helsinki.



Olinnes

REINFORCING EXPERTISE

PERMANENT SECRETARY HARRI SKOG

Finland is well placed to maintain its educational, social and economic competitiveness. Our strengths comprise education and innovations systems of a high standard and cultural creativity. These create a favourable setting for further developing welfare and competitiveness.

Aspects such as globalisation, an ageing population, employment trends, workplace trends and social and cultural change in general are among the particular challenges in the administrative sector of the Ministry of Education today. We have to make sure that we have the expertise and the experts to ensure continued economic growth and to secure access to welfare services, as well as to assure the quality of the services in question. Particular attention should be paid in all activities to reinforcing expertise, creativity and innovation, and to international cooperation.

Measures in education, science and cultural policy that support international competitiveness continued in 2006. The requirements for creative activity were improved. A creativity strategy comprised

within the Government Programme, 'Eleven steps to a creative Finland', was completed. Researcher training and the potential for research careers were developed. R&D spending as a percentage of GDP remained at about the same level as in the previous year, at 3.43%. The requirements for the creative economy were improved through measures such as the founding of a support network for culture exports and by strengthening product development of cultural digital content and the funding of culture exports.

Efforts to reduce the dropout rate and improve the completion rate of training and education programmes were among the key measures at all levels of education.

The well-being of children and young people was improved. In morning and afternoon activities for young schoolchildren, the number of hours entitling organisers to a state subsidy was increased from three to four a day. An extensive and long-term programme was started in order to improve children's well-being at school and to prevent exclusion.

Reinforcing

Competence tests for vocational skills were introduced in initial vocational education and training and on-the-job learning was promoted through a specific support programme.

The Ministers in charge of vocational education and training in Europe approved the Helsinki Declaration on promoting mobility in vocational education and recognition of skills learned previously.

In keeping with the targets set, several polytechnics reduced the number of training programmes offered, amalgamated programmes into bigger and more effective units, and agreed on a division of labour with other polytechnics. Mergers of polytechnics were also prepared during the year.

The universities' procedure for student selection was streamlined and teaching was further improved. All these measures are designed to reduce the duration of university studies and to ensure that people have longer working careers. The universities drew up action programmes for structural development, and project funding was channelled into

long-term nationwide development projects and support for structural development of tertiary education institutions. The focus of structural development projects was on consortiums supporting top research, electronic service provision and support for cooperation between universities.

The number of degrees taken in adult education increased. The provision of education for the adult, working-age population was increased and information provision was made more effective.

The state subsidy system for theatres, orchestras and museums was improved. Work was done to promote access to the arts and the cultural heritage. The service provision of public libraries was improved with the aim of introducing alternative solutions for the changing role of libraries amid the reforms of municipal and service structures. The media literacy of children and young people was promoted, along with development of a safe media environment for them.

NGO activity in the field of sports and exercise was encouraged and the building of sports facilities was promoted.

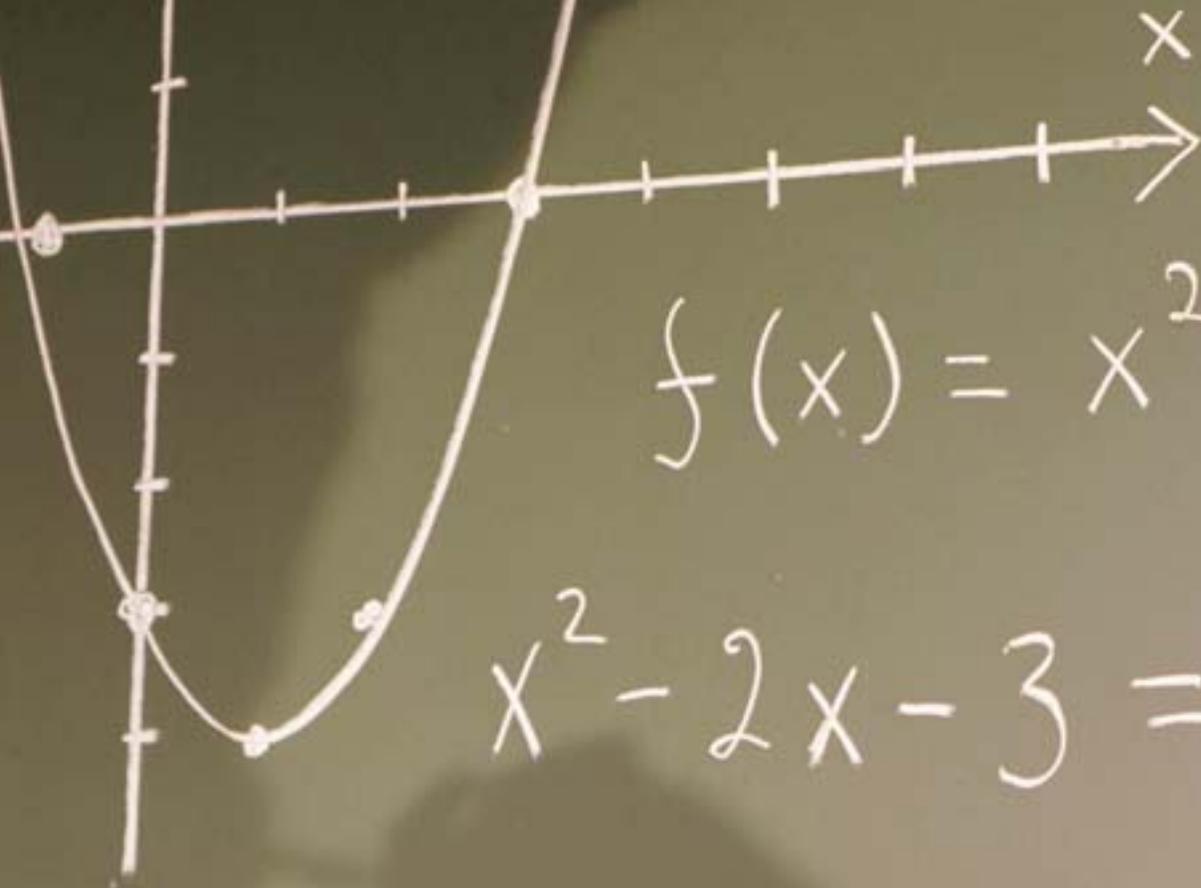
Health-promoting exercise in Finland received official recognition when the WHO awarded the Counteracting Obesity Award to the Finnish Fit for Life Programme.

Finland's EU Presidency was a success in compliance with the targets set for the administrative sector of the Ministry of Education. During the Finnish Presidency, agreement was reached on multi-annual community programmes in education, culture and youth policy and cultural cooperation between the EU and Russia, also known as the Kajaani process, was started. EU Ministers of Education met in Helsinki.

Changes in the operating environment require that the Ministry take a more active strategic role than hitherto in preparing political decisions and providing guidance for operations within its administrative sector. The operations and structure of the Ministry of Education will be developed according to the development plan for the Ministry, covering 2007–2011, which was completed in 2006.

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Education Science

Provision has been made for the changes in the age structure of the population and the workforce structure by taking measures to reduce the dropout rate and improve the throughput rate of education and training. An extensive, long-term action package was started in order to improve well-being in schools and prevent exclusion. Structural development of the tertiary education system continued.

Every dropout is one too many

The number of students who move on to secondary education directly after finishing basic education has been steadily rising, reaching 95.1 per cent in 2005. It is estimated that this favourable trend will have continued during 2006. The aim is to ensure that 96 per cent of those who complete compulsory education should move on to secondary education by 2008.

The numbers of people who have failed to comply with the requirements of compulsory education or who have left school without a leaving certificate for the compulsory education have decreased somewhat on the previous years. The Finnish rate of compliance with the requirement for compulsory education is very high by international comparison. However, there are still some who complete their compulsory education with inadequate skills for further education, and this tends to raise the dropout rate for secondary education. An action package of flexible compulsory education (JO-PO) aimed at the higher grades in compulsory education and designed to incentivise dropouts has been started in order to reduce dropout rates and prevent exclusion.

Low dropout rate from general upper secondary studies

The lowest dropout rate in all post-basic forms of education is found in the general

upper secondary education: it has stabilised at a level of about 2 per cent over the past few years. About 84 per cent of general upper secondary students complete their education in three years.

The matriculation examination was reformed by dividing up the general studies test into individual tests in the various subjects included. The reform has added to the weight of general studies in the matriculation examination. The most popular test subjects in general studies in the spring 2006 matriculation examination were history (6,144), geography (5,576), biology (4,537) and physics (4,141).

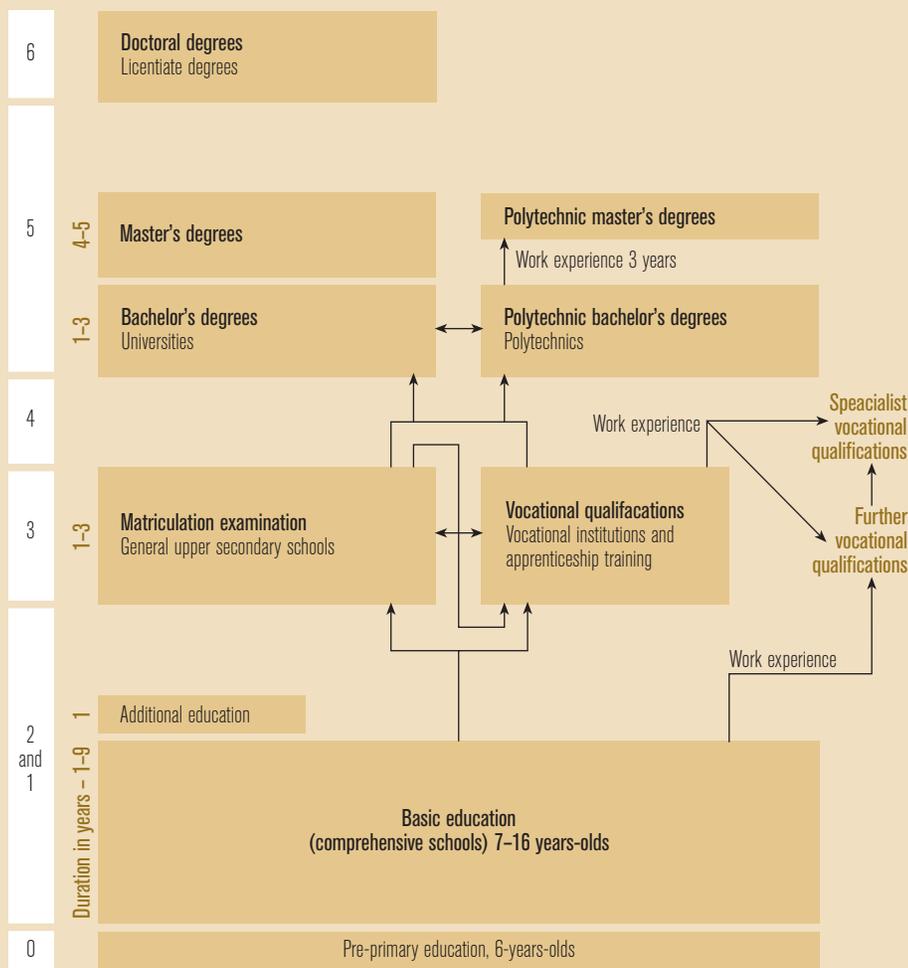
Drop in vocational education and training dropout rate

The dropout rate in vocational education and training has been steadily falling throughout the past decade. In the 2004–2005 academic year, 10.6 per cent of the students working on a vocational upper-secondary qualification dropped out. Of all the dropouts, 9.5 per cent did not continue their studies in any other sector of the education system. Dropout rates are expected to have decreased further during 2006.

About 60 per cent of the students who started their studies in 2000 and 2001 had completed their secondary qualification three and a half years later. The completion rate of education still has not improved, despite the fall in dropout rates. This is due to a number of factors,

EDUCATION AND SCIENCE POLICY

THE FINNISH EDUCATION SYSTEM



ISCED-classification

- 0 Preprimary education
- 1-2 Primary education or first stage of basic education
- 3 Lower secondary or second stage of basic education
- 4 (upper) secondary education
- 5 First cycle of tertiary education
- 6 Second cycle of tertiary education

including an increase in the number of students with special needs and other students who need special support. There are now more students working on a secondary vocational qualification and the matriculation examination simultaneously, and their periods of study are longer than average. It is to be assumed that the completion rate might have improved slightly in 2005 and 2006.

The measures designed to reduce the dropout rate in vocational education have been successful. A fall in the dropout rate and an improved completion rate will also have an impact on the result-based funding given to education providers; this type of funding was made a part of the funding system as of the beginning of 2006.

Polytechnic degrees completed in five years

There was no change in the dropout rate at polytechnics. The same applies to the completion rate, with the tendency to complete degrees within five years remaining relatively unchanged.

One in three new university students matriculated the same year

Just over one in three new students admitted to university in 2006 had taken the matriculation examination that same year. The average age of the new university students was 21.

The student selection process was streamlined and teaching was further improved so as to allow the starting age of university studies to be reduced by one year by 2008, while the average age for completing a degree should be reduced

by at least one year by 2012. It is estimated that the average age of those who complete a university degree will have fallen somewhat during 2006. All these measures are designed to reduce the duration of university studies and ensure that people have longer working careers.

Work continued to improve the degree structure and university studies generally. In the 2005–2006 academic year, the universities made the transition to a two-tier degree structure in all disciplines except medicine and dentistry. Personal study plans (HOPS) were established as a university procedure in support of student counselling and study progress. The effect has yet to be seen in the form of a lower average age for new admissions or the average age for completing a degree.

Postgraduate degrees were completed in an average of six years in 2005. In 2005, the median age of people completing a Master's degree was 27.3 years and that of people completing a doctoral degree was 36.

The higher the degree the better the employment potential

The employment prospects of graduates are better the higher their degree. Those who enter the job market with only basic education have the poorest prospects. The latest statistics indicate that the employment potential of people with vocational qualifications has improved, while the employment potential of people with tertiary education has declined very slightly. The total for people who find employment and those who continue their studies has developed in a similar direction.

Just under one in three people who matriculated in 1999 entered higher education in the same year. Seventy per cent

PUPILS, QUALIFICATIONS AND DEGREES¹

	2004	2005	2006	Change 05-06
Pre-school education				
Number of pupils	58 400	57 940	57 930	-10
Basic education				
New pupils	59 830	57 550	58 000	450
School-leaving certificates	63 830	63 760	66 000	2 240
Number of pupils	581 080	578 110	568 720	-9 390
General upper secondary school				
New students	40 590	39 550	38 100	-1 450
Number of matriculated students ²	34 650	34 340	32 830	-1 510
Number of students	118 530	116 350	114 140	-2 210
Initial vocational education³				
New students	60 350	61 850	62 500	650
Number of qualifications	36 600	37 220	38 000	780
Number of students ⁴	143 780	146 050	149 670	3 600
Further vocational education and training⁵				
New students	25 800	29 170	31 000	1 830
Number of qualifications	13 040	14 340	15 500	1 180
Number of students in school-based education ⁶	24 000	28 400	30 000	1 600
Number of students in apprenticeship training	18 940	19 770	20 170	400
Basic polytechnic education⁷				
New entrants	32 690	33 260	32 370	-890
Number of qualifications	20 670	21 140	20 770	-370
Number of students	116 830	116 700	115 760	-940
- of whom foreign students	3 730	3 930	4 600	670
Postgraduate polytechnic education⁶				
New entrants	240	630	1 380	750
Number of qualifications	180	150	-30	
Number of students	610	1 050	2 070	1 020
University education⁸				
New students	20 970	20 786	20 150	-636
Number of bachelor's degrees	2 717	2 913	3 814	901
Number of master's degrees	12 588	12 920	13 128	208
Number of students	149 167	151 030	152 164	1 134
- of whom foreign students	3 048	3 221	4 000 ⁹	780
University doctoral education¹⁰				
Number of qualifications	1 399	1 422	1 409	-13
Number of students	22 110	22 200	21 900	-300
- of whom foreign students	1 500	1 660	1 850	190

The source is Statistics Finland unless otherwise stated | 1 - Education under the auspices of the Finnish National Education Board. 2005 figures for new students in basic education, general upper secondary education and initial and further vocational education; pupils presented with school-leaving certificates in basic education; numbers for qualifications in basic and further vocational education; and foreign students are estimates. The numbers of students in pre-school, basic, general upper secondary and initial vocational education and apprenticeship training leading to further vocational qualification, as well as basic and postgraduate polytechnic education are numbers of students according to the state funding system. | 2 - Does not include IB or Reifeprüfung examinations | 3 - Includes school-based and apprenticeship training leading to a vocational qualification and also curriculum-based education and training preparing for a competence-based qualification. | 4 - Also includes students not aiming at a qualification | 5 - Includes school-based and apprenticeship training leading to a vocational qualification or special vocational qualification | 6 - Number of students based on data collection by Statistics Finland. The increase in the number of students is partly due to changes in the compilation of statistics since the beginning of 2004 | 7 - Data on entrants and graduates from the AMKOTA database | 8 - Includes both Bachelor's and Master's students and degrees, source: KOTA database | 9 - Estimates based on preliminary data | 10 - Includes all postgraduate students (also licentiates); source: KOTA databas

EDUCATION AND SCIENCE POLICY

PUBLIC EXPENDITURE (2005 estimate)	2002	2003	2004	2005
Public expenditure on education, mill. euros	8 934	9 359	9 776	10 042
Share of GNP	6,2 %	6,4 %	6,4 %	6,4 %

PLACEMENT IN FURTHER EDUCATION DIRECTLY AFTER BASIC EDUCATION	2002	2003	2004	2005
Vocational education and training (%)	37,6	37,0	38,4	39,4
General upper secondary education (%)	54,8	55,1	54,1	53,3
Voluntary additional basic education (%)	2,6	2,4	2,5	2,5
Aggregate percentage	94,2	94,5	95,0	95,1
Students, total	57 900	57 550	60 400	60 200

DROPPING OUT OF EDUCATION LEADING TO QUALIFICATION (%)¹	2003	2004	2005
General upper secondary education ¹	2,0	1,9	2,0
Initial vocational education and training ²	10,2	9,7	9,5
Polytechnic education	6,2	6,3	6,4
University education	4,5	4,3	4,7

1 - Education under the auspices of the Finnish National Board of Education. Situation of those studying in September in the September of next year. Those dropping out of education and not relocating elsewhere in the education system. | 2 - The statistic does not include training preparing for competencebased qualifications in vocational skills, apprenticeship training or education organised in special-needs education schools.

MEAN AGE OF HIGHER EDUCATION GRADUATES	2003	2004	2005
Polytechnic degree	25,0	25,1	25,1
Master's degree	27,3	27,3	27,3

EMPLOYMENT OF PEOPLE WITH QUALIFICATIONS (%)	2003	2004	2005
Basic education	15,7	15,8	-
Matriculation Examination	37,9	38,6	39,9
Upper secondary vocational qualification	67,3	67,6	69,3
Polytechnic degree	85,6	85,5	86,1
Master's degree	86,7	85,8	86,7
Doctorate	89,2	89,5	89,5

2005 estimate

had entered higher education two years after the matriculation examination, and 80 per cent had done so by 2004, five years after taking the matriculation examination.

Education policy applied to promoting entrepreneurship, information society skills and civic participation

There was an average of 2,990 students enrolled in apprenticeship training for entrepreneurs. This figure grew by about 29 per cent on the previous year. Entrepreneurship education and training have been developed so as to encourage people who complete tertiary degrees to set up as entrepreneurs. The tertiary education institutions have developed study modules in support of entrepreneurship. The entrepreneurship perspective has also been included in the development targets for university researcher training. Many universities and polytechnics have developed the way research results are used and have introduced activities such as business incubators and science parks. The percentage of entrepreneurs out of everyone who completes polytechnic and postgraduate degrees comes to about 2 per cent.

In 2005, 93 per cent of all educational institutions had an Internet connection, including all tertiary education institutions. The number of IT students at polytechnics had decreased from nearly 7,900 in 2003 to about 6,900 in 2006. In 2005, there were 8,796 IT students at the universities, the equivalent of just under 5 per cent of all students.

Civic participation has been promoted through the 'Participating student – Co-active school' project, involving 80

Education Science

Finnish municipalities and all the training schools for teacher education at the universities. Student associations have been founded even at all primary schools, and the existing student associations have been developed through their own operating processes. The project also produced nationwide teaching and information material.

Studies that improve civic skills and the capacity for participating in civic society have been defined as one of the focus areas of education provision by the liberal adult education sector. Such studies involved an estimated total of 163,000 hours in the liberal adult education sector, with some 203,000 people participating in the studies in question.

The welfare of children and young people a key target

During 2006, 94 per cent of Finnish municipalities (389 municipalities) provided morning and afternoon activities for school pupils. In total, 41,575 first- and second-grade school pupils and special needs pupils took part in these activities. In morning and afternoon activities for young schoolchildren, the number of hours entitling organisers to a state subsidy was increased from three to four a day. A study shows that the morning and afternoon activities have created improved opportunities for all children to participate in organised, safe, recreational activities, as well as reducing the amount of time children spend alone without an adult present, and facilitating the coordination of family life and work.

The Ministry of Education initiated a long-term programme designed to improve children and young people's well-being at school and to prevent exclusion.

NEW FIRST-YEAR UNIVERSITY STUDENTS BY AGE GROUP (%)	2003	2004	2005	2006
19 years old or under	27	27	27	28
20-24 years old	48	46	46	44
25 years old or over	25	27	27	28

UNIVERSITY STUDENT MOBILITY	2004	2005	2006
International undergraduates	3 048	3 221	4 000
International postgraduate students	1 579	1 663	1 900*
Undergraduates leaving Finland on exchanges lasting more than 3 months	4 077	4 497	4 469
Undergraduates coming to Finland on exchanges lasting more than 3 months	4 242	4 552	4 784

* Estimate based on preliminary information

INTERNATIONAL STUDIES AT POLYTECHNICS	2002	2003	2004	2005	2006	Target*
The number of courses taught in foreign languages, measured in credits ¹	16 920	18 711	19 815	20 460	25 557	
Training programmes in foreign languages	69	70	74	75	78	
International undergraduate students	3 131	3 479	3 726	3 934	4 595	4 500
- Student exchange from Finland lasting more than 3 months ²	3 627	3 691	3 953	3 817	3 927	3 800
- Student exchange to Finland lasting more than 3 months ³	2 242	2 635	2 893	3 068	3 316	3 000

*Target for 2004-2006 | 1 - AMKOTA, student exchange also comprises trainee exchange | 2 - Statistics Finland
3 - Statistics Finland, the figure for 2005 is a preliminary figure

DOCTORATES	1991	2001	2003	2004	2005	2006
Men	353	668	673	767	726	750
Women	171	535	584	632	696	659
Total	524	1203	1257	1399	1422	1409

Source: OPM, KOTA database.

RECIPIENTS OF STUDENT FINANCIAL AID AND THEIR % SHARE OF TOTAL STUDENT NUMBERS	2003	2004	2005	2006
General upper secondary schools	31 830 (26 %)	29 355 (24 %)	27 382 (23 %)	25 787 (22 %)
Vocational institutions	100 720 (78 %)	98 764 (75 %)	96 775 (73 %)	95 421 (70 %)
Polytechnics	98 589 (85 %)	97 894 (83 %)	97 043 (82 %)	95 399 (82 %)
Universities	96 534 (63 %)	96 604 (61 %)	96 737 (60 %)	95 674 (60 %)

EDUCATION AND SCIENCE POLICY

ADULT EDUCATION ¹

	2004	2005	2006
General upper secondary education			
New students ²	4 500	4 400	4 400
Number of students ³	12 100	12 100	12 100
School based vocational training preparing for qualification			
New students ⁴	5 950	7 180	6 500
Number of qualifications	3 960	3 650	4 000
Number of students	12 270	13 060	13 100
Apprenticeship training for competence-based qualification ⁵			
New students/entrants	6 540	7 160	8 000
Number of qualifications	2 540	3 190	3 500
Number of students	12 540	12 720	14 270
Further vocational education leading to a further and specialist vocational qualification			
New students	13 000	16 300	17 500
Number of qualifications	7 600	7 400	8 500
Number of students	24 000	28 400	30 000
Apprenticeship training leading for a further and specialist vocational qualification			
New students	12 580	12 870	13 500
Number of qualifications	5 440	6 920	7 000
Number of students	18 940	19 770	20 170
Basic polytechnic degree			
New entrants	6 300	6 900	6 200
Number of qualifications	4 300	4 500	4 100
Number of students	17 700	17 400	18 300
Postgraduate polytechnic degree			
New entrants	240	630	1 380
Number of qualifications	60	180	150
Number of students	610	1 050	2 070

1 - The source is Statistics Finland unless otherwise stated | 2 - Figures for 2005 are estimates | 3 - Entrants over 18 years age | 4 - Figures for 2005 are estimates | 5 - Includes data on curriculum-based education

Development of the KiVa Koulu programme against bullying started in collaboration between the Department of Psychology and the Centre for Learning Research at the University of Turku. The programme strives to influence entire school classes, emphasising that each pupil is responsible for everyone else's well-being.

The Ministry of Education and the National Board of Education conducted a survey of the Finnish teaching provided for immigrant school pupils and the special needs of young immigrants arriving in Finland at the end of the compulsory education. More resources were allocated to the provision of teaching for immigrant pupils.

More resources were allocated to the provision of teaching for immigrant pupils. The municipalities have been granted increased state subsidies for basic education pupils with first languages other than Finnish or Swedish. Just under 40 per cent of these pupils who completed basic education continued to upper secondary education.

Preparation started on a long-term development strategy for special needs education. Close to 100 schools took part in the regional service project for special needs education.

According to the state provincial offices, the school network for basic education is still very comprehensive despite the fact that some schools have been closed down. The regional accessibility of education is good on average throughout Finland, both in the provinces and in the regions. There are considerable differences between individual municipalities in all provinces and the differences have grown slightly. The average size of schools is growing throughout the coun-

Education Science

try. The Swedish-language school network is sparser than the Finnish-language one and Swedish-speaking pupils have a longer way to go to school than average. The number of Swedish-speaking children subject to compulsory education is decreasing more slowly than the average.

Mobility in vocational education and training is on the increase in the European Union

The Ministers in charge of vocational education and training in Europe approved the Helsinki Declaration in December. The Declaration sets the aim that common instruments for promoting mobility in vocational education and recognition of skills learned previously should be completed by 2010.

The recognition of skills learned previously has been set down in legislation for all education and training sectors. Development of the European Credit system for Vocational Education and Training (ECVET) reached the testing stage. These were all among the measures that significantly promoted the targets set by the Ministers in charge of vocational education and training at follow-up meetings.

Competence tests for vocational skills were introduced in initial vocational education. On-the-job learning and assessment of such learning were promoted

through a specific support programme. A European quality management recommendation for vocational education that focuses on a common framework for European quality management in the field of vocational education was prepared in cooperation between the National Board of Education, education providers and representatives of working life.

Work was done in order to boost the development of vocational education overall and to put together a network of training providers, all in keeping with the vocational institute strategy. At the end of 2006, there were 169 providers of initial vocational education, including the government. Three mergers were carried out during 2006, and as a consequence of these, the number of basic vocational education providers was reduced by six.

The unit prices of vocational education were determined according to the new funding criteria. Performance was taken into account as a criterion for granting funding.

A test of preparatory education leading to initial vocational education was started; 56 training providers were selected for the testing.

Work on developing an electronic application system continued. The aim is that the electronic application system should be completed during autumn 2007 to the extent that it covers the education

and training within the joint application system for vocational or general upper secondary education, and that it should be fully adopted for the joint application system in spring 2008.

Polytechnics face change

Six polytechnics have been preparing to merge into three private polytechnics, one of which started operations at the beginning of 2007 while the others will begin on 1 August 2008. Several institutions are preparing for a transition from being maintained by municipalities to becoming private. Eleven units decided to stop providing degrees for young people.

In keeping with the targets set, several polytechnics reduced the number of training programmes offered, amalgamated programmes into bigger and more effective units and agreed on a division of labour with other polytechnics. Three projects involving cooperation between universities and polytechnics were completed. The aim of the projects was to clarify the division of labour between universities and polytechnics, eliminate overlap, define profiles and focus areas for each of the institutions involved and develop infrastructures for joint operations.

The regional effectiveness of the polytechnics was promoted through research and development that serves

R&D SPENDING BY SECTOR, IN TERMS OF REAL CHANGE AND AS A PERCENTAGE OF GNP

Year	Business enterprises		Public sector ¹		University sector		Total EUR million	Real change on previous year %	R&D spending % of GNP ²
	EUR million	%	EUR million	%	EUR million	%			
2002	3 375,1	69,9	529,7	11,0	925,6	19,2	4 830,3	3,3	3,35
2003	3 527,9	70,5	515,4	10,3	961,7	19,2	5 005,0	4,0	3,43
2004	3 683,5	70,1	530,1	10,1	1 039,8	19,8	5 253,4	4,4	3,46
2005	3 876,9	70,8	554,7	10,1	1 042,1	19,0	5 473,8	3,5	3,48
2006	4 057,7	70,7	565,5	9,9	1 113,1	19,4	5 736,3		3,41

1 - The GNP for 2004 and 2005 is based on preliminary data from Statistics Finland; the GNP for 2006 is a forecast from the Ministry of Finance | 2 - Estimate based on survey results and other calculations.

teaching and its development and the regional business sector and working life generally. The extent of operations, measured in terms of spending, grew by 32.8 per cent on the 2004 figures. The polytechnics now account for 8.5 per cent of the total R&D spending in the entire tertiary education sector. The extent of operations measured in terms of person-years in proportion to the number of teachers, exceeded the aim for the contract term (20%). The percentage of final projects that are done as commissioned projects continued to grow. These are commissioned by various business-sector organisations or are supervised by representatives of such organisations. The internationalisation of R&D also grew considerably, but there is still significant variation between polytechnics.

Structural development of universities gains momentum

The appropriation for operating expenses for the university system grew by EUR 20 million in real terms. There were slightly fewer new students at the universities than in the previous year, but the total number of students grew slightly. There was also some growth in the number of completed degrees. Doctoral dissertations came close to the target for 2004–2006, which had been set at 1,450 doctorates. In fact, there were 1,409 doctorates.

The universities' procedure for student selection was streamlined and teaching was further improved. All these measures are designed to reduce the duration of university studies and ensure that people have longer working careers. The performance targets for 2004–2006 had included the target that 50 per cent of

new students should have passed the matriculation examination in the year of entry to university. This target has been reached in technology and science (69.8%) and the natural sciences (49.5%). Generally speaking, the percentage of new students who had matriculated in the year of entry to university rose from 36.5 per cent to 37.9 per cent.

Personal study plans (HOPS) were established as a university procedure in support of student counselling and study progress. A study was conducted of the existing practices for recognising previous studies and previously learned skills, and recommendations were prepared for shared principles and credit transfer procedures for the tertiary education sector.

The universities will draw up action programmes for structural development. Project funding was channelled into long-term nationwide development projects and support for structural development of tertiary education institutions. The focus of structural development projects was on consortiums supporting top research, electronic service provision and support for cooperation between universities. Three projects were started in order to expand mutual cooperation (the Helsinki Metropolitan Area, Turku, Eastern Finland) and find new cooperation structures. Monitoring of the personnel effects of structural development was introduced.

Development of the quality management systems of the universities continued in cooperation with the Finnish Higher Education Evaluation Council. The focus of the funding model was shifted so as to reinforce the prerequisites for research, researcher training and internationalisation. The KOTA performance-based management system portal, which promotes the management process and electronic

services, was adopted.

The fundamental prerequisites of research and teaching were reinforced. Reform of the financial and administrative position of universities was studied. The Universities Act was amended as a consequence of the study so as to permit the opportunity for fund-based management for all universities.

The number of degrees taken in adult education grew

The budget allocated a total of EUR 606.6 million to adult education in the Ministry of Education's administrative sector, of which 70 per cent was channelled into maintaining and improving the skills level, 25 per cent into training in support of equality and civic society and 5 per cent into supplementary education for teaching staff and other development work.

The number of completed degrees in adult education grew, especially in initial and further vocational education. The largest part of the training performed in the liberal adult education sector, however, is concerned with maintaining and complementing skills, and does not lead to a degree.

The general trend in participant numbers in liberal adult education has been favourable. The positive trend has been boosted by improved resources and efforts to broaden the participant base, in addition to the increase in demand caused by the changes in working life and the age structure of the population.

The provision of education for the adult, working-age population was increased and information provision was made more effective.

Education Science

The Noste Programme promoted access to adult education among the portion of the adult population who have only basic education. The provision of adult education by polytechnics has become more diverse, thanks to postgraduate polytechnic degrees being made permanent and the start of open polytechnic operations.

The biggest growth in participant numbers was recorded in additional vocational education organised as apprenticeship training leading to further and specialist vocational qualifications. The biggest growth in conventional institutional education was in additional vocational education leading to further and specialist vocational qualifications and in initial vocational education preparing for a competence-based qualification. The number of new students and completed degrees in adult education leading to polytechnic degrees fell by about 10 per cent. On the other hand, the number of new students entering education leading to postgraduate polytechnic degrees more than doubled.

Emphasis on research and training of research staff

An increase in public R&D funding was allocated in the Ministry of Education's administrative sector through competitive research funding distributed by the Academy of Finland and basic funding for the universities. The Academy of Finland's mandate to grant research funding was set at EUR 205.6 million in the budget, a full EUR 30 million more than the previous year. The increase was allocated to internationalisation, general applications for research funding and support for Ministry of Education graduate schools.

The proportion of research personnel in the total labour force is the highest of all OECD countries at about 2 per cent. The aim of developing the graduate schools is to attain a volume that answers demand and to further improve quality. The Ministry of Education has launched an action programme for the development of researcher education and careers for the period 2007–2011. As of the beginning of 2007, there are 119 graduate schools funded by the Ministry of Education (124 in 2006), and they have a total of 1,453 graduate school places funded by the Ministry (1,458 in 2006) and 51 coordinators.

The interaction between science and society was promoted. In 2006, EUR 14.4 million (EUR 9.8 million in 2005) was distributed in the form of discretionary government grants for promoting the interaction between science and society. A third science forum was arranged and the State Awards for Public Information were distributed.

Support services and information services for research provided auxiliary services for research and for developing the information society. Action in this area included the start of the process of acquiring a new supercomputer and services to renew the Funet network. A decision was made to participate in the founding and funding of a Nordic grid organisation. The position of the National Library was reinforced. A joint working group for the Ministry of Education and the Ministry of Agriculture and Forestry submitted proposals for rationalising the network of research and testing stations and for improving the effectiveness of cooperation as part of the structural development of the research system.

Student financial aid granted to 324,000 students

In 2006, a total of 324,146 students received student financial aid; this is 1.8 per cent less than the previous year. The number of students who had received the government loan guarantee was 132,300, the equivalent of 41 per cent of all aid recipients. There are differences between different educational institutions in the utilisation rate of student financial aid.

The number of students who had received the government loan guarantee was the equivalent of 41 per cent of all aid recipients. The average loan amount for polytechnic graduates is EUR 5,700 and for graduates with a higher university degree EUR 6,400. A total of 318,350 people had student loans. The total sum of loans guaranteed by the government amounted to EUR 1,310.3 million by the end of 2006, of which EUR 69.4 million were 'old student loans'.

The limits on parents' income that apply to the student financial aid will be raised by 15 per cent as of 1 November 2006; this will improve the utilisation rate of student financial aid in vocational education and general upper secondary education.

There was no significant change in the number of general upper secondary and vocational education students receiving a school transport subsidy when compared to the previous year. A total of 65,240 people received a school transport subsidy, the total expenditure on which was EUR 30.7 million, which is 10 per cent more than the previous year.

Culture, sports



A total of about EUR 540 million were allocated to the culture, sports and youth policies in the 2006 budget. A key aim is to highlight the importance of art and creative work as an influential force in society and as an economic resource. A small real increase took place in the government's investments in promoting art and culture. The biggest growth in proportion focused, in accordance with the aims set, on improving the operating conditions of Finnish art and cultural institutions and on discretionary spending. A key area of the year's activities was also health-enhancing physical activity and children's sports. Implementation of the new Youth Act began.



Art and youth

Economic impact of culture studied

The culture sector in Finland has accounted for about the same percentage of GDP, about 4 per cent, in recent years. If the impact of the entire copyright industry on the country's economy is included, the percentage of GDP is much higher (6% in 2000). There are approximately 90,000 jobs in the culture sector. Economic growth in the sector consists particularly of various multiplier effects of creativity and culture. A proposal was completed concerning the development of a statistical assessment system for the economic impact of culture.

Cultural exportation in 2004 came to EUR 591.4 million, or 1.2 per cent of Finland's total exports. Imports of culture were much higher at EUR 887.9 million, or 2.2 per cent of the total imports. Certain economic functions based on creative work and covered by patents and copyrights have much greater importance for the economy and exports than the cultural sector. In 2004, these functions accounted for about a fifth of Finland's exports of goods and services and just under one-fifth of the imports.

A creativity strategy proposal, 'Eleven steps to a creative Finland', is completed

The aim of the creativity strategy encompassed within the Government Programme was to promote awareness of the importance of creativity in all social sectors and to recognise the ways in which creativity can be promoted. The strategy contains about 150 guidelines

or practical proposals for promoting creativity in different operations and administrative sectors, and these have been summarised in the form of 11 measures.

Increase in level of state subsidies to art institutions expected

Under an amendment to the legislation on the financing of education and culture that entered into force at the beginning of 2006, the cost base used as a criterion for state subsidies to theatres, museums and orchestras will be adjusted once every four years from now on, starting in 2008. If the present percentage of state subsidies remains unchanged, this amendment will bring the cultural institutions an increase of about EUR 30 million by 2010. The amendment also reinstated the annual index rise made to theatre unit prices.

The number of person-years in the theatres increased by ten. 2006 was a record year for theatre audiences, helped along by cultural policy measures taken and a successful programme policy. In 2006, there was a total of 2,698,164 visits to the theatre, or 10.6 per cent more than in the previous year.

The audiences of symphony orchestras fell by 17 per cent, the main reason being that the number of concerts fell by 115. The fall in numbers is also influenced by the fact that 2005 was an exceptionally good year with several special major concerts. The number of person-years in the orchestras receiving state subsidies increased by six.

A new Museums Act entered into force at the beginning of 2006. The number of person-years at museums increased by 30 and two new museums

CULTURE, SPORTS AND YOUTH POLICIES

were included in the sphere of state subsidies: the Tank Museum and the Visavuori Museum.

Digital photography of museum objects and artworks is making progress

Between 15 and 76 per cent of museum objects and artworks have been digitally photographed, depending on museum type. The digitalisation of picture collections varies between 13 and 44 per cent. Subsidies granted for this purpose by the Ministry of Education have raised the level of digitalisation by about 15 per cent.

Turku proposed as the Finnish applicant for European Capital of Culture 2011

In 2011, a city from Finland and one from Estonia will be the European Capital of Culture. The Ministry of Education arranged a national competition for the Finnish applicant, and seven cities participated. A panel of experts appointed by the Minister of Culture assessed the cities' applications during the spring and submitted a report on its findings. Minister of Culture Tanja Saarela chose Turku as the Finnish applicant shortly before Midsummer. Finland submitted Turku as an appli-

cant to the relevant EU organs at the end of the year.

Implementation of the accessibility programme of arts and culture begins

The accessibility programme of arts and culture (2006–2010) aims to strengthen the cultural rights of language and cultural minorities and people with disabilities; the programme was announced and implementation began immediately. The Ministry of Education has allocated additional resources to cultural activities for organisations for people with disabilities and projects that make culture more accessible, and also for the operations of an advisory service called 'Culture for everyone'. Development of sign-language theatre started and Theatre Totti was granted EUR 160,000 for work to develop the theatre into a professional company.

The children's cultural centre network Taikalamppu ('Magic Lamp') has succeeded

The policy programme on children's culture was implemented through measures such as raising the appropriation of the children's cultural centre network Taika-

lamppu ('Magic Lamp') by 14 per cent. Evaluation of the first operating season of the network was favourable. The children's cultural centre network has a good starting point: mutually supplementary aims, equality and accessibility as criteria, and works to create operations of a high standard in a sector that suffers from a shortage of players.

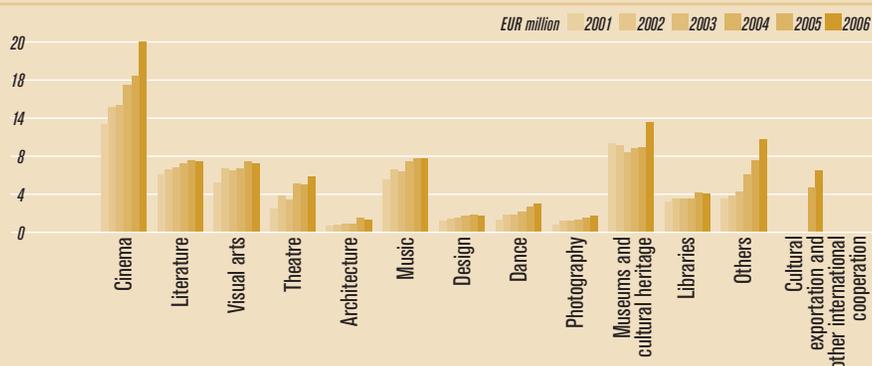
Increased subsidy for dance

The subsidy for the regional centres of dance was increased by one-third. The aim was to create a total of 880 employment opportunities of different durations, and the end result was about 1,000. The number of productions and person-years were both slightly short of the targets set, but the number of performances and other events exceeded the target. The quantitative target for audiences and participants in activities was clearly exceeded. The measures taken improved the employment rate in dance and theatre elsewhere in Finland, too, in addition to in the Helsinki Metropolitan Area.

Long-term support provided for Finnish film

During 2003–2006, a total of over EUR 4 million in additional funding has been allocated in support of Finnish film production. The number of premieres of feature-length Finnish films grew. Audience numbers for Finnish films increased on the previous year and is on an excellent level by international comparison. It is essential to further increase film subsidies to a level near the average Nordic level in order to secure the continuity, variety and potential for artistic risk taking in Finnish film production, and also in order to de-

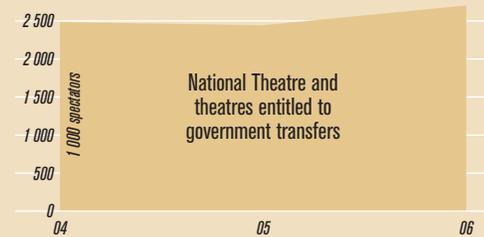
DISCRETIONARY GOVERNMENTS SUBSIDIES TO ART AND CULTURE



GOVERNMENT FUNDING FOR ART AND CULTURE



THEATRE PUBLIC



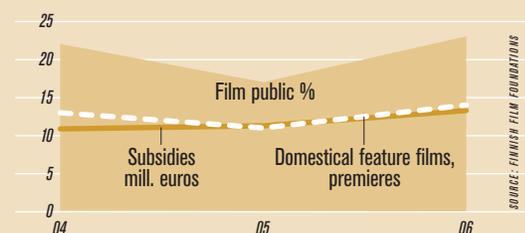
MUSIC AUDIENCE: SYMPHONY ORCHESTRAS AND NATIONAL OPERA



VISITORS TO MUSEUMS



DOMESTICAL FILMS



velop the production structure.

2006 saw premieres of four children's films, compared with an average of one such film a year at the beginning of the 2000s. The special support measures for children's films, which started in 2001, have boosted the number of premiering children's films.

The increased subsidies for the Finnish film industry have also begun to create a foundation for an economically more feasible and job-creating mode of operations, something that will improve the credibility of films as an investment object.

Key aims: media education, varied audiovisual content production and the cultural heritage

The Ministry of Education started the Mediamuffinsi project in order to create a safe media environment for children; the aim of the project is to influence children's use of the media and to improve their media skills. The project has reached a high percentage of Finnish children under the age of 8 and the adults who work with them. Evaluation shows that the children developed social skills and emotional awareness and a healthy critical attitude towards media content.

Preparation of the expansion of the audiovisual cultural heritage was intensified. It was established as an aim that the radio and television archive should be operational by autumn 2008. The preparations further include reform of the Act on Free Copies and a framework adjustment of the subsidy to the Finnish Film Archive.

Information society subsidies for culture have been mainly used for promoting the digitalisation of the databases of various branches of the arts and for develop-

ing the online services of the key players in the sector. The 'Digital Demos' project, which started in 2006, reinforced the potential for content-related product development of production companies in the audiovisual sector and other cultural sectors.

The aim of the Cultural Heritage in the Knowledge Society strategy is that by 2010 the foremost cultural heritage will have been digitised and stored in information networks accessible to all as provided in prioritisation plans. However, the project has not advanced as quickly as expected but, for example, the development of joint information retrieval systems (Finnish Museums Online, Muus@net) and cross-departmental cooperation (eKam cooperation) have both gone ahead as planned.

Public library lending and library visits declined

A falling trend has been recorded in the lending by public libraries and in library visits. The biggest decline was recorded in lending of non-fiction, as people now tend to look for information online. Some library activity has also made the transition to online services. However, people still need to actually visit libraries in order to collect material and use the databases. Online visits are on the rise as library services become available online, and the libraries also produce materials that are available online.

Lending and material provision by the Library for the Visually Impaired are rising rapidly thanks to the introduction of digital audio books. Since digital audio books can be copied on order, lending has speeded up and reservations queues have been eliminated.

CULTURE, SPORTS AND YOUTH POLICIES

LIBRARY LENDING AND VISITS



The formation of joint administrative organisations of municipal libraries has not reduced the number of libraries and branch libraries. The Ministry of Education drew up a development programme for rural libraries as service centres providing a variety of services, proposing alternative solutions for the changing role of libraries in the reform process that municipal and service structures are currently undergoing.

Additional focus on cultural exportation

The Ministry worked together with the Ministry for Foreign Affairs, the Ministry of Trade and Industry, the Ministry of Finance, the Ministry of the Interior, the Ministry of Labour and organisations promoting technology, foreign trade and tourism to draft a proposal for a development programme for Finnish culture exports for 2007–2011 in accordance with a Government strategy document. The proposal was published on 1 March 2007.

The end of 2006 saw the start of a support network for culture exports, comprising all Finland's diplomatic missions, TEKES, MEK and FINPRO offices and Finnish culture institutes abroad, as well as the government administrative organs for art, art information centres and certain other operators in Finland, a total of 220 individual organisations and units. Surveys of training in the cultural exports field and of the information provision abroad about

cultural travel in Finland were started. A total of EUR 1.6 million was granted as support for cultural exportation.

Copyright legislation and system overhauled

Work continued on amending the copyright legislation and improving the functioning of the copyright system. These two areas are the mainstays of Finland's copyright policy. In compliance with the Information Society Programme, attention was paid to the demands of the information society. Work has also started on improving the copyright awareness and expertise that are part of developing the whole system.

The amendments to the Copyright Act and the Penal Code required by the EU Information Society Directive entered into force on 1 January 2006, while the amendments required by the Artists' Resale Right Directive on graphic and plastic arts entered into force on 1 June 2006. There were also further amendments to the Copyright Act called for by the Directive on the Enforcement of Intellectual Property Rights, and these entered into force on 1 September 2006.

The organisations that administered the resale rights on visual arts and compensation charges for private copying made their approval decisions in accordance with the provisions of the Copyright Act.

The amendments to the Copyright Act required by the reform of the legislation on free copies that is currently under preparation have already been made, and they will be implemented through a decree. The national guidelines that had been established were further confirmed

KEY FIGURES FOR FINNISH CULTURAL EXCHANGE AND EXPORTATION

	2001	2002	2003	2004	2005
Film - Non-commercial film showings abroad ¹					600
Literature - Finnish books translated ²	143	177	190	186 ³	163 ⁴
Visual art - Exhibitions, visits by experts, etc. ⁵	62	68	70	68	76
Performing arts ⁶					
Tours abroad by theatres receiving public funding	82	134	116	111	95
- Tickets sold for shows	40 840	24 411	45 596	29 036	76 500
- Performances of Finnish plays ⁷	11	12	16	6	18
Circus					
- Visits by professional companies					68
- Audience numbers abroad ⁸					10 109
Music - Estimated export value of popular music (EUR 1,000) ⁹	15 471	17 858	20 040	21 693	
Dance					
- Performances ¹⁰	129	136	199	157	171
- Audience numbers	68 611	34 150	91 390	48 284	90 288

1 - Source: Finnish Film Foundation | 2 - Source: FILI - Finnish Literature Information Centre | 3 - Of which 8.6% non-fiction | 4 - Figure for January 2006, the number may still grow as more data come in | 5 - Source: FRAME Finnish Fund for Art Exchange | 6 - Source: Finnish Theatre Information Centre | 7 - Numbers calculated from data supplied by the Finnish Theatre Information Centre | 8 - Source: Cirko - Centre for New Circus. The compilation of statistics in the circus sector has only recently begun; the figure comprises the visits by professional companies from abroad that have come to the notice of Cirko | 9 - Source: Music Export Finland. The figure excludes performance fees received by artists, which means that the actual figure is slightly higher. There are no data available for classical music, which means that it is impossible to provide figures for, e.g., performances abroad by conductors or musicians | 10 - Source: Danceinfo - Finnish Dance Information Centre.

by a recommendation issued by the Commission during the Finnish Presidency concerning the digitisation and online accessibility of the material in European libraries, museums and archives through a European Digital Library.

A focus on health-enhancing physical activity

Surveys show that the percentage of adults who regularly take exercise at least three times a week has risen by an average of five percentage points during the past decade. There is an average of five per cent more women than men who exercise regularly. Using the international criterion, exercise four times a week, 41 per cent of women do so compared with 32 per cent of men.

Ninety-one per cent of the 3- to 18-year-old age group say that they are involved in sports and exercise. There has been an increase of 15 per cent over the past decade. About 417,000 youngsters participate in organised sports and exercise activities. In the province of Uusimaa, 50 per cent of children are involved in activities organised by sports clubs, while the figure for Northern Finland is only 29 per cent. Although the participation of children and young people in sports clubs

has doubled over the past 30 years, their physical fitness level has dropped. Studies show that the reason for this is a noticeable fall in everyday physical activity.

The Fitness for Life Programme has worked to involve the sports clubs more actively in health-promoting exercise and to help combat obesity through exercise. One of the focus areas of the advisory committee for the 'Health-Enhancing Physical Activity' Project was a fitness programme for elderly people living at home. The WHO awarded the Counteracting Obesity Award 2006 to the Finnish Fitness for Life Programme for encouraging physical activity among the adult population.

In 2006, a total of 87 clubs were started for children in the 3–9th grade in schools, a group with particularly low physical activity. A total of 11,000 schoolchildren participated in these development programmes for children and young people's fitness. Local subsidies for developing club activities for children and young people were granted to 986 projects, a total of EUR 1,400,000. The biggest subsidies were granted for projects where the clubs also invest in instructor training.

Support for local sports and exercise facilities has been crucial in the subsidy

policy and the information and guidance provided. An assessment of basic services by the state provincial offices focused on the user fees for children and young people at municipal sports and exercise facilities. A good fifth of the municipalities provides free exercise for children and young people while 75 per cent apply partially subsidised fees. The situation is still good, but there is growing pressure to raise fees.

According to a nationwide study of exercise habits, in 2005–2006 some 282,000 people acted as volunteer instructors and coaches in sports organisations and clubs while about 150,000 were involved in administrative duties in these organisations. The aim of the project for improved instructor and coach training is to create a rational system for instructor and coach training for as many sports as possible by 2010. In 2006, this project comprised about 50 nationwide exercise organisations and eight sport institutes.

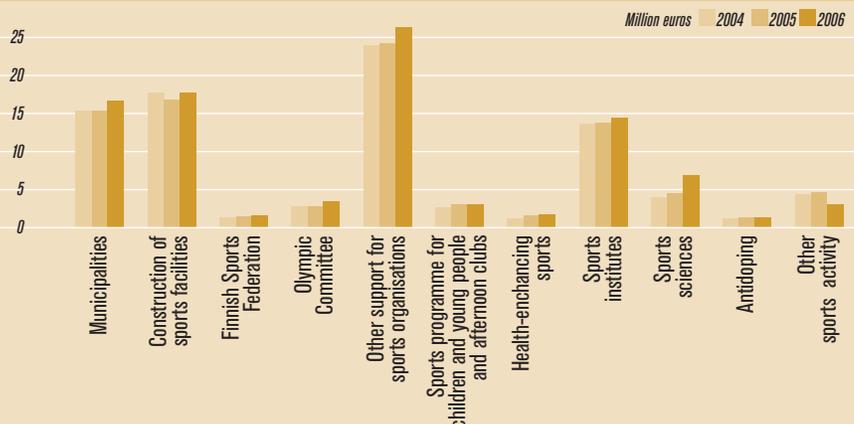
The development project for sports club activities that started in 2003 included the national unions for 20 different sports and other nationwide organisations, 20 regional organisations, four sport institutes and 2,000 local sports clubs.

More extensive implementation of the

ADULTS WHO TAKE EXERCISE ENOUGH FOR THEIR HEALTH, %



SPORT FUNDING



CULTURE, SPORTS AND YOUTH POLICIES

proposals of the working group on top-level sports was started by increasing the funding for such sports. This enabled the Finnish Olympic Committee, together with the national sports unions, to hire 15 youth coaches to improve the coaching for young athletes. The aim is to hire a total of 60 coaches by the end of this decade. During the year, the grants to athletes and coaches were raised and a project for team ball sports with an emphasis on top-level competitions was set up.

Finland has the most up-to-date youth legislation in Europe

During the Government's term of office, youth unemployment fell by 27 per cent while the overall unemployment fell by 20 per cent (source: the final report of the Employment Policy Programme). Young people were almost as active in voting in the presidential elections as the rest of the population. Funding allocated to basic youth work in the municipalities, to NGOs and to preventive alcohol and drugs work

has made it possible to influence young people toward active citizenship and a healthy lifestyle. Smoking has become less common among young people, the number of young people who do not drink has increased, and the number of young people who try drugs or use drugs has decreased.

During the year, the Ministry took part in an extensive nationwide church youth work project with the aim of encouraging young people to vote in the church elections. The cooperation with the church youth work project was a success even though it did not result in higher voting figures in the church elections.

One of the key aspects of youth work and youth policy was the implementation of the Youth Act, which entered into force on 1 March 2006. Preparation of the Youth Policy Development Programme required by the Youth Act began with a child and youth policy forum convened by the Finnish Prime Minister. In December, a working group was appointed to prepare the programme, comprising representatives of all the Ministries and key

expert groups. The Youth Act establishes a statutory duty for the municipalities to give young people the opportunity to take part in the processing of matters concerning local and regional youth work and youth policy and the opportunity to be heard in matters concerning them; this new duty has been well received.

The Act on the Distribution of Lottery Proceeds has increased the proportion of lottery proceeds going to youth work. The increased funding has allowed youth work to attain the previous funding level of national youth organisations and to support young people's own activities and educational youth work.

In addition to state subsidies to the municipalities for youth work (EUR 7.1 million), the municipalities were granted specific state subsidies to a total of about EUR 12 million. The municipal information and advisory services for young people have been expanded considerably. A new initiative in 2006 was the allocation of a total of EUR 1.7 million to the building, renovation or outfitting of 36 youth centres. The operations of the national youth centres have continued to expand and gain more variety.

About 80 per cent of the 200 youth workshops have been made permanent. During the year, the workshops provided employment for about 7,500 young people. Seventy per cent of the young people from the workshops found a place to study or a job, compared with a target of 50 per cent; the target was clearly exceeded.

Finland's position in European youth work and youth policy was strengthened thanks to its successful EU Presidency. Finland also held the Presidency of the Barents Euro-Arctic Council's Working Group on Youth Policy.

FUNDING AND STATISTICS CONCERNING YOUTH WORK

Functions	Participants/number			Appropriations (mill. euro)		
	2004	2005	2006	2004	2005	2006
Municipal youth work				6,00	6,10	7,07
Youth organisations and associations doing youth work	830 000	850 000	850 000	10,40	11,20	11,73
Youth workshops	8 000	7 100	7 000	1,40	2,00	4,10
- youth unemployment, persons	34 800	30 500	26 500			
National youth centres (number of days in youth use)	176 000	217 000	230 000	3,80	4,30	4,30
Afternoon clubs for school-children	1 500	1 550	1 600	1,00	1,10	1,10
Youth research, projects	15	15	15	0,80	0,85	0,875
Information and advisory services	40	72	157	0,50	0,70	0,725
Drug prevention, projects	50	72	82	0,84	0,84	1,00
Regional development, projects	55	53	60	0,70	0,90	1,00
Avartti programme, number of young people	700	750	800	0,20	0,30	0,40
Youth culture						
- Culture groups (CIMO), number of young people	1 411	1 364	1 574	0,10	0,13	0,13
- Youth culture events	7 400	21 000 ¹	1 800	0,40	0,35	0,15

1 - National Festival for Schools in Oulu | Youth unemployment /source: Ministry of Labour statistics

Church affairs

The Church Affairs unit of the Ministry of Education handles matters concerning the Evangelical Lutheran Church and the Orthodox Church and other religious communities, matters concerning freedom of religion and general matters concerning funeral arrangements. The main means to doing so is the preparation of legislation. The Episcopal Meeting of the Finnish Orthodox Church acts as an official body in the sector.

The overall reform of the legislation on the Finnish Orthodox Church was completed and the new Act on the Orthodox Church entered into force on 1 January 2007. The reform reinforces the autonomy of the Finnish Orthodox Church. More detailed regulation of the operations and administration of the church has been made the province of the Church Assembly, while the central and diocesan administration of the church has been made the responsibility of the church itself.

A joint working group of the Ministry of Education and the Evangelical-Lutheran Church was appointed in order to prepare

legislation on the church in question. The aim is to create a more efficient process for preparing a bill for a new Church Act, and also to improve the quality of preparation.

Preparation of a state subsidy system for registered religious communities continued on the basis of proposals from a working group. The proposals for the subsidy system were prepared in compliance with the state spending framework and the state budget. The state subsidy system could not be introduced in 2007 since the necessary appropriation could not be included in the budget.

INTERNATIONAL COOPERATION IN EDUCATION AND CULTURE

International

The focus areas of the international activities of the Ministry of Education were to promote cooperation programmes between education and culture and to bring more clarity to the funding for international cultural activities.



Cooperation

Finland ratified two important international UNESCO conventions in 2006. The UNESCO Cultural Diversity Convention is the first multilateral convention and it will reinforce international cooperation in culture and in cultural policy. The convention comprises extremely important principles, such as equality among cultures. The other important convention that Finland ratified was the International Convention against Doping in Sport. The convention in question is a big step forward in improving the efficiency of the worldwide efforts to combat doping.

During the Finnish EU Presidency, the Ministry of Education together with the Ministry for Foreign Affairs participated in defining Finland's aims in prominent multilateral organisations in its administrative sector.

The Asia Action Plan of the Ministry of Education was completed. The action plan focused on Finland, Asia and international cooperation. It contains concrete actions and proposals for developing cooperation with Asia within the Ministry of Education's administrative sector. An extensive study was initiated on the basis of the programme, exploring the need for improving the presence of the Ministry of Education's administrative sector and development of operations in Asia.

The Ministry of Education's Russia programme was implemented in art, culture and education. Expert meetings in both culture and education were arranged during the Finnish Presidency, with the aim of facilitating cooperation between the European Union and Russia and the implementation of the 'fourth cooperation area'. Contacts with Russia in the fields of art and culture were promoted through cultural forums and by initiating the 'Kajaani process', which in turn led to the initiation of the preparation of an action

plan for EU-Russia cooperation in the culture sector. In the education sector, the aim was particularly to promote student exchange and cross-border cooperation.

In order to clarify the funding of international cultural operations, appropriations were set aside for activities involving expatriate Finns, friendship societies and other international cooperation in the culture sector, and for the implementation of the Kindred Peoples Programme. In the future, the Ministry will focus on developing the focus areas and strategy of the Kindred Peoples Programme together with the Programme's committee. The administrative implementation of the Kindred Peoples Programme will grow less cumbersome for the Ministry as the practical implementation is transferred to organisations in the sector. The management and implementation of the Kindred Peoples Programme were reformed. A one-man committee submitted a report on the future tasks of the Finnish Institute for Russian and East European Studies. On the basis of the report, the Institute will specialise in supporting cooperation between the European Union and Russia, and in integrating the Russian-speaking population in Finland with Finnish society by reinforcing their own culture.

During the year, an Action Plan for Global Education in Finland was drawn up for a three-year period, 2007–2010. The action plan should be seen against the background of the recent review of global education in Finland undertaken by the Council of Europe's North-South Centre. Global education includes an awareness of one's own cultural background and heritage and those of others. The Ministry of Education supported the Finnish Presidency of the Baltic Sea Heritage Co-operation handled by Finland's

National Board of Antiquities. The aim of the working group is to promote the education of children and young people on their cultural heritage, and the use of the cultural heritage as a tool for regional and social integration and sustainable culture tourism.

In the field of education, the programme on democracy and civic education and the teacher training programme continued. Support was also provided for the education of Romani children. Cooperation in the youth sector involved participation in the European "All Different – All Equal" campaign. The Ministry also participated in a conference of Sports Ministers arranged in Moscow in October 2006 and influenced Finland's statements on sports in the Council of Europe in accordance with the Ministry's Council of Europe strategy.

The Ministry took part in the work of all committees within the Nordic Council of Ministers and prepared for Finland's Presidency of the Nordic Council of Ministers in 2007. In 2005–2007, Finland also holds the Presidency of the Barents Euro-Arctic Council. In 2006, the Ministry of Education was involved in particularly active cooperation with the Barents Region in the youth sector.

Significant reductions have been proposed to programmes in the preparation for bilateral cultural exchange programmes (involving Belgium, Israel, India, Moldova, Slovakia, Turkey and Egypt). The aim has been to adjust the programmes so that they are comparable and to move from fixed-term programmes to programmes that are in force until further notice. A cultural exchange programme in force until further notice was signed with the Czech Republic, in accordance with the principles outlined above.

FINLAND'S EU PRESIDENCY, 1 JULY - 31 DECEMBER 2006



Presidency

During the Finnish Presidency, agreement was reached on multi-annual community programmes in education, culture and youth policy. Mobility in vocational education and training was promoted at an informal ministerial meeting in Helsinki. The Ministry of Education arranged two ministerial meetings and 23 official meetings, as planned.

It was ensured that the operational goals of the administrative sector were attained in the preparation and implementation of the Finnish EU Presidency. The main achievements in the sector were the decision on multi-annual community programmes in education, culture and youth policy and the decision on the Seventh EU Framework Programme on Research. The conclusions on efficiency and equity in education and training were adopted. The Commission communication on the modernisation of European higher education and the proposal for the establishment of a European Technology Institute were also discussed.

An informal meeting of Ministers of Education adopted the Helsinki Declaration, agreeing on the continuation of the

Copenhagen Process, which promotes European cooperation within the sphere of vocational education.

The conclusions concerning the digitalisation and online access to cultural heritage material and the digital storage of such material were adopted. They will contribute to the creation of a European Digital Library. A decision was made on the European Capital of Culture. During the Presidency, an action plan was also completed on the norms to apply to the mobility and lending of museum collections. The year 2008 was declared the European Year of Intercultural Dialogue.

Where youth affairs were concerned, a conclusion was adopted on the implementation of common aims for participation and information provision to youth in order to promote active citizenship of the union.

An informal meeting of Sports Ministers decided to appoint a working group to examine the status of NGO activity in sports in relation to Community law.

Where horizontal EU affairs were concerned, the foremost issues were the joint decision by the Council and the Parliament on the Services Directive and the annual report on the progress of the Lisbon Strategy on the national and community level that was published by the Commission.

The Ministry of Education handles EU matters related to education, research, youth, culture, copyright and the audiovisual field. The Minister of Education represents Finland on committees dealing with education and research, and the Minister of Culture on committees dealing with youth, audiovisual matters and cultural affairs.

THE FINANCING OF EDUCATION AND
CULTURE AND ADMINISTRATIVE
DEVELOPMENT

With its operations and objectives in 2006, the Ministry of Education promoted educational and cultural equality, educational and economic competitiveness, as well as the population's mental and physical well-being and social involvement and participation. The share of the expenditure of the sector of the Ministry of Education in the Budget in 2006 was EUR 6,400 million. This represented an increase of 4.4 per cent over the previous year.

The service centre project for the administrative sector progressed as part of the implementation of the productivity programme. The Ministry of Education's development programme for 2007–2011 was approved. The Ministry's efficiency and quality management were improved by expanding electronic services and simplifying processes.

Financing Administrative

Financing Administrative

The Ministry of Education implements the Government's education, science, culture, sports and youth policies. The values that the sector adheres to are education, equality, creativity and well-being. The aim is to promote education, upon which the sustainable growth of the economy and Finland's intellectual and material well-being are founded.

The social impact of the appropriations in the sector is evident, for example, in the rising educational level of the population, employment and further education placement of students upon graduation, longer working careers, the effect of R&D on international competitiveness and the equal access of citizens to diverse educational, cultural and sports services.

The targets of the Government Programme and the Government Strategy Document were met in accordance with the 2006 state budget. The year's targets were specified in the Ministry of Education performance forecast and in the performance targets of the administrative offices and departments. Some of the Ministry's discretionary government funding was granted on the basis of performance.

The Ministry of Education took part in the implementation of the Employment, Entrepreneurship, Information Society and Civil Participation Policy Programmes. The Ministry of Education's activity has also been outlined in the Ministry of Education strategy document 2015, the development plan for education and research 2003–2008 which has been approved by the government, the Government Resolution on Art and Artist Policy and the Regional Strategy Document 2013 of the Ministry of Education.

The Ministry granted a total of EUR 3,154 million in state subsidies to the education and culture sector, of which EUR 1,250.8 million was given to municipalities, EUR 1,132.5 million to joint mu-

nicipal boards, and EUR 770.7 million to private organisations and foundations. The Ministry participated in the preparation of the structural reform of municipalities and services. The basic services programme estimated the costs and incomes arising from municipal duties and other tasks for each group of municipalities and planned measures to bring them into balance.

In the budget proposal for 2007, it was necessary to cut state subsidies to friendship societies to some extent and it was proposed that the Finnish Institute for Russian and East European Studies should be closed. However, Parliament allocated additional appropriations for the friendship societies and it proved possible to continue the work of the Finnish Institute for Russian and East European Studies as a result of the work of a one-man committee.

Implementation of the EU Structural Fund Programmes made progress in the Ministry of Education's administrative sector in accordance with the Single Programming Documents and the Ministry's national focus areas. The Ministry of Education was in charge of the effective implementation and coordination of European Social Fund (ESF) Programmes in its administrative sector in the 2000–2006 programme period, in cooperation with the central administration and regional players. The basic principle was full utilisation of the resources channelled into the administrative sector. In addition to this, the Ministry was also in charge of preparing for the conclusion of the 2000–2006 programme period and for carrying out the procedures involved.

By the end of 2006, funding had been provided for a total of 2,387 Structural Fund projects in the 2000–2006 programme period, receiving funding from the ESF, and 901 projects receiving fund-

ing from the European Regional Development Fund (ERDF). During the current programme period, EUR 886 million were committed in project decisions (including both EU and domestic funding).

The Ministry of Education funded a multi-annual evaluation project focusing on the 2000–2006 programme period under the title 'The development of regional expertise and ESF projects'. The project analysed the impact of ESF projects on the development of regional know-how, and the realisation of the impact as improved local welfare and competitiveness. The outcomes of the project were used in the preparation of the 2007–2013 programme period.

The Ministry of Education participated in the preparation of the 2007–2013 programme period (Agenda 2007) on both the community and national levels and in twinning tasks designed to improve the expertise in new Member States and EU applicant countries. The Ministry participated in preparation for the ESF 2007–2013 programme period. The Ministry of Education promoted the implementation of the goals of the administrative sector in the sense that the ESF Agenda 2007 working group that operates at the Ministry prepared the Ministry's statements on strategy preparations, ESF regulations, funding frameworks, programme drafts and the administrative model.

The service centre project for the financial and human resources management in the sector was concluded towards the end of the year. There will be a gradual transition to the service centre model starting in 2008.

An advance study of the present state, costs, resources and information system of the financial and human resources management of departments and organisations in the sector was complet-

THE FINANCING OF EDUCATION AND CULTURE AND ADMINISTRATIVE DEVELOPMENT

ed in June 2006. A service centre for the financial and human resources management of universities will be set up in the administrative sector of the Ministry of Education. The service centre's main office will be in Vaasa, with branches in Joensuu and the Helsinki Metropolitan Area. The Academy of Finland will also join the service centre. The Ministry of Education, the National Archives, the National Board of Education, the National Board of Antiquities, the Governing Body of Suomenlinna and the Finnish National Gallery will all become clients of the Hämeenlinna branch of the State Treasury service centre.

The service centre project was organised into sub-projects implementing service centre solutions in November 2006.

The aim of the service centre project for the financial and human resources management in the university sector is to prepare and found a Government department called the university service centre, which will be able to admit Government organs other than the universities as its clients. The aim of the clientship projects for the State Treasury service centre is to prepare the transfer of the relevant financial and human resources management services to the State Treasury service centre. The joint human resources project in the administrative sector has the aim of preparing and supporting human resources planning, recruitment and handling of human resources change connected with the service centre project.

The productivity programme for the

administrative sector has moved on to the implementation stage. The framework decision for 2007–2011 comprises measures to improve productivity, which should result in a reduction of Government personnel needs by 1,300 person-years in the Ministry of Education's administrative sector during the period in question. This would be the equivalent of 3.5 per cent of the present staff. The staff cuts are linked with productivity projects whose effects focus on the end of the programme period.

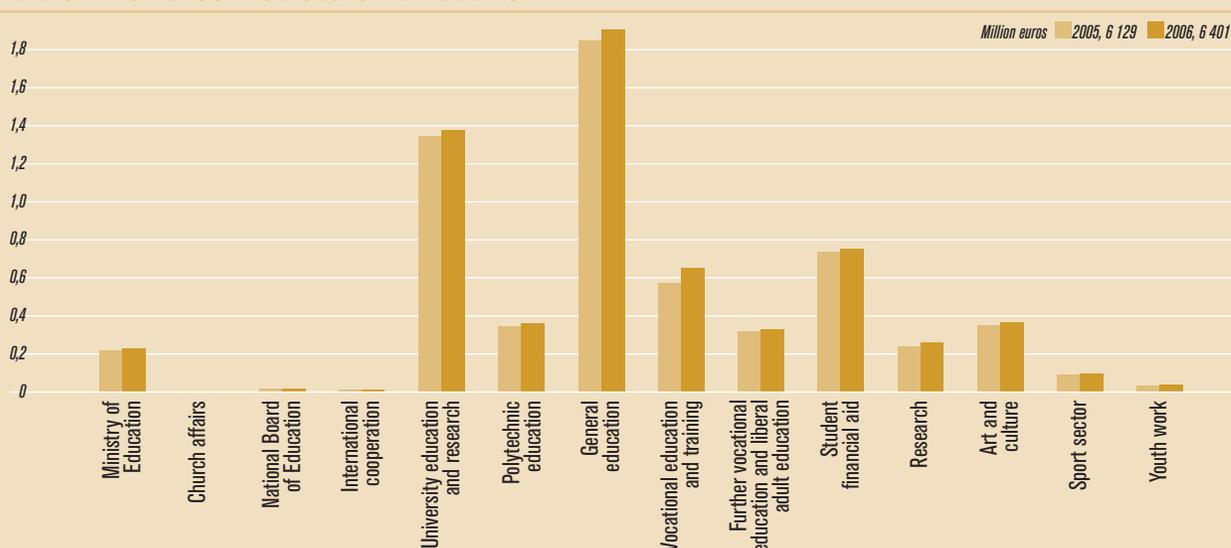
Guidance and evaluation also focused on development processes for a strategy-based work environment and the real-estate strategies of departments and units in the administrative sector.

State subsidy processes were devel-

UNIT COSTS IN THE EDUCATION AND CULTURE SECTORS

	2003	2004	2005	Change 05/04	%-
Comprehensive schools, euros/pupil	5 177	5 384	5 641	257	4,8
General upper Secondary Schools, euros/student	4 667	4 903	5 132	229	4,7
Vocational Institutions, euros/student	8 226	8 466	8 680	214	2,5
Polytechnics, euros/student	6 830	7 016	7 129	113	1,6
Libraries, euros/inhabitant	46	48	48	0	0,0

MINISTRY OF EDUCATION SECTOR EXPENDITURE



Financing Administrative

oped and it was made possible to complete and send electronic state subsidy applications to the Ministry of Education. The implementation of the contacts and information exchange between the Lomake.fi service and the Ministry's background systems was adjusted in the light of the proposals made by the working group that planned the electronic processing of state subsidy applications.

The "Ministry of Education's look into the future in the administrative sector" was a forecast examining the operations of the administrative sector in the light of the key change factors in the operating environment, particularly globalisation, workforce trends, the age structure of the population and social and cultural change. In the Ministry of Education's administrative sector, preparations were made for

evaluation of the implementation of the 'Alueiden vahvuudeksi' regional development strategy and further action on the strategy, and the implementation of the sustainable development strategy was monitored. The report of the sector research working group in the Ministry of Education's administrative sector was completed. An education policy report was submitted in April 2006. The IT strategy for the administrative sector emphasised a networked approach, electronic services and administration and the importance of reinforcing the common expertise base. The Ministry of Education's website was redesigned. The new website gives more comprehensive information on the Ministry's operations, areas of operation and news.

The Ministry prepared its develop-

ment programme for 2007–2011 on the basis of proposals from a development group. The Ministry's development programme is a comprehensive proposal that outlines the development of the Ministry's operations and organisational reform in a way that will allow the Ministry to respond even better than hitherto to the challenges arising from the social operating environment.

Comprehensive schools, upper secondary schools and public libraries are usually maintained by an individual municipality. The municipalities, joint municipal authorities and private education providers take care of vocational and polytechnic education.

There are 3,180 comprehensive schools, 418 upper secondary schools, 169 providers of vocational education and 29 polytechnics in Finland.

Every municipality has a main library. There are almost 1,000 local libraries, mobile libraries and other library service points.

From the beginning of 2007, there are 416 municipalities in Finland.

Finland's 20 universities receive their funding mostly from the state budget.

Since 2003, the size of the age group entering the labour force has been smaller than that leaving it. The overall student numbers in primary and upper secondary education, as well as in pre-primary education, decreased.

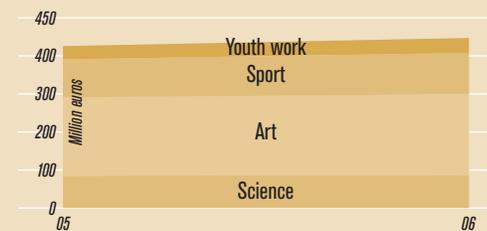
It is anticipated that the Finnish population will keep increasing until 2020. At the same time, the age structure will change significantly. The proportion of young people will decrease and the proportion of the population over the age of 55 will increase. The size of the labour force will diminish. It is estimated that the number of people who have been born abroad will increase from the current 130,000 to approximately 200,000 by 2010.

The number of children of comprehensive school age will decrease nearly 10 per cent in the period 2000–2010, after which the rate of decrease will slow down. The number of young people will increase until 2010, after which it will gradually start to decline.

STATE FUNDING FOR EDUCATION AND CULTURE CHANGE



USE OF LOTTERY FUNDS



MINISTRY OF EDUCATION PERSONNEL



Average age in 2006 was 47,2
2005 - 47,1 | 2004 - 47,4 | 2003 - 47,1

ADMINISTRATIVE OFFICES AND DEPARTMENTS OF THE MINISTRY OF EDUCATION SECTOR

MINISTRY OF EDUCATION	UNIVERSITIES	NATIONAL ARCHIVES
Arts Council of Finland	Helsinki School of Economics	NATIONAL BOARD OF ANTIQUITIES
Centre for International Mobility (CIMO)	University of Helsinki	NATIONAL BOARD OF EDUCATION
Research Institute for the Languages of Finland	University of Joensuu	ACADEMY OF FINLAND
Library for the Visually Impaired (CELIA)	University of Jyväskylä	GOVERNING BODY OF SUOMENLINNA
Finnish Film Archive	University of Kuopio	FINNISH NATIONAL GALLERY
Episcopal Meeting of the Finnish Orthodox Church	Academy of Fine Arts	
Finnish Board of Film Classification	University of Lapland	
Repository Library	Lappeenranta University of Technology	STATE-OWNED COMPANIES
Matriculation Examination Board	University of Oulu	Veikkaus Oy
Appeal Authority for Student Financial Aid	University of Oulu	CSC Scientific Computing Ltd
Finnish Institute for Russian and East European Studies	Swedish School of Economics	Suomenlinnan Liikenne Oy (owned jointly by the state and the City of Helsinki).
	University of Art and Design Helsinki	
	Tampere University of Technology	
	University of Tampere	
	Theatre Academy of Finland	
	Helsinki University of Technology	
	Helsinki University of Technology	
	University of Turku	
	University of Vaasa	
	Åbo Akademi University	

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