

The background of the page is a solid blue color with a complex, low-poly geometric pattern of various shades of blue and white. The pattern consists of numerous irregular polygons of different sizes and orientations, creating a textured, crystalline effect. The text is centered in the upper-left quadrant of this background.

**TOWARDS
THE WORLD'S BEST
HIGHER EDUCATION
SYSTEM**

The full Arene Ry structural development working group's report is available in its entirety at:

<http://arene.fi/fi/ammattikorkeakoulut/vaikuttavuus/rake-selvitys>



Rectors' Conference of Finnish Universities of Applied Sciences Arene Ry



The direction of higher education policy as a value choice

		Developing the World's Best Higher Education System
World-class university	Current state	<p><i>Societal effect</i></p> <ul style="list-style-type: none"> • Balance of science, application of knowledge and new expertise around the country • Vocational study paths to higher education and professional expertise are ensured <p><i>Effect on higher education policy</i></p> <ul style="list-style-type: none"> • Developing an internationally competitive network of higher education institutions by mutual profiling and division of assignment • Confirmation of Professional Higher Education and Science Education activity (specification of the dual model) • Smaller-than-current number of higher education institutions. Solutions for new higher education entities have been created from the individual starting points of autonomic higher education institutions as results of the division of labour and new cooperation structures • Administrative and operative cooperation has led to improved cost-efficiency and usage of resources <p><i>Effect on regional and economic policy</i></p> <ul style="list-style-type: none"> • Ensuring regional viability and the conditions for equality • Higher education institutions ensure opportunities for lifelong learning (incl. Master's programmes in UASes) <p><i>Effect on universities of applied sciences</i></p> <ul style="list-style-type: none"> • Real opportunity to network, be profiled, and develop into international higher education operators • Cooperation and division of labour can help higher education institutions find their profiled role as a part of the higher education system

Higher education policy scenario: Developing the World's Best Higher Education System and its effect on the UAS sector (Interpretation of the Rectors' Conference of Finnish Universities of Applied Sciences Arene Ry's structural development working group)



STRONG AND INFLUENTIAL UNIVERSITIES OF APPLIED SCIENCES

- For Finland to remain competitive, it must have a world-class higher education system, and universities of applied sciences are its integral parts.
- Universities of Applied Sciences are attractive, proactive and cost-effective producers of expertise and degrees.
- Universities of Applied Sciences are dynamic, an example of which, among other things, are their varied, phenomenon-based strategic focus areas that respond to the challenges of the labour market.
- Finnish Universities of Applied Sciences are internationally interesting producers of higher education competence with both their Bachelor's and Master's degrees. Professional higher level teacher training is especially interesting to growing economies from the perspective of educational exports.
- UAS degree is a source of a career and the kind of expertise that is very likely to land in employment.
- Universities of Applied Sciences have been diverse developers of research, development and innovation expertise. They are, indeed, a strong part of the Finnish research and innovation system.
- Corporate and labour market cooperation has become a regular part of the universities of applied sciences' operating culture. Universities of Applied Sciences have developed diverse research, development and innovation activity operating models that have tightened the cooperation between higher education institutions and the labour market.
- The choices in focus area for Universities of Applied Sciences are heavily linked to regional and national strategies. They are focused on societal, national and international challenges and opportunities.
- Universities of Applied Sciences develop mutual cooperation with the goal of creating stronger centres of expertise as well as responding to expertise requirements.
- The various implementations of Universities of Applied Sciences make it possible to use resources effectively and serve the needs of students in a flexible manner.
- Universities of Applied Sciences have tightened up their operations and structures. Their unit network has become tighter since 2004, with a reduction from 85 units to 54. The network of higher education institutions is still wide.
- Cooperation between higher education institutions has made strides, but there remain clear development targets in their operations and their various fields.



CORE RECOMMENDATIONS FOR DEVELOPING THE WORLD'S BEST HIGHER EDUCATION SYSTEM

ARENE RY PROPOSES THE FOLLOWING RECOMMENDATIONS AND RESPONSIBLE PARTIES

Higher education policy

- Arene Ry recommends that the vision of higher education policy should be the development of the world's best higher education system in Finland. In an era of funding cuts for education, actors in higher education policy must take a stand and define the future vision of higher education policy for a longer term than the parliamentary term. A world-class higher education system requires a predictable operational and financial framework and resources. (Government, political parties, Ministry of Education and Culture)
- The division of assignment between higher education institutions must be further clarified and the structural renewal continued in order to create a comprehensive and effective Finnish system of higher education that is based on diversity and renewal. (Government, Ministry of Education and Culture, universities of applied sciences, universities)
- The vision of a world-class higher education system includes a smaller-than-current amount of higher education institutions. Solutions for new higher education modules have been created from the individual starting points of autonomic higher education institutions as results of the division of assignment and new cooperation structures. (Ministry of Education and Culture, universities of applied sciences, universities)
- Creating a world-class higher education system requires a broadly based parliamentary preparation. Independent development of the higher education structure must, if necessary, receive support in the form of enabling legislative changes. (Government, Ministry of Education and Culture)
- The amount of higher education institutions or institutional fusions are not the only solutions for renewing the structures of higher education. What's required is quality-based and bold regional observation that allows for agreeing to tasks being transferred also from a higher education sector to another. Quality and potential for development are the drivers for change instead of the past. Guidance and resourcing of the autonomic higher education institutions should, in the future, remain on the national level. (Government, Ministry of Education and Culture)
- The official English names of Universities of Applied Sciences must be confirmed to use that term. The current term used by the Ministry's official information, Polytechnic, does not accurately describe the expertise and role of Finnish Universities of Applied Sciences and creates an unclear image of the Finnish education system in international communications. (Ministry of Education and Culture)

Universities

- Universities of Applied Sciences develop their mutual division of assignment and cooperation nationally with the goal of creating stronger centres of expertise as well as responding to expertise requirements. For example, networks can be used to organise specialised higher education with national educational responsibility. (Universities of applied sciences, universities, research institutions)
- Universities of Applied Sciences must display their expertise and develop the innovative operating models of their basic tasks, such as a strong connection to second-level education as well as innovation activities that promote entrepreneurship. (Universities of applied sciences)
- The RDI infrastructures and learning environments of universities of applied sciences as well as development in digitisation provide a good base for diverse innovation network that is more widely usable. (Universities of applied sciences, universities, 2nd level education organisations)
- An ever-changing assignment market requires a diverse expertise. Universities of applied sciences must use educational responsibilities in a bold manner in reforming their educational content and degrees by, for example, profiling to their focus areas. Universities of applied sciences must also make use of cooperation in internationalisation and educational exports. (Universities of applied sciences)
- The different paths students can take to higher education must be more open and flexible for Finnish and international students both. (Higher education institutions, 2nd level, Ministry of Education and Culture)

Labour market

- Cooperation between the labour market and higher education institutions, especially in innovation activities, must seek new incentives and operating models, such as the innovation voucher that is aimed at SMEs. (Ministry of Employment and the Economy, Ministry of Education and Culture, Universities of applied sciences, Universities)
- Corporate and labour market cooperation has become a strength and a regular part of the universities of applied sciences' operating culture. This method of operation enables us to recognise and anticipate the need for competence in the short term. The method and its usage must be strengthened further, especially on part of the SMEs. (Universities of applied sciences, labour market)
- Master's level professional UAS degrees have developed into an educational innovation that is intended to develop the labour market. Their roles must be made stronger in the national whole of Master's education, especially in order to bolster the adult population's high level of expertise. Master's level professional degrees are named in an inconsistent manner and the labour market has deemed them unclear, especially when concerning the multidisciplinary degrees. The degree title should uniformly take the form Professional Master. (Ministry of Education and Culture, political parties, universities of applied sciences)
- Universities of Applied Sciences must be included in the reform of the national social welfare and health care system as multidisciplinary partners as well as implementers of the coming service structure in both education and RDI activities. (Government, Ministry of Social Affairs and Health, regions, universities of applied sciences, labour market)
- The role of the universities of applied sciences as developers of international competence centres must be strengthened. (Ministry of Education and Culture, universities of applied sciences, universities)



HIGHER EDUCATION POLICY AND INSTITUTIONAL REFORMS

The direction of higher education policy is strongly connected to Finland's anticipated development trends and visions in 2020–2025. Due to the structural change in the labour market, the need for higher expertise has been identified and recognised. At the same time, Finland has cut over EUR 120 million from UAS sector and higher professional education over the past six years. More extensive budget cuts to the university sector were initiated in 2015. Public and private funding for research, development and innovation activities has also been reduced. When the resources that set the limits on our activities are drastically reduced, cutting funding in small slices becomes the worst possible solution. Saving by cutting the edges does not create a stable base for the strategic choices in higher education policy. We cannot allow the high level of our expertise to fall, and higher

education institutions must remain capable of renewing and of building strong expertise. A strong vision of a complete Finnish higher education system is required for Finland to retain and strengthen its national expertise and for its future success in international competitions between higher education institutions.

Strategic choices are important for developing our national expertise and the vision of higher education policy. Universities of Applied Sciences have defined their own strategic focus areas on a primarily phenomenon basis, attempting to respond to current and future challenges in society as well as developments in the labour market and competence. Universities of Applied Sciences are profiled to their own strengths according to regional needs, strategies and the division of assignment in society.



Figure 1. Strategy-based focus area/strengths of Universities of Applied Sciences.
 Source: Arene Ry surveys for Universities of Applied Sciences. Situation in January 2016.

Universities of Applied Sciences meet a variety of different needs. Part of the focus areas presented in Figure 1 are based in ongoing strategy work and the names therein may be specified. The focus areas have a strong connection to the labour market. Many of the focus areas do, indeed, showcase the ability of Universities of Applied Sciences to react and anticipate changes, needs and new phenomena in the operating environment. On the other hand, many characteristics, such as the strengthening of

internationality, are a part of all operations and are not seen as profiles or focus areas in the same way as phenomenon-based focus areas. More accurate information on phenomenon-based and University of Applied Sciences-specific profiling is available in the report: <http://www.arene.fi/fi/ammattikorkeakoulut/vaikuttavuus/rake-selvitys>.

*What kind of operating environment is higher education created for?
And what is it that we want to achieve?*

The structural development of higher education institutions and the network of universities of applied sciences has been reflected on the future scenarios that different higher education policies may lead to. The structural development working group has drafted three possible directions for higher education policy

to take (Figure 2). They are based on the existing progression and pressures for change. Political decision-making is currently dominated by a strong saving and efficiency-improving discourse, which meant the working group approached the visions from the perspective of the cuts and structural development. The visions are also based on the clear value choice of what, in the end, do we want and what kind of national solutions will be taken to get it. The alternative scenarios and directions are a) developing a world-class university with strong centralist policy, b) maintaining the current state by continuing with current progression and c) creating the World's Best Higher Education System.

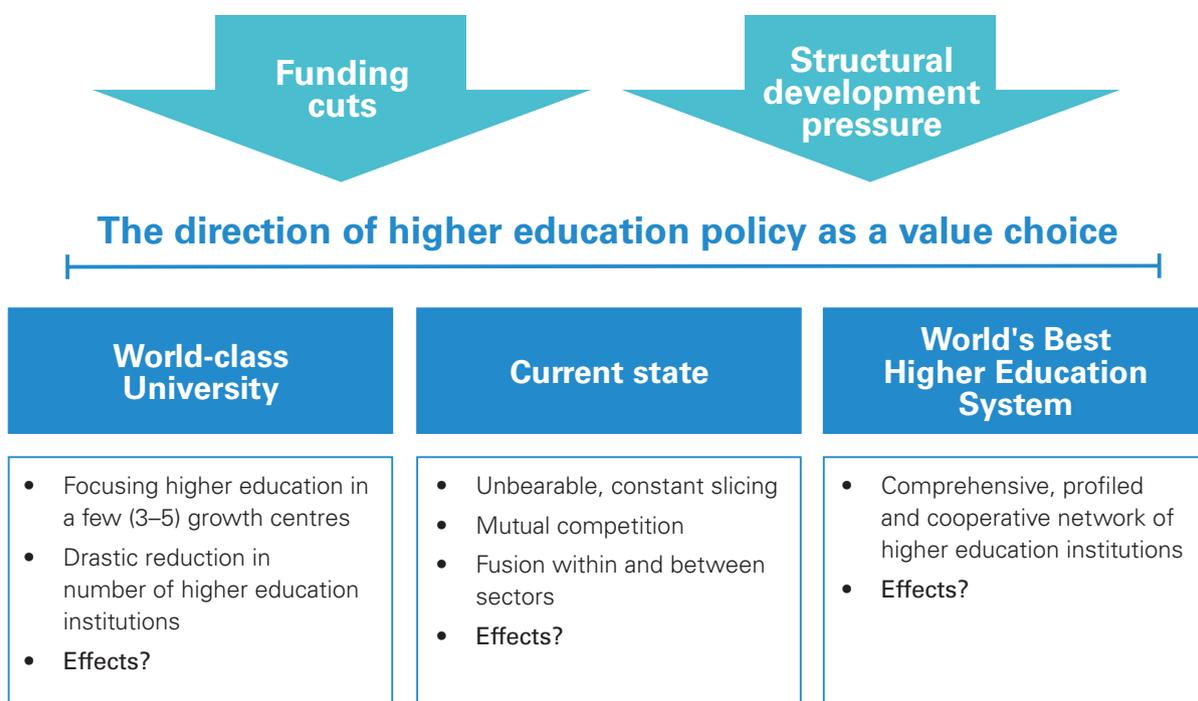


Figure 2. Higher education policy scenarios and their effect on the UAS sector (Interpretation of Arene Ry's structural development working group).

Continuing to develop the current state would, simply put, lead to an even cut out of all operations, which would intensify the competition for resources and lead to a negative outcome for all operations. The world-class university scenario would lead to a significant reduction in the number of higher education institutions and operations being centralised to high-level science universities that operate in growth centres. Even though the operations of the chosen centres of excellence would progress, this would rapidly lead to

a reduction of competence and the level of education in the regions that the cuts would target. The World's Best Higher Education System, however, would be able to reach the same results by keeping a more efficient and comprehensive network of higher education institutions while still developing the strong profiling and cooperation of the higher education system. This would require tough choices, but they would ensure that not everything ends up under the knife.

MAINTAINING THE CURRENT STATE OF AFFAIRS

The direction of higher education policy as a value choice

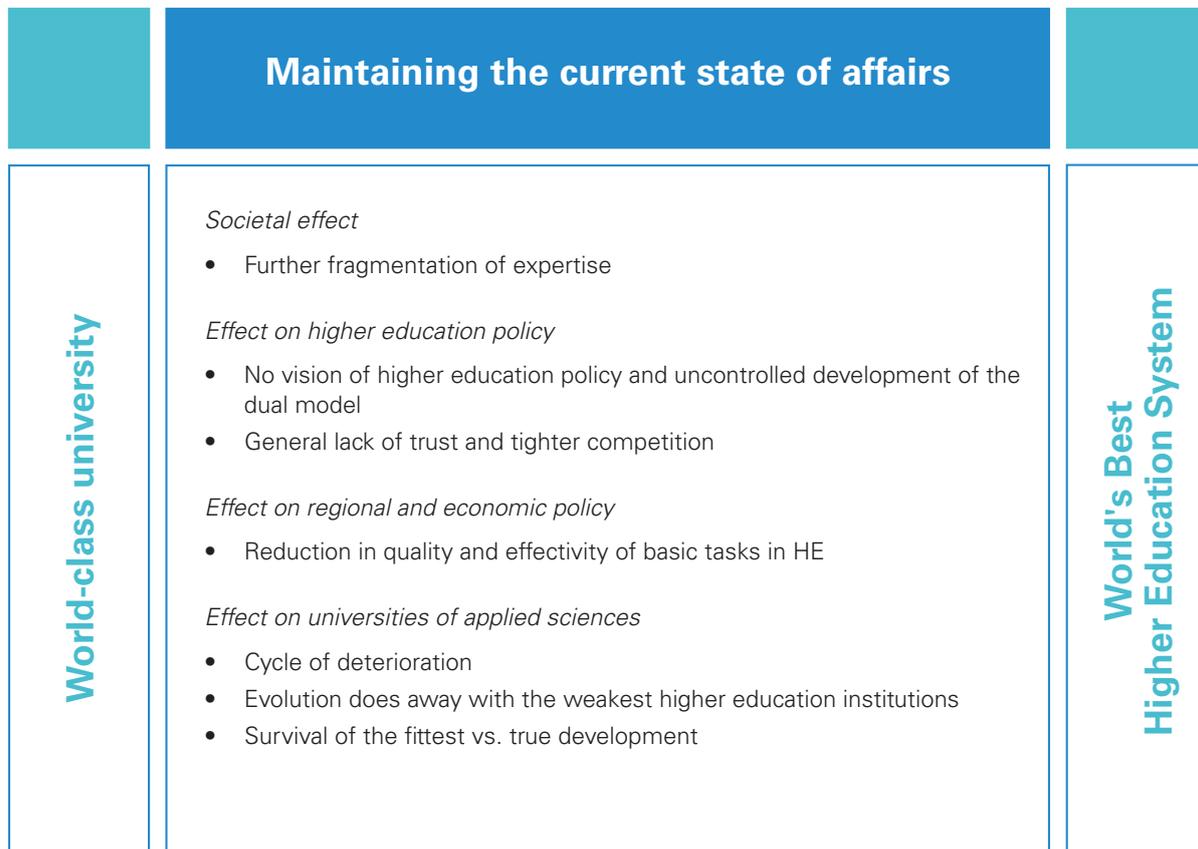


Figure 3. Higher education policy scenario: maintaining the current state of higher education policy and its effect on the UAS sector (Interpretation of Arene Ry's structural development working group).

If the direction and scenario of higher education policy is to maintain the current state, it would mean, from the perspective of the universities of applied sciences and, in our opinion, universities as well, a cycle of deterioration where evolution, including the financing model, disposes of the weakest higher education institutions (Figure 3). The image of that era would be survival of the fittest, with true higher education reforms and development left by the wayside. Cooperation between higher education institutions is built from various owner and regional interests, which makes uncontrolled development of the dual model possible and even likely. As university of applied sciences' operations have improved in their efficiency in the past years, the inevitable question is how much

can it continue to improve by taking small slices of their funding without taking a hit to education and through it, competence. This will inevitably lead to a cycle of deterioration with the survival battle consuming higher education institutions of their chances and resources for true development. Its negative effects would also be evident in the level of societal effect higher education institutions have.

DEVELOPING THE WORLD-CLASS UNIVERSITY

The direction of higher education policy as a value choice

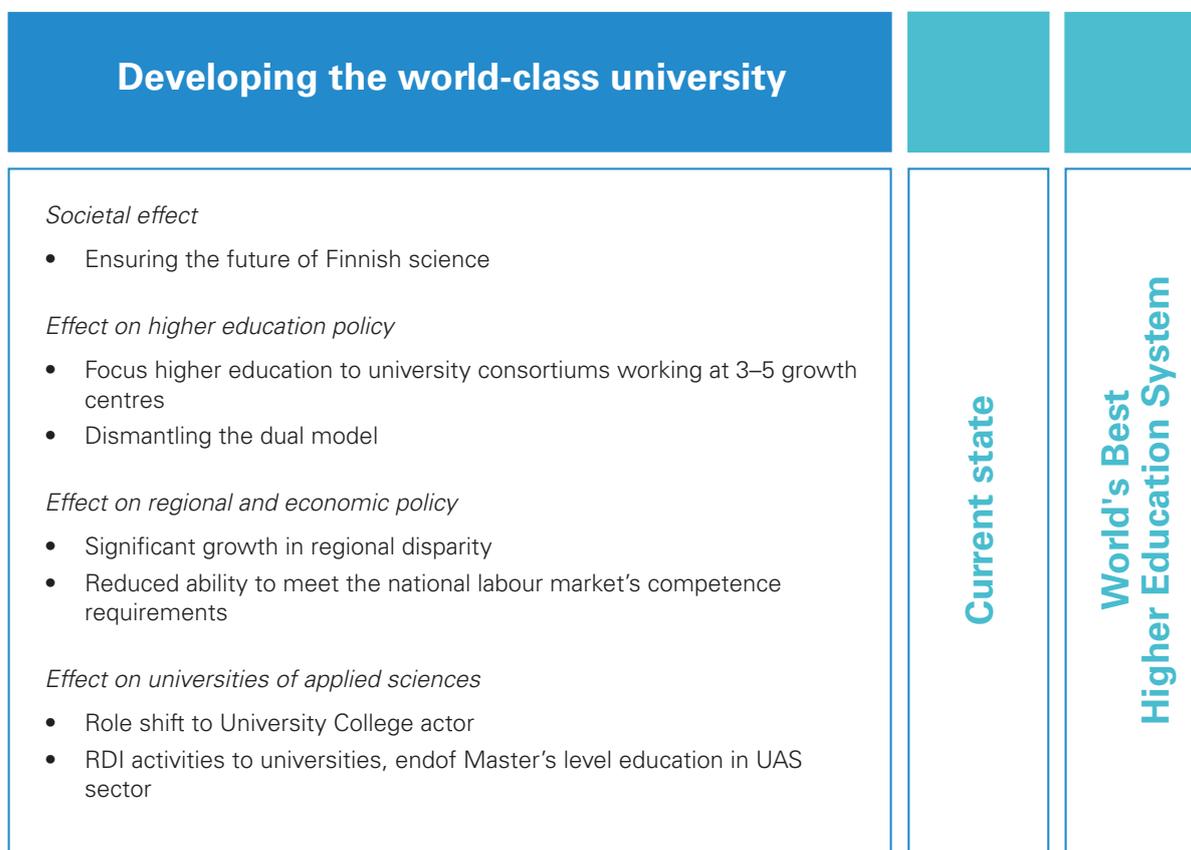


Figure 3. Higher education policy scenario: Developing a world-class university and its effect on the UAS sector (Interpretation of Arene Ry’s structural development working group)

Developing a world-class university being Finland’s future value choice and direction would presumably mean that the role of universities of applied sciences would be redefined in this context, for example to match the Danish model (Figure 3). Professional degrees would, for some parts, likely remain on the Bachelor level. Shorter education terms would probably be a point of discussion as well as removing higher-level professional degrees from the education system as Master’s level education. In this scenario, the strong value choice would be bolstering the level of Finnish science and research, which would weaken the availability of higher education from the students’ and regions’ perspective. Eventually, the dual model would be dismantled and universities of

applied science would function as University-college type educational institutions whose main task would be to implement Bachelor’s level feeder degrees for the universities’ Master’s programmes. RDI activities at the universities of applied sciences would most likely be gradually shut down, so as to not compete with the universities’ research fundraising. This, on its part, would create a significant reduction in competence and resources available for regional labour market cooperation and development. The world’s best university scenario’s greatest challenge would be the capability to respond to regional and national needs for education and to increase the nation’s level of education.

DEVELOPING THE WORLD'S BEST HIGHER EDUCATION SYSTEM

The scenario, where we develop the World's Best Higher Education System would set a balance in the quality of science and the strengthening of new knowledge and competence for the society and Finland as a whole (Figure 4). The best practices of the dual model be implemented, such as varied competence (Professional Higher Education and Science Education), stronger division of assignment between higher education institutions and combining competence flexibly in higher education. The big picture of national education and lifelong learning has been made visible to international partners with, among others, a competence and degree framework. For universities of applied sciences, this scenario provides a true opportunity to improve and even take on new educational responsibilities that relate to professional higher education. On the national level, operations might be guided, at some point, by a single unified university law, which would make it possible to profile various competences and universities according to their strategies while taking regional, national and international competence requirements into account.

The vision of the world's best higher education system includes a smaller-than-current amount of higher education institutions. Solutions for new higher education modules have been created from the individual starting points of autonomic higher education institutions as results of the division of assignment and new cooperation structures. Structural changes have brought a true efficiency and a broad range of different subjects as well as shown the way for new kinds of centres of expertise that are, thanks to digital solutions, not only connected to regional structures but also serve field-specific developments in various areas by making use of the competence in higher education and research institutions.

Finland would have higher education institutions of various sizes, operating in very different profiles, who would have a far more developed division of assignment and level of cooperation than the current situation. The division of assignment would not only concern administration, but the starting point would

be high-quality development activity. It should also be better enabled by the financing model. The professional Master's degrees provided by universities of applied sciences have become a flexible and effective form of higher education for renewing the labour market's competences and creating lifelong learning. The effectivity and volume of RDI activities in universities of applied sciences has increased especially in SMEs by developing flexible operating models, such as the innovation voucher. It is also the mission of RDI in universities of applied sciences to anticipate labour market-driven changes in expertise and renew higher education, which both support the division of assignment. Many higher education institutions have international education accreditations and quality certificates.

The core of the World's Best Higher Education System vision is that it does not exclude the development of high-quality science, whereas the World-Class University vision would exclude the development of the World's Best Higher Education System. In the World's Best Higher Education System, autonomic higher education institutions would be able to also develop the division of assignment in their own areas of responsibility by making use of cooperation structures while respecting lifelong learning. Universities of applied sciences would be equal in this system – equal but different – higher education institutions that provide both Bachelor's and Master's level higher education expertise and carry out influential research, development and innovation activities. Graduates of professional Master's degree programmes, which are meant to develop the labour market, will also find a path to developing their expertise in Finland. The various cooperation models and profiles of doctoral education have also been encouragingly received by international networks and operating models. Good cooperation and division of assignment in research can be used to gather the RDI resources and competences of higher education institutions to make the best use of them.

The direction of higher education policy as a value choice

		Developing the World's Best Higher Education System
World-class university	Current state	<p><i>Societal effect</i></p> <ul style="list-style-type: none"> • Balance of science, application of knowledge and new expertise around the country • Vocational study paths to higher education and professional expertise are ensured <p><i>Effect on higher education policy</i></p> <ul style="list-style-type: none"> • Developing an internationally competitive network of higher education institutions by mutual profiling and division of assignment • Confirmation of Professional Higher Education and Science Education activity (specification of the dual model) • Smaller-than-current number of higher education institutions. Solutions for new higher education entities have been created from the individual starting points of autonomic higher education institutions as results of the division of labour and new cooperation structures • Administrative and operative cooperation has led to improved cost-efficiency and usage of resources <p><i>Effect on regional and economic policy</i></p> <ul style="list-style-type: none"> • Ensuring regional viability and the conditions for equality • Higher education institutions ensure opportunities for lifelong learning (incl. Master's programmes in UASes) <p><i>Effect on universities of applied sciences</i></p> <ul style="list-style-type: none"> • Real opportunity to network, be profiled, and develop into international higher education operators • Cooperation and division of labour can help higher education institutions find their profiled role as a part of the higher education system

Figure 4. Higher education policy scenario: Developing the World's Best Higher Education System and its effect on the UAS sector (Interpretation of Arene Ry's structural development working group).

TOWARDS THE WORLD'S BEST HIGHER EDUCATION SYSTEM

The World's Best Higher Education System requires a strong national vision, strategic profiling of the universities as well as cooperation and a division of assignment. **Arene Ry proposes that the desired state of the structural development should be the World's Best Higher Education System.** It should be possible for Finland to reach this desired state by 2025, if the basic starting points and the direction of development is distributed in parliament.

The World's Best Higher Education System would have self-regulated cooperation and a division of assignment that would bring about advantages that universities of applied sciences could not gain on their own. Universities of applied sciences have been effective in their operations and have been bold in their reforms. From an international point of view, Finnish universities of applied sciences are also interesting from the perspective of their basic task. Finnish universities of applied sciences produce both Bachelor's and Master's degrees, and they demonstrate developments in RDI activity. This is not the case in the best resourced higher education countries, such as Denmark.

In the World's Best Higher Education System scenario, the system would consist of strong professional and scientific higher education institutions, whose English names would be, depending on their profile, XXX University of Applied Sciences or University of XXX. Educational exports directed at non-EU and EEA students also requires unified concepts of the entire higher education system. Finland has not, up to this date, confirmed its national competence and degree framework's relationship with the European higher education area. Now is the natural time for that, as the now and future image of higher education competence is being built.

Why is the World's Best Higher Education System the best choice for Finland when it comes to higher education reforms?

International developments show that university-level competence is in demand and that there is a supply of experts. It is also clear that Finland needs high-quality expertise, research, and further improvements to the level of expertise in order to secure the society's development, global economic growth and individual well-being. As a small nation, we cannot only focus on educating the elite and on top research, but we need an efficient and reformative higher education system that creates new information and provides all citizens a chance at gaining higher education expertise at different phases of their lives. Learning and competence are facing a change in the digital world and its new requirements. The need for professional higher education expertise is emphasised in the society when, especially, the content of work and traditions of competence are in a state of change. New growth and work require a new kind of competence. Graduation from a university of applied sciences is rapid, and working life waits for fresh graduates with open arms, serving their needs for competence and the development of the labour market. Master's level professional degrees are based on the competence requirements of the labour market, and thus serve to introduce that competence into practice.

The labour market requires an increasing amount



of applied research as well as development and innovation activities. Without strong entrepreneurship and an SME sector, we won't be able to create new work. The strength of the universities of applied sciences is existing, close cooperation with the SME sector as well as developing entrepreneurial competence as a part of higher education. Higher education institutions also have an extremely important task in reforming the public sector, especially in the field of social services and health care. Strengthening the cooperation between higher education institutions and the labour market in order to commercialise innovation is a global challenge that requires a reaction. Developing the World's Best Higher Education System supports this goal and its content.

The World's Best Higher Education System is capable of proactively solving identified long and short term on the global scale and the needs brought about by changing trends. Some of the identified phenomena that challenge current competences are, for example, digitisation, climate change, the questions on energy, population growth, immigration and refugees. In addition, higher education institutions have the ability to react to new requirements for competence. The profiled cooperation and division of assignment in the World's Best Higher Education System would enable the strong development of competence and innovation that can be used to respond to future and yet unknown needs for change.

Creating the World's Best Higher Education System requires that the national higher education system is viewed as a whole, with the force of a unified, national and public vision. The core strength of the dual model – varied higher education competence and the competence-based degree programme structure – guide the review of the system while taking

regional and national educational tasks as well as research into account. Cooperation structures in, for example, education, as well as common and regional specialised units, such as centres of RDI expertise, must be boldly implemented. Possible legislative barriers to cooperation must be taken down. Institutional fusions are solutions that will not work everywhere; the drivers for change should be operational quality, profiling and a strategically formed higher education system.

Structural development working group:

The initiative and impulse for creating the structural development report came from discussion between the Rectors' Conference of Finnish Universities of Applied Sciences Arene Ry's Board of Directors and the Ministry of Education and Culture's leading public officials in Spring 2015. The Board of Directors of the Rectors' Conference of Finnish Universities of Applied Sciences Arene Ry appointed the structural development working group in Autumn 2015. The structural development process proceeded in close cooperation with the universities of applied sciences. The working group's report, Towards the World's Best Higher Education System, was published in February 2016.

Chairman, Jussi Halttunen, JAMK (Central Finland)

Riitta Konkola, Metropolia (Southern Finland)

Juha Kämäri, SAMK (Western Finland)

Jouko Paaso, OAMK (Northern Finland)

Petri Raivo, Karelia (Eastern Finland)

Markku Lahtinen, TAMK, Arene Ry chairman until 31 December 2015

Tapio Varmola, SeAMK, Arene Ry chairman from 1 January 2016

Turo Kilpeläinen, KAMK, method specialist

Working group secretaries

Riitta Rissanen, Arene Ry

Juha Viitasaari, Arene Ry/SeAMK

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Valovirta Design

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<http://arene.fi/fi/ammattikorkeakoulut/vaikuttavuus/rake-selvitys>



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