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Comparing higher education reforms in Finland and Portugal: different contexts, same solutions?

by

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This article provides a comparative analysis of recent governance reforms in both Finnish and Portuguese higher education institutions (HEIs), following the OECD's recent reviews of both countries' tertiary education systems. While in the case of Finland the major problem was identified as being a lack of entrepreneurialism, Portugal was considered to lack effective, strategic higher education planning as well as innovative, flexible and responsive HEIs. The review teams pointed to common issues, despite different country contexts. As they recommended very similar solutions for reforming the legal status of universities, this encouraged national governments to undertake reforms according to their specific needs. By pinpointing problems, the OECD was seen to play an important role in this process and its recommendations proved to be close to the ideas of new public management.

Comparaison des réformes de l'enseignement supérieur en Finlande et au Portugal : contextes différents, solutions identiques ?

par

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Cet article présente une analyse comparative des récentes réformes de gouvernance dans les établissements d'enseignement supérieur finlandais et portugais, et fait suite aux derniers examens de l'OCDE sur les systèmes d'enseignement supérieur des deux pays. Alors qu'en Finlande le manque d'entreprenariat a été identifié comme problème principal, la déficience d'une planification stratégique efficace, innovatrice et flexible des établissements d'enseignement supérieur pèse sur le Portugal. Les équipes responsables des examens ont souligné des problèmes communs en dépit de contextes nationaux différents. Elles ont préconisé des solutions très similaires afin de réformer le statut juridique des universités, ce qui a encouragé les gouvernements nationaux à entreprendre des réformes en fonction de leurs besoins spécifiques. Dans ce processus, l'OCDE s'est vue jouer un rôle important dans l'identification des problèmes et ses recommandations se sont révélées être proches des idées de la nouvelle gestion publique.

“Travelling” problems?

This article analyses how national higher education legislation is reformed and, subsequent to the OECD’s recent reviews of both Finland’s and Portugal’s tertiary education systems (respectively OECD, 2009; OECD, 2007), the role of the OECD in this process. To shed more light on the question we examine recent reforms in both countries’ higher education systems. When compared, they provide a natural “laboratory” for a case study. There are four reasons for this: first, Portugal and Finland differ in terms of their historical, geographical, cultural and economic characteristics; this enables them to be clearly contrasted. Second, both countries have recently undertaken somewhat similar higher education legislative reforms, which make the comparison more focused and the cases relevant. Third, both countries were assessed by OECD country review teams and this has enabled us to analyse the role played by the Organisation. Fourth, although the international economic status of each country differs, the Finnish and Portuguese higher education systems are similar enough to allow comparisons.

During much of the 1990s, economic growth in Portugal was above the European Union (EU) average but developments in the 2000s led to a situation whereby it is now receiving support from the IMF and the European Financial Stability Facility and is undergoing drastic budget cuts. As for Finland, it has been described by a major online business information service as one of the EU’s best performing economies whose “... banks and financial markets avoided the worst of the global financial crisis” (*EUbusiness*, 2011). Such stark differences raise the question: why have there been such similar higher education reforms in these distant, disparate corners of the EU?

Concepts like “globalisation” or “Europeanisation” offer an easy explanation of the similarities of their national contexts but this has been justifiably criticised (Pereyra, 2008; Enders, 2004), for these terms often overlook the importance of local factors and actors (Altbach, 2004; Deem, 2001). This point has been addressed in higher education comparative research: “The first pitfall common to many higher education discussions concerns the assumption that all national systems of higher education are experiencing the same changes and at the same pace. A related issue concerns the mistake of assuming that the language we use to discuss higher education management means the same thing in different national contexts” (Meek, 2003).

Any attempt to analyse whether the “national” or the “global” context is more dominant is an acknowledgement that a contention exists between these two levels. This kind of debate can actually lead away from the important question of analysing their interrelations. One solution to this challenge facing comparative research is to focus on the politicisation of problems.

When comparing the two countries, we draw on traditional comparative education literature which suggests that policies rarely travel. Indeed, as Nóvoa and Yariv-Mashal (2003) point out, understanding time and space is one of the keys to avoiding the most common pitfalls in research. This includes understanding history through different topical problems raised at a certain point in time (*problematization*) (*ibid.*). This forms the central dynamics of the “travelling” problems which are scrutinised by comparative research. When problems are introduced into a national context from elsewhere they seem to fit in surprisingly easily, or as Popkewitz (2005) puts it: “particular ideas as modes of living are brought into new contexts in which the “foreignness” of the ideas are seen as indigenous or ahistorical and “natural” to that situation in which they are positioned”.

In this paper we discuss problems that have been raised in the different historical contexts of Finland and Portugal. Henry *et al.* (2001) consider that the OECD is capable of forming a discursive framework for national higher education policy; we will pursue these ideas and investigate the role of the OECD as central in identifying problems in a national context.

We acknowledge that describing the OECD as an entity is perhaps simplistic. For example, the final results of OECD country reviews “depend ... on the people in charge; who is in charge at the OECD Secretariat, who are the selected experts/consultants, who looks after the final draft, and finally, the dynamics of combination of these three parties” (Kallo, 2009, p. 76). However, it is reasonable to argue that as an organisation, the OECD has a certain *modus operandi* and an “institutional memory” (Kallo, 2009). This influences the type of questions the Organisation poses and the focus of its country reviews.

To illustrate how the OECD pinpoints problems in a national context, we need to dig deeper into the research that has been done on Finnish and Portuguese higher education. Having compared Finnish and English systems, Kallo (2009) found that OECD country reviews are used somewhat instrumentally to legitimate national purposes. However, she leaves the door open for future research by asking whether the Finnish system “converges according to foreign models” or whether it is playing “a kind of ‘local game on global rules’” (2009, p. 373). On the other hand, Niukka (2006) sees the OECD’s analysis as feeding a dogmatic discourse in Finland. According to her, this discourse is not perceived to be at cross-purposes with the OECD’s role given that it is consultative, which

minimises any criticism of the OECD. We support this position and believe that OECD reviews have helped national actors to adapt to the global rules of the game.

Teixeira *et al.* (2003, p. 199) conclude that the OECD and World Bank have been stressing the role of the economy in Portuguese higher education for decades. However, national decision-making levels do not simply absorb guidance of this kind: “Governments also seem to use them [recommendations] with considerable discretion, accepting certain policies, ignoring others, even rejecting altogether the international organisation’s recommendations. In fact, both institutions were somehow used to legitimise and give credibility to certain national government policy options” (Teixeira, 2003, p. 201). While governments are sovereign, earlier research points out that international organisations have a certain amount of soft power.

Hence, Teixeira *et al.* (in the case of Portugal) and Kallo (in the case of Finland) both identify the same methods among national actors such as creating, legitimising or ignoring impetuses for national reforms. Consequently, these authors have begun to ask whether national decision-making levels are using international organisations to bring forth their own agendas (Teixeira *et al.*, 2003, p. 202). In the case of Portugal, the OECD has argued that higher education should be viewed from an economic perspective. Although reactions have varied, at least the Organisation has been able to raise questions about the national agenda and this has had repercussions on national policy.

According to previous studies, one of the main messages put forward by the OECD since the 1990s has been the notion of new public management (NPM) (Temmes, 1998; Barzelay, 2001; Furubo and Sandahl, 2002). However, there is no clear consensus in the literature as to what NPM actually means. For the purposes of our argument we will not propose a specific definition of NPM but rather outline two of its general principles (Rinne *et al.*, 2007). First, NPM can be considered as doctrinal (Lähdesmäki, 2003; Hood and Jackson, 1991). This means that it has “normative-like principles that seek to convey how public administration could be improved” (Lähdesmäki, 2003, p. 11). Hence, by its very nature, NPM is normative. Second, the normative aspect of NPM can be seen in the dynamics of the private and public sectors. According to the ideas of NPM, private sector practices should be adopted by the public sector, and public sector tasks should be re-allocated to the private sector (Rinne *et al.*, 2007; Temmes, 1998, pp. 441-442; Lane, 1997). Amaral and Neave (2009a, p. 94) go a step further. They claim that “the OECD contributes directly to disseminating neo-liberalism not only by showing that the doctrine works, but that it is an appropriate framework within which plausible solutions may be sought, identified and acted upon”.

Given that the OECD plays a key role in identifying various national problems and that NPM is a doctrinal solution, this raises an important question: does the OECD identify problems that can only be answered by the normative doctrines of NPM? Consequently, the research questions underlying this article are as follows: first, what impact have the OECD country reviews had on recent legislative reforms in Finland and Portugal? Second, what kind of problems have the OECD reviews identified in these reforms? In order to answer these questions, we need to take a closer look at the following case studies.

Portugal: a symbiosis with the World Bank and the OECD

Over the last four decades Portugal has let itself be guided by international organisations; however, this guidance naturally serves the country's interests, and should be understood in the light of its history. In order to understand its current higher education system it is therefore important to recall the effects of the 1974 non-violent revolution, which ousted the dictatorial regime. It paved the way for important changes and the country went through a period of normalisation until 1986, when the country joined the EU (Amaral *et al.*, 2007, p. 313). This represents a turning point in the history of the Portuguese higher education sector: it contributed to the democratisation of education by enabling what was an elitist system to evolve into one of mass higher education (Amaral and Teixeira, 2000). However, it is important to note that, to a large extent, the sector was only able to expand because of support by the World Bank and the OECD. Indeed, the Portuguese binary system (which comprises universities and polytechnics/vocational educational facilities) was, on the one hand, inspired by the "human capital" theory and, on the other, legitimated by OECD reports and recommendations (Amaral *et al.*, 2007, p. 314).

Although the polytechnic/vocational subsystem was formally established in 1973, the 1974 revolution interrupted its development. It was only in 1977 that this resumed, spurred by the state's desire to become an EU member. During this period, the country was keen to learn from other European countries in order to develop educational quality and gain access to state-of-the-art policies. Consequently, the system was expanded and diversified by the introduction of a binary framework; private institutions were permitted and access policies put in place (Amaral *et al.*, 2007). The then Portuguese government, driven by World Bank recommendations and the EU carrot, made a priority of stabilising the country's economy and giving vocational higher education a central role.

The Portuguese higher education system, like that of Finland, has a binary structure: it counts 133 institutions which are a mix of public, private, concordat and military. However, this structure is complex, as 18 facilities which are

housed within polytechnics are also components of universities (OECD, 2006). There are 15 public universities and almost every region of the country has a university and/or polytechnic (DGES, n.d.). Public universities and public polytechnics are represented by the Council of Rectors of Portuguese Universities (CRUP) and by the Coordinating Council of the Portuguese Polytechnic Institutes (CCISP). Both the Ministry of Education and Science (MEC) and the General Directorate of Higher Education (DGES) are responsible for higher education and science policy.

The university system in Portugal dates back to the 13th century, but before the establishment of the vocational sector there were only four public universities which explains, to a large extent, the country's low student enrolment rate (Teixeira *et al.*, 2006). The education system in Portugal is regulated by the Education System Act of 1986 (Law 46/86 of 14 October) (Ferreira *et al.*, 2008). Over the years amendments have been made to it resulting in significant changes: for example, the vocational and private subsectors were established and given autonomy and the degree system was redefined (respectively Law 115/97 of September 1997 and Law 49/05 of 30 August 2005).

Throughout the 1990s and 2000s Portugal embraced NPM ideology and practice. By questioning the efficiency of traditional public services, managerialism also questioned the established role of HEIs (Santiago and Carvalho, 2004). There are several key factors which explain managerialist trends in the country. These relate to pressure to change the way in which knowledge, training and education are provided; the difficulty for the bureaucratic-professional model to manage a mass higher education system; the decrease in the number of students coupled with economic stringency; changes in regulation strategies and state control; and finally neo-liberal policies developed by the government which was elected in 2002 (*ibid.*, p. 432). It is generally asserted that NPM represents a more rational way of governance "which combines economic, social and political aspects, using rational choice as the legitimating principle" (*ibid.*, p. 429).

In 2006 – on the request of the government – the OECD and the European Network of Quality Assurance in Higher Education (ENQA) conducted an extensive review of the Portuguese higher education system. Its objective was to propose reforms and adopt the European guidelines approved in the context of the Bologna process. The review recommended that the institutional organisation and legal status of universities should be reformed: "The new legislation should establish institutions as self-governing foundations. Still supported financially by government, they would operate within the private sector. They would have managerial freedom and finances separately accounted for outside the state system. The civil service designation would be removed from all employees of the higher education institutions" (OECD, 2007, p. 141).

The Bill (i.e. draft law) (Government of Portugal, 2007) presented the national reform as an unprecedented opportunity for HEIs which would take place in parallel with the modernisation of knowledge societies. Subsequently, and in line with the OECD's recommendations, the government approved the RJIES (Regime Jurídico das Instituições de Ensino Superior), which became the new legal regime for HEIs. This law (62/2007) thus aligns the statutes relative to public and private institutions, universities and polytechnics. It updates legislation concerning public and private universities' and polytechnics' autonomy, as well as the legal regime governing higher education quality and development.

The RJIES was adopted despite pressure to amend it (all opposition parties voted against it) and the disapproval of the National Council of Education (CNE), the Council of Rectors of Portuguese Universities (CRUP) and the polytechnics' co-ordinating council (CCISP), faculty (professors) and staff unions, as well as student organisations and the HEIs. It did contain some positive aspects, which were recognised by the academic community and national unions; these relate to the law which provides for fairer quality assurance in higher education, and it has since been extended to both public and private institutions. Nevertheless, despite all the pressure to change the law, the principles embodied in the RJIES, which were clearly influenced by NPM, were approved. Those who opposed the law argued that it was motivated by a privatisation agenda and that it carried the risk of submitting to private interests. Some feared that by reducing the representation of students and staff in management and governance bodies, the RJIES may foster inequalities in institutions which choose to become public foundations. Furthermore, and as in the case of Finland, since the higher education sector is regulated now by private sector logic (i.e. state funding has dropped and universities need to generate a larger proportion of their income), these actors foresee a significant reduction in academic endeavour as well as lower participation in democratic governance by researchers, students and staff. They also anticipate an excessive concentration of power in universities' General Councils and in sole proprietorship positions, i.e. university rectors and directors of polytechnics. In fact, when they become foundations, faculties or universities cross the border from the public sphere to the private, namely with respect to financial and personnel management. These institutions are free to borrow money, set salaries, establish careers and define their own criteria for admitting students.

A key change brought about by this legislation relates to the governance bodies of the institutions which opt to become foundations: they are to be governed by a government-appointed board of trustees (Conselho de Curadores). Rectors used to be elected by the university assembly and are now elected by secret ballot by the General Council. This modification does not change the

rector's basic functions as the law stipulates that s/he be the General Council's senior official. The Council is composed of 15-35 persons, depending on the size of each institution and the number of schools and research units within it.

Furthermore, university senates, which used to be the governing body, lost power and in some cases disappeared: instead of having four organs (the rector, the rector's team, the university assembly and the administrative council), sometimes universities were left with only three, in which case the university assembly was replaced by a smaller general council. The major difference now, and something which has been strongly contested, is that in addition to academic and student representatives, 30% of members of the General Council should consist of individuals who do not belong to the institution (Law 62/2007, Article 81). Although the statutes may provide for the creation of an academic senate consisting of representatives of the organisational units, this body has no deliberative power.

Administrative councils have also been replaced by management boards which have identical functions, *i.e.* they are responsible for the administrative and financial management of the institution, as well as human resources management (Law 62/2007, Article 95).

Those who contest the RJIES also believe that the status of foundations could lead to an even greater reduction of state funding on the grounds that universities are able to sustain themselves. Therefore they fear a full liberalisation scenario, meaning that the amount of tuition fees for all studies would be fixed, combined with the deregulation of employment conditions for teachers, researchers and other workers: a situation which would undermine professional autonomy, and academic and intellectual freedom in particular. This scenario is quite likely to occur, given that the amount of money allocated in the state budget to HEIs is not attributed in function of the number of students enrolled. What we are seeing now is pluri-annual contracts based on "performance indicators" which span not less than three years, *i.e.* funds are defined according to the objectives to be reached (Law 62/2007, Article 136). Furthermore, the OECD recommendations in this sense are clear: "Tuition charges should be increased significantly, in order to help provide additional resources to the institutions and to acknowledge the significant positive financial advantages that a higher education qualification confers on graduates throughout their working life" (OECD, 2007, p. 4).

The recent legislative reforms in Portuguese higher education are therefore very much in step with international trends. On the whole, the country has followed the OECD's recommendations, just as – in the past – it adhered to the World Bank's guidance. Thus it seems fair to say that, historically, the country has sought international support in order to legitimise the government's decisions.

Finland: legitimising reform with the help of the OECD

Finland has 16 universities, 6 regional university centres and 25 polytechnics (Finnish Ministry of Education and Culture, 2011). After being part of Sweden and, as of the early 19th century, an archduchy of the Russian Federation, Finland became an independent nation in 1917. The first university was founded in Turku in 1640 and during Russian rule it was transferred to the new capital, Helsinki. After the civil war in 1918 and the Second World War, Finland became one of the most robust European economies and built a typical Nordic welfare state (Esping-Andersen, 1990). Roughly speaking, as in Portugal, the development of Finland's higher education system went through three phases. Until the mid-1900s only Turku and Helsinki had universities and, on the whole, higher education was reserved for the elite. However, the rapid expansion of Finnish higher education in the 1960s ended this era, and the new thinking meant that higher education became linked with regional politics and associated with the drive to make sure that the whole country remained progressive (Kivinen *et al.*, 1993, pp. 192-195; Rinne, 2010). During this expansionary period, which ran from the 1960s to the 1980s, the government attempted to locate universities evenly throughout the country. Furthermore, university regulations were revised and the power previously held by professors was distributed more democratically (Kivinen *et al.*, 1993; Autio, 1993). The new system introduced representation quotas for three groups: professors, other staff and students; these quotas affected all levels of governance, *i.e.* departmental, faculty and university.

Finland was scarcely engaged in international relations before the 1990s, but it still has a record of "riding the OECD slipstream" (Kauko and Varjo, 2008, p. 228) in policies relating to education. As Kallo (2009, p. 368) concludes in her thorough research, "OECD country and thematic reviews have regularly preceded legislative reforms of the national higher education system from the 1980s until the present day." Although the OECD link was established before the fall of the Soviet Union in 1991, connections with the West were still modest. The fact that the Ministry of Education's internationalisation strategy of 1987 had no effect before the early 1990s amply illustrates this. At that time, internationalisation was boosted by the economic crisis (Nokkala, 2007; Välimaa, 2010, 2011). Two important reforms of the Finnish higher education system – and which were catalysed by the OECD – were approved: the first related to managerial reform. Second, a decision was taken in the mid-1990s to create a binary system by establishing polytechnics (*ammattikorkeakoulu*) (Rinne *et al.*, 2004; Kauko, 2011). Finland became a member of the European Union in 1995 and has been described as a "model pupil" (Naumanen and Rinne, 2008, p. 362). Another step in the direction of European co-operation was Finland's EU presidency in 1999, which coincided with the signing of the pan-European Bologna Declaration. Overall, Finland has been not only

amenable to the recommendations of the EU and OECD, but also active in putting forward and disseminating the ideas emanating from these bodies (Naumanen and Rinne, 2008, pp. 362-363).

At the same time as Finnish higher education opened up to wider cohorts, another phase began with the NPM reforms of the late 1980s and early 1990s (Höltkä and Rekilä, 2003; Salminen, 2003). A change in doctrine meant that the central idea in politics was no longer social planning but rather addressing external economic disturbances (Kivinen *et al.*, 1993, pp. 143, 194-195; Lampinen, 2003, p. 83). As part of NPM efforts to enhance the economic efficiency of higher education, the concept of “structural development” was introduced in 2006 in order to form larger units by combining institutions, while avoiding overlaps by dismantling old structures (Rinne *et al.*, 2007). In the higher education system, the most visible part of this development has been known as “management by results”. According to Summa (1995, pp. 144-148), Finnish management by results in this context has been spurred by officials rather than politicians; she concludes by stating that managerial predictability is impossible in politics. Rekilä (2006, p. 229) expands on this position and maintains that since officers are driving for results, the Ministry of Finance is forcing the Ministry of Education into a mould, along with the other state sectors, without taking account of the specificities of universities.

Many changes brought about by recent legislative reform had their roots in the 1990s. Välimaa (2010) describes the trajectories of this period as “a globalisation shock” which had profound consequences on the development of the Finnish higher education system. Following this shock, Finnish higher education policy became more closely linked to economic aims, and at the same time reforms (*e.g.* Law 645/1997) gave universities more autonomy (Välimaa, 2011). This development culminated in the new Universities Act (Law 558/2009 of 24 July 2009) which brought about two major changes: universities became independent legal entities and their governance was reformed. But despite the fact that universities were able to raise other funding more efficiently, the state remained the main source of funding (Välimaa, 2010, 2011; Aarrevaara *et al.*, 2009).

The new law was drawn up over 2008-09, and during this process the OECD (2009) published a country review of Finland. The conclusions of the review team were reminiscent of NPM style *par excellence*. The problems they identified were attributed to bureaucratic bottlenecks and a lack of entrepreneurialism (*ibid.*, pp. 57-58). Hence, in relation to universities there were “pressures for more autonomy” in order to “become more entrepreneurial” (*ibid.*, pp. 105-106). To help achieve this, the OECD (*ibid.*, p. 133) discreetly offered “recommendations”, “reflections” and “suggestions” (*ibid.*, pp. 108, 116). For instance, it suggested a new legal status for universities:

“It seems very appropriate to redefine the HEI[s] (both polytechnics and universities) as so-called “Legal persons”, rather than as civil servant units. Within this approach, there are alternatives for institutions:

- As non-profit corporations.
- As foundations”. (*ibid.*, p. 108)

There were also similar trends at the national level. The OECD review team (*ibid.*, p. 58) directly referred to the fact that the Ministry of Education and Culture and the Rectors’ Conferences of HEIs supported enhanced autonomy. More work was done by a two-member committee, which the OECD team (*ibid.*, p. 110) was unaware of. The committee’s recommendation, which reflected the same tendencies as we have seen above, was to reform the legal status of universities so that they could become private foundations or corporations under public law (Opetusministeriö, 2007).

The government bill for the new university law made reference to the two-member committee and noted that international comparisons did not support the universities’ old “accounting office” model. There was also a reference to the Science and Innovation Council (Government of Finland, 2009, pp. 29-30) which is an influential policy-making body. As Kallio (2009, p. 370) has pointed out, the bill had a rather peculiar approach with regards to the OECD recommendation. Initially it states that the recommendation to reform the legal status of universities was “appropriate” (Government Bill 7/2009, p. 28), but later the tone changes when the Organisation was said to consider the reform a “necessity” (Kallio, 2009, pp. 298, 370; Government Bill 7/2009, p. 29).

Subsequent to the developments described above, the bill applied the OECD recommendations and proposed a model which went on to change universities’ internal decision-making processes. It suggested that the governing bodies of public universities should be composed essentially of external members and that foundation universities should only have external members (Government of Finland, 2009). This suggestion became a contentious issue among academia and in parliament, and was overruled by the Parliamentary Committee for Constitutional Law (Parliamentary Committee, 2009, pp. 3-4), responsible for the *ex ante* constitutional evaluation of laws.

Finally, a compromise was found. It was decided that public universities would have a board, a rector and a university collegiate body. The highest executive organ, the board, now consists of 7 or 9-14 members, of whom at least 40% are external stakeholders, the rest being comprised of professors, other staff and students. None of these three groups can hold more than half of the seats. The composition of the board and its term of office are decided by the collegiate body, which has a maximum of 50 members and includes

representatives of the three groups. The rector is elected by the board and holds the main executive power (Law 558/2009).

In the case of private foundations, the main organs are the board, the rector and an “overall multi-member administrative body”. The chair and vice-chair of the seven-member board must be external to the university. The administrative body selects the rest of the board after consulting the founding partners. In addition, three members who are not state representatives must be selected among the appointees suggested by the founding partners. The overall multi-member administrative body is rather similar to the collegiate body of a public university. The rector is elected by the board and has approximately the same executive power as rectors in public universities (Law 558/2009). One of the most significant changes is the re-formulation of the rector’s position: whereas earlier s/he was elected by the university community, now the rector is more or less a chief executive officer responsible to the board (Välilä, 2010).

The end result of the Universities Act was certainly consistent with international trends, but then again the national situation was complex. However, the OECD has been largely presented as an external source of pressure and as a justification for reforming universities’ legal status. The so-called reform proposals regarding the legislative status of universities became one more argument used by the government as a whole and the Ministry of Education and Culture, in particular, to legitimise the reforms.

Different contexts but similar conclusions

The origins of reforms in Portugal and Finland differ greatly, although historically their higher education systems have certain similarities. From early on Portugal sought international support in order to legitimise many of its decisions. It began by working with the World Bank, then the OECD, the European Association for Quality Assurance in Higher Education (ENQA) and the EU. This engagement, which took place with different momentum and through different instruments, enabled Portugal to devote significant political effort to align itself with other European models. More recent manifestations of this were the signing of the Bologna Declaration in 1999 and the formation of the RJIES in 2007. A somewhat similar logic also prevailed in Finland after the fall of the Soviet regime and during and after the globalisation shock of the 1990s. A “Europeanisation journey” commenced there as well, and the OECD also played an important role early in the process. One can therefore affirm that both systems were open to feedback from international agencies.

The OECD identified different problems within the two systems. While in the Finnish case the main one was seen as a lack of entrepreneurialism, Portugal was considered to be lacking effective formal strategic higher education planning as well as innovative, flexible and responsive HEIs, which are needed to increase

quality. However, in each case the OECD's tone was very different. Finland received discreet hints, but in the case of Portugal the OECD's recommendations, such as the creation of a new National Council responsible for overall higher education strategy, were much more direct. The objective was to redefine the relationship between certain institutions and government in order to free them from overly complicated administrative procedures (OECD, 2007).

The OECD review teams' responses analysed in this article fit rather well the description of NPM we have coined: promoting private sector practices within HEIs. Hence it is fair to say that international prescriptions contributed to the general acceptance of a managerialist ideology in both Portugal and Finland.

In both cases, very different situations led to similar suggestions by the two OECD review teams. As they posed the same type of questions in both countries, it is not surprising that the two governments drew the same conclusion: the legal status and governance of the universities had to be redefined. In both Finland and Portugal this led to contentious measures in terms of institutional governance (*e.g.* increased management and stronger leadership were advocated) and human resources practices (*e.g.* HEI staff members are now considered to be university employees and no longer civil servants). Earlier on, the OECD was a catalyst in the creation of the binary structure in both systems.

However, Finland's non-existing tuition fees were not politicised whereas in Portugal the OECD team suggested increasing them. Could it be that Portugal, with a weaker economic situation than Finland, was more desirous of such suggestions? We believe that governments' decisions should be viewed from the perspective of the historical situation at the time. It is not surprising that in a climate of financial crisis, and considering the inertia of earlier NPM reforms, the Portuguese government received the suggestion of increasing tuition fees with interest.

In sum, the latest legislative reforms of both higher education systems absorbed and applied the NPM edicts quite well. While the national circumstances were different, the OECD response in both cases was characteristic of NPM. This makes us wonder whether the OECD review teams supported NPM reforms not for reasons of logic, but rather of doctrine. Another possibility is that a consideration of the global environment in which HEIs operate pushes nations to seek similar successful solutions or "best practices".

Yet another, distinct possibility is that the OECD serves the purposes of national governments. As we have seen, both countries have used OECD policies essentially as a lever to obtain legitimisation. This would support the thesis of policy making being not so much about finding the right solutions, but about finding the right questions that fit pre-determined solutions (Kingdon, 2003).

The OECD certainly functions as an agent of globalisation, as it pinpoints similar problems in different contexts. From the perspective of its reviews, the cases analysed here suggest that a similar type of problem fits all situations. This would support the theoretical idea of “travelling” problems. However, individual nations can use the promoted values in very different ways, according to specific circumstances (Beck, 1999). Governments have different aspirations towards ideal outcomes and they look at their counterparts’ programmes when searching for the best practices to achieve these aspirations. The reason for the similar reforms in the cases covered here would seem to be tied to national decisions, but the OECD has served as a vehicle for teasing out the “right” problem.

Another interesting question is whether these two small countries at the farthest corners of the EU need to be more open to input from international organisations. In any event, Finland and Portugal have shared the experience of opening up to the rest of the continent and, for both of them, a strong catalyst was the will to belong to something mythical and inclusive: Europe.

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