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## The art of governing local education markets – municipalities and school choice in Finland

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### ABSTRACT

Since the 1980s, numerous education reforms in Europe and beyond have sought to dismantle centralised bureaucracies and replace them with devolved systems of schooling that emphasise parental choice and competition between diversified types of schools. Despite this general trend, Finland continues to emphasise the municipal assignment of school places, albeit with the possibility of locally controlled choice. The aim of this paper is to elaborate on the ways in which Finnish local education authorities – involving both officials and politicians – define themselves in relation to the changing conceptions of the Nordic welfare state model. The paper discusses the social costs and benefits of school choice in addition to the kinds of techniques these authorities use when aiming to control and manage the social costs and benefits of school choice. Based on nine in-depth thematic interviews with local education authorities, the modalities – having to, being-able, wanting and knowing how – will be analysed.

### KEYWORDS

School choice; local education policies; universalism; selectivism; modalities

## Introduction

The Nordic countries have traditionally been characterised by a high degree of local autonomy in decision-making (Esping-Andersen, 1990). According to Green, Wolf, and Leney (1999), after a period of centralisation since the 1930s, “traditional Nordic localism” re-emerged during the 1980s. This considerable shift in the relationship between central and local government occurred in all the Nordic countries. As a common trend, the Nordic nation states have delegated control in many areas to their subordinate bodies, the *municipalities*.

While decentralisation and new approaches to public management in recent decades have further increased local autonomy, they have also led to inter-municipality fragmentation, which has weakened the unifying structural principles upon which the universalist Nordic systems were built after the Second World War (Bogason, 2000). In tandem with the “changing central–local relations of governance” (Ozga, Simola, Varjo, Segerholm, & Pitkänen, 2010), the Nordic welfare states are undergoing a gradual but wide-ranging transformation towards a more market-based mode of service delivery. According to Helby-Petersen and Hjelmar (2014), the gradual shift from the

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public provision of welfare services towards the private, including home care for the elderly, child care, and the operation of nursing homes, characterises this fundamental transformation of the Nordic welfare model.

Along this trajectory, school choice has also arisen on Nordic countries' political agendas. Demands for greater school choice opportunities and competition between schools have commonly emphasised the *social benefits of school choice*: such reforms will reduce educational bureaucracy, strengthen democracy (the right to choose instead of being assigned), improve efficiency (higher achievement and lower costs), increase accountability, and promote equal opportunity for the poorest students in high-poverty, low-achieving schools by abandoning strict attendance zone policy (Varjo, Kalalahti, & Lundahl, 2016; see also Pöder & Lauri, 2014). However, such claims have been challenged by arguments that stress the *social costs of school choice*: parental choice is seen as a middle-class enterprise that particularly benefits privileged social classes and promotes higher achievement rates in schools with more advantaged students (Varjo et al., 2016; see also Bunar, 2010; Bunar & Ambrose, 2016; Chubb & Moe, 1990). Moreover, a host of research evidence indicates that school choice feeds social segregation (Logan, Minca, & Adar, 2012; Waslander, Pater, & van der Weide, 2010).

The various initiatives of school choice policies can be placed into one of two categories, whether the aim of the policy is: to improve the market environment by levelling access to both publicly and privately operated schools; or to create a quasi-market within the public system (Lauri, 2015). According to Ball and Youdell (2008) the former means *exogenous marketisation* of education system by opening it up to private providers. The *endogenous marketisation* indicates reforms that try to bring business-like thinking into the education system in order to increase the efficiency and demand-sensitivity (choice) of public policy.

Along with these categorisations, Cobb and Glass (2009) distinguish three forms of choice: controlled, regulated and unregulated school choice. *Controlled choice* means that a central authority designs a set of criteria that will match children and schools, to safeguard the equity of the assignment of children to schools. Under *regulated choice*, providers of education have more autonomy in designing their own admission criteria. With *unregulated choice* (or open enrolment), in the national context, the central authority would not prescribe admission criteria to the providers of education.

This paper contributes to the discussion on the governance of local education markets and the institutional design of school choice policies (see Le Grand, 2007; Lauri, 2015; for instance). Hence, rather than demand (parents and their children), the focus is on the supply side (providers of education) of the dynamics in local institutional spaces of school choice. Empirically, our aim is to analyse the ways in which Finnish local education authorities – encompassing both officials and politicians – recognise and control the social costs and benefits of school choice. Theoretically, along the principles of grounded theory (see Corbin & Strauss, 1990) we seek to reach a better understanding about the conceptualisations of the social and benefits of school choice in Finland. To grasp the self-comprehension of local education authorities, the modalities – *having to*, *being-able*, *wanting* and *knowing how* – discerned from interviews with nine in-depth key informants (see Tremblay, 1982) will be analysed.

## School choice meets the Nordic welfare model: the case of Finland

To frame the phenomenon of interest, this paper deals with two conflicting objectives in the provision of basic education, which have been delineated by using the concepts of *universalism* and *selectivism*. According to Gewirth (1988), as a doctrine, universalism maintains that all persons ought to be treated with equal and impartial positive consideration in terms of their respective goods and interests. As one of the key elements of the *Nordic welfare model* (Esping-Andersen, 1990), the comprehensive school is based on the idea of providing equal educational opportunities, regardless of gender, social class and geographic origin. In broad terms, the Nordic welfare model has had several distinctive features: centre-left coalition governments, a high level of redistribution, strong support for investment in primary and secondary education, active labour market programmes, as well as high-quality public day care and preschool services (Iversen & Stephens, 2008). Within the field of compulsory education, our notion of universalism involves issues concerning the uniformity of the comprehensive school, such as the homogeneity of schools and learning outcomes, and non-selective admission policies (Kalalahti, Silvennoinen, Varjo, & Rinne, 2015; see also Anttonen & Sipilä, 2010).

During the 1980s, the universalist perspective came to be questioned due to rapid economic change and high unemployment in OECD countries (Ellison, 1999). From the pluralist standpoint, the welfare state had created a false uniformity which eliminated, or at least reduced, “the diversity of identity, experience, interest and need in welfare provision” (Williams, 1992, pp. 206–207). As a counterforce, particularism argues that one ought to give preferential consideration to the interests of only some persons, including oneself and those with whom one has special relationships, such as members of one’s own family, the local community, a particular social group, and one’s nation (Gewirth, 1988). For its part, selectivism refers to the comprehensive school having somewhat greater selectivity in terms of a stronger parental right to choose a school, more diversity among schools and an increasing number of private schools (Kalalahti et al., 2015; see also Anttonen & Sipilä, 2010).

Besides the ideological dimension, the changing dynamics between universalism and selectivism have also been manifested in the Finnish education system and the policies involved. The contemporary model of governance of school choice is the result of several reforms in the 1980s and 1990s. The trajectories of deregulation and decentralisation have altered local policies and practices concerning admission to and selection for basic education. Because of the strictly limited number of private schools,<sup>1</sup> parental choice occurs mainly within the publicly funded nine-year comprehensive system (Simola, Kauko, Varjo, Kalalahti, & Sahlström, 2017).

The 1999 Basic Education Act (Law 628/1998) only obliges municipalities to assign each child of elementary school age to a “neighbourhood school”; the legislation does not refer to “school districts.” The notion of a neighbourhood school means that children are obliged to attend a designated school defined in terms of proximity and local conditions. The municipalities, through their elected education boards, have been given powers to decide on the allocation of lesson hours in all schools under their jurisdiction. Schools have started drawing up profiles (Ylonen, 2009), that is, offering specialisation in particular subjects in the curriculum or placing an emphasis on certain

themes (the environment or communications, for instance). These “classes with a special emphasis” (*painotetun opetuksen ryhmät*) function as separate streams within regular municipal schools. They feature more music, sports, science, languages, and art, for instance, than the National Core Curriculum requires (Seppänen, Carrasco, Kalalahti, Rinne, & Simola, 2015; Varjo & Kalalahti, 2015; Varjo, Kalalahti, & Silvennoinen, 2014). Importantly, the neighbourhood school principle does not apply to classes with a special emphasis; the schools commonly draw pupils from the whole municipal area because of their particular focus (Seppänen et al., 2015; Ylonen, 2009). It is important to note that pupils should be selected for classes with a special emphasis on aptitude tests, not according to their academic achievements (Law 628/1998).

*In toto*, within our theoretical context, introduced in the first section, the case of Finland represents an example of a moderately endogenously marketised and highly devolved education system with regulated school choice policies.

### Social costs and benefits of school choice

According to Lauri (2015) and Bunar (2010), among others, the impacts of school choice are open to dispute. The societal effects of school choice can be conceptualised as *social benefits* (i.e. the ethos of supporting individual abilities) and *social costs* (i.e. learning outcome disparity). The social costs and benefits of school choice are well-known and well-articulated issues that are either promotable or avoidable. They mainly concern education systems in general, or actors (schools, families, etc.) within a system (Varjo & Kalalahti, 2015; Varjo et al., 2016).

Concerning *social benefits*, school choice can be interpreted as a policy to support and enable individual abilities, learning skills, and better academic achievement through choice and competition. Choice and competition can also be understood as mechanisms to improve the overall quality of the education system (see Chubb & Moe, 1990, for instance). However, Finland has not been very active in developing policies concerning quality assurance and evaluation (Varjo, Simola, & Rinne, 2013). As with quality, choice and competition can also be understood to increase efficiency. In the Finnish case, the devolution of managerial and financial control to the local level has extended freedom to municipalities to make decisions – in terms of the number of schools, admission policies, specialisations within schools, the number of private schools, and allocation of resources – concerning their comprehensive schools and the basic education they provide.

Choice is also understood to have *social costs*, such as learning outcome disparity and increasing socio-spatial segregation. Competition and the problem of “failing schools” – that is, academically under-achieving schools typically located in relatively disadvantaged neighbourhoods and generally attended by larger numbers of multicultural pupils – is also an issue in Finland. For instance, in addition to high overall educational achievement, Finnish PISA success has also been based on there being few variations in learning outcomes between individual pupils and schools. Nevertheless, a cluster of such “failing schools” has already emerged in Finland’s capital, Helsinki (Bernelius, 2011). Gradual disparities in learning outcomes, intertwined with socio-spatial segregation, have been widely noted in the Finnish education policy discourse (MoEC, 2016; Ojalehto, Kalalahti, Varjo, & Kosunen, 2016).

Choice and diversification are palpably causing differences in the institutional pre-conditions for learning. In many major Finnish cities, up to 30% of pupils attend classes with a special emphasis. It is evident that increasing disparity in learning outcomes calls for compensatory measures to allocate additional resources to schools in relatively disadvantaged neighbourhoods, although the action taken has generally been only moderate and somewhat arbitrary. Despite national guidelines, actual policies and practices concerning the allocation of resources rest very much on municipal decisions (Varjo et al., 2016).

## Research setting

In this paper, we analyse the ways in which Finnish local education authorities recognise and control the social costs and benefits of school choice. Empirically, we ask: What social costs and benefits of school choice do local education authorities recognise? What techniques do they presume that municipalities possess when aiming to control the social costs and/or enhance the social benefits of school choice? With theoretical sampling (see Corbin & Strauss, 1990; Glaser & Strauss, 1967), we seek to reach a better understanding about the conceptualisations of the social and benefits of school choice in Finnish context.

Following the basic principles of grounded theory, we conducted a *theoretical sampling* that offers rich-enough data for the comparative analysis. By comparative analysis we refer to iterative comparisons between empirical data and concepts, concepts and categories, among data and among categories (Cho & Lee, 2014; Gregory, 2010). Our methodological approach required us to recruit participants with differing experiences of providing basic education at the municipal level in order to explore the multiple dimensions of the social costs and benefits of school choice (Starks & Brown Trinidad, 2007). Hence, along the principles of the *key informant technique* (see Tremblay, 1982), our sampling was aimed at multiple municipalities and institutional positions.

The interviewees were selected from three municipal educational administrations, representing three of the six largest cities in Finland.<sup>2</sup> Within each educational administration, three different institutional positions were covered, due both to the role within the structure of municipal educational administration and decision-making, and to the direct access to the information being sought. Therefore, we identified three key informant groups in three municipalities ( $N = 9$ ). The first group consisted of heads of departments (“Head”,  $n = 3$ ) responsible for local education administration. In the second group were middle-ranking officials (“Official”,  $n = 3$ ) who specialised in issues concerning admission and selection. The third group (“Politician”,  $n = 3$ ) consisted of persons nominated to sit on municipal education boards by their political parties, based on the results of municipal elections. Since the key informants in our data covered the institutional positions involved the governance of the local school markets, the schools and families were excluded from the research frame.

The structure of the thematic interviews was elaborated along the research process. In broad terms, the interviews covered issues that are characteristically within the jurisdiction of municipal authorities: local models of selection and admission; the specialisation of schools; principles for the local allocation of resources; and quality assurance and evaluation. The comprehension on issues discussed in the interviews was iterated after each interview. The duration of thematic interviews ranged from 50 to 90 minutes.

In order to grasp the self-comprehension of local education authorities according the aim of our paper, the analysis of the transcribed interviews was based on the concept of *pragmatic modality*, which derives from semantics and semiotic sociology. In broadest terms, pragmatic modality defines the relationships between actors. It consists of four main modalities: *having to, being-able, wanting, and knowing how* (Greimas, 1987; Sulkunen & Törrönen, 1997). It is important to note that we used these modalities as categorisation tools to determine in a rigorous way the abilities, competencies, motivations, and obligations that were described by the local education authorities in the interviews. The interpretations are based on theoretical insight of the governance of local education markets and the conceivable social costs and benefits of school choice.

According to Table 1, modalities can first be categorised according to whether they stem from the subject or object itself or whether they are imposed by another subject. The first dimension is called *endotactic*, the latter *exotactic*. In this categorisation, wanting and knowing are endotactic modalities; whereas, having to and being-able are exotactic by nature (Sulkunen & Törrönen, 1997).

The second categorisation concerns the motivation to perform a task. Motivation defines the object as valuable (desire, will) and the subject becomes responsible for achieving it (obligation). Hence, wanting and having to are *virtual* modalities; they render meaningful what the subject does. Knowing how and being-able, on the other hand, are *actual* modalities that make the subject's action understandable through other's actions (Sulkunen & Törrönen, 1997).

Wanting is connected to motivation and aims. In its most basic form, a wanting subject exhibits action intended to achieve a goal. Knowing how refers to endotactic skills or knowledge, which are relatively constant and cumulative. Having to indicate an obligation or necessity. It is an external compulsion without alternative ways of acting. Knowing how is bound to the situation. The capacity to act is based on external conditions (Sulkunen & Törrönen, 1997).

At the beginning of our analysis, the four modalities concerning the social costs and benefits of school choice were identified from the interview data, and special attention was given to the relationships between the different actors. In terms of practice, the modalities were based on expressions of wanting, motives for acting in a given situation, sense of duty, and so on. Later, the content of each modality was thematically analysed in order to carry out our research tasks. In the first stage, the analysis of modalities was conducted by the two researchers separately. In the second stage, all the data were re-analysed jointly in order to check the validity of the categorisations and interpretations involved.

## Empirical results

In this section, we present our empirical findings in the form of practical modality: how the dynamics between principles of universalism and selectivism merge with more practical issues on recognising and governing the conceivable social costs and benefits of school choice.

**Table 1.** Virtualising and actualising modalities (Greimas, 1987; Sulkunen & Törrönen, 1997).

Modalities	Virtualising	Actualising
<i>Exotactic</i>	Having to	Being-able
<i>Endotactic</i>	Wanting	Knowing how

### ***Municipalities want to guarantee the homogeneity of the comprehensive school system – and offer controlled options for school choice***

The modality of *wanting* was articulated quite explicitly, almost taken-for-granted, by all the interviewees. At its core was a strong aspiration to ensure the consistent quality of the municipal comprehensive system. Along universalist principles, the municipalities wanted schools in their jurisdictions to be of the same quality, to be of a sufficiently high standard, and to be absolutely safe. In such a homogenous system, every school would be a neighbourhood school for local children, assigned to them by their municipality, based on a safe and short journey to school.

In [name of the municipality removed] we want to improve every one of our schools as a neighbourhood school. Our aim is that high-quality education be provided in every neighbourhood school. (“Official”)

Not-wanting was also evident in the interviews. The municipalities did not want a diversification of their schools. As a general rule, selectivism was not taken as a conceivable principle for the provision of comprehensive education. Diversification – articulated as substantial between-school variation in learning outcomes, for instance – was seen as a worst-case scenario.

What we do not want in our municipality is, of course, that pupils in some schools become such a challenge that the everyday routines are not safe, or that high-quality learning in those schools is no longer possible. (“Official”)

The will to safeguard consistent quality in the comprehensive system appeared to be a matter of principle, a moral question. It was stronger in schools the neighbourhoods which had already started to segregate:

Even if a given area has already been stigmatised as a neighbourhood...our motive is to mitigate the effect of this in the local school. Just to avoid more residential segregation. (“Politician”)

To maintain the same level of quality between schools, in the view of the interviewees, the social composition of pupils in each school should not be too dissimilar; within-school heterogeneity was indeed an objective that they commonly shared. The local education authorities saw equally heterogeneous schools, evenly distributed across the entire municipal area, as forming a homogenous system. The definitive will of the municipalities was that families should stay where they live, and pupils should attend their neighbourhood schools to avoid “unnecessary” commuting and its ecological footprint as well as exacerbating social disadvantage.

However, it was felt that a homogeneous system consisting of heterogenous schools could not be completely uniform. To a certain extent, the municipalities also appeared to want a variety of specialisations or foreign languages to be offered. The rationale behind this was to support the different capabilities and interests of pupils; hence, our interviewees also saw choice as a matter of promoting equality. It is important to note that the option to choose different specialisations or foreign languages was seen as remaining within the realm of the comprehensive system, governed by local education authorities.



Personally, the way I see it (...) it has been the will of the political majority in [name of the municipality removed] to support classes having a special emphasis. There are some good ideas behind this, wanting to support individual talent, and so on. (...) Realistically speaking, in [name of the municipality removed] it would be really difficult to discard classes having a special emphasis, politically. We could, of course, propose that all specialisation be abolished, and that different aptitudes be taken into account in schools by other means. Oh yes, we can propose, but due to political reality, it wouldn't go through, you know? ("Official")

In a situation in which safeguarding consistent quality in the comprehensive system and at the same time, providing families with opportunities to choose, are both considered to be desirable goals, the compromise is to ensure that options for choice are evenly distributed. Hence, the municipalities appeared to want classes with special emphases and a variety of foreign languages throughout their territories.

### ***Municipalities must fulfil their legal commitments – and keep parents satisfied***

The modality of *having to* is constructed in a twofold manner: as an obligation to implement the tasks delegated to the municipality according to the law on one hand, and as a duty to respect the will of its inhabitants, on the other. In most practical terms, the obligations set out in the Basic Education Act (Law 628/1998) would be fulfilled when a municipality assigns each child of elementary school age to a neighbourhood school, and in tandem, provides parents with at least some opportunity for school choice.

Of course, this is all based on legislation. We have to be very careful that pupils' rights are also ensured when it comes to issues of school choice. ("Head")

At a fundamental level, the question is not solely a matter of implementing mere legal obligations. According to our interviewees, more abstract "humanitarian reasons" also make demands on the municipality. They were considered binding, for example in the case of assigning students to neighbourhood schools.

Health-related reasons, or an elder sibling at a preferred school...yes, we can take these factors into account. And that's very humane and fair, I would say. ("Head")

The interviewees revealed that the will of the public (as interpreted by them) forms a clear and strong imperative for the provision of basic education. The local education authorities have concluded that parents in general want an opportunity to exercise school choice. Hence, there must be – at least to a certain extent – distinct options to choose from.

If I may say, for the well-educated parents in [name of the municipality removed], the sixth section of the Basic Education Act is quite difficult to agree with. The one that states something like local education authorities assign to a child of compulsory school age a neighbourhood school. Wait a minute! We are not free to choose? Our child will be assigned by the municipality! ("Official")

The parents' imperative has been interpreted to be so compelling that it has evolved into a clear inevitability. If the will of the parents were to be neglected, the worst-case

scenario would be that they would begin to apply in vast numbers to go elsewhere – to private schools, or schools in other municipalities.

If the parents are satisfied, things will remain as they are. If they are not, well, then the rule of the people will strike back. First, there will be a growing number of disappearances from our system... (“Head”)

### **The municipalities know how to assemble data – and how to control it**

It was found that the modality of *knowing how* has been built around extensive data collection and knowledge-based management. Due to their strong tradition in governance, municipalities have extended their capacity to assemble data on the state of comprehensive schools and their surroundings – including the social cost and benefits of school choice – in a rigorous and controlled way. The ability to build an administrative machinery for this purpose lies at the core of municipal competencies. It consists of regular, established and wide-ranging practices in data collection, management and distribution. Even these practices might vary in detail from one municipality to another, but the common denominator is the objective of using the accumulated know-how.

School health promotion studies and assessments of educational achievements were mentioned as examples of data production purchased by municipalities for their own purposes and produced by external expert organisations. Nevertheless, municipalities have also been capable of collecting data in their own right and have produced panel data on school choices in different parts of their territories.

Every three years there will be an evaluation cycle. Every school must then conduct certain standard questionnaires, for pupils, staff, and parents, and so on. (“Official”)

The management and distribution of data were said to be well-organised. They have formed a clear-cut hierarchical administrative chain from the municipal department of education to the principals and finally to the teachers. Throughout this chain, superiors are entitled to decide to whom the data are provided and who is obligated to manage them.

It is important to note that the hierarchical chain of data was seen as including local education authorities, principals and teachers. In this respect, the role and meaning of political processes has remained unclear. The parents and other residents have not been involved in the chain. Also, the local boards of education have been more or less dependent on the officials.

In this case drawing up we are dependent on officials and what they put on the agendas of our board meetings. It is obvious, and that’s the way it should be. We are supposed to trust the officials. We have no choice, and, after all, it is a question of responsibility for the legality of their actions, you see. (“Politician”)

All our interviewees shared the sentiment that the unlimited publication of school-specific data on achievement, for instance, would only be harmful. It was seen as stigmatising certain schools and accelerating the overall diversification of the comprehensive system. Hence, in their view, the data should remain for administrative purposes only, in some cases excluding even local boards of education.

... and then we report the results of the assessment, and by the way, we don't report them on a school-by-school basis. [*Not even to the board of education?*]. No, not even to the board. We consider the results of the assessment tests more as a tool for our internal development activities. ("Official")

In the absence of public comparable data (such as school-specific learning results), anecdotes and impressions become more important when families are making their choices. School reputations are built on occasional incidents, typically regrettable ones, or on subjective issues, like restlessness in classrooms. As a general feature, once an anecdote or impression is developed, it becomes difficult to change. (Ball & Vincent, 1998.) Within the modality of knowing how, the management of school images and reputations is evidently constructed as something that the municipality is not able to do.

Every now and then, it comes out that an incident of some description has occurred at a given school. It might have happened a long time ago, but, still, the rumour spreads and has a huge negative effect on the school's reputation. It might not even be true in the first place, fantasies from the past decades, you know. ("Official")

### ***The municipality is able to govern the geographical areas and specialisations within its school system***

The modality of *being-able* was described as being due to the municipalities having considerable sovereignty when providing basic education, with the exception of the few private schools. The geographical location of schools is intertwined with wider issues of city planning. The aim of the municipalities is to provide each school with a composition of pupils that is as heterogeneous as possible, without giving up the principles of efficiency and equality.

If the whole city planning is based on the idea of social mixing, and if it is possible to implement this scheme, then there might be a chance to use admission policies for the same purpose: to keep all schools as heterogeneous as we can, and to avoid problems that come with homogeneity. ("Head")

As well as the locations of schools and the maximum number of pupils in them, the municipalities decide which classes with a special emphasis and which foreign languages will be provided in different parts of the municipal area. The justification for such extensive regulation comes from the demand for equality between areas.

I think it is sensible that the selection of foreign languages is centrally governed by the officials and board members. The board of education keeps an eye on the balance between different neighbourhoods. It is those university-educated parents who demand wide varieties of languages for their schools, you know. ("Politician")

It is important to note that while the municipalities decide annually on the maximum number of places at each school, in practical terms they set limits on the exercise of school choice. School choice comes into question only after a neighbourhood school has been assigned to all local pupils. The interviewees admitted that the quotas for those who want to apply somewhere else are strictly limited to prevent travelling from one neighbourhood to another.

Then we submit to the board of education how many pupils each school can intake. And schools can't exceed these, of course. The aim here is to minimise the flows from one school to another. ("Official")

Under circumstances in which neighbourhoods have already started to differentiate, the municipality in question appears able to support schools located in sub-standard neighbourhoods, if considered necessary. In practical terms, this means that more financial resources are allocated to schools located in disadvantaged neighbourhoods, based on a range of indicators and measurements. Also, classes with a special emphasis are utilised as compensatory measures.

If we establish a class with a special emphasis in a school located in a demanding neighbourhood, we try to ensure that parents who are generally interested in their child's hobbies and upbringing stay in the neighbourhood and don't send their children to other schools, at least during grades 1–6, perhaps in grades 7–9 as well. ("Official")

## Discussion

Our analysis of modalities reveals the ways in which Finnish local education authorities articulate the social benefits of school choice as an option for ensuring the legal right of parents to choose a school for their child on the one hand, and to emphasise individual skills, on the other. Nevertheless, the conceivable social benefits are limited only to aspects of educational achievements and individual opportunities instead of overall development of the quality and efficiency of the whole education system.

It is important to note that all our interviewees shared the presumption that school choice – at least potentially – feeds social and residential segregation: therefore, the opportunities for exercising school choice must be governed by public authorities. Whilst pondering the dynamics between choice and segregation, our interviewees evidently place more emphasis keeping social costs to a minimum instead of seeking benefits.

In terms of *virtualising modality*, in our data, ensuring the standardised quality of comprehensive schools is given a high priority among the duties of the municipality. It is important to note that to some extent, the municipality also wanted to provide a range of specialisations and choice options for foreign languages. The endotactic motive can be traced to the will to support the individual aptitudes of the children and various interests of the families. Simultaneously, due to the demands from the parents, the municipality has to organise opportunities to choose a class with a special emphasis exotactically, or a foreign language at a school other than the assigned neighbourhood school. The parental demand in the municipality was considered to be so strong that it had become a necessity in its own right. To a certain extent, the municipal will promote different aptitudes and interests – to intertwine with the parental demand for the right to make decisions concerning the education of their children. The object (school choice) becomes valuable and the subject (municipality) has an obligation to achieve it – hence, wanting and having to, are connected as a virtualising modality.

Whilst elaborating *actualising modality*, due to the strong exotactic pressure, municipalities have organised opportunities for choice, but simultaneously developed facilities to operate in this novel situation. Municipal know-how is gradually and intentionally built on

various practices of management by information: the municipality is able to collect data on its schools systematically. It has also developed practices to distribute information hierarchically to the limited (administrative) user groups, like principals. The information is not available to the public. Actualising modality is also manifested in large-scale efforts to govern admission policies; local education authorities use a wide variety of means to ensure the heterogeneity of schools. They modify admission policies through geographical admission districts, set limits for selectivity, and encourage schools to draw pupils from neighbourhood areas with the use of an incentive bonus.

Theoretically, the conceptualisations of social costs and benefits of school choice were iterated along the principles of the universalism and selectivism (see Ellison, 1999). The ways in which local education authorities aim to maintain universalism, and simultaneously introduce selectivistic practices in a controlled way, will mirror the attitudes of Finnish parents towards school choice to a large extent. According to Kalalahti et al. (2015), middle-class families are discreetly promoting more options for school choice – but within the realm of universalist Nordic society. Selectivistic practices such as private schools and public rankings are seen as undesirable. The vast majority of our interviewees expressed their support for a universal comprehensive system, with small variations between schools controlled by public authorities.

The diversification of the educational system and the emergence of school choice are an indisputable break from the Nordic universalist post WW2 comprehensive ideology (Ball & Youdell, 2008; Lauri, 2015). However, it would be an exaggeration to say that school choice policies at the local level in Finnish basic education have become completely selectivistic or marketised exogenously. Rather, the overall universalist ideology has intertwined with local practices that are distinctively selectivist. Moreover, school choice in Finnish systems remains strictly regulated, since a considerable amount of jurisdiction has only been delegated from the central authority to local education authorities. Indeed, while managing the policies concerning school choice, it is the municipalities who define the relationship between universalism and selectivism at the local level.

Finally, the relatively limited data were gathered through theoretical sampling by the key informant technique, consisting of three three-dimensional units ( $N = 9$ ). The strength of our grounded-theory approach is its ability to produce novel theoretical comprehension on the rationalisations of local education authors whilst recognising and controlling the social costs and benefits of school choice. Nevertheless, the empirical outcomes can be generalised beyond the context of the study only with caution. Our findings, based on the analysis of modalities, concern moderately endogenously marketised and devolved, but yet regulated education systems, such as those that exist in major Finnish cities. Furthermore, our focus was on local education authorities, which leaves teachers, principals and parents aside. Including these groups into the study might have produced a different set of comprehensions on the social cost and benefits of school choice.

## Notes

1. Finnish private schools are mostly schools with a specific religious or pedagogical emphasis. According to the OECD definition, they are government-dependent private schools, that is, institutions that receive more than 50% of their funding from government agencies (Musset,

2012, p. 9). In 2009, 96% of Finnish comprehensive schools were owned and administered by municipalities (Kumpulainen, 2011, p. 45).

2. The decision to involve only large, urban municipalities was based on the institutional preconditions for the formation of local school markets, and spatial demographical features of Finland. First, in Finland and elsewhere, school choice is distinctively an urban phenomenon. The overall idea of supply in the local education markets is built on the precondition that there are several schools within a relatively short distance from each other to choose from. Second, Finland is a sparsely populated country, consisting of relatively few major urban population centres. *In toto*, the municipalities in our study represent Finnish local contexts where school choice is possible, and its consequences have become a societal issue. To ensure anonymity, we have not published the names of the municipalities, nor described their features in a detailed fashion.

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