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## Chapter 3

### Finland

*Petri Uusikylä, Pertti Ahonen, Nina K. Hietakangas and Johanna Nurmi*

#### 1 Introduction

Finland has been the independent republic since 1917. From 1809 to 1917 it was the autonomous part of the Russian Empire forming the Grand Duchy of Finland, the predecessor state of modern Finland and had until the 1980s important semi-presidential characteristics. Today Finland compares with most other member states of the European Union (EU) in that the Prime Minister is the unquestionable leader of governmental policy-making. However, as Finland has since 1907 a pronouncedly proportional system of political representation, the Prime Minister normally leads governments that are coalitions between three to six political parties. This circumstance emphasises both the importance and the challenges of coordination in governmental policy-making.

Despite the entrenched position of Åland, Finland belongs to the unitary states among the EU member states. Although regional self-government is being introduced country-wide by 2020, no federal structures will be established. Besides the evolving regional self-governments, Finland's governments also comprise more than 300 municipalities with self-government guaranteed in the Finnish Constitution. Following general Nordic

models, the municipalities have comprised the foremost providers of the public services. However, the establishment of regional self-government (from 2020 onwards) will be accompanied with the transfer of one half of the duties of the municipalities thus far to the new regional government, meaning tasks of the social welfare and health care field.

The development of public policy evaluation in Finland has been closely connected with the development of the welfare state. Much of what later was called evaluation was first conceptualised – and used systematically since the late 1950s and the early 1960s — as provision of knowledge for social welfare reform with scientific basis (Ahonen et al. 2002, pp. 47–48). The tipping point for evaluation and policy analysis was the introduction of the synoptic, rational planning systems in the 1960s and 1970s. Comprehensive budgeting planning together with new generation politicians and civil servants (with social science background) laid ground for systematic use of policy analysis and evaluation. The role of policy analysis was to make *ex ante* assessments of alternative policy options and provide input information for the mid- and long-term plans. Evaluation (that time mostly applied social science research) was often ideologically laden and aimed either to support government policies or oppose them. Access to strategic and policy level information was highly restricted and evaluations were mainly carried out by the planning and research units of the Ministries and Central Government Agencies or by the academics or sector-based research centres. The politico-administrative system of steering was extremely hierarchical and based on top-down control.

During the 1980s and 1990s the hierarchical steering system of government started to deteriorate. New managerial models such as New Public Management (NPM), Management by Results and decentralisation crept into Finland after 1987 when conservative Government (PM Holkeri) took the office. Influences from the UK and US travelled to Finland via the Organization for Economic Cooperation and Development (OECD) and its Public Management Committee. First NPM pilots started in early 1990s and by the end of the decade NPM was the ‘official’ management tool of the Finnish public sector. The role of the evaluation was pivotal in NPM-based steering. When regulatory and detailed budget control was loosened, the role and importance of so called information steering grew enormously. Evaluation was the tool for providing feedback to the policy makers and ministries on the success of their policies. During that time Ministry of Finance was the key actor in enhancing the systematic use of evaluation in Finland. A number of evaluation groups were established and new guidelines on evaluation have been given to central government agencies.

Another important milestone in the systematic use of evaluations in Finland was the membership of the European Union in 1995. EU institutions and especially European Commission has been (and still is) a major

advocate of the use of evaluation information. Structural fund evaluations together with a rising number of evaluations of the cross-border programmes (such as Interreg and ENPI) and framework programmes in the field of science, technology and innovation (today Horizon 2020) gave a new boost to evaluations carried out in Finland. The evaluation capacity and culture started to develop fast due to series of evaluation trainings at the various levels of government.

Around 2010 evaluation in Finland was already a business as usual. Ministries and government agencies carried out regularly forecasting exercises and self-assessments, commissioned external evaluations from consultants and academics. What was still missing in many branches of government were clear procedures how the evaluation information is to be utilised and linked to policy learning. Also, municipalities and regional governments evaluate their local and regional programmes and use external and developmental evaluations to develop their performance but face much the same problem: evaluations provided critical feedback information, but this data and information did not accumulate and translate into sufficient knowledge and policy understanding. To solve this problem, the government established a new unit under the Prime Minister's Office in 2014. This unit is called the Government Policy Analysis Unit. One of its main functions is to commission research and evaluations that support the implementation of the government programme. The joint analysis, assessment and research activities, coordinated by the government, generate information that supports decision making, working practices and management by knowledge.

The government adopts a plan for analysis, assessment and research annually that underpins policy decision making and steers studies and research towards specific priority areas selected by the government. Under the leadership of the Prime Minister's Office, the Government Working Group for the Coordination of Research, Foresight and Assessments Activities is in charge of formulating the plan. The working group comprises experts from all administrative branches.

Today (in 2017) the evaluation in Finland is fluidly transforming from rigid external evaluation model into scattered sphere of co-creation, peer-learning and developmental evaluations. Evaluation forms an intrinsic part of the development government of government policies and is used as evidence supporting pool rather than expert based tool. Various learning platforms call experts and programme designers together to test and pilot new innovative ideas and jointly implement these projects. Thus, the external role of evaluators has in many occasions been replaced by role of a critical friend or a co-designer.

## 2 Institutional structures and processes

In Finland, evaluation is, at least referred, in many government acts (passed by parliament), statutes (passed by the government, *valtioneuvoston asetus*) and regulations (passed by the government ministries, *ministeriön asetus*). However, there is no single ‘master’ act on evaluation in Finland.

The most general stipulations on evaluation in Finland are included in the Budget Act (*L valtion talousarviosta*), which is detailed in the Budget Statute. According to the act, evaluation should be carried out both as concerns the fields of responsibility of each ministry (by and large corresponding with the division into sectors of economic, social and other policies) and in addition within the organisation of each ministry. However, how the statutory evaluation should be carried out is not defined in any way in the legislation.

In general, systems and procedures of evaluation that have to be set up according to laws, statutes and higher-level regulations generally either support ex ante planning or ex post accountability. Evaluation knowledge very often comes too late to help with actual steering. Evaluation may certainly de facto be implemented to support legitimacy, but this does not happen overtly. Last, it is unlikely that public money can and will be used to support sheer enlightenment. Moreover, the ‘should’ and the ‘is’ may be only of loose coupling to each other in evaluation. A good example comprises the regulatory impact assessments of government proposals to parliament. Although, the system is in place de jure, de facto that system is weak and does not provide sufficient regulatory impact information (for more, see Tala 2015).

In Finland there are no overall national guidelines or strategies of evaluation. However, certain policies of applied research have more lately come close to enabling and requiring evaluation. First, since 2014 the Strategic Research Council, whose members the government nominates, has allocated around 50 million each year towards two-to-four-year applied research projects in fields that the government defines. Moreover, since the same year the Finnish government (coordinated by the Prime Minister’s Office) allocates around 10 million euros annually to shorter-term applied research and development projects, some of which have comprised evaluation, development of evaluation or been evaluation-related in other ways.

In the absence of government general evaluation policies, the decision-making on individual evaluation projects takes places individually in the individual ministries. Insofar as evaluation is statutorily or in some other way institutionalised in a ministry or in its sector of administration, continuity often drives evaluation activities without having to define any specific evaluation policies. As indicated above, overlaps and synergies prevail or may prevail between evaluation activities in the domain of the ministries and the Strategic Research Council projects and the State Council projects.

The Ministry for Foreign Affairs (MFA) has traditionally been one of the most advanced ministries in terms of commissioning, steering and utilisation of evaluations. There is an evaluation unit in the development policy departments under the MFA that has strong evaluation capacity and sufficient resources to carry out several annual evaluations on individual projects, programmes, country programmes and even meta-evaluations. The MFA has also published several guidelines and manuals on evaluations and results-based manual (see e.g. MFA 2013; MFA 2015). The evaluation practices of the MFA are based on the principles agreed internationally within the OECD and the EU. The implementation of evaluation in Finland's development cooperation is steered by MFA evaluation guidelines (MFA 2013) and a systematic manual sets out the main evaluation criteria based on the criteria of the OECD and the Development Assistance Committee (DAC). The primary intended users of the Evaluation Manual are the officials who commission and manage evaluations and the experts who implement evaluations both in Finland and in partner countries. The manual also provides more broadly helpful information for all stakeholders who have an interest in the evaluation function and the results of Finland's development policy and cooperation.

Finland sees itself as one of the inheritors of the Nordic model of the publicness of the information related to the dealing with public authorities, a model the first predecessor of which evolved in the 18th century. It is the rule rather than the exception that the results of evaluations commissioned by the Finnish ministries (and the results of the Strategic Research Council and the State Council projects) are made public by means of the internet to all and everybody. In this sense the results of evaluations – and one can safely say that those of most evaluations in—Finland are free to use by whomsoever.

Concerning the possible functions of evaluation—such as the division of these functions into planning and steering, accountability, legitimacy, and enlightenment—one can say that such divisions do not fit well to make clear the functions of evaluation in the Finnish case. For instance, the evaluation provisions in the Budget Act mostly aim at strengthening budgetary discipline as maintained by the Finance Committee of Government and the Ministry of Finance (and behind, the Prime Minister and the Finance Minister, who traditionally do not disagree on questions of public finance). However, despite the problems of applying such divisions as the indicated, it is possible to say a little more on these divisions further below.

It is not ruled out that Finnish parliamentarians deal with evaluation findings in the political activities. One of the crucial questions in this respect is, if the performance audits of the Finnish National Audit Office (NAO), affiliated with parliament as an autonomous body since legislation passed in the year 2000, are considered evaluation. These audits often—and even most often—do comprise evaluation as to their content,

although the NAO mandate does not call these results literally for ‘evaluation’ (on this question see Ahonen 2015a). The parliamentarians certainly utilise the results of the NAO performance audits in various ways. The boundary between evaluation and applied government- or Parliament-funded research studies and between evaluation and studies carried out at the government research institutes, which still are many in Finland, is also floating in Finland. Parliamentarians do often refer to all such type studies and are likely to utilise the results in multifarious ways.

### 3 Evaluation practice

Despite the serious attempts to form a coherent government-level evaluation framework most evaluations have been planned and carried out on an ad hoc basis. Also, the utilisation of evaluation findings varied a lot from one line-ministry to another. Most systematic evaluation frameworks were introduced in the fields of EU’s Structural Funds, by the MFA (development policy department) and in employment and innovation policies. One of the most advanced and coherent evaluation strategies was introduced by The Finnish Funding Agency for Technology and Innovation.

Ex ante impact assessment of legislative proposals is an example of on-going evaluations in Finland. The Ministry of Justice prepared guidelines on the ex ante evaluation / impact assessment of all government proposals to parliament for new or revised legislation in 2007. According to the guidelines each legislative proposal should contain impact assessment on the following areas:

- **Economic Impacts.** Contains impacts to municipalities and local governments, government expenditures and impacts to firms (e.g. administrative burden)
- **Impacts to Government services and cooperation.** Includes impacts to inter-ministerial coordination, state personnel, government processes and procedures et cetera.
- **Environmental impacts.** Impacts to health, soil, water, living environments, cultural heritage et cetera.
- **Societal impacts.** Includes impacts to citizens, gender and minority languages (Swedish, Sami) and ethnic minorities.

The Ministry of Justice has appointed a cooperation group for the development of law drafting for the term from November 2015 to March 2019. The purpose of the group is to continue the cross-sectoral cooperation conducted between the ministries in order to develop law drafting. One of the issues is to promote the introduction of ex post impact assessment within the government.

To enhance impact assessment of legislative proposals the government established a new council in 2015 to give guidance and support to impact assessments. The official name of the council is the Evaluation Council. According to its mandate, the Council should be independent. This council, modelled more or less according to the German Federal *Normenkontrollrat*, should in principle carry out ex ante evaluation of all coming government proposals for new legislation. However, the scant resources of the council (part-time members and a very small staff) have allowed during the early period of its operation the evaluation of only 10-15 % of the evolving new legislation.

The Budget Act (and detailing statutes and regulations) also presupposes incessant evaluation, although formal compliance with the norms in question does not imply strong substantial compliance (Ahonen 2015b). Moreover, insofar as the performance audits of the Finnish National Audit Office are seen as evaluation, there is a frequent rhythm of evaluations. Also, in the field of environmental evaluation there is an ongoing stream of evaluations under the title of the statutory Environmental Impact Assessment. This is based on a government statute. Economic Policy Council (*Talouspolitiikan arviointineuvosto*) was established in 2014. It is affiliated with the Ministry of Finance and its Institute for Economic Research (VATT), see this council can be seen as advisory rather than carrying out actual evaluations.

When it comes to the evaluation of other government programmes the picture is more fragmented. Since the 1970s there has been a serious effort to monitor and evaluate the implementation of government programmes, that is to have a reliable overall picture on success or failure of the government policies. Since the early 2000s government has started to report to which extent the government policy goals have been achieved. This however has given mainly follow-up information on implementation rates rather than effectiveness of the overall government. The electoral term (four years) seems to be too short for many policies and programmes to take effect.

Finland has not really ever had national programmes except for exceptional cases. Despite certain efforts since the late 1960s until the late 1980s workable national multiyear planning really never evolved well. Programme based budgeting really never took root, either. One of the exceptions comprised the special programmes of government, the first of which was launched in the mid-1990s and the last of which was implemented during the first decade of the 2000s. One difficulty derived from the fact that no government lasts for more than the electoral period of four years (shall there be no extraordinary elections), but the programmes possibly showed little impact before the government launching them had to concentrate on the next electoral struggle.



So far, we have mainly discussed the role of external evaluations in the Finnish public sector. There are, however, several internal evaluations or self-assessments taking place in various branches of the Government. These procedures are normally connected to quality assurance procedure or service design models. Perhaps the example of the comprehensive and well-structured self-assessment framework can be found in the Museum administration. National Board of Antiquities started an ambitious project for developing the evaluation framework for the museums. Original framework consisted of internal and external (in fact peer) evaluation parts. Later in 2015–2016 this model was digitised and turned into museums' self-assessment framework (see National Board of Antiquities 2016).

As Uusikylä (2013) has argued, the overall system of governance can be described as silo-steering (referring to autonomous ministries) and most policy evaluations have been carried on an ad hoc basis rather than in a pre-planned and systematic manner prior to the establishment of the Government Policy Analysis Unit and the Evaluation Council. It is also often the case that the evaluation criteria and indicators used for evaluation are different from those used to performance monitoring and management.

Naturally, evaluators do use the performance monitoring data while carrying out their studies. It is also known that the number of evaluation reports or explicit strategies aiming to build bridges between evaluation and performance monitoring does not describe the full magnitude of M&E synchronisation because both are embedded into ongoing streams of performance follow-up. With M&E institutionalisation evaluation becomes a taken-for-granted phenomenon, which needs no further justification (Dahler-Larsen 2007).

**Table 3.1** Assessment of M&E information in Ministry of Education, Ministry of Traffic and Communication and Ministry of Finance, 2006/2010 (Uusikylä 2013)

	<i>Min. of Education</i>		<i>Min. of Traf. &amp; Comm.</i>		<i>Min. of Finance</i>	
	<u>2006</u>	<u>2010</u>	<u>2006</u>	<u>2010</u>	<u>2006</u>	<u>2010</u>
<b>Effectiveness Goals in State Budget (SB)</b>						
Are there effectiveness goals in SB?	Yes	Yes	Yes	Yes	Yes	Yes
Are the goals quantitative (numeric indicators)?	Yes	Yes	Yes	Yes	No	No
Are the goals qualitative or verbal?	Yes	Yes	Yes	Yes	Yes	Yes
<b>Intra-organisational goals in SB</b>						
Is there numeric performance objectives (outputs)?		Yes		No		Yes
Are there indicators on efficiency?				No		Yes
Are there indicators of quality assurance?				No		No
Are there indicators on HR?				No		Yes
Is there logical connection between effectiveness goals and other performance indicators?	No	Yes	No	No	No	No

**Horizontality and M&E**

Are there horizontal goals at the branch level?	No	Yes	Yes	Yes	No	Yes
Are monitoring and evaluation information in sync?	No	No	No	No	No	No

**Y=YES**

**N=NO**

**\* = Cannot be said**

Table 3.1 shows performance information in three government branches, namely the Ministry of Education, Ministry of Traffic and Communication, and Ministry of Finance. Data collected by Anniina Autero (Autero 2010) is based on the Mid-term Operating Financial Plan, which explains why intra-organisational indicators are mainly missing. However, they do exist in government budgets, and performance contracts of the ministries in each sector. Three main findings in Autero's analysis are: (1) Although, all sectors present effectiveness goals the quantitative indicators are missing in the sector of the Ministry of Finance; (2) there has been an improvement in dealing with cross-sectoral or horizontal goals from 2006 to 2010 and; (3) there are no systematic procedures for matching performance monitoring information and evaluation results.

This is corroborated by the State Audit Office (STO) of Finland who has also criticized ministries for their lack of coordination in collating evidence from research, evaluation and performance monitoring and use of this evidence base when preparing new policies. In example, STO's performance audit of the management system of the Ministry of Employment and Economy, STO found that the Ministry (as sector) had 50–60 individual strategies within its portfolio which clearly hampered coordination and prioritisation. The State auditors also reported that, despite the presence of a research and evaluation strategy within the Ministry, it was not comprehensive enough and did not sufficiently account for how evaluation and performance monitoring information should be collated.

The joint analysis, assessment and research activities, coordinated by the Government, generate information that supports decision making, working practices and management by knowledge. Traditionally ministries have commissioned a consortium (consultants, researchers and specialists) to carry out evaluations. For evaluation with a sufficiently high monetary value a call for tenders has, according to EU-derived procurement norms, started the process leading to the selection of the evaluation team. To gain more strategic research and evaluation information the Government introduced in 2014 a new annual Government plan for analysis, assessment and research. The plan steers the studies and research selected by the Government towards specific priority areas that are relevant to the work of the Government and the ministries. The aim of the plan is to create a basis for systematic and broad-based use of research data in decision making in Government and the

ministries, and to strengthen the knowledge base that the Government and the ministries use in decision making, knowledge-based policy and overall strategic insight. The resources available for implementing the plan amount approximately EUR 10 million. Table 3.2 summarises the institutionalisation and capacity of evaluation in various sectors of the Government in Finland.

**Table 3.2** The level of institutionalisation and capacity of evaluation in various sectors of the government in Finland.

<i>Institution</i>	<i>Has a separate research, policy or evaluation unit</i>	<i>Which institutions are typically contracted to carry out evaluations</i>	<i>Evaluation capacity Weak – Medium – Strong</i>
<i>Parliament</i>	<i>Yes (the Futures Committee)</i>	<i>Academics</i>	<i>Weak</i>
<i>Prime Minister's Office</i>	<i>Yes (Policy Analysis Unit)</i>	<i>Academics, consultants and Government Research Institutions</i>	<i>Strong</i>
<i>Ministry for Foreign Affairs</i>	<i>Yes, (Development cooperation evaluation unit EVA-11)</i>	<i>Consultants</i>	<i>Medium – Development Cooperation Strong</i>
<i>Ministry of Justice</i>	<i>No</i>	<i>Academics</i>	<i>Medium</i>
<i>Ministry of the Interior</i>	<i>No</i>	<i>Academics and Consultants</i>	<i>Medium</i>
<i>Ministry of Defence</i>	<i>Yes (Research unit)</i>	<i>Academics and Consultants</i>	<i>Medium</i>
<i>Ministry of Finance</i>	<i>No – Indirectly VATT</i>	<i>Academics, consultants and Government Research Institutions</i>	<i>Strong</i>
<i>Ministry of Education and Culture</i>	<i>Yes indirectly (FINEEC - The Finnish Education Evaluation Centre)</i>	<i>Academics</i>	<i>Medium</i>
<i>Ministry of Agriculture and Forestry</i>	<i>No (Indirectly Government Research Institute Luke)</i>	<i>Academics, consultants and Government Research Institutions</i>	<i>Medium</i>

<i>Ministry of Transport and Communications</i>	<i>No</i>	<i>Academics, consultants and Government Research Institutions</i>	<i>Medium</i>
<i>Ministry of Employment and the Economy</i>	<i>No</i>	<i>Academics and Consultants</i>	<i>Strong</i>
<i>Ministry of Social Affairs and Health</i>	<i>No (Indirectly THL)</i>	<i>Academics, consultants and Government Research Institutions</i>	<i>Strong</i>
<i>Ministry of the Environment</i>	<i>No (Indirectly SYKE)</i>	<i>Academics, consultants and Government Research Institutions</i>	<i>Strong</i>

Table 3.2 shows that approximately half of the ministries have policy analysis or evaluations functions in their sector. The MFA's Development Policy Department has traditionally had an appropriate and well-resourced evaluation unit (EVA-11) that operates under direct supervision of the Under-Secretary of State for development. EVA-11 participates in international joint evaluations, develops evaluation procedures and participates in international peer reviews. Recently, some of its functions have been outsourced to private consultancy firms. The MFA is committed to the OECD/DAC principles, criteria and standards for evaluation. There are no specific evaluation standards set by the Finnish Government. Evaluations are divided into two functional entities within the MFA structure. Centralised evaluation includes comprehensive, strategically important sector, thematic, country programme et cetera evaluations.

In other branches of the government the relevant research and evaluation assignments have been carried out by government research institutes. There are no sector or policy institutes dedicated to evaluation only. However, many government organisations, such as research institutes under ministries, have to do and carry out evaluation as one of their functions (e.g., institutes in the domains of social welfare and health; agriculture; forestry; and economic policy). There are also such institutions as centres of evaluation, which commission evaluations and 'evaluate these evaluations' and fine-tune the expert recommendations importantly, covering the field of basic general education, vocational education, polytechnic education, and university evaluation (Finnish Education Evaluation Centre 2018). The Finnish Education Evaluation Centre (FINEEC) is an independent agency responsible for the evaluation of education. It operates as a separate unit within the Finnish National Agency for Education. It carries out evaluations related to education including the operations of education providers from early childhood education to higher education. The FINEEC comprises the Evaluation Council, the Higher Education Evaluation Committee and four units: the General Education and

Early Childhood Education Unit, the Vocational Education Unit, the Higher Education and Liberal Adult Education Unit, and Development Services Unit.

According to Finnish tradition, the state has relied dedicated research institutes rather than commissioned research from the universities, unlike Sweden, for instance. However, nowadays insofar as the institutes specially paid for their research by the ministries, the evaluation they may do receives more external characteristics. In 2017, the following institutes were in operation:

- *UPI - The Finnish Institute of International Affairs (under parliament)*
- *VATT - Institute for Economic Research (Ministry of Finance); VATT stands for 'State Economic Research Centre'*
- *LUKE - Natural Resources Institute for Finland (Ministry of Agriculture and Forestry)*
- *EVIRA - Finnish Food Safety Authority (same ministry)*
- *MML - National Land Survey of Finland (same ministry)*
- *Ilmatieteen laitos - Finnish Meteorological Institute (Ministry of Transport and Communications)*
- *GTK - Geological Survey of Finland (Ministry of the Economy and Employment)*
- *VTT - Technical Research Centre Finland, Ltd. (same ministry)*
- *STUK - Radiation and Nuclear Safety Authority Finland (Ministry of Social Affairs and Health)*
- *THL - National Institute for Health and Welfare (same ministry)*
- *TTL - Finnish Institute for Occupational Health (same ministry)*
- *SYKE - Finnish Environment Institute (Ministry for the Environment)*

Although, the position of government research institutes is still strong in carrying out evaluations and applied research the role of consultancy firms has been strengthened during the last 15 years. In a typical evaluation project there is a consortium that consists of private sector consultants, academics and one of the government research institutions. The selection of the evaluator or consortium is normally based on public procurement which makes the system rather transparent. Also, evaluation reports are in most of the cases public documents and achievable from the homepages of the commissioner (e.g. ministry or government) agency. Most of the evaluations have been commissioned by the Ministry of Finance, Ministry of Labour and Economy, Ministry of Agriculture and Forestry, Ministry of Environment and Ministry for Foreign Affairs. It is thus not surprising that the competence and evaluation capacity is also highest in these ministries. The role of Prime Minister's Office has strengthened drastically during last five years in terms of policy analysis and evaluation capacity. This is mainly due to establishment of the Government Policy Analysis Unit, a systematic monitoring

of the implementation of the government programme, establishment of government strategy sessions and establishment of the Evaluation Council.

The Committee for the Future was established in 1993 and it serves as a standing committee in the Parliament of Finland. The Committee consists of 17 members of the Finnish parliament. The Committee serves as a Think Tank for futures, science and technology policy in Finland. The counterpart cabinet member is the prime minister. The Committee's mission is to generate dialogue with the government on major future problems and opportunities. The main task of the Committee for the Future is then to prepare the parliament's response (sc. Futures Submission) to the Government's report on the future. By this way, the Finnish government and parliament can recognise important political themes at such an early stage that different alternatives and policy lines are still completely open and under development. Also, the Finnish National Audit Office, affiliated with parliament, is accepted for an evaluator. It can be seen as a national evaluation institution in its performance audits.

## **4 Utilisation of evaluations**

In 2009 and 2010 the Prime Minister's Office launched two important projects to strengthen and improve the strategic management of the Finnish government (and to improve the use of evaluation information in decision-making at the government level) (Prime Minister's Office, Finland 2011a).

The premise for these system level evaluation reforms was a finding by the government that evaluation of impacts and effectiveness of policy measures was inadequate in Finland. According to the government the problem was, in particular, that evaluation information is neither systematically used nor required among ministries and agencies. Evaluation activities and the use of evaluations are not organised clearly. No central government function is charged with the overall responsibility for the development and maintenance of the evaluation system. Evaluation activities are thus confined to sectors which make it even more difficult to manage inter-sectoral policy entities and to recognise how issues are interlinked.

Recently, a government working group introduced an operating model that aims at ensuring a strong and horizontal information base for the most important socio-political decisions (Prime Minister's Office, Finland 2011b):

- Evaluation and research data are used systematically in identifying reform needs, in selecting the most effective policy measures, and in the various phases of decision-making and its preparatory processes.
- Information needs are defined and identified starting from political priorities.

- Information resources are of a high standard and are used effectively. The management system supports the timely, efficient and systematic use of evaluation and research data are expected.
- Interaction among the producers and users of evaluation and research data is made smooth.
- Reporting is as practical and light as possible, is linked with other processes, and does not excessively burden public servants and political decision-makers.

These working groups and their final reports served as an important input to the preparation of the Prime Minister Sipilä's government programme in 2015. As referred earlier, new evaluative functions were established to the Prime Minister's Office (namely the joint analysis, assessment and research activities, coordinated by the government and the Evaluation Council) to complement the earlier ones (e.g. Economic Policy Council).

To achieve the evidence-based policy-making goal, a systematic operating model was urgently needed, to ensure the creation of a strong and horizontal knowledge base in support of societal decision-making and measures. The operating model has been developed as part of a comprehensive reform of state research institutes and research funding. The coordination of the state's sectoral research in support of decision-making is one of the Prime Minister's Office's responsibility areas. This includes:

- coordination of government's analyses, assessments and research activities;
- proposals on key theme areas and priorities for strategic research presented annually to the government on the basis of the initiative of the Council for Strategic Research;
- cooperation with ministries, bodies producing analysis, assessment and research information, research financiers, businesses and other organisations.

The MFA and especially its Development Policy Department has a long tradition of creating a sound and comprehensive evaluation system. This includes publishing evaluation manuals and guidelines, providing training courses and lectures, organising evaluation related webinars and seminars et cetera. During last years the ministry has made a special effort in enhancing the utilisation of the evaluation findings and linking evaluations with the ministry's development policy decision making. After each evaluation the ministry prepares a special Management Response Memorandum that will be discussed by the top civil servant in so called Quality Group. The Management Response Memorandum lists all the actions and revisions that the ministry will carry out based on evaluation recommendations. In addition to this the MFA also commissions several meta-analyses, meta-evaluations and peer reviews to verify the quality of individual evaluation reports and to form the big picture of the effectiveness and impacts of Finland's development policy. These results are often discussed in the National Development Policy Committee.

## **5 Evaluation in municipalities and in the civil society**

The Association of Finnish Local and Regional Authorities (Kuntaliitto 2016) presupposes that evaluation should be tightly integrated in management in municipalities. The Association recommends that evaluation is rendered an elementary part of management and planning both on a strategic and an operational level.

Evaluation results should be available in planning and resource allocation for a coming year's operating plan. (Sundquist & Lovio 2006) In order to develop better evaluation systems in municipalities the Association has promoted the implementation of the Common Assessment Framework (CAF) as a tool for more coherent evaluation (Vuorinen 2015). Moreover, seminars and trainings on CAF are organised frequently. Evaluation aims to enhance municipally produced, effective services for residents. Especially the present fundamental structural change in governmental system in Finland requires paying attention to evaluation.

Evaluation helps the progress of municipal service production in an efficient way, which is the background agenda and the aim in organising structures and practices. The Local Government Act 410/2015 stipulates municipalities to compose a strategy, which is based on an evaluation of the municipality's present situation and of the future changes in the operational environment as well as the impact of these on the performance of the municipality's functions. The strategy must also define the evaluation and monitoring processes for the strategy implementation (Local Government Act 410/2015, part III, chapter 7, section 37). The Act establishes the residents' opportunities to participate and exert influence in different ways. Each municipality can decide the methods used for considering their opinions and in some cases, this is evaluation. Some special groups, like young people, elderly people and people with disabilities have special councils for local influence and participating in planning and developing services and other matters. They can also influence monitoring of activities. Nevertheless, no commonly shared evaluation system exists in municipalities. (Kuntaliitto 2016)

Concerning referenda, there is no systematic practice to use evaluation for providing knowledge as background information. The participating process of interest groups accumulates information and understanding on local issues for council members and other residents and oftentimes includes evaluative elements. Increased knowledge among residents might produce more initiatives for referendum from local citizens.



Evaluation is an integrated and regular element of management process in municipalities. There might be different ways to carry this out, much depending on the size of a municipality and its evaluation capacity. There is no a common system how to do it, but general frameworks are given by the Association of Local and Regional Authorities. In Finland, we have a practice of hearing the interest groups always, when a new issue or matter is under planning in a municipality. Among interest groups there are also CSOs. The aim is to refine the existing information in cooperation with the different groups of society and eventually get to more interactive cooperation. Furthermore, there is a need to improve methods and tools for hearing.

Finland is also a member in the Open Government Partnership (OGP), which is a voluntary international initiative that aims to promote transparency and good governance to build better and more empowering services to citizens Finland's action plan focused on improving citizen engagement and making government information easier for citizens to understand. The Independent Reporting Mechanism (IRM) carries out a biannual review of the activities of each country that participates in OGP. The OGP process comprises self-assessment reports, which are available for public comment for a two-week period. The report does not specifically define completion levels of each commitment or explain why certain activities have not progressed as expected. (OGP 2018)

The Ministry of Finance is responsible for coordinating the OGP process in Finland. Most of the activities are voluntary in nature, but for supporting the implementation of OGP commitments, the Ministry of Finance has appointed the OGP Support Group, which includes 16 civil servants from ministries, government agencies, and local governments and five representatives from civil society organisations (CSOs). The OGP Support Group meets several times per year to discuss action plan implementation. Going forward, the government could prioritise issues that are of high value to civil society, such as corporate transparency, by using the OGP platform to coordinate ministerial support and multiagency consultation.

Civil society organisations (CSOs) and non-governmental organisations (NGOs) are likely to use evaluations and evaluation findings, especially those ones that concern their cooperation partners or other interest groups. Evaluation reports give them information on the field they are operating and help them develop their own operations more accurately. Great deals of the evaluation reports are public and individual citizens can easily find evaluation reports, presentations and other materials.

CSOs are active in doing evaluations themselves. They are conducting many projects and other developmental activities and evaluation is mostly regarded as an important part of the accomplishment of an intervention. Among CSOs there are organisations with well-equipped evaluation skills and they are actively

developing pragmatic evaluation methods. CSOs cooperate with public sector in evaluation field both as provider and client. The Finnish Federation for Social Affairs and Health (SOSTE) is a national umbrella organisation that gathers together 200 social and health CSOs and dozens of other partner members. They operate at the regional, national and international levels. Evaluation is tightly integrated in developmental work in SOSTE as it offers information needed for focusing on proper things and gear up operations for the right direction. SOSTE also arranges evaluation seminars for CSOs and develops methods for evaluation and self-assessment. Church and different parishes also evaluate their work and have adopted self-assessment to their practices.

CSOs are well acquainted with evaluation, at least those in the social and health field. Namely, in order to gain economical support, they are supposed to evaluate their operations and projects, mainly by self-assessment. Formerly, the main financier, the Finnish Slot Machine Association, required external evaluation for larger-scale projects, but nowadays, after changes in orders and organisation, there is no more such practice. Today the financier is a closer part of the Ministry of Social Affairs and Health, together with two other gaming associations and is called The Funding Centre for Social Welfare and Health Organisations. Nevertheless, evaluation has become familiar to CSOs and they have got practice for planning, doing and using evaluation.

As mentioned before, the summaries of evaluation reports are publicly available most of the time and often also full versions. Evaluation reports are not discussed publicly unless there is something special or commonly interesting in them. Evaluation might be mentioned, but normally no thorough discussion about evaluation is taking place.

## **6 Professionalisation of evaluation**

University of Tampere had a full-scale programme on evaluation with special funding from the Ministry of Education between 1997 and 2002. After the funding ended, the programme was terminated. At the moment there are no university education programmes that specialise only on evaluations. There are, however, several courses and lectures in most of the social science faculties that teach evaluation as part of public management, education, social welfare and health care development or science, technology and innovation.

The Finnish Evaluation Society (*Suomen Arviointiyhdistys*, SAYFES), some CSOs and government agencies offer evaluation training courses temporarily. Usually these courses introduce new evaluation methods or techniques and are somehow connected to on-going societal reforms.

The Finnish Evaluation Society was founded in 1999. It is a registered association with approximately 300 members. The Society was founded when evaluation was an emerging trend and a new profession of evaluators was growing fast. Professionalism was also needed for those commissioning evaluations and those using and interpreting evaluation results. SAYFES has been developed to be a platform for those interested and involved in evaluation related matters.

**Figure 3.1 here + 13 words**

The SAYFES members have on average over twelve years of experience on evaluations, variation being from one to 30 years. The mission of SAYFES is to promote the evolution of evaluation theory, practice and understanding, as well as the deployment of interdisciplinary evaluation know-how in society. Its goal is to contribute to the dynamic, international evaluation culture in the activities of public, private and third sector.

The members of the society represent different fields of society.

**Figure 3.2 here + 14 words**

In order to meet the objectives of knowledge development and dissemination of evaluation and its education, SAYFES organises different activities, conferences and seminars, discussion forums on current evaluation topics, workshops on evaluation methods and breakfast meetings where evaluation activities of different institutions are introduced. Previously SAYFES has also published an annual evaluation supplement in the referee-journal of Administrative Studies. Lately, this activity has been on hold, but can hopefully be reactivated at some stage. In 2017, SAYFES has also introduced an annual award for excellent evaluation action for the first time.

International cooperation has been an important part of SAYFES activities since the beginning. Meetings and exchange of knowledge with the Nordic evaluation societies and NESE are important, as well as the collaboration with the European Evaluation Society.

## **7 The future of evaluation in Finland**

Although, the government, CSOs, number of think tanks and public policy experts in Finland agree that evaluation is needed to give critical feedback for policy makers and bureaucracy, they also see that the system

evaluation needs a new paradigm and methodology to increase the utilisation of the results of evaluations. There have been three major external challenges that have accelerated this process: (1) urgent need for understanding the effectiveness of public interventions or development aid, (2) increasing complexity and interconnectedness in the world and a clear need for policy coherence, and (3) a need to expand single-organisation perspective towards the wider sphere of governance (Uusikylä and Valovirta 2007).

Sector-based administrative structures do not support comprehensive and appropriate horizontal policy-preparation or the use of the multi-policy assets needed to effectively tackle so called wicked policy problem. The existence of multi-level forms of governance and of various players at the different level of the steering system (in this case: global-European-national-regional and local) makes it even more difficult for decision-makers to see ‘the big picture’ and to make informed decisions which will really have an impact. All this has altered the dynamics of policy-making and set new restrictions on the credibility of traditional democratic governance models. Traditional evaluation models have been inefficient to cope with increasing complexity and systemic development in a turbulent field of governance. If the old (linear and rationalistic evaluation) model is broken, how would the new one look like?

In spring 2017, the Government of Finland introduced the Place to Experiment, a digital platform developed together by the Finnish Prime Minister’s Office and a community of Finnish experimenters. The Place to Experiment promotes the government’s target, defined in the mid-term policy review session, of making Finland world leader in innovation and experiments by 2025. There are three levels to the government’s new approach for participating in experimenting and disseminating information. The three levels stem from Prime Minister Juha Sipilä’s government programme and its implementation plan and build on discussions held with those already trying out these new approaches. These levels are strategic pilot studies, pooled pilots and grass-root level experiments.

Also, Sitra, the Finnish Innovation Fund has launched several innovative pilots to reform public service and management models. The role of evaluation is to provide ongoing and real-time feedback for policy designers on results and impacts of these experiments. This can be done by applying a developmental evaluation approach.

According to Patton (2011, p. 1) developmental evaluation supports innovation development to guide adaptation to emergent and dynamic realities in complex environments. Innovations can take the form of new projects, programmes, products, organisational changes, policy reforms, and system interventions. A complex system is characterised by a large number of interacting and interdependent elements in which there is no central

control. Patterns of change emerge from rapid, real time interactions that generate learning, evolution, and development—if one is paying attention and knows how to observe and capture the important and emergent patterns. Should Finland be a world leader in innovation and experiments by 2025 also the capacity, competence, creativity and vitality of the Finnish evaluation community need to enhance.

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