Higher Education in Crisis: Post-war Lessons from Finland and West Germany

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Abstract

In today’s overpowering neoliberal dogma, the written media often renders strong economic developments and generous welfare state policies as incompatible. At a European level, the recent economic and financial crisis has worryingly reinforced this trend, exemplified by strategic cuts in higher education funding in the majority of EU member states. This article takes the present European crisis as its point of departure, and by drawing on the example of post-war higher education expansion in Finland and West Germany, it argues that crisis can provide beneficial insights into the causes, capacities, forms, and mechanisms of change in current capitalist economies under increased austerity. This analysis thereby condemns the alleged incompatibility of economic growth and egalitarianism, and concludes by suggesting – as was also implied by the Finnish and West German press of the 1960s – that investment in human capital via education needs to be maintained and increased to facilitate the EU member states out of the economic crisis.

Keywords

Welfare state; higher education; media analysis; Finland; West Germany

‘In all methods of solving crisis education is paramount,’ Laura Holman (2011) reflects with regards to the current European economic crisis, ‘for both those who have the capability to make changes as well as those the changes will affect. […] to have an understanding of what has happened and why, and what needs to happen to use uncertainty as opportunity.’ By mapping the way crisis and renewal can influence the recent evolution in European political economy, her focus on education as a welfare provider is justified by making references to underutilised chances, the power of creativity, fresh ideas, and symbiosis between uncertainty and innovation. On a similar note, the European Economic and Social Committee (EESC 2012) stressed the importance of education in overcoming crisis in its annual conference manifesto:

In times of crisis, it should be reiterated that education is a fundamental human right and a public good, which should be guaranteed for everyone under equal conditions. A well-educated young generation able to make its own choices is a prerequisite for emerging successfully from the crisis. Member states should therefore pay particular attention to public investment in education and vocational training as well as in research and innovation. […] Europe can only recover from the crisis if people have the skills enabling them to contribute to “smart growth”. Education therefore has to be adapted to the economic and social challenges of the future.

While for Holman crisis produces opportunities and entails new discourses in European economies, the EESC highlights the preventative nature of education against deepening social divisions across Europe, especially among the Southern and Eastern European Union (EU) member states.

This article adds to this debate and takes the notion of European crisis as its point of departure. By drawing on the post-war higher education revolution in Finland and the Federal Republic of Germany (FRG), it argues that crisis can provide beneficial insights into the causes, capacities, forms, and mechanisms of change in current capitalist economies under increased austerity. As a useful research frame for country comparisons, the case studies were selected according to Esping-Andersen’s (1990)
traditional classification of welfare state regimes (see also Arts and Gelissen 2002), to also discuss the relationship between education and welfare (especially Busemeyer 2015). In this sense, Finland, as an example that is close to the Social Democratic regime is contrasted with the FRG, a typical case of the Conservative regime (Esping-Andersen 1990: 11-12, 16-18). The 1960s, in turn, were chosen for investigation given the period’s democratising mission. It was during this timeframe that higher education became more mainstream in character as national education systems were increasingly being influenced by global rhetoric and organisations (Gardin 2015). In short, upper mobility in the education ladder became an important prerequisite for the development of a democratic civic culture. This way, according to Jens Alber (1986: 81), the 1960s also contributed towards a ‘social revolution’, which later upgraded the education status of many current EU members, and by that, enabled them to overcome their post-war crisis.

First, by briefly summarising some relevant theoretical frames in the current welfare state research (Conceptual framing), and second, by examining the presentation and justification of higher education expansion (by ‘crisis’) in the written media (Higher education in the Finnish and West German press), this analysis seeks to complement the existing interdisciplinary approach in the study of welfare states and education (see Allmendinger and Leibfried 2003). Methodologically, it analyses press articles published in the 1960s, and assesses how higher education was channelled, legitimated and challenged through these debates. For the majority of people, media is an important form of political communication precisely because it is the primary access point to the space in which political issues are presented, debated and discussed (Jones 2006: 378). On the one hand, media reinforces people’s self-identities by structuring values, beliefs, attitudes, traditions, and ways of doing things, that is, civic culture. On the other hand, it also challenges their opinions by giving specific information about particular policies, focusing on distinct aspects of problems, their origins, pros and cons, evaluation, and future prospects (Jones 2006: 379-380). Media analysis is therefore a crucial method of inquiry not just for our understanding of the relationship between education and political culture (see Almond and Verba 1963; Ravitch and Viteritti 2003), but it can also reveal – especially through a detailed and critical cross-national comparison – which aspects dominated in these discussions. The term ‘European economic crisis’ does not refer to any specific policy area or a particular EU member state, but it is instead used as a more general umbrella term to reflect the pervasiveness of the term ‘crisis’ in today’s media discourse (e.g. Economist 2013; Wooldridge 2013; Crouch 2015). This paper concludes by suggesting – as was also implied by the Finnish and West German written media of the 1960s – that investment in human capital via education needs to be maintained and increased to facilitate the EU member states out of the economic crisis.

CONCEPTUAL FRAMING

In their Ajatuksen Voima, Johannes Kananen and Juho Saari (2009: 20-25) have recently analysed the impact of ideas on social policy. Their work begins by the assumption that welfare state research has shifted from a study of big structures and institutions towards a careful examination of different mental models since 2005. It now dynamically bridges the gap between theory and practice, the humanities and hard sciences. This was in line with the more general ideational turn in social policy research (see Béland 2005). As Peter Taylor-Gooby (2005: 3) has also observed: ‘The issue of how actors understand and negotiate their interests, and how particular approaches to identifying and resolving key problems becomes dominant, assumes greater significance. In this domain, ideas play a stronger role.’ Influenced by the theses of Peter Hall (1993) and Daniel Béland (2005), for Kananen and Saari (2009: 15-16), ‘Often, also different perceptions of reality, values and equality, do affect policy outcomes. [...] Idea analysis means partly a return to the traditional ways of conducting social sciences.’

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Similar to this, Martin Seeleib-Kaiser (2002) has effectively argued for the importance of ideas, beliefs, and irreversible ‘cognitive locks’, which are essential in the study of modern welfare states. Moving away from older functionalist (e.g. Dye 1966) and institutionalist (e.g. Schmidt 1996) theories in social policy research, in the words of Seeleib-Kaiser (2002: 42): ‘[I]deas used as weapons have the potential of becoming causal ideas, which then may be closely linked with principled beliefs, and eventually constitute cognitive locks.’ Likewise, Paul Pierson (2000) has often been eager to stress the concept of ‘path dependence’ in the development of social policy. He (2000: 809-810) has famously pointed to the ‘cumulative effects of a number of interdependent causal factors’, and ably highlighted that history matters, especially since ‘Certain courses of political development, once initiated, are hard to reverse. Instead, they may generate self-reinforcing processes, which can be described as instances of positive feedback or path dependence.’ This study responds to these propositions at two levels. At one level, it brings these arguments forward by using press articles as a framework for ‘idea analysis’ (Kananen and Saari 2009). At another level, it considers them in relation to the welfare state developments of the 1960s by viewing higher education reforms as a dependent variable, and assesses whether or not they constituted ‘cognitive locks’ (Seeleib-Kaiser 2002), and/or became ‘path dependent’ (Pierson 2000). In line with this framing, and by also demonstrating the topic’s contemporary relevance, Marius Busemeyer (2015: 2) has argued that:

Political struggles and decisions during the critical decades of the postwar period shaped the policy-development paths of education regimes while access to higher levels of education was being expanded, and the educational institutions established during that time are now influencing contemporary patterns of socioeconomic inequality.

Turning briefly to Finnish and German literature on welfare states and education, we can note how education has constituted a highly contested subfield. In Finland (Itälä 1969; Sarjala 1981; Raijol 1982; Heiskala 2011; Ahonen 2012; Sahlberg 2013), a variety of authors have made very different assumptions about its nature as a political phenomenon. For example, Matti Alestalo (1990: 211) has quite correctly explained that ‘Education is believed to determine the class set-up of individuals just like the ownership of a production machinery.’ In the FRG too (Picht 1964; Dahrendorf 1965; Weber 1973; Teichler 1991; Leisinger 1999; Busemeyer 2015), the rise of educational issues in the 1960s has often been interpreted as education’s critical conjuncture with other fields of the welfare state, in which the federal government (Bund) assumed a greater role in overseeing the individual states (Länder):

It [education policy] is rather closely related to many other areas of economic and political life, such as economic, social and defense policy [...]. Because of its authority in these areas, as well as its responsibility as a general government, therefore, the federal state is increasingly called upon to devote itself to the questions of educational policy and systems. (Bundestag 1966: 18).

Whichever facet is sympathised, one can today safely locate education in the wider framework of welfare states, which has until recently been a neglected research area (Schröder 2013). Then, what were those ideas that were developed to enhance the expansion of higher education in the Finnish and West German press and what new horizons might these statements enable us to conceptualise as possible vistas for today’s crisis?

HIGHER EDUCATION EXPANSION IN THE FINNISH AND WEST GERMAN PRESS

Previously having embodied rigid hierarchies and exclusion, widening the access to higher education was one the most innovative concepts in the development of the European welfare state after the Second World War. Yet, here it must be noted that in the 1960s higher education policy in Finland and
the FRG entered a period of crisis, which was widely covered in the written media – a situation that is reminiscent of today’s EU-wide media discussions. For example, the Finnish regional paper Aamulehti (1968) spoke of an ‘educational impasse’ (koulutuksellinen umpikuja), meaning that for many Finnish students, the current higher education system was producing highly unequal outcomes. It had closed its doors for the majority of young people, and maintained a strong stratification in society. In line with this, another regional paper, Satakunnan Kansa (1969), claimed that in the future ‘an individual’s education process was to be a unified whole’ (yksilön koulutusprosessista yhtenäinen kokonaisuus), instead of being linked to a sectioned and selective system with dead-ends, which characterised the status quo (see also Kansanuutiset 1968a). In the FRG there were similar talks about an emerging ‘educational crisis’ (Bildungsnotstand), as the weekly magazine Der Spiegel (1965) exemplified (see also Picht 1964). Or, as Eckstein (1964), a West German Journalist, put it in Sonntagsblatt: ‘We are talking about education and mean rights’ (Wir sprechen von Bildung und meinen Berechtigungen).

What these statements implied was that the elitist and inegalitarian nature of higher education – a legacy of the 19th century (Teichler 1991: 177) – could not be maintained in the current cold-war conditions, which saw many other nation-states, such as those in Scandinavia and the Soviet Union, investing heavily in skill formation (e.g. Schütze 1965). The current policies lagged behind the needs of times with regards to an equal access to universities and a lack of support services, such as study allowances, low interest loans and housing benefits. Thus, mainly for democratic and demographic reasons, the press criticised the poor ability of young people from different socio-economic backgrounds and regions to access the countries’ higher education institutions, which had thus far remained in the hands of few technorats (see Sarjala 1981: 158).

‘Because of this [inequality], we need to fully open our doors to this educational experimentation and conduct open-minded research,’4 as Lahtela, a Member of Parliament (MP), commented on this shifting architecture in Finland in 1968 (Eduskunta 1969: 758). According to him, ‘The primary task of our education system is to create growth opportunities for free and independent people, who are able to think, to work, to love, to whom a democratic system of co-operation is not a burden but a source of strength.’5 (Eduskunta 1969: 758). For him, by creating new skills and national economic resources, education had also the potential of overcoming social divisions (Eduskunta 1969: 759). At the same time, the press indicated how it was crucial to restructure the internal structures of universities by making them more democratic (e.g. Kansanuutiset 1970a). In 1966, Prime Minister Johannes Virolainen had namely stressed higher education as a social steering mechanism:

It must also be considered important that through university planning students can be directed to different areas of learning according to the changing needs of society, so that students graduating from different faculties and universities have the opportunity to work in those sections of society that match with their qualifications. [...] Successful university policy also requires that the various higher education institutions intensify their own planning.6 (Eduskunta 1966: 2999).

After the mid-1960s, the West German press also reported that for economic reasons there was an urgent need for better educated workforce (Kläsener 1967; Matthöfer 1968). This economic necessity had also been acknowledged in the government statement titled ‘Scientific Funding and Educational Planning’ (Wissenschaftsförderung und Bildungsplanung) of 1965:

The need for scientifically trained people and better trained workers is growing; this makes it necessary to obtain access to comprehensive education for all gifted young people. It [the government] intends to continue working towards the establishment of a Federal Council and thus to intensify co-operation with the states; it hopes to contribute this way to a steady proposition of educational opportunities.’ (Bundestag 1965: 13579).
Edding (1964), a prominent West German educationalist in the post-war era, responded to these challenges by aligning education with capital investments in the Social Democratic paper Vorwärts: ‘The return on investment in physical capital is determined by the extent and nature of educational investment.’

For Edding, in other words, widening the access to higher education should also function as the linchpin of the new economic management of the FRG. Linked to this, there were serious demands for the dismantling of some of the FRG’s federalist structures in higher education, as MP Schmid (1963) declared in Abendzeitung: ‘One can see how complicated our federal structure makes everything for us. […] But we should not be willing to take federalism so seriously that we sacrifice the future of our people.’

Yet, the public distrust of federal regulations in education, as well as the previously unrecognised link between education and social policy, meant that the above issues also received cautious counter-reactions in the West German press: ‘Education policy: today’s social policy?’, (Schulpolitik: die Sozialpolitik von heute?) the popular religious paper Christ und Welt (1964) wondered. ‘Education for everyone?’, (Bildung für alle?) educationalist Mänken (1965) continued in Industrie Kurier. In short, while there was mostly a positive press coverage surrounding the treatment of higher education in the wider frame of social policy in Finland, the West German press was not always convinced that education was a collective responsibility, or a national welfare project, which affected many other sectors of society.

**Higher education policy as regional policy**

In 1966 Satakunnan Kansa reported how through education policies there was an attempt to tie younger generations to their home regions, and how the entry of the baby boom generation into the sphere of higher education and labour market would break all former oligarchic structures in academia. Higher education was thus quintessentially also related to regional equity. In other words, an entire province could be revitalised by investing in its educational institutions, such as universities and vocational training colleges, and correctly applied, education could play a major role in the prevention of social exclusion, which was seen as a precondition for economic growth (Kansanuuftiset 1970b; Aamulehti 1968). The idea behind the model was that one was entitled to receive quality education and participate as broadly as possible regardless of one’s location, parental background (socio-economic class) or gender (e.g. Helsingin Sanomat 1967a). Vice versa, a given region required well-educated and skilled workforce. This was often mentioned together with the urgent appeal to revitalise municipal centres in crisis, for people were moving en masse from poorer rural communities to larger cities (e.g. Satakunnan Kansa 1967). This change was especially marked in Finland given the country’s late industrialisation (see Alestalo 1990).

Here, it is nevertheless necessary to distinguish between Finnish regionalism and German decentralisation. For a number of reasons, the two concepts had a radically different meaning in terms of an equal access to higher education. First, the 10 German Länder (excluding West Berlin) – from Bremen and Saarland to Bavaria and North Rhine-Westphalia – included various sizes and bureaucratic levels. In Finland, apart from the capital region Uusimaa and Åland Islands, the other 10 provinces (läänit) were more or less equal in their size allocation. With clearly defined, specialised tasks and hierarchies, it was easy for the central government to enforce nation-wide higher education legislation, and to be neutral in its distribution of regional resources. Läänit were not German-style rivals but equal bureaucratic partners who implemented collectively binding decisions. Local civil servants were accountable to the Ministry of Education. Regional bureaucracy was firmly under the ideology of the central government. In decentralised West Germany, by contrast, the ideological make-ups of ruling federal governments had clearly less influence at Länder level where high prestige bureaucracy was also a branch of law (see Katzenstein 1987).
Second, the unequal population concentration between the Länder meant that power was still very much invested in large units in the FRG where, for instance, the population of North Rhine-Westphalia stood nearly quadruple to that of entire Finland in 1970: 17.1 million and 4.6 million respectively (Bundestag 1992; Tilastokeskus 2013). Third, although they enthusiastically lobbied the central government, especially by campaigning for the establishment of universities, the Finnish provinces’ function was never to block national legislation, or somehow constitute their own norms in higher education. Lacking the constitutional mandate, they simply formed part of the state bureaucracy, and executed and enforced those education reforms introduced in Helsinki. Keeping this in mind, despite its latecomer legacy in welfare state development, Finland operated in a climate of fast-paced and innovative higher education policy experimentation in the 1960s (Välimaa 2004). A case in point was the built-up and transfer of universities in and to Oulu (1959), Tampere (1960), Kuopio (1966), Vaasa (1966), Jyväskylä (1967), Joensuu (1969) and Lappeenranta (1969), which challenged the former dominance of Helsinki and Turku. In the FRG, also, new higher education institutions were built throughout the federation (see especially Katzenstein 1987: 305, 316), which included the concept of a new ‘comprehensive university’ (Volluniversität). In total, 18 new universities were founded by the Länder governments in the 1960s, including smaller Bochum (1962) and Bielefeld (1969). The rationale behind this was that ‘We need to rethink the way education is perceived in our country, in a sense that education is not a privilege but a fundamental right.’ (Bundestag 1964: 7440).

Higher education and welfare state regimes

From many perspectives, these higher education reforms were in line with the prevailing Zeitgeist, characterising and exemplifying the general trend of social policy expansion in Western Europe during the 1960s. In economic terms, in 1950 Finland’s GDP per capita (USD) amounted to 4,253 compared to that of 3,881 in West Germany (Ersson and Lane 1987: 23). By 1973, the FRG’s figure increased to 11,966 while Finland now lagged behind with 11,085. It is noteworthy that all this went hand in hand with rapid public sector expansion. Big government spending paved the way towards ever broader welfare programmes. In the FRG, the tax-state expanded from 31.6 per cent of the GDP in 1950 to 44.6 per cent in 1980, while in Finland the public sector increased from 30.3 per cent of the GDP to 39.4 per cent in the same timeframe (Ersson and Lane 1987: 324). Of course, education reform also had its share in this. For example, on average, during the 1950s there were only 5,552 matriculation examination graduates (ylioppilas) per year in Finland (Meinander 1967: 142-143), which represented approximately 10 per cent of the age cohort. By 1967, however, the figure had become threefold, largely due to the inclusion of the more remote areas into the sphere of upper secondary and higher education. These figures were even more modest in the FRG, where in 1955 only 4.3 per cent of the age cohort were students (Heidenheimer 1997: 236). Nevertheless, by 1975 the figure had risen to 11.7 per cent.

Thus, at a European level, this led to a shift from a higher education equality paradigm (apparent in the late 1950s) towards higher education mainstreaming (apparent in the mid-1970s), which dramatically altered the relationship between the state and citizens. A skilled, rational and politically active citizen was to be the sine qua non of these educational blueprints. Political efforts through education were directed to laying the foundation for a new social contract where the state and individual could become tightly interwoven, thus challenging the former hegemony of the family and local community as welfare providers. This way, however, the FRG was now faced with the dilemma as how to combine central regulations in education with its Conservative welfare state.

Put differently, it remained controversial how far the federal government, i.e. state, was to assume a dominant role in nation-wide education at the expense of the Länder (Busemeyer 2015: 99-104), while in Finland, ‘the Finnish nation state displayed its territorial power by creating a homogenous system of higher education to serve national needs.’ (Välimaa 2004: 39). Being against this in the FRG,
Journalist Wendland (1965) went as far as to employ the concept of ‘a new educational totalitarianism’ (ein neuer Bildungstotalitarismus) in Rheinische Merkur, arguing that the central state should not attempt to be involved in the education of its citizens. Or, fearing for individual freedom vis-à-vis the state, the regional paper Süddeutsche Zeitung (1964) asked: ‘Who is actually the new organised individual?’ (Wer ist eigentlich der verplante Mensch?).

There were further variations between the Social Democratic and Conservative welfare state regimes, when it came to the introduction of study allowances. In Finland, for the first time in the country’s history – according to the section 10 of the new Study Allowance Act of 1972 (Opintotukilaki) – study benefits were to be granted annually by the central government for full-time students in secondary or higher education for the maximum of seven years of study. Around 50 per cent of all Finnish students received these allowances in 1980 while approximately 30 per cent had low-interest loans (Alestalo and Uusitalo 1986: 217). The new system was designed to be used in tandem with the Housing Allowance (Asumistuki). In 1980 study allowances amounted to 270 million Finnish Marks, or circa three per cent of the overall educational expenditure (Alestalo and Uusitalo 1986: 217). In a more general sense, the idea behind the model followed the logic that ‘External conditions in post-compulsory education must be arranged in such a way that wealth and location do not crucially determine the choice of one’s study.’

In the FRG, in 1969, an ad-hoc committee called ‘Training Assistance’ (Ausbildungsförderung) had been set up by a multiparty construction, which consisted of MPs Josten, Freh, Moersch and Pitz-Savelsberg. The ultimate goal of the proposal – finally passed in the Parliament as the ‘Federal Training Assistance Act’ (BAföG) in 1971 – was described by the committee as follows: ‘The design will draw on the area in the Basic Law that guarantees equal opportunities and a free choice of profession and training.’ (Bundestag 1969: 3). In concrete terms, this entailed a means-tested system of grants financed by the federal government, and administered by the student self-help organisations (Studentenwerke) at Länder level. The budget was 200 million German Marks for 1970, 400 million for 1971 and 500 million for 1972 (Bundestag 1969: 3). By 1972, 44 per cent of German students received these allowances (Studis Online 2010).

However, Journalist Westphal (1965) had questioned the late-running of the German study allowance legislation in Die Welt as early as in 1965: ‘Why then – you have to ask yourself – are the government and parliament not hard at work finalising these reforms before the end of the parliament’s annual term, reforms that Chancellor Erhard already called very necessary in his policy statement of 18 October 1963?’ In his opening speech delivered in the Parliament, Erhard had namely attempted to sell nation-wide education as an integral part of a successful family policy and equality of opportunity: ‘By providing equal educational opportunities at various levels, depending on the inclination and talent of our young people – regardless of the wealth of their parents – we are to provide equal opportunities as an essential part of a positive family policy.’

In the FRG, ‘Educational support [was] only there to provide additional aid and loans, or special educational services and programmes.’ (Bundestag 1969: 4). Most importantly, the bill was seen as essential only for those individuals in West Germany who could not afford the cost factor of higher education, whereas the Finnish law often addressed comprehensiveness. Efforts by the central government to introduce these reforms without means-testing, again, prompted resistance in the West German press. ‘There is no real educational
catastrophe,’ (Es gibt keine wirkliche Bildungskatastrophe) Journalist Bergsdorf (1965) criticised these proposals in Allgemeine Sonntagszeitung. ‘The nonsense costs us 450 million per year,’ (Der Quatsch kostet uns 450 Millionen pro Jahr) an Anonymous writer (1965) complained in Bild. ‘Education crisis – stupid prattle?,’ (Bildungsnotstand – saudummes Geschwätz?) Der Spiegel (1965) continued.

Meanwhile in Finland, the press remained mostly unified in that higher education could no longer be seen as an inherent structure reproducing social inequalities and compounding socio-economic disadvantages (e.g. Helsingin Sanomat 1967b). ‘Towards democratisation of education!’ (koulutuksen demokratisointi!) Kansanuutiset (1968b) rejoiced. Two years later (1970b) it further headlined how the Finnish universities were now ‘becoming people’s universities’ (yliopistoistamme kansanyliopistoja). MP Kivistö complemented this view by referring to the neglect of some talent reserves in the heated plenary session (valtiopäivien täysistunto) of 30 November 1971: ‘[…] there will be a lot of talent among the school-age population which is left in reserve, especially with regards to lower social classes and people in remote areas. To bring these groups within higher education would benefit society as a whole.’27 (Eduskunta 1972b: 2654). In the same context, it was argued that all students, regardless of the wealth of their parents, should get paid for their studies, which was seen as an integral part of modern welfare states (Kansanuutiset 1968c, 1968d). This was of course in line with the more general ideology of Social Democracy, as MP Taipale expressed it: ‘In the long run it is self-evident that students should get paid a salary or an equivalent allowance for their studies.’18 (Eduskunta 1972a: 3072). In other words, the state was there to guarantee the equality of opportunity for the entire age cohort, and by investing in human capital this way, it was to secure international competitiveness, which was now seen as a major comparative advantage against other nation-states in the new cold-war economy.

CONCLUSION

Education systems should be interpreted as microcosms of societies as a whole. In this sense, this article has argued that there are important lessons to be learnt from the Finnish and West German social policy responses to the crisis of the 1960s. It suggests that the case of Finland and the FRG demonstrate that investment in the welfare state, as evidenced by the expansion of higher education, also carried economic benefits. As I have shown, the rise in the GDP per capita went hand in hand with welfare state expansion. By generating new skills, which were essential for the post-war ‘knowledge’ economy, the inclusion of the masses into the sphere of higher education and training contributed towards economic growth. This idea was also supported by the written media, albeit the West German case is less clear cut given the country’s federalist structures which were under threat.

Yet, in today’s neoliberal dogma, public discourse once again renders strong economic development and generous welfare state policies as highly incompatible (e.g. Economist 2013; Crouch 2015). At a European level, the recent economic and financial crisis has reinforced this trend exemplified by the cuts in higher education funding in the majority of EU member states (Gibney 2012; OECD 2012), and as its by-product, the rapid emergence of other questionable practices, such as shadow education (NESSE 2011). The trend seems universal despite decades of research conducted on the positive linear relationship between higher education investment, democratisation and economic growth (Levin 2010; NESSE 2010; Alexander 2012).

The European University Association (EUA) has repeatedly warned that the economic crisis could generate deep divisions across Europe, revive old tensions within the EU, and create new problems especially among the Southern and Eastern member states (Nazaré 2012). With regards to the ‘Europe 2020 Strategy’, Nazaré (2012) – President of the EUA – contends that:
Europe’s global regional competitors are not waiting. They are investing heavily in universities and the next generation of young people who will be the innovators of tomorrow. In Europe today we are at risk of marginalising ourselves and losing out in the competition through creating a ‘lost generation’ of young people as a result of under-investment in higher education and research.

Her comments are not new. The same discussion was very much alive during the timeframe here examined. When we speak of educational competitiveness, national innovations and socio-economic investments as something contemporary, we must bear in mind that these concepts were precisely what the educationalists of the 1960s employed to pursue a greater educational expansion. It seems, then, that in many ways the present crises of higher education demonstrate a return to the pre-1960 conceptions of social stratification, exemplified by alarming reports published by the European Commission (NESSE 2012). Especially in the FRG, again, the country is faced with the dilemma as how to fill in posts in the labour market due to the lack of qualified domestic workforce (see e.g. International Herald Tribune 2012).

In Finland, in turn, higher education expansion became an instrument for societal changes and mobilisation, setting up historical departure points for the country’s future welfare realm. Each set agenda and achieved milestone provided fertile breeding grounds for future expansion, and thereby became heavily ‘path dependent’ (Pierson 2000). The mostly positive feedback that these new ‘welfare ideas’ (Kananen and Saari 2009) received in the Finnish press helped to legitimate and consolidate their future course, and thus constituted and contributed to ‘cognitive locks’ (Seeleib-Kaiser 2002) in Finnish welfare state history. By maintaining and generating new skills and competences – and their concomitant social and economic capital – education became an integral part of Finnish sosialipolitiikka, but less so in the case of German Sozialpolitik, for ‘Education reform came from the dark only in the 1970s and was seen to take place in a universe quite distant from social policy.’ (Allmendinger and Leibfried 2003: 63). As I have demonstrated, this manifested itself in the sometimes negative reactions these new ideas prompted in the West German press. Doors to more comprehensive learning, cross-Länder co-operation and greater equality of opportunity in higher education were closed by 1982 (Busemeyer 2015: 99). A great deal of progressive reforms introduced in the late 1960s was again reversed as politics shifted its location on the political chessboard from a Social-Liberal to a Conservative-Liberal government in 1982. This was combined with the FRG’s federalist education structures, guaranteed by the Basic Law, which were difficult to reform in the first place. The change ‘backwards’ in the 1980s can therefore be better explained by the older functionalist ‘politics matters’ thesis (e.g. Dye 1966), or by structural characteristics (e.g. Schmidt 1996), rather than Pierson’s (2000) or Seeleib-Kaiser’s (2002) positive feedback mechanisms. In the Finnish case, by contrast, incremental higher education reforms progressed steadily in the course of the latter part of the 20th century and beyond.

Yet, it should be noted that even in the FRG education did become interwoven with economic success, and via the building of many new ‘local’ universities, it was also utilised to promote regional identity and national stability: ‘At the heart of this model is the doctrine of the nation state [...] the better the citizens of the state are educated, the more effectively they can be mobilised to serve the goal of national progress.’ (Hovi et al. 1989: 245). Post-war democratisation and crisis prevention formed an important part of this repertoire, as Journalist Korhonen (2012) has explained:

Democracy is a demanding system, for it requires active, critical, knowledgeable and caring citizens. Democracy requires education. If citizens are not educated, democracy fades away. An individual that has only been taught to be a part of a production machinery is unable to criticise power, to question it, to empathise, or to take responsibility in communities.19

It is here that crisis can help us think beyond the present; beyond the possible educational impasse of today, and that might be exactly what is needed. Crisis can thus provide beneficial insights into the
causes, capacities, forms, and mechanisms of change in current capitalist economies under increased austerity. Although the nature of today’s crisis is profoundly different from that of the 1960s – growing population vs. ageing population; speedy industrialisation/financial growth vs. information-based society/austerity – the 1960s offer us a necessary reminder about the importance of investment in education as a means to increase the amount of human capital; to preserve the welfare state and economic development, and to open up the system to new social groups. Busemeyer (2015: 30) is surely correct when he claims that ‘The purpose of education is not to compensate ex post for income loss, but to invest in human capital in order to insure individuals against the prospects of income loss [in the first place].’ What follows is that investment in human knowledge needs to be maintained and increased to aid the EU members out of the economic crisis. Otherwise something contrary to economic success, stability and democracy emerges through these associations, something contradictory and unpredictable, even hostile.

From the angle of this research, education emerges as an essential matrix through which future Finnishness and Germaness also became constructed, imagined and realised. By breaking into the standard neoliberal approach to welfare state reform that generally tends to dominate these discussions, this study has also demonstrated that the prevailing dogma ‘equality vs. efficiency’ did not hold true for Finland and the FRG. Quite the opposite, these countries emerged confident, stable and prosperous into the 21st century. The 1960s were the timeframe during which much of the ideological groundwork for these success stories was pioneered, and the period was to have a lasting legacy, which also gave direction to the future. Thus, it is suggested that a closer study on the interconnectedness between welfare states, education, and economic realities regarding the subject needs to be established in the future.

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1 ‘Usein erilaiset käsitykset todellisuudesta, arvoista ja oikeudensmukaisuudesta vaikuttavat myös poliittikaan lopputulemiin. [...] Idea-analyysi merkitsee osin palauta vanhoihin yhteiskuntatieteellisiin ajattelutapaan.’ All translations from Finnish and German in this paper are the author’s.

2 ‘Koulutuksen uskotaan määräävän yksilöiden luokka-asetelmaa siinä kuin esim. tuotantovälideiden omistuksen.’

3 ‘Sie [Bildungspolitik] steht vielmehr in engem Zusammenhang mit vielen anderen Bereichen des wirtschaftlichen und staatlichen Lebens, etwa der Wirtschafts-, Sozial- und Verteidigungspolitik [...]. Wegen seiner Kompetenzen auf diesen Gebieten sowie seiner Verantwortung als Gesamtstaat ist daher der Bund in steigendem Maße aufgerufen, sich auch Fragen der Bildungspolitik und des Bildungswesens zu widmen.’

4 ‘Tämän [epätasa-arvon] takia on koulukokeiluille avattava ovet selkäselälle ja suoritettava ennakkoluulotonta tutkimusta.’

5 ‘Koululaitoksemme ensisijainen tehtävä on luoda kasvumahdollisuudet ajettelemaan, työtä tekemään ja rakastamaan kykeneville vapaalle ja itsenäisiin ratkaisuihin pystyville persoonallisuksille, joille kansanvaltainen yhteistyöjärjestelmä ei ole taakka vaan voiman lähde.’

6 ‘Der Bedarf an wissenschaftlich ausgebildeten Menschen und besser ausgebildeten Arbeitskräften wächst; dies macht es erforderlich, den Zugang zu einer umfassenden Bildung allen dazu begabten jungen Menschen zu erreihe. Sie [Bundesregierung] beabsichtigt weiter, auf die Errichtung eines Bundesrates hinzuwirken und damit die Zusammenarbeit
mit den Ländern zu intensivieren; sie hofft, auf diese Weise auch zu einem gleichmäßigen Angebot von Bildungsmöglichkeiten beizutragen."

8 'Der Ertrag der Investition in physisches Kapital ist durch Umfang und Art der Bildungsinvestition bedingt.'

9 'Man sieht, wie kompliziert unser föderalistischer Aufbau alle Dinge bei uns macht. [...] Wir sollten aber nicht bereit sein, den Föderalismus so absolut zu nehmen, daß wir die Zukunft unseres Volkes opfern.'

10 'Wir brauchen ein Umdenken in unserem Lande in dem Sinne, daß Bildung nicht ein Privileg, sondern ein Grundrecht ist.'

11 'Peruskoulun jälkeisten opintojen ulkonaiset edellytykset on järjestettävä sellaisiksi, etteivät varallisuus ja asuinpaikka vaikuta ratkaisevasti opintien valintaan.'

12 'Der Entwurf will für diesen Bereich die im Grundgesetz garantierte Chancengleichheit und die freie Wahl von Beruf und Ausbildungsstätte ermöglichen.'

13 'Warum – so fragt man sich – sind dann Regierung und Parlament nicht fleißig an der Arbeit, um noch vor Ende der Legislaturperiode endlich das längst überfällige Gesetzeswerk zu schaffen, das auch Bundeskanzler Erhard in seiner Regierungserklärung von 18. Oktober 1963 für notwendig hielt?'

14 'Durch gleiche Bildungsmöglichkeiten auf den verschiedenen Stufen, je nach Neigung und Begabung, unserer Jugend – ohne Rücksicht auf Einkommen und Vermögen der Eltern – gleiche Lebens- und Fortkommens-Chancen einzuräumen, ist wesentlicher Bestandteil einer positiven Familienpolitik.'

15 'Dieses undurchsichtige, komplizierte System der Förderung nach bestimmten Kategorien mit jeweils unterschiedlichen Berechtigungen, Leistungen und Verfahren wird seit Jahren von allen Fachleuten als Dschungel empfunden, der gelichtet werden muß. Was wir brauchen, ist ein einheitliches System gezielter Ausbildungsbeihilfen für alle jungen Staatsbürger, die einer Förderung bedürfen, unabhängig von ihrer Zugehörigkeit zu einer bestimmten Geschädigtengruppe.'

16 'Die Ausbildungsfoerderung war grundsätzlich als Zuschuß und nur für besondere Ausbildungsänge und Sonderleistungen als Darlehen vorgesehen.'

17 '(...) kouluiässä olevien ikäluokkien keskuuteen, nimenomaan alempien sosiaaliryhmien ja syrjäseuduille, jää runsaasti lahkakkuuden reserviä, joka koulutuksen piiriin saatettuna hyödyttäisi koko yhteiskunnan.'

18 'On pitkän päälle aivan selvä, että opinnoista on maksettava normaalia palkkaa vastaava tuki tai palkka.'

19 'Demokratia on vaativa järjestelmä, koska se edellyttää aktiivisia, kriittisiä, tietäviä ja välittäviä kansalaisia. Demokratia edellyttää sivistystä. Jos sitä ei ole, demokratia hapertuu. Tuotantokoneiston osaksi kasvatettu ihminen ei osaa kritisoida valtaa, ei kyseenalaista, ei eläytyvä toisen osaan eikä ottaa vastuuta yhteisöistä.'
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