The dissertation examines the rôle of the Cabinet Committee on Economic Policy of the Harri Holkeri government in 1987-1991 and its economic policies. The research material consists of public and confidential documents from the Ministry of Finance and the Bank of Finland and also of extensive notes of discussions in the Cabinet Committee. Twenty-five ministers, civil servants and aides have been interviewed; in addition other interviews and the archives of the conservative National Coalition Party have been available.

The Cabinet Committee on Economic Policy is generally regarded as the factual decision-maker regarding all main issues in the government, but this study shows that most often in the central macro-economic decisions the Cabinet Committee was left aside as an institution, and policies were set by key members of the Committee in other fora. The decision-making model seems to remind of the garbage can model.

Under the Holkeri period the economy became overheated and the foreign balance was deteriorated, but employment and central government finance remained strong. Output growth ceased the fourth and final year and the economy was driven into a deep depression during the initial time of the next government. Deregulation of the capital market, followed by credit expansion, contributed to an overheating which could not be curbed by the government. Output decline was accentuated by a simultaneous recession in the export countries and also by institutional changes in the trade with the Soviet Union. Parliamentary resistance and the need of a qualified majority when cutting spending made it difficult to decrease expenditure. The Holkeri government was to some extent disengaged from the traditional model of Finnish economic policy in favour of a more ambitious and structure-emphasizing direction. Opportunistic features in its policies could not be observed.

Unsuccessful shipyard mergers and the bankruptcy of Wärtsilä Marine are examined in light of the extensive discussions on the subject in the Cabinet Committee.

In decision-making the Cabinet Committee on Economic Policy of the Holkeri government, as an institution, was more of a "fairy godmother" than of a supreme master of the developments. In the economic policy the finance ministers, the Committee or the Cabinet did not reach out, for external and institutional reasons, to be supreme masters but had to be content as fairly good mother fairies.