

## Country Box C

### **A brief history of public and private involvement in schools in the Netherlands**

The Netherlands has by far the largest number of students enrolled in privately managed schools among all OECD countries. PISA 2009 data show that only one-third of students attend publicly managed schools, while around two-thirds of 15-year-olds attend privately managed schools. The majority of these students attend privately managed schools that receive over 90% or more of their core funding from government agencies (OECD, 2010a). In fact, there are few privately managed schools that have chosen not to receive public funding, accounting for less than 1% of primary and secondary schools (Waslander, 2010).

However, it was not until public funding was provided to privately managed schools on an equal per-student basis that privately managed schools flourished. The Constitution of 1917 ended a longstanding school dispute by enshrining the right to found schools, freedom of choice, and equal funding and treatment of publicly and privately managed schools. Together, these rights guide and limit the scope and type of policies that can be implemented. Public funding of privately managed schools helped to realise the right to choose a school. In 1917, most students attended publicly managed schools; a decade later, the trend had already reversed (Patrinos, 2010). Government-dependent private schools could only apply admissions criteria based on ideology, religion or pedagogical identity. Segregation along religious lines was not a concern at the time and little attention was paid to socio-economic stratification (Karsten, et al., 2006).

The move towards secularisation after World War II meant that admissions criteria based on religion were applied far less frequently; but socio-economic stratification among schools began to take root (Ladd and Fiske, 2011). In addition, the large migration inflows during the second half of the 20th century led to growing concern about ethnic segregation of schools, particularly from the 1980s (Karsten, et al., 2006). Populations with multiple disadvantages, such as their ethnicity and socio-economic status, were concentrated in certain geographic areas; and schools in those areas struggled to educate their students. In the 1970s, experiments that involved weighted student funding and providing additional resources to schools in disadvantaged areas were introduced in Amsterdam, Rotterdam and Utrecht (Driessen and Dekker, 1997). In 1985, the Dutch Parliament established the basis of the current funding system with the law on Educational Priority Policy (EPP). The EPP's two-pronged approach, school- and area-based, was the result of a political compromise between conservatives, who were in favour of targeting schools, and progressives, who were more inclined to area-based approaches.

The school-based component represents the largest share of the EPP budget. It introduces additional weights per student in the formula to fund schools, reflecting socio-economic disadvantage. The formula follows the student to the chosen school, creating a financial incentive for schools to attract and retain students. In particular, Dutch working-class students were assigned a factor of 1.25 and ethnic minority students 1.9. The additional weights were targeted to primary schools serving large proportions – more than 9% – of disadvantaged students; additional funding was provided depending on the percentage of students above this threshold. Funding arrangements were comparable for secondary schools, but schools were only eligible for additional funding if at least 30% of their students came from deprived neighbourhoods. The area-based component involved encouraging networks of primary and secondary schools, support centres, cultural organisations and welfare agencies to work together, at the local or regional level, to combat disadvantages.

As countries began introducing more market mechanisms into education in the 1980s and 1990s, the Dutch gave even greater autonomy to schools. Schools in the Netherlands have nearly the greatest level of autonomy among all OECD countries (OECD, 2010a). Schools have full responsibility for organising teaching personnel and materials; for resource allocation; and for the construction and use of facilities. The additional funds provided to disadvantaged schools were initially earmarked for certain types of expenditures, but since there was no requirement that funds be spent on disadvantaged students, these were mostly used to reduce class sizes (Driessen and Dekkers, 1997). Since 2006,



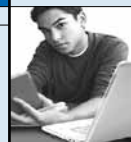
additional funding has been provided in the form of a lump-sum grant covering total costs instead of separate budget allocations for infrastructure, personnel and running costs. Although this provides more discretion to boards for resource allocation, some boards have expressed concerns that additional funding targeted to high-weight schools have been transferred to low-weight schools. At the same time, the management of schools shifted from municipal authorities to independent boards, and the relationship between the two was re-defined. Today, three out of four publicly managed schools are operated by a foundation, and although municipal governments continue to play an important role in enhancing horizontal co-operation at the local level, area-based funding represents only around 10% of schools' budgets.

Weighted student funding was adopted by a socialist government and has been sustained through different centre-right and neo-liberal governments (Ladd and Fiske, 2011), but the specific weights have been subject to political debate and have been modified over time. In 2006, the weights were changed to reflect a modification in attitudes towards immigrants and rural support for the centre-right government. In particular, the indicator on ethnicity was withdrawn and the 1.25 weight was replaced with a 1.4 weight for students whose parents have low levels of education and 2.2 for children whose parents have very low levels of education. In addition, the threshold proportion of disadvantage students above which schools are eligible for additional funding was reduced from 9% to 6%.

There are growing concerns of stratification between schools along ethnic lines (Karsten, et al., 2006; Waslander, 2010; Ladd, Fiske and Ruijs, 2011). In primary education, socio-economic stratification is driven by parental choice and residential segregation; the situation is particularly worrying in the four major Dutch cities. Certain government-dependent private schools request contributions from parents and adopt specific teaching pedagogies to attract students from better-off backgrounds (Karsten, et al., 2006). However, there are more schools with higher concentrations of students with an immigrant background than there are schools with an over-representation of well-off native students (Karsten, et al., 2006). Indeed, most privately managed school enrolments involve religious schools, but student composition is no longer solely related to a specific religion, with the exception of Islamic and Hindu schools. Recently, Islamic schools have been at the centre of the debate since they cater almost exclusively to students of the same ethnic group (Denessen, Driessen and Slegers, 2005; Waslander, 2010). In addition to choice and residence, in secondary education, early tracking exacerbates stratification because differences in intakes are based on prior academic achievement, which is correlated with socio-economic background. In the past decade, local governments, particularly in the larger cities, have been taking policy initiatives to create more socio-economically and ethnically diverse school populations. Current efforts to reduce stratification include strengthening the co-operation with stakeholders to establish fixed enrolment dates, promoting voluntary parental initiatives, experimenting with central subscription systems, and introducing double waiting lists (Ladd, Fiske and Ruijs, 2009).

Growing concerns about segregation have increased the role that central government plays in setting education policy (structure and attainment targets), providing funding to schools, and accountability (examinations and publicly reported inspections). The *Good Education, Good Governance* law, which was adopted in late 2009, has introduced more stringent requirements for quality assurance in publicly funded schools. If the Inspectorate judges that quality is below standards, the school is considered to be performing poorly, is placed under intensified supervision, and is required to draft and execute an improvement plan. The Ministry of Education has ultimate control over persistently poor-performing schools. Funding has rarely been denied as a means to force schools to close down. But this is changing, and some schools have been closed down over the past of couple of years.

Weighted student funding has failed to help all disadvantaged students achieve at the same level as other students, but it has provided disadvantaged schools with significantly more resources (Ladd and Fiske, 2011). Primary schools with a high proportion of weighted students have, on average, about 58% more teachers per student and also significantly more support staff (Ladd and Fiske, 2011). The most disadvantaged students in the Netherlands perform well above their peers in other countries in international assessments, and the differences between students within the Netherlands are small compared to those in other OECD countries, even after taking socio-economic background into account (OECD, 2010b). The Netherlands has high levels of school competition, autonomy and accountability, institutional features that recent research has found to be associated with high performance (Woessmann, 2007).



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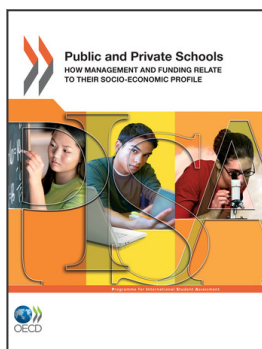
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