

## THE PUBLIC SCHOOL MARKET IN THE NETHERLANDS

### Money Follows the Child

#### EXECUTIVE SUMMARY

- Parents in the Netherlands enjoy a nation-wide system of free choice between public or independent schools, with no catchment areas.
- Non-profit organizations or groups of parents and teachers can organize and manage a school if minimum requirements are met.
- These freedoms have resulted in a comparatively diverse supply of schools.
- The central government provides a national curriculum and exams.
- Teacher salaries and work conditions are regulated through national collective agreements.
- Independent schools are protected by the constitutional right to freedom of organization, allowing a high degree of managerial autonomy.
- Around 70% of primary and secondary pupils attend independent schools.
- The money follows the child. The principle that governs the flow of funds is that of invisible per capita financing.
- School budgets depend on enrolment and vary according to demand in both public and independent schools.
- Government covers the full cost of schooling. There is no parental “topping up”, but financial contributions to extra-curricular activities are permitted.
- Schools with enrolling students from less privileged backgrounds receive more government money.
- If this model were applied to Manitoba, school boards would be eliminated and the system of passing along costs to local property owners by means of property taxes would cease to exist. Funding would simply follow the student and there would no longer be an administrative middleman to complicate lines of accountability.

#### INTRODUCTION

The Dutch school system is an excellent working example of an educational system focused on the user. It provides parents and children with a nation-wide choice of either independent or public, government-run schools. Both are considered equal under the law and are allotted the same level of funding. For more than 80 years, independent schools have been the preferred choice of parents in the Netherlands, with the number of schools and student enrollment outpacing the public school sector by a large percentage.

#### HISTORY

The Dutch education system has its historical roots in the country's 1848 Constitution. The document enshrined educational freedom by guaranteeing individuals and organizations the right to establish independent schools without prior approval from government or the church and by creating institutional limits on government intervention in that sphere.

Freedom of education was defined as the following:

1. *Freedom to establish schools* – Anyone who was able to found and develop a school could do so.
2. *Freedom of conviction* – School creation could reflect any educational, religious or political conviction regardless of the beliefs of others.
3. *Freedom of organization* – Teaching and teaching methods could be decided upon by the individual school.

Tensions arose between independent, denominational schools and their public, non-denominational counterparts after the 1848 Constitution was adopted. The source of the acrimony was the fact that funding was almost exclusively reserved for public schools. This struggle ended with an amendment to the constitution, passed in 1917, that guaranteed equal funding for public and independent schools.

Within a few years, close to 70% of students were attending independent schools. The Dutch education system had changed from a state-organized monopoly into a system that gave priority to parental choice and freedom of education. It continues to flourish today.

## **THE DUTCH EDUCATION SYSTEM TODAY**

Almost 70 percent of primary school students and over 70 percent of secondary school students attend independent schools in the Netherlands. Schooling is compulsory for Dutch children, and they must attend school from the age of five. After catchment areas were abolished in the 1970s and 1980s, parents were able to choose an educational institution on a nation-wide basis. As a result, Dutch parents act as consumers with a genuine choice between public and independent schools.

Establishing a school is not subject to strict government control and the lack of legal barriers has created a comparatively large and diverse supply of educational institutions. The system produced an overabundance of smaller schools. The government recently created legislation limiting their number with regulations detailing enrollment qualifications for funding eligibility. Primary schools must enroll a minimum of 330 students in urban areas and 200 in rural areas over a period of five years before money is allocated. The new criteria have forced a decline in the number of new schools and the merger of many existing schools, but overall installed a more efficient system.

The Dutch constitution protects the process and management of education from government intervention. Individual schools decide upon teaching methods and course books and materials and are free to hire staff as long as wage and teacher qualification rules are met. Independent schools, unlike their public school counterparts, are able to impose criteria for admission, including religious criteria, and decide on the content of 120 teaching hours every year.

Dutch schools are regulated by the central government through the Ministry of Education. They are subject to detailed regulations dealing with class size, exams, teaching qualifications and salaries, school fees and a national curriculum. All schools in the Netherlands follow a common curriculum with prescribed subjects of study and uniform national exams at the end of primary and secondary school. The national curriculum is centrally regulated, creating a uniform system and making it difficult for schools to respond fully to the diversity of parental demands. This weakens incentives to offer innovative courses not included in the specified curriculum. The government and the independent school sector are currently working together to address the problem of over-bureaucratization.

## **PROVIDING EDUCATION**

Local municipalities administer Dutch public schools, and councillors' duties include membership on local school boards. Independent bodies, however, administer the independent schools. But they are required to establish a participation council of parents and teachers. Most independent schools are faith-based organizations, including Catholic, Protestant, Hindu, Muslim and Jewish schools, but also exist alongside inter-denominational or non-religious alternatives.

A relatively high degree of competition has evolved between the large number of independent schools in the Netherlands, resulting in a comparatively large scope of variety and diversity. Schools have to

compete in order to attract more pupils since parents have the right to “vote with their feet,” sending their children to a different school without financial penalty.

## **FINANCING EDUCATION**

Parental choices in education are most likely to be effective if supported by sufficient financial means, and the Dutch system provides this incentive.

The Ministry of Education is the main source of school financing and gives equal support to public and independent schools, funding each on equal terms and conditions. A parental decision to send a child to a particular school triggers a sum of money to be transferred by the government to the chosen school. It is not a voucher system where parents are given an amount of taxpayer’s money to use at any school they wish. The money follows the parent’s choice, but in a less outright form. Enrollment numbers are reported to the Ministry, and it releases funding on a basis that reflects a school’s ability to attract students.

The government pays 100% of the cost of schooling, with no “topping up” by parents. This imposes restraints on what educational institutes can provide, but parents are free to contribute financially to extra-curricular and other activities. Both public and independent schools receive contributions and sponsorship funds from parents and local companies.

Student funding is weighted according to socio-economic background and schools located in poorer areas receive extra funding. That means that schools which enroll a large proportion of students from poorer backgrounds receive a higher transfer of resources.

The government spending per student in public and independent schools is at the average for other OECD countries. In 1998, for primary education, funding stood at US\$3,795 per student and US\$5,304 for a secondary pupil. (In Canadian dollars, those amounts represent about \$5,700 and \$8,000 respectively.)

The per capita cost of primary and secondary education has increased in the second half of the 1990’s. But as a percentage of total government spending, the overall budget declined from 1996 to 1999.

## **SUMMARY**

The Netherlands affords parents the right to choose a school for their child on a nation-wide basis. Dutch independent schools can be organized in a comparatively liberal manner, leading to a high degree of competition between schools and greater diversity. The government monopoly on the provision of education has been removed, providing parents with real choice in the educational institutions their children attend. Parents can exercise financial power by withdrawing support if a local school is performing badly and sending their children to an alternative choice.

The freedom of choice in the Dutch School System has not resulted in a litany of failing, under-subscribed schools. Educational institutions facing a loss of students have to improve to win them back to retain their funding. The incentive is to provide a quality education while responding to parental needs.

The myth that parental choice and a heavy involvement in education by independent schools might lead to an unfair selection process and unequal access to high-quality schools does not have any validity in the Netherlands. Because of widespread choice, the large independent sector cannot afford to be highly selective in its admission policies. The social composition of pupils in independent and public schools does not differ significantly in the Netherlands. Children of lower socio-economic status have the same access to independent schools as do their more affluent counterparts.

In the years after the 1917 amendment to the constitution, the religious affiliations of most independent schools might have explained much of their success and attraction for Dutch parents. But with the role of religion and tradition fading in post-modern society, parents are increasingly behaving as critical consumers in a marketplace, and consciously evaluate schools to secure the best education possible

for their children. Independent schools in the Netherlands consistently outperform public schools in test scores, drop-out rates and academic achievement.

Independent schools have more administrative flexibility, closer contact with parents and the power to structure a teaching process without government interference. Student evaluation of students is less bureaucratic and better safeguarded from political prying than in the public schools.

Today Dutch students score among the best in Europe in literacy and numeric skills exemplifying an education system promoting the principles of consumerism and demanding responsive schools without imposing prohibitive costs on parents.

## THE RELEVANCE OF THE DUTCH SYSTEM FOR CANADA

Implementing a user-friendly education system similar to the one in operation in the Netherlands would drastically change the way education is funded in Canada.

Currently British Columbia, Alberta and Manitoba provide only partial funding to independent schools. British Columbia has supported school choice for over 20 years by providing a percentage of public spending per pupil to independent schools (between 10 and 50 percent) if they adhere to certain stipulations. Alberta provides 60 percent of public funding to independent schools and Manitoba allocates 80 percent.

Under a Dutch-style system, where independent schools are funded 100 percent by the government, with the total transfer determined by the number of students attending the school, educational institutions would rely upon and be responsible to a sole funding body, the provincial government. School boards would be eliminated and the system of passing along costs to local property owners by means of property taxes would cease to exist.

Currently Manitoba's provincial government covers 59.4% of the costs of education. It is responsible for educational curriculum, new school construction and labour negotiations with teachers, yet lacks accountability for the quality of instruction in the province's schools. A Dutch-style education system would allow parents to hold one elected body, the provincial government, directly accountable for the quality of their children's education, while offering a market of grassroots, innovative, responsive schools from which parents could choose without suffering financial repercussions.



### About the Author:

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