



Peje Emilsson has over forty years of experience in strategic communications counselling. He is founder and owner of Kreab, in operation since 1970. Kreab now has a staff of about 150 and offices in Beijing, Brussels, Copenhagen, Helsinki, London, New York, Oslo and Stockholm. Mr. Emilsson's experience includes developing communication programs for leading corporations and counselling in the implementation of such programs vis-à-vis all relevant stakeholders. He has special experience in handling communication issues in mergers, acquisitions and crises. Between 1973 and 1981, Mr. Emilsson served as Chef de Cabinet of the Paris-based International Chamber of Commerce. In that capacity, he was responsible for communicating with 6,000 corporate members in over 100 countries and organizing conferences and congresses worldwide. He is also founder and Chairman of the Board of Kunskapsskolan i Sverige AB, a chain of 22 schools in Sweden with about 6,500 students, a turnover of EUR 45 million and a staff of 500. He was interviewed after his lecture to the Frontier Centre for Public Policy in Winnipeg on May 19th, 2005.

Frontier Centre: When did the Swedish government first implement its system of school vouchers and why?

Peje Emilsson: The decision was taken in 1992. The reason was to provide freedom of choice, letting parents and students pick a school of their choice.

FC: How much public resistance did the voucher reforms face?

PE: Some people were reluctant, but overall I would say that we reached a broad consensus after it was introduced because it combined a common financing through taxpayers with freedom of choice. All independent schools, of course, have to use the curriculum that is decided by the government. It provides good alternative way of schooling within the system that's also inspiring the traditional public schools.

FC: What was the view of the teachers' unions? In North America, they oppose vouchers.

PE: They were a bit hesitant to start with, but very soon became quite positive. We have an agreement with the teachers' unions for all the 500 teachers in our school system. It has provided teachers with alternative employers. They realized that that kind of competition is good for their members.

FC: More than a decade later, it has been noted that only the Communist party and a few municipal politicians want to cancel vouchers. Does this mean that the public generally accepts them?

PE: The public has accepted them. Exactly the size of that acceptance it varies from municipality to municipality, but overall it acceptance is wide. When vouchers started, only about one percent of Swedish children went to non-public schools; now it's about ten percent.

FC: One of the critiques of vouchers is that it allows cherry-picking, where schools will pick the best students and therefore have the best results. What's your view?

PE: Not in our system, because the rule is, "First come, first serve." An independent school in the Swedish system has no right whatsoever to cherry-pick. We have to accept

students that want to come to us and it's just a matter of when they have applied.

FC: How many children have moved into independent schools since the program started? Have any municipal schools closed as a result?

PE: About 100,000 now go to independent schools. There might be one or two municipal schools that have closed, but the majority of the independent schools have gone into areas where you had growth. We haven't yet really seen the challenge that you close down schools. I personally think it is a very good idea to close down schools if they are not functioning well. Competition leads to a better alternative; in many cases, it's better for the whole educational system if some schools disappear.

FC: Is the model of the neighbourhood school still prevalent? How many parents took advantage of vouchers to move their children elsewhere?

PE: It's still so that for young people it is very important to have a school nearby. But there are hundreds of small schools that have started, so we have that kind of alternative also. At the same time you should know that the voucher system's primarily important for areas in Sweden within the big cities. Out in the countryside, there are not that many alternatives. With a number of notable exceptions, there are fewer independent schools. But the voucher system has made it possible for many smaller schools in the countryside to survive, because parents have preferred their kids go to smaller schools, while school boards have decided to group and have lots of busing to schools.

FC: Has there been much of an exodus from schools in poor neighbourhoods?

PE: No. There have been studies about the question of segregation. Of course there are always claims that it leads to this, but that's part of the old, traditional socialistic propaganda. The studies do not indicate that. The studies indicate that the voucher system has not increased segregation and that instead it has been inspiring the improvement of public schools.

FC: Do Swedish vouchers cover the entire cost of public education? Are there co-payments from parents allowed?

PE: No co-payments whatsoever, but when the system was introduced by non-socialist parties in 1992, the voucher paid for only 85% of the cost in a public school. The Social Democrats changed that when they came to power and increased the value of the voucher to 100%, but with the limitation that not one single dollar extra can be paid.

FC: Here in Manitoba independent schools get 50% of regular funding; I guess the analogy would be that the local social democrats would have raised that to 100%.

PE: Yes, because if you only get 50% and have to charge money, you of course exclude people that haven't got money. With the system we have now, when it's 100% no one is excluded. It is a right for everyone. There is a consensus in Sweden that taxpayers should bear the cost for educating the next generation. That we do together. Then parents and students can pick the school of their choice, and in that way we get better, more efficient use of taxpayers' money.

FC: Don't we in effect pay twice here, through your taxes and then you have to pay extra fees to go to an independent school. Couldn't one argue that that is the opposite of equity?

PE: Yes, of course it is and that's the way we had the system before all this. If you for some reason did not like the public system you had to pay once more. First you paid your taxes and then once more and that also led to the fact that only rich people were able to provide their children with the kinds of education they wanted. Here you have now 50%, but I would argue that still discriminates against people who couldn't afford to pay that 50% extra. It's a very old system not uncommon in many countries, but I do believe that five to ten years from now, this will change. People will not be prepared to pay twice for the same thing

FC: Our school boards employ a lot more people than teachers Does Sweden have school boards?

PE: We have a kind of school board in each municipality. It is very important not to let those develop into structures that use up the money designated for education. I have seen this in other countries. The voucher system has led to a result that more of the money given to education goes to true education and less goes to the administration around it.

FC: That's why vouchers are better?

PE: That is one importance of vouchers. I think the tax situation is such that everyone wants to make sure not to pay more than is necessary. Education is so important, you really need to spend on education then you have to make sure the money you spend on education goes to education and not to things around it.

FC: In a typical school in your company, how many are teachers and how many are administrators?

PE: Take a typical school with the staff of 20. There is one headmaster and one co-ordinator and then there are teachers.

FC: Your company, Kunskapsskolan, is the largest operator of independent schools in Sweden. Is it profitable yet?

PE: Yes. We planned that we would break even last year and we are this year making a profit margin of 2 to 3%. We believe that long-term it is healthy to keep a margin of about 5 to 7%.

FC: These are for-profit schools. A lot of our people have a problem with profit making schools getting a voucher.

PE: Not everyone. We have about a thousand independent schools operating under the voucher system, but one third of them are not-for-profit; the others are for-profit. The government doesn't distinguish between that. The key thing is to give freedom of choice and it in turn leads to better quality in education.

FC: Are profits good?

PE: Profits are good. Turn it the other way around. What happens if you make a loss? We are telling the headmasters in our school that the overriding goal is to make sure that the student learns as much as possible, but they should not spend more than 95 cents out of every dollar.

FC: Could you describe your company's education philosophy? How does it differ from what is offered in the municipal schools?

PE: We have based it on a very individual model. When a student comes to us, we very carefully examine his or her ways of learning and then put together an individual structure around it. The teachers are more than teachers, they are coaches. Each student meets his coach/teacher 15 to 20 minutes every week. You go through his log book. What has he done? What did he say last week he would do? What is he going to do next week? This means that you follow each student very carefully. You also have the possibility to focus on one subject during a few weeks and then take another. Its not traditional split up with 45 minutes Mathematics, 45 minutes History, 45 minutes of another thing.

FC: Could you describe the organizational principles that distinguish your operation from other schools?

PE: We look upon each school as one unit, a small company you can say. The headmaster has a staff of about 20 and they are there to serve the educational needs. Then we have back office functions with all human resources, human resource activities, finances, computers, everything else that is needed. We call it our back-office operation.

This mean that we have built a streamlined structure, so we can add school after school after school and they have minimum school administrative needs in the school themselves. They just hook up into our system.

FC: Does Sweden have standardized tests to measure performance in schools and how have the independent schools fared?

PE: We have them, but far too few. They should be there every year. If you can't measure it, you can't control what

happens. You have to have quality control that way and I think we should get more standardized tests. The ones we do conduct have shown no enormous difference because the system has not functioned for a very long time. There have been very few tests, but indications are that independence schools are slightly ahead.

FC: Can one say that the municipal schools have had to improve their product because of competition from independent schools?

PE: Definitely. We have had a number of municipalities run by Social Democrats who have come to us and asked, "Can't you open a school in our community?" More and more they realize that competition is very healthy for the public school system. They know in case the students and the parents don't like that school, they can go to some other place. That freedom of choice leads to better performance in the whole system.

FC: Manitoba's government basically cancelled standardized testing in 1999. What is your opinion of that?

PE: I have yet to hear a good argument for doing that. The only argument I can see is you don't want to see reality. That happens sometimes in politics, unfortunately.

FC: Do Swedish vouchers make any allowance for mental and physical handicaps? For example, some child with special needs, does one get a larger voucher for that?

PE: Yes, there are special allowances for a number of specific activities. The basic feeling in Sweden is that as many as possible should take part in normal education, so if there are special conditions, there are also special allowances. We are running one school with only 24 students, 24 students that cannot for various reasons enter into a normal school. And there we have four or 5 teachers for those 24 instead. And of course there the voucher is much higher.

FC: We have something called mainstreaming here, where we try to fit special needs kids into a regular

classroom setting. What do you think of mainstreaming?

PE: I think that if you adopt it as the only principle, it might lead to negative consequences. Obviously you want to try to get as many as possible to take part in the normal activities in a school. With our schools, the model looks at each individual and not at the classroom as the module. We look upon each individual and that makes it easy for us to accommodate students with special needs. That said, of course I always insist on having them in a special school when that's better, and we have those.

FC: Vouchers are also in use in Holland and Denmark. Do their programs differ significantly from Sweden's program?

PE: I don't really know.

FC: Why did a business man like yourself, who has been quite successful in other fields, go into the school business?

PE: I think there are few things that are as important as providing a better education for the next generation. I have seen in so many instances how resources are not used in the best possible way. I have seen too many instances where old traditional models are still being used, so I saw an opportunity to open up different kinds of educating with the hope, so far a functional hope, that it can give a better starting position for many young people.

FC: You've suggested that education and health care have the potential to be economic drivers.

PE: The traditional view is that we have to have industry in order to provide resources that could pay for health and education. But a long-term, efficient system of education and health care leads to increased economic growth. If you take a look at this worldwide, the countries that take the leading position in those areas and develop new methods of education and healthcare are showing us how we can use modern technology in a more efficient way.