

A Swedish Model for Education?

A recent visit to Stockholm was an opportunity to review the radical changes in the Swedish education system introduced in the early 1990s.

The Business Roundtable brought Odd Eiken, the head of the education ministry responsible for implementing them, to New Zealand to explain the reforms some 15 years ago.

The new system is often referred to as an education voucher system. Schools in Sweden are the responsibility of municipalities, which largely fund them (with some central government assistance). All schools in a municipality – public and private – are funded on the same basis.

The policy is based on the proposition that the state has a responsibility to ensure all children get a good education but that it does not need to run all schools.

Reference to the term 'voucher' produces Pavlovian reactions in some quarters. Yet all it means is that schools are funded according to the number of students they enrol. We fund pre-school education and much of the tertiary sector this way.

The background to the reforms was concern about the quality of Swedish education and the lack of choice available to parents in a one-size-fits-all system – the independent sector, as in New Zealand was very small. Also important was European human rights legislation affirming the right of parents to exercise school choice.

Swedish schools receiving the per student grant or voucher must accept students regardless of ability or background, and must not charge additional fees.

There is a national curriculum but there are few additional rules. Parents wanting to set up an Islamic school, for example, are free to do so. Few applications to start schools are declined.

The success of the scheme took even its architects by surprise. Today one in every eight schools in Sweden is a so-called 'free school', and in Stockholm up to 30% of students, depending on the age group, attend such schools.

At a presentation at the thinktank Timbro, the former Swedish minister responsible for the reforms, Per Unckel, made a number of interesting points.

He noted that they were introduced by a conservative government but have been maintained by subsequent social democratic governments – their popularity is such that no Swedish government would dare reverse them.

The social democrats' earlier claim that only the rich would benefit was quickly shown to be unfounded. In fact poorer Swedes choose independent schools at higher rates than affluent families.

The reforms are supported by teacher unions and teachers, who have more and better employment opportunities in a more diverse system.

Chains of schools have been set up, which enable 'back office' functions to be efficiently centralised and allow teachers more contact time with students.

Many of the new schools are for-profit. An interesting aspect here is that popular non-profit schools tend to resort to waiting lists whereas for-profit schools expand to meet parental demand.

A key dynamic is that the system encourages competition and improvements in performance across-the-board.

Many voucher schemes elsewhere merely allow limited numbers of students (for example from low-income families) to escape poor government schools and attend private ones. They don't have system-wide effects.

Wholesale migrations of students are not necessary to improve performance. As in any competitive system, what matters is changes at the margin, with schools that lose students reacting by changing their practices.

Another interesting point is that there are differences in per-student funding levels between municipalities but research indicates that education quality is not higher in schools that receive more funding.

The scheme also eases the political dilemma associated with school closures. If parents don't support amalgamations they simply apply to open a rival school.

The Swedish system is not unique. Chile, Ireland, the Netherlands and Denmark have adopted similar approaches. In the Netherlands, around 70% of primary and secondary students attend private independent schools. Australia now has a large private sector and the British Conservative Party is proposing to move in Sweden's direction if it wins next year's election.

There is room for debate about variations to the Swedish model.

In Denmark parents enrolling children in private schools are required to pay a small proportion of fees to encourage them to be more demanding customers. The Swedish ban on top-up fees is questionable: better-off parents will always find ways of spending more on their children's education. Higher grants or vouchers could be justified for special needs students.

A working group consisting of representatives of National, ACT and the Maori Party is looking at ways of introducing more parental choice and school autonomy into education in New Zealand. Such moves could be particularly attractive to Maori who, as a minority, are not always well catered for in a centralised system.

As Per Unckel has noted, "Education is so important that you can't just leave it to one producer. Because we know from monopoly systems that they do not fulfil all wishes."

Roger Kerr (rkerr@nzbr.org.nz) is the executive director of the New Zealand Business Roundtable