

## SCHOOL CHOICE IN THE NETHERLANDS

HARRY ANTHONY PATRINOS\*

### Introduction

The Dutch education system is characterized by school choice, made possible by public funding. Most schools are run by private school boards, a trend that has been increasing over the past century and a half. Publicly-funded school choice promotes competition between schools, resulting in efficiency as measured by high test scores in international student achievement assessments such as PISA and TIMSS. The country achieves high scores even after controlling for national income and expenditure per student. The substantial degree of competition in the system is one determinant of its high academic achievement rates. Thus, a large school choice system can promote efficiency and equity without necessarily leading to privatization or to reduced public scrutiny.

### The organization of schooling

The origins of the Dutch education system can be traced back to the 1917 “schools to the parents” movement (James 1984; Patrinos 2002). A series of social and political changes in the country resulted in parents being able to choose whatever school they wish for their children while the state pays most of the cost. Article 23 of the Dutch Constitution ended the state monopoly in education. At the time, all parts of social life were segmented – often referred to as “pillarization” in the literature – for a period as long as 1870 to 1960 as part of a political compromise. Not only were schools organized along political and religious lines, but so too were other aspects. While the segmentation has ended, schools continue to be

oriented in a particular way. Thus, freedom of education was originally based on principles of freedom of religion.

The school system combines centralized education policy with decentralized administration and management of schools. Policy is determined centrally in the Dutch education system, but the administration and management of schools is decentralized to the school level. The central government exercises ultimate control over both public and private schools and sets national standards for all schools. Nevertheless, how to teach is left up to schools to determine. In fact, school discretion is limited only by employment laws; teacher qualifications, pay and conditions; and building standards. Funding mechanisms are designed to control national expenditures. Poor schools try to cut costs by improving efficiency, such as using more extensive methods of teaching.

Central control is exercised over both public and private schools. The system is characterized by a large central staff; many school advisory services and coordination bodies; a strong Education Inspectorate; and stringent regulations. The central government, through the Minister of Education, Culture and Science, controls education by means of legislation, taking account of the provisions of the Constitution. Its prime responsibilities with regard to education relate to the structuring and funding of the system, the management of public-authority institutions, inspection, examinations and student support. Control may be exercised by imposing qualitative or quantitative standards relating to the educational process in schools and attainment results, by means of arrangements for the allocation of financial and other resources, and by imposing conditions to be met by schools. The central government decides what types of school may exist; the length of courses in each type of school; standards for teaching staff; number of teaching periods; salaries; examinations; and the norms for the establishment and closure of schools.

Most schools are private, and most private schools are managed by a religious organization, while public schools are managed by municipal authorities. All



\* Lead Education Economist World Bank. The views expressed here are those of the author and should not be attributed to the World Bank Group.

schools are governed by a legally recognized authority (school board). The school board is responsible for implementing legislation and regulations in schools. There is, despite school choice and diversity of supply, no significant elite school sector (Karsten et al. 1995). Primary and secondary schools receiving public funds must be not-for-profit. Nevertheless, school boards are able to retain surplus earnings. There are a few for-profit schools, representing less than one percent of total enrollments (Hirsch 2002), but they are too small to receive government funds.

### Competition and funding

Competition and equal funding are hallmarks of the Dutch education system. Under article 23 of the Constitution, all educational institutions – public and private – are funded equally. This means that government expenditure on public educational institutions must be matched by expenditure on private, government-funded educational institutions. Schools qualify almost automatically for funding, provided they meet the quality standards and funding conditions imposed by law for the school system as a whole. Funds are channeled from the Ministry to educational institutions both directly and indirectly. Schools receive a block grant to cover their staffing costs in addition to the block grant already allocated for running costs. As a result, school boards now receive a single sum of money, which they are free to spend at their own discretion, giving them more scope to manage the school as they see fit.

There is relative ease of entry for new providers. A small number of parents can and do start a school. The requisite number of parents required to set up a school varies according to population density, from 200 for small municipalities to 337 for The Hague. The central government provides initial capital costs and ongoing expenses, while the municipality provides buildings. Schools also receive a small fund for operating expenses that they may allocate at their discretion among activities such as maintenance, cleaning, heating, libraries and teaching aids. The sum is determined separately by each municipality, which must then give all public and private schools the same per capita amount.

Students and their families are entitled to choose the school – public or private – they wish to attend. The main impediments to choice are distance, although parents are free to choose a school anywhere in their

city of residence or indeed anywhere in the country since there is no catchment area. Public schools must admit all pupils, and most pursue non-restrictive admissions policies. A school cannot refuse to admit a child if parents are unable or unwilling to pay. Once it is certain that a child is to be admitted to the school, a written contract between the school and the parents is written and signed, stating what the parental contribution is to be used for and what will happen if it is not paid in full.

School funding is on a per capita basis. That is, money follows students and each school receives for each enrolled student a sum equivalent to the per capita cost of public schooling (Patrinos 2002). The school that receives the funds is then entitled to funding that will cover specified amounts of teacher salaries and other expenses. The number of teachers to which a school is entitled depends on its number of students. Private schools can and do supplement this funding by charging ancillary fees; however, this right is severely limited. There is no evidence of refusing at-risk students (Karsten and Meijer 1999). Municipal schools charge small fees during the 12-year compulsory stage of schooling. Schools are fully accountable to the parents for the use of fees collected. Moreover, parents can claim back their child's travel costs if there is no school (or no school of the denomination or educational character sought by the parents) within a radius of six kilometers along a route considered safe and accessible to children. Parents apply to the municipal authorities, who draw up rules on this matter.

Other private contributions and sponsorship are allowed, but no advertising materials are permitted, and schools may not become dependent on sponsors (Droog 2001; de Vijlder 2001). The central government pays most of the running costs. Limited local government discretion is allowed. Municipalities organize and pay for minority language teaching. Salaries are based on fixed scales that take into account education and experience. While the freedom to organize teaching means that schools are free to determine how to teach, the Ministry of Education, Culture and Science does, however, impose a number of statutory standards in relation to the quality of education. These prescribe the subjects to be studied, the attainment targets and the content of national examinations. There are also rules about the number of teaching periods per year, teacher training and teaching qualifications, the rights of parents and pupils to have a say in school matters, and the planning and

reporting obligations of schools. As a rule, schools enjoy considerable freedom in the choice of textbooks and materials, and in the way they manage their affairs. The Education Inspectorate is charged by the Minister of Education with supervising the manner in which schools fulfill their responsibilities. The financing procedure is somewhat different at the secondary level. All teacher salaries and building costs are covered directly by the municipality. In addition, municipal and private secondary general schools that are included in the Minister of Education's three-year plan receive the same discretionary fund per capita. Since 80–90 percent of all current school expenditures are for teacher salaries, this immediately places the bulk of budgetary decisions in the hands of the central government.

Most children in the Netherlands attend private schools (Figures 1 and 2) and the trend over the past

150 years is increasing. While 35 percent of schools are public, 29 and 27 percent are Catholic and Protestant (Hupe and Meijs 2000). There are also private non-denominational schools that are run by an association or foundation but are not based on any specific religious or ideological beliefs. Like some public schools, many privately run schools base their teaching on specific educational principles.

Education in the Netherlands is free for the compulsory, first ten years of schooling. At all levels of education, the Dutch government spends the OECD average (OECD 2009). Education spending as a proportion of GDP is 4.8 percent. Thus, achievement levels are high, while relative costs are low. To deal with disadvantage, a weighted funding formula is used. For every ethnic minority student, a school receives 1.9 times the amount paid for other children. This is extra funding for personnel. Native children from disadvantaged backgrounds receive 1.25 times the amount (Ritzen et al. 1997; see Leuven et al. 2007 for an evaluation).

### Achievements

The Netherlands scores high in international academic achievement tests. For example, in Trends in International Mathematics and Science Study (TIMSS), Netherlands scored near the top in both subjects in 2007, repeating its performance in earlier years, such as in 2003, 1999 and 1995. The Netherlands consistently scores in the top ten in math and science. As based on TIMSS in 2008, the Netherlands was the second best performing country in mathematics and science achievement in the final years of secondary school. In comparison to other countries the Netherlands also achieves high TIMSS scores, even when controlling for level of national income (as well as expenditure per student).

In the OECD's Programme for International Student Assessment (PISA), the Netherlands does very well. In all three subjects, math, science and reading, the Netherlands

Figure 1

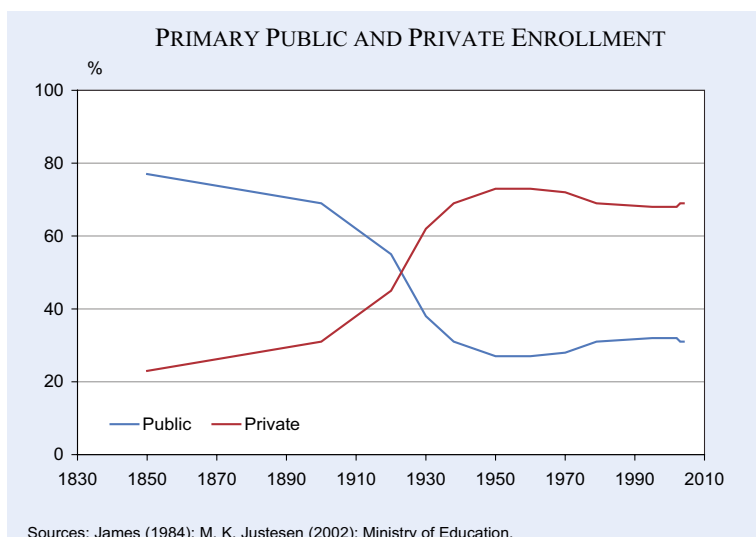
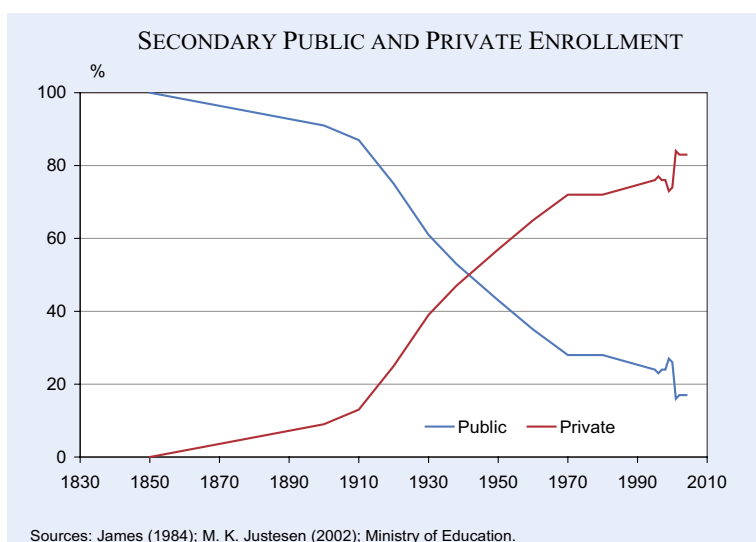


Figure 2



Table

## PISA 2009 results

	Math	Science	Reading
1	Shanghai-China 600	Shanghai-China 575	Shanghai-China 556
2	Singapore 562	Finland 554	Korea 539
3	Hong Kong-China 555	Hong Kong-China 549	Finland 536
4	Korea 546	Singapore 542	Hong Kong-China 533
5	Chinese-Taipai 543	Japan 539	Singapore 526
6	Finland 541	Korea 538	Canada 524
7	Liechtenstein 536	New Zealand 532	New Zealand 521
8	Switzerland 534	Canada 529	Japan 520
9	Japan 529	Estonia 528	Australia 515
10	Canada 527	Australia 527	<b>Netherlands</b> 508
11	<b>Netherlands</b> 526	<b>Netherlands</b> 522	Belgium 506

Source: OECD (2007).

consistently scores above the OECD average (Table). Research has found that confessional schools perform better than public schools (see, for example, Dijkstra et al. 2001). Despite the fact that there is no elite school sector, there is some evidence of higher quality in private schools, especially Catholic and Protestant secondary schools (Dronkers 1995). A careful analysis of school performance in the Netherlands shows that Catholic schools out-perform other schools, especially public schools (Levin 2002). The superior performance holds even after controlling for educational practices and selection. The results show that Catholic schools perform better, when schooling choice is available and affordable for the majority of families.

In the latest analysis of Dutch education performance, Patrinos (2011) uses an instrumental variable approach. The estimate of the impact of private school attendance is associated with higher test scores in math, reading and science achievement equivalent to 0.19, 0.31 and 0.21 of a standard deviation, all large and significant effects. Therefore, not only is private school attendance contributing to achievement in the Netherlands, but it is made possible because of the school financing model.

## Conclusions

There is significant freedom of education in the Netherlands. Parents have the opportunity to choose schools, to establish schools, to organize teaching and

to determine the principles of the school. This has resulted in a large number of non-public schools financed by the state. Moreover, parents can typically choose among several schools. Parents have access to a variety of schools, access is not selective, all schools are publicly financed and receive equal funding, there is ease of entry for providers into the market, and information flows. Most children in the Netherlands attend privately-managed schools. Private schools are not for profit and usually managed by a foundation or church.

The Netherlands shows that a large private sector with equal public funding does not necessarily mean decentralization and a

weak central role. Choice can coexist with a strong center. Interestingly, as the center has moved away from any direct provision of education services its role in policy making, evaluation and information dissemination increased. Therefore, the fear of the state's retreat from matters of importance in education policy with the introduction of market forces is not founded.

## References

- de Vijlder, F. J. (2001), "Choice and Financing of Schools in the Netherlands: The Art of Maintaining an Open System Responsive to its Changing Environment", Max Groote Expert Center, University of Amsterdam, mimeo.
- Dijkstra, A., J. Dronkers and S. Karsten (2001), "Private Schools as Public Provision for Education School Choice and Marketization in the Netherlands and Elsewhere in Europe", *Occasional Paper* no. 20, National Center for the Study of Privatization in Education, Teachers College, Columbia University.
- Dronkers, J. (1995), "The Existence of Parental Choice in the Netherlands", *Educational Policy* 9(3), 227-43.
- Droog, M. G. A. (2001), "Information Dossier on the Structure of the Education System in the Netherlands 2000", Netherlands Ministry of Education, Science and Culture, EURYDICE Unit.
- Hirsch, D. (2002), "School: A Choice of Directions", *OECD CERI Working Paper: What Works in Innovation in Education*.
- Hupe P. L. and L. C. P. M. Meijs (2000), *Hybrid Governance: The Impact of the Nonprofit Sector in the Netherlands*, Social and Cultural Planning Office, The Hague.
- James, E. (1984), "Benefits and Costs of Privatized Public Services: Lessons from the Dutch Educational System", *Comparative Education Review* 28(4), 605-64.
- Justesen, M. K. (2002), *Learning from Europe. The Dutch and Danish School Systems*, Adam Smith Institute, London.
- Karsten, S., I. Groot and M. A. Ruiz (1995), "Value Orientations of the Dutch Educational Elite", *Comparative Education Review* 39 (4), 508-21.

Karsten, S. and J. Meijer (1999), "School-Based Management in the Netherlands: The Education Consequences of Lump-Sum Funding", *Educational Policy* 13(3), 421–39.

Leuven, E., M. Lindahl, H. Oosterbeek and D. Webbink (2007), "The Effect of Extra Funding for Disadvantaged Pupils on Achievement", *Review of Economics and Statistics* 89(4), 721–36.

Levin, J. D. (2002), *Essays in the Economics of Education*, PhD Dissertation, University of Amsterdam.

OECD (2007), *PISA 2006: Science Competencies for Tomorrow's World*, Paris.

OECD (2009), *Education at a Glance*, Paris.

Patrinos, H. A. (2002), "Private Education Provision and Public Finance: The Netherlands as a Possible Model", *Occasional Paper* no. 59, National Center for the Study of Privatization in Education, Teachers College, Columbia University.

Patrinos, H. A. (2011), "Private Education Provision and Public Finance: The Netherlands", *Education Economics*, in press.

Ritzen, J. M. M., J. Van Dommelen and F. J. De Vijlder (1997), "School Finance and School Choice in the Netherlands", 16(3), 329–35.

Teelken, C. (1998), "Market Mechanisms in Education: A Comparative Study of School Choice in the Netherlands, England and Scotland", Ph.D. Dissertation, University of Amsterdam.