

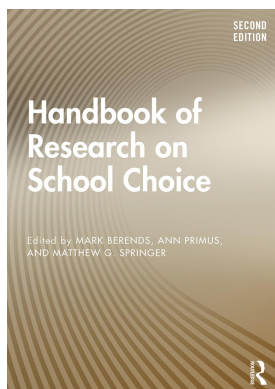
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7

INTERNATIONAL PERSPECTIVES ON SCHOOL CHOICE

Helen F. Ladd and Edward B. Fiske

Parental school choice is a topic of widespread interest in countries around the world. Some have long provided various forms of choice as a central component of their publicly funded compulsory education systems. Others have extended the schooling options available to parents by providing public funding that follows students to their chosen schools, regardless of whether the schools are governed and managed centrally or publicly or privately at the school level. This chapter offers an international perspective on parental choice—along with its close ties to enhanced autonomy for individual schools—with particular attention to the motivations for such programs and their structures.

The first section identifies, describes, and illustrates three significant driving forces for choice programs. The second section explores some of the funding and governance strategies that various countries have built into their programs, highlighting the decisions that countries have made as they strive to balance the private interests of parents with the public interest in providing an efficient and fair system of education.¹

Justifications for School Choice

Different countries build parental choice into their state education systems for a variety of historical reasons and continuing purposes. Thus choice systems look quite different from country to country. Some highly pluralistic countries embrace parental choice at the group level as a means of managing conflicting needs and demands of different segments of their population. Others adopt choice at the level of individuals and families in response to political pressure from neoliberal forces committed to principles of market competition. In still others, parental choice arises as a means of affording disadvantaged students some of the same privileges that middle-class families take for granted.

Pluralism

The most common reason historically for countries to adopt parental school choice at the group level has been to meet two sorts of challenges posed by pluralistic populations. The first arises in countries where significant segments of the population view education as integral to their religious, cultural, or social identities and wish to have their particular values affirmed in the state education system. The second arises in countries whose populations include distinctive minority religious or ethnic groups whose culture and values the state has a stake in supporting and preserving. In both

situations, parental choice gives parents the option of enrolling their child in a school sympathetic to their particular family values.

Netherlands

A good example of the first situation is the Netherlands. Up through the middle of the 20th century, Dutch society was separated, or “pillarized,” into three groups: Protestants, Roman Catholics, and secularists. Each group had its own schools, newspapers, hospitals, and other social institutions. When the state education system was established in the 19th century, it served only secular schools. Protestant and Catholic parents who wished to educate their children in schools promoting their particular faith received no state support (Ladd & Fiske, 2011).

After a century-long political struggle over this school-funding arrangement, the Dutch changed their Constitution in 1917 to recognize free education as a fundamental right. Consistent with that principle, public funds for education were henceforth to be shared equally on a per pupil basis among the three types of schools. And, consistent with the related principle of “freedom of education,” parents gained the right to enroll their child in a publicly funded school matching their family values, even if that required joining with other parents to start a new school. As a result of these policies, only 30 percent of primary school students now attend what in the United States we would consider public schools. The other 70 percent attend schools operated privately with an orientation toward a specific religion or based on an educational philosophy (Ladd & Fiske, 2011). Although the secularization of Dutch society after the Second World War has gradually reduced the importance of religion as the primary basis by which parents select a school for their child, schools continue to promote themselves as Protestant or Catholic or with newer classifications, such as Islamic or Montessori.

New Zealand

Parental choice as a way to express concern for the education of a specific group is evident in New Zealand, which provides special schooling opportunities for its Maori population. The term “Maori” was coined by the original occupants of New Zealand in the early 19th century to distinguish themselves from arriving Europeans, who are known as Pakeha. Maori now make up about 15 percent of the New Zealand population, while Pakeha account for 75 percent, and Pacific Islanders and Asians account for the rest (StatsNZ, n.d.). Maori as a group lag behind the Pakeha majority in income, educational attainment, and measures of well-being such as health (Fiske & Ladd, 2000).

The New Zealand government has taken numerous steps in recent decades to affirm its dual cultural and linguistic heritage. One is designation of Maori as an official language of New Zealand. Another is a growing network of state-supported Maori schools. Preschool children learn Maori in language “nests,” and regular primary and intermediate schools operate immersion classrooms that allow students to pursue part of their education in a Maori environment. Thus Maori parents enjoy the same right as Pakeha to enroll their children in a school consistent with their cultural, educational, and religious values (Fiske & Ladd, 2000).

New Zealand has also paid special attention to Roman Catholics. The state education system that Parliament established in 1877 reflected the values of the dominant Protestant culture, forcing Catholics to create and run their own schools. In 1975, when the Catholic school system was encountering financial problems, Church leaders threatened to force the state system to absorb tens of thousands of additional students. The government responded by creating a category of “integrated schools” that brought Catholic schools into the regular state system and thereby preserved a religious option for Catholic parents. Although these integrated schools continue to own their

physical plants, the state fully funds their operating and new capital expenses, treats them like public schools, and requires that they follow the national curriculum guidelines (Fiske & Ladd, 2000).

Canada

The Dominion of Canada is a heterogeneous nation whose population encompasses multiple linguistic and ethnic minorities. It was created in 1867, when French and British colonialists agreed to co-exist under a federal structure that would preserve the unique linguistic and religious heritage of both the predominantly Roman Catholic French and the mainly Protestant English populations.

Canada has no national ministry or department of education and no national curriculum (Bosetti & Gereluk, 2016). Rather, responsibility for education rests with the ten provinces and three territories. Consistent with the country's commitment to pluralism, Canadian parents have wide latitude to choose a school they deem appropriate for their child. The nation established English and French as its two official languages in 1968, and parents enjoy the right to have their child educated in either one. Other options for parents include single-gender and minority language schools. Religious groups are permitted to establish their own schools with state support and, in some situations, to limit enrollment to believers. For example, Alberta, Saskatchewan, and Ontario have fully provincially funded Catholic schools run by separate school boards. The country's commitment to bilingualism has spurred the spread of French immersion schools in the Anglophone provinces and, to a lesser extent, English immersion programs in French-speaking areas (Bosetti & Gereluk, 2016).

In a major exception to these general rules, the federal government retains constitutional responsibility for First Nation (Aboriginal) education, which it exercises by entering into agreements with the various provinces (Bosetti & Gereluk, 2016). In addition, the Charter of Rights and Freedoms of 1982 has led to the establishment of programs serving minority groups, especially in urban areas. These include heritage language programs, LGBTQ programs, and schools for Aboriginal students (Bosetti, Van Pelt, & Allison, 2017).

Ireland

Religion and language also play a role in the Irish education system. Article 42 of the national Constitution obliges the state to provide children with a "certain minimum education, moral, intellectual and social" and specifies that parents shall not be compelled to send their children to any school "in violation of their conscience and lawful preference." Parental choice is widely embraced as the affirmation of a basic human right (Fox & Buchanan, 2008; Ledwith & Reilly, 2013).

Consistent with such thinking, Ireland operates three parallel systems of schooling that are all nationally funded, follow the same national curriculum, and employ nationally certified teachers, but differ in their particular ethos. Depending on their family values, parents can choose between religion-based, traditional "national primary schools," Irish language immersion schools, and multi-denominational "Educate Together" schools. National primary schools are overwhelmingly Catholic (Darmody, Smyth, & McCoy, 2012).

Neoliberal Market Considerations

A second motivation for school choice in the international context is the belief that market incentives can make schools more efficient and responsive to student needs and parental preferences. This neoliberal, market perspective was first promulgated by the American economist Milton Friedman (1962), and has been most strongly endorsed by conservative governments. It starts with the view that traditional public schools have too much monopoly power and lack sufficient incentives to

respond to the needs of the families or to use resources efficiently. The solutions, according to this view, are to give parents more choice over the schools their children attend, to give individual schools more autonomy over their use of resources so that they can differentiate their offerings and use their resources more efficiently, and to use the government funding mechanism to encourage schools to compete for students. Because of the importance of schooling to the life chances of individuals and to broader public goals, the government should continue to fund the schools, but the funding should follow children to the schools they choose, regardless of whether the school is operated publicly or privately.

Commitment to this formula of parental choice, self-governing schools, and competition is frequently the driving force behind many pro-choice policies in the U.S., including open enrollment, charter schools, and voucher programs. It has also been an impetus for school reform under conservative governments in a number of industrialized countries around the world.

Chile

With its introduction of a universal educational voucher system for primary and secondary schools in 1981, Chile became the earliest and most extreme example of a market-oriented choice system in the modern era. At that time, a military government advised by economists from the University of Chicago, the academic home of Milton Friedman, transferred the administration of public schools to municipal governments, and introduced voucher funding for all public schools and any private ones that chose to participate (henceforth, private voucher schools). While public schools were obligated to accept all students, private voucher schools were not. Consistent with the operation of firms in the private sector, the government initially granted all schools substantial flexibility over teacher hiring and salary schedules (Bellei & Vanni, 2015; Elacqua, Marinez, Santos, & Urbina, 2016).

After the restoration of democratic rule in 1990, Chile retained its voucher program but made a few changes. The new democratically elected government increased (only) public school teacher salaries and made them uniform. Three years later, facing serious fiscal pressures, the government permitted private voucher schools to supplement the voucher with monthly tuition fees, albeit with the proviso that if a school levied a fee more than half the voucher amount, the voucher's value would be reduced. This system of "shared financing" led to a substantial increase in the number of private voucher schools and departures of students from the public schools. By 2007, the percentage of students in public schools was below 50 percent, down from 78 percent in 1980 (Elacqua, 2012). In 2008, the government modified the system in more significant ways, this time in response to growing concerns about large inequities within the voucher program. We discuss those changes below.

England and Wales

Market-based logic also permeated less dramatic education reforms in England and Wales during a long period of Conservative rule in the 1980s and 1990s (Walford, 2003). These reforms challenged the system of comprehensive schools that over time had replaced a long-standing selective education system built in part on elite grammar schools. The initial changes in the early 1980s included the right of all parents to express a specific school preference and, later in the decade, the introduction of city technology colleges run by trusts (i.e., foundations) with close links to industry and commerce.

The 1988 Education Reform Act introduced "grant-maintained schools" outside the control of local education authorities (LEAs) (Walford, 2003). This new type of school was intended to weaken the LEAs, to encourage parents to make choices among schools, and to promote better schools through competition. The Education Act of 1993 then went one step further by encouraging schools to obtain additional funding from private business sponsors and by encouraging groups

of independent schools or sponsors to apply to establish new sponsored grant-maintained schools that could be based on particular religious beliefs, including Islam or Hinduism, or follow specific teaching methods. A newly elected Labour government eliminated grant-maintained schools in 1998.

Another example of a market-driven reform in England alone is “academies,” or schools operated by non-profit organizations that are similar to U.S. charter schools (Ladd & Fiske, 2016). Academies were first introduced in the early 2000s, not out of a belief in the value of choice and competition but because of then-Prime Minister Blair’s confidence that business expertise, combined with the additional funding that business sponsors could provide, would raise the quality of low-performing schools serving disadvantaged children. Between 2002 and 2010, the Labour government had created 203 sponsored academies that were highly touted at the time and were later shown to raise student achievement (Eyles & Machin, 2015). The 2010 election of a new Coalition government of Conservatives and Liberals seized on the concept of academies and repurposed them as a central component of a more efficient, business-oriented approach to schooling that would not be encumbered by the oversight of LEAs. The number of academies ballooned between 2010 and 2013—a period some referred to as the “wild west of academies”—as large chains competed to take over failing schools regardless of location. That led to some government controls, after which academies continued to grow but at a slower rate.

By 2016, academies represented 60 percent of all secondary schools and 15 percent of a far larger number of primary schools in England (Ladd & Fiske, 2016). Unlike the initial academies, these later ones did not benefit from the substantial financial support of business sponsors. Policymakers apparently expected that flexibility and market incentives alone would make them succeed, but research on this new batch of academies revealed that was not the case (Eyles, Machin, & Silva, 2015). The Conservative government that came to power in 2017 took the idea one step further and announced that all schools, both elementary and secondary, would have to convert to academy status by 2022, provided that low-performing academies join groups of academies called Multi-Academy Trusts (Ladd & Fiske, 2016).²

New Zealand

In contrast to the voucher-based education reform in Chile and the experiments in England and Wales with new types of schools outside the control of local authorities, the market-based reforms in New Zealand all occurred within the traditional public school system, albeit with a transfer of authority from the central government to the individual schools.

New Zealand is a small country of about 4 million people, with no intermediate levels of government, such as states or school districts. Starting in 1989 under a Labour government, policymakers abruptly moved from a tightly controlled centralized system of governance and management to one in which school-specific, locally elected boards of trustees were given control of their schools (Fiske & Ladd, 2000, 2003). Although this initial change was driven more by populism than by a neoliberal, market-based approach to education, it served as the foundation for subsequent changes once a more conservative government took over in 1991.

The new government supported school autonomy as a way to promote managerial efficiency and introduced full parental choice to promote competition between schools. In the context of these changes, schools continued as agents of the state, with the government providing most of their funding (mainly in the form of teacher allotments), setting curriculum guidelines, and overseeing a new inspectorate system of school accountability. In addition, the government continued to own the school buildings, and there was only limited entry of new schools. This system remained essentially unchanged throughout the 1990s. When a Labour government regained power in 1998, it reinstated enrollment zones and reduced parental choice of schools, but school-specific boards

continue to be responsible for operating the schools, all of which remain as public schools. More recently, a Conservative government experimented in a limited way with charter schools operated by nongovernment entities.

Sweden

As was the case in New Zealand, the movement toward a more market-oriented school system in Sweden occurred in the early 1990s, when neoliberal ideas were gaining support from conservative groups around the world. After a right-wing coalition government assumed control from the Social Democrats in 1991, Swedish education was restructured from a centrally organized, uniform system to one with full parental choice among both public and private schools (Bunar, 2010; Edmark, Frolich, & Wondratscheck, 2014). The reform shifted financial and managerial control to local municipalities or schools, loosened rules for independent schools, introduced vouchers (for use in any public school or approved private school that agreed not to charge fees), and centralized certain features of the system (Organisation for Economic Cooperation and Development [OECD], 2017). This led to a new national curriculum in 1994 and an enhanced evaluation and inspection system (Bunar, 2010).

The private sector expanded from serving 1 percent of students before the reform to 14 percent after (OECD, 2017). Though this voucher-based system is sometimes compared to Chile's, the large proportion of Swedish students remaining in traditional public schools and its restriction on private school fees significantly differentiate the two.

Empowering or Helping Economically Disadvantaged Groups

In U.S. discussions of school choice, one often hears a third justification for parental choice, namely an equity argument based on empowering disadvantaged groups. The logic is that middle- and high-income families have long exercised school choice through their decisions about where to live and their ability to pay for private schools, while low-income families are typically limited to the assigned schools in their low-income neighborhoods. Moreover, many such schools are low quality because of the challenges that the children bring to the classroom and the difficulty of attracting high-quality teachers. In addition, low-income families have little power to pressure schools to improve. School choice and a greater variety of schooling options, according to this perspective, would help low-income families by giving them access to better schools both within and outside the areas in which they live (Viteritti, 1999).

By contrast, equity-based motivations for school choice are far less common as a driving force for choice programs outside the U.S. They appear in only a few countries and not always in straightforward form.

New Zealand

In New Zealand, policymakers wedded to market-oriented reforms tried to make the case that the new system of self-governing schools and parental choice would benefit disadvantaged students in the low-income immigrant neighborhoods of South Auckland or Wellington. They attributed the long-term low performance of schools in such areas to two school-based factors: the absence of incentives for improvement, and the lack of flexibility to modify school programs and practices. The new reforms, policymakers argued, would solve both problems by giving schools financial incentives and flexibility to improve and thus to avoid losing students, and the funding associated with them, to other schools. However, policymakers soon discovered that their diagnosis of the problem

was incorrect, and that such schools need significant external support to respond to the many challenges that are outside their control (Fiske & Ladd, 2000).

Australia

Australia is interesting because of its large share of private school students. In 2015, more than 30 percent of elementary school students and more than 40 percent of high school students were in private Catholic or independent schools (Lang, 2016). The growth in private schools largely reflects the national government's 1972 decision to provide need-based funding not only to public but also to private schools. This decision was not driven by a neoliberal, market-based perspective, but rather by the Labour Party's desire to capture more Catholic voters (Potts, 1997; Cahill & Gray, 2010). Need-based aid to private schools was useful for this purpose, because the major beneficiaries were low-fee, poverty-stricken Catholic schools.

Although the initial government funding for both public and private schools was clearly weighted toward needy schools, subsequent and more conservative governments introduced "corrective weightings" that have since increased funding to wealthier schools (Cahill & Gray, 2010). Thus, as with academies in England, a program that was originally targeted to needy schools soon evolved into one that served a more expansive group of wealthier schools and students. Throughout the period, financial and educational accountability requirements have been more stringent in government schools (which are financed by a combination of funds from the government and the states) than in private schools.

Columbia, Guatemala, and Puerto Rico

The desire to improve education for low-income students motivated the use of targeted, albeit short-lived, voucher programs in a few Latin American countries. Between 1991 and 1997, Columbia implemented a voucher program designed to provide greater access to secondary education to the poorest third of the population (Barrera-Osorio & Patrinos, 2009). Supported by a combination of federal and state funds, participants were given vouchers to attend private schools that had excess capacity. The program covered 125,000 students in 216 municipalities. Insufficient funding to cover all eligible students led the government to select students by a lottery process, which researchers could then use to document a number of positive outcomes (Angrist, Bettinger, Bloom, King, & Kremer, 2002). The goal of Guatemala's program for 800 girls in 1994 and 1995 was to induce low-income girls to enroll in the first three grades of basic education. Puerto Rico also had a targeted voucher program for 2,000 students in 1993 and over 14,000 in 1994 (Barrera-Osario & Patrinos, 2009).

With these few exceptions, attention to the needs of disadvantaged students has not served as a significant rationale for the expansion of parental choice in countries outside the U.S. Although such concerns did not motivate the initial programs, we describe below how concerns about disadvantaged students motivated significant changes in the choice programs of the Netherlands and Chile.

Funding and Governance Issues

As we just described, countries have embraced parental choice for a variety of reasons. Not surprisingly, these countries also differ in the strategies they enact to support their choice schemes. Here we provide some examples of various approaches to school funding, accountability, and enrollment policies, with attention to how such decisions can affect the balance of public and private interests within the context of choice systems.

School Funding

Perhaps the most fundamental decision countries face in moving to parental choice is how extensively to apply it. As shown above, some countries, such as New Zealand, limit publicly funded parental choice options to schools within their public systems, while others, such as Chile, Sweden, and Australia, permit the use of vouchers to fund students attending private schools. In Canada, the breadth of publicly funded choice options differs significantly across provinces. The Netherlands funds about 70 percent of its students to attend privately managed schools but in the form of direct resourcing of schools rather than with vouchers. Notably, the Dutch submit all schools, regardless of who manages them, to the same regulatory and accountability procedures.

Countries that fund students in private schools also differ on whether to do so at the same or at lower levels as public schools. An argument for funding for private school students at lower levels is that it can reduce the overall costs of the education system, provided that most of those students would otherwise have attended public schools (West, 1997). Equal funding for schools in the two sectors would be most consistent with neoliberal principles, which would make no distinction between publicly and privately managed schools. Following that approach, Sweden and Chile (until 2008) funded schools in both sectors equally. In Canada, six provinces provide public funding for private schools at rates of 35 to 80 percent of that provided to traditional public schools, while the other six provide no funding. Two also provide funding for homeschooling, while just one supports charter schools (Bosetti & Gerehuk, 2016).

It is easier in some countries than in others for privately operated schools, either existing or new, to access public funding. In the Netherlands (and also in Belgium), where parents have a constitutional right to freedom of education, the government is required to fund a new school desired by a group of parents if there is no nearby school to meet their needs. In other countries, such as Sweden and Chile, any privately operated school can choose to opt into the funded system by agreeing to certain specified requirements. In New Zealand, where the government maintains ownership of most schools, entry of new schools has historically been difficult because they must raise sufficient private funding to become established (Fiske & Ladd, 2000). The entry situation eased somewhat in recent years, when a Conservative government permitted the establishment of 15 charter schools, but the Labour government elected in 2017 is permitting no additional charter schools.

Countries also differ in the extent to which they allow schools of either type to supplement their public revenues by collecting additional fees from parents or other sources. As noted earlier, schools are not allowed to charge additional fees in Sweden. In New Zealand, where schools are nominally free, most primary and secondary schools ask parents to pay fees when their children enroll. New Zealand schools also raise revenue through local fundraising activities and, at the secondary level, by recruiting fee-paying foreign students from places such as Asia or Brazil (Fiske & Ladd, 2000).

After 1993 in Chile, private elementary and middle schools as well as both private and public high schools were permitted to charge fees as a way of sharing the burden of education. Although such fees impose a cost on families who select a fee-paying school, the families are rewarded by the possibility of a higher quality schooling experience for their children. In general, the greater the use of school fees, the more unequal the schools will be to the benefit of the more economically advantaged students.

Even choice programs that give the appearance of equality by providing equal per-pupil funding to all schools may actually treat students attending schools with large proportions of disadvantaged students unfairly (Epple & Romano, 2012). The reason is that students from disadvantaged family backgrounds are more expensive to educate than other students because of the challenges they bring with them from home to school. In recognition of that fact, some countries have differentiated their funding policies by family background. We have already referred to Australia, where the central government provides more per-pupil funding for schools serving low-income students than for

those serving less needy students, regardless of whether the schools are publicly or privately operated. Likewise, New Zealand took pride in its program of targeted funding for educational achievement, through which it gave schools a portion, albeit a very small one, of its public funding—the non-personnel part—in an equalizing manner (Fiske & Ladd, 2000).

Some countries, including the Netherlands and Chile, have changed their flat-rate funding policies to account for the special challenges facing schools serving large proportions of disadvantaged students. From 1917 to 1985, the policy in the Netherlands had been to treat all primary schools the same way. That meant allocating teachers and other resources at a uniform per-pupil rate to every school, regardless of its religious orientation. Given that the three main types of schools—Protestant, Catholic, and secular—were all serving students across a range of economic levels, that system worked reasonably well. The situation changed, however, with the influx of low-skilled migrant workers from Morocco and Turkey, as well as groups from other former Dutch colonies, in the 1970s and subsequent years (Ladd, Fiske, & Ruijs, 2011).

Given the low education level of many of the migrants, the Netherlands could no longer argue that equal funding translated into equal quality schooling. Hence, in 1985, it added student weights to the funding model to assure that more resources would be available to schools serving large numbers of students who were non-Western immigrants or whose parents had limited education. As a result, schools serving high proportions of disadvantaged students ended up with about 60 percent more teachers per pupil than those enrolling fewer such students (Ladd & Fiske, 2011).

Contrary to the hopes of its supporters, the additional funding for disadvantaged students did not inspire schools with small numbers of high-weight students to accept more of them (Ladd & Fiske, 2011). Nonetheless, this funding approach, notable for its generosity and stability over time, remained intact until 2006, when political considerations associated with a backlash against immigrants forced policymakers to remove immigrant status as a factor in assigning weights while retaining the criterion of low parental education.

Research on Chile has long confirmed that its system of unrestricted choice with equal per-pupil public funding exacerbated economic stratification between its public and private schools by generating an exodus of middle-class students from public to private voucher schools (Hsieh & Urqiola, 2006; also see Elacqua, 2012). That exodus accelerated after 1993, when private voucher schools were permitted to charge supplemental tuition fees. In response to growing public concerns about stratification, the government in 2008 set up a Preferential School Subsidy (SEP) program aimed at increasing the funding for both public and private schools serving concentrations of disadvantaged students. SEP increased the value of the voucher by 50 percent for “priority students” whose family incomes fell in the bottom 40 percent of the national distribution. Schools in both sectors serving large proportions of priority students also received bonuses based on their proportion of high priority students. As a condition for receiving a voucher, participating private schools were required to waive fees for priority students and were forbidden to either select them based on their academic skills or expel them on academic grounds. In addition, schools had to participate in a new accountability system. By 2011, 99 percent of elementary public schools were enrolled in the program. Although only about 52 percent of the private voucher schools enrolled the first year, 72 percent enrolled by 2014 (Mizala & Torche, 2017).

Accountability

A central issue under any publicly funded education system with differentiated schools is how to hold individual schools accountable for their performance. The challenge is to design an accountability system that will serve both the private interests of parents who are choosing among schools and those of the state in supporting public education.

One approach is to let parents' choice of schools for their children serve as the accountability mechanism. This option, embraced by those who favor a pure market approach, works best if parents have good information about the quality of individual schools as well as the capacity to make decisions based on that information. However, such an approach may be limited in its ability to further some of the broader public interests in schooling, especially those that have a distributive aspect or that reflect widely shared values that differ from those of the choosing parents. Chile adopted this *laissez-faire* approach when it began its voucher system in 1981.

A second, and partially complementary, option is for the government to gather and report information on student outcomes, such as test scores, at the school level. Parents can use this type of information to make their schooling choices, while policymakers can use it to identify strengths and weaknesses among schools and to fashion both positive and negative incentives to schools to raise their average test scores. One problem with standardized tests is that they typically signal more about the socioeconomic characteristics of the school's students than about the quality of the teaching and learning that goes on in classrooms.

Starting in 1984, Chile, consistent with its faith in market incentives, chose to implement a standardized national assessment of student academic performance designed to provide parents with comparative information about student achievement in different schools. Only with the SEP program of differential funding in 2008 did the country introduce a more extensive accountability system. In exchange for the additional funds, schools are now required to implement a four-year school improvement plan, accompanied by appropriate degrees of autonomy and support. To account for differences in their characteristics, schools are first divided into five strata based on the socioeconomic status of their student bodies, with the performance of individual schools now compared to the average performance of the relevant stratum. Schools not performing well based on this measure face significant pressure to improve to avoid losing all or part of their means-tested voucher (Mizale & Torche, 2017).

A third option is for a country to use a school inspectorate system to provide information to the public and to the school on the quality of its internal processes and practices. In this system, external, professionally trained inspectors visit schools on a periodic basis, use formal rubrics, and write public reports highlighting each school's strengths and weaknesses. The structure and scope of inspection systems vary from country to country. In some cases, the inspectors are charged with making specific recommendations for change. Some are part of the Ministry of Education, while others operate independently (Ladd, 2010; also see Brighouse, Ladd, Loeb, & Swift, 2018). Among the countries that employ inspectorate systems are Belgium (both parts), England, Estonia, France, Germany, Ireland, Israel, and the Netherlands (OECD, 2011).

New Zealand's inspection system, established as a significant component of its move to self-governing schools and choice in the early 1990s, illustrates some of the issues posed by such systems (Fiske & Ladd, 2000; Ladd, 2010). When it transferred operating responsibility to individual schools, the country established an Education Review Office (ERO) that was independent of the new Ministry of Education and charged with evaluating each school on a periodic basis. The ERO struggled in its early years to answer a basic question: What should its inspectors be looking for? Initially the ERO focused on compliance issues, especially whether schools were fulfilling the terms of their missions as laid out in their charter documents, which varied from school to school. Policymakers then realized that schools should be pursuing national as well as school-specific goals, and over time the ERO focused its attention on the quality of the internal school policies and practices needed to achieve both sets of goals. In addition to its reports on individual schools, the ERO contributed to policy discussions by drawing conclusions from those reports to fashion larger ones evaluating how national policies were playing out at the ground level (Ladd, 2010).

Within a system of self-governing schools and parental choice, individual schools would seem to be an appropriate unit of attention for inspectors. But even in such systems, individual schools are

often beholden to overlying units, such as LEAs, and to religious or other school boards. In England, given that the academies operate largely outside the control of LEAs but are often required to be part of Multi-Academy Trusts, the inspectorate now supplements its school-level reports with “letters” that provide some public information on the strengths and weaknesses both of individual schools and the Multi-Academy Trusts as a whole.

School Admissions and Segregation Pressures

Any education system requires policies for admitting students to schools. The traditional approach would be for a central body, typically the LEA, to set admissions rules, such as by the geographic zone in which students live. Within a system of parental choice and self-governing schools, the process becomes more complicated in at least two ways. First, the limited capacity of individual schools means some schools will be oversubscribed, and a system must be devised to assure a school seat for every child.

A second complication is that the interactions of parents and schools may well lead to schools that are segregated in ways that policymakers may consider undesirable, such as by race and ethnicity or poverty. Such segregation can occur, for example, if the racial or demographic mix of a school’s students plays a significant role in determining parental preferences. It can also result when schools look for ways to minimize their shares of expensive-to-educate, low-income students. Segregation can occur under a zoned system as well, of course, but in such situations policymakers have tools at their disposal to mitigate the problem (e.g., redrawing enrollment zones, establishing magnet schools, bussing). As long as parents are free to assert their preferences in schooling and schools have some say over the students they admit, schools are likely to end up with some degree of segregation. Thus, there may be a disconnect between the impact of market forces and public interests, such as having a unified educational system.

In many countries, privately operated schools typically have more control over their admissions policies than those that are publicly operated. In Chile that fact contributes to the greater concentrations of disadvantaged students in public schools than in the private voucher sector (Hsieh & Urquila, 2006). In addition, Chile has many different types of private voucher schools, including Protestant, Catholic, and secular nonprofit schools, as well as for-profit schools (Elacqua, 2012). The separate missions and incentives of the subsectors contribute to segregated enrollment patterns within the private sector itself.

New Zealand offers a good example of how a system of parental choice can increase ethnic segregation in part by transferring control of the enrollment decisions from parents to schools. Fiske and Ladd (2000) used the Ministry of Education’s classification of schools into deciles of advantage, with advantage measured by both the SES and the ethnic mix of each school’s students, to document the segregating effects of the country’s policy change in the early 1990s. Although the deciles were designed to measure SES advantage for the purposes of targeting government aid, many families treated the data on the ethnic mix as a measure of school quality.

Fiske and Ladd found that within each of the country’s three largest cities, both Pakeha and Maori families sought to move their children from lower decile (less advantaged) to higher decile (more advantaged) schools. Not all families were equally able to do so, however, because schools that were at capacity—mainly the middle and high decile schools—were allowed to limit their intakes and establish school-specific enrollment policies. Under this system, schools had incentives to devise enrollment policies that would favor advantaged students and minimize their shares of disadvantaged students, whom they feared would hurt their reputations.

For similar reasons, oversubscribed schools had little incentive to expand their capacity to admit more students. The result was that the proportions of minorities increased in the low decile schools. By using detailed census data to project what enrollment patterns would have

been without the choice program, the authors provided evidence that the greater concentrations of minorities in the low decile schools could not be attributed to changing residential patterns. Thus, New Zealand's post-1990 reforms gradually evolved from a system of parental choice to one of school choice.

The Netherlands illustrates the challenges of limiting segregation in a country with "freedom of education." The large influx of unskilled non-Western migrants that we described earlier led to the proliferation of schools with large minority populations, with levels of segregation in the country's largest cities comparable in magnitude to the segregation of African Americans in many U.S. cities (Ladd et al., 2011). Although much of this school segregation is attributable to residentially segregated communities, Dutch researchers have also implicated the secularization of Dutch society and the development of a consumer mindset among parents. Whereas in the past parents tended to make their school choices based on religious affiliations, they are increasingly making such choices based on their perceptions of educational quality (Karsten, Ledoux, Roeleveld, Felix, & Elshof, 2003; Karsten, et al., 2006). Significantly, their assessments depend not only on the quality of a school's program but also on its ethnic mix. Between 1997 and 2005, the ethnic imbalance across schools (as measured by a segregation index) increased in Amsterdam, the Hague, and Utrecht, declined somewhat in Rotterdam in line with its declining residential segregation, and increased in many other smaller cities (Ladd et al., 2011).

Starting around 2004, officials in a number of cities became concerned that the isolation of disadvantaged migrants in segregated schools was undermining relations between various ethnic and other groups in Dutch society. The constitutionally protected concept of freedom of education in the Netherlands, however, makes it particularly difficult to keep ethnic segregation in check; no one can force parents, schools, or groups of schools to behave in a particular way. Any efforts to reduce school segregation would have to reflect the voluntary efforts of those for whom private interests in maintaining the status quo might well exceed the public benefit to them of reducing segregation. In addition, given the country's long history of school segregation by religion, many Dutch people do not view this new segregation as a significant problem.

Conclusion

An international perspective on school choice enables one to see how various choice-related issues arise and play out in different countries. As we have described here, countries provide choice options in different forms and for different reasons. Some countries have long offered schools for specific groups of residents in recognition of the pluralism of their populations and the constitutionally protected rights of specific groups. Other countries, starting most dramatically with Chile in 1981, have expanded school choice to individuals based on the neoliberal view that competition for students will improve student outcomes and make the system more efficient. A central component of most choice programs is managerial flexibility at the school level, but countries differ in the extent to which they rely on publicly or privately managed schools.

These cross-country variations, combined with the differing historical and political contexts, make it dangerous to generalize about the effectiveness of choice programs or to apply lessons from one country to another. At the same, they highlight some of the challenges that can arise from the expansion of school choice.

The central challenge for any country is to design its choice program to serve not only the interests of specific groups or individuals but also the broader public. Public funding of schools gives the general public a significant stake in both the overall quality of schools and how the benefits of education are distributed. The public interest requires that policymakers pay attention to the possibility that a poorly designed choice system will increase racial, ethnic, or economic segregation and have adverse impacts on economically disadvantaged students.

Notes

- 1 This chapter does not cover the extensive research on how the wide array of choice programs affect the overall productivity of national education systems or student outcomes. See discussion of effects in other chapters of this volume and also Barrera-Osario and Patrinos in the first edition of this volume (2009, Chapter 20).
- 2 The status of that proposal is now unclear given the 2016 referendum vote to remove England from the European Union, which has refocused policy attention toward other issues.

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