

# Open Access for UK Schools

What Britain can learn from Swedish Education Reform

By Marek Hlavac



ADAM SMITH  
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**Adam Smith Institute**

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## **Contents**

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<b>1. Introduction</b>	<b>4</b>
<b>2. The Swedish Education Reform of 1992</b>	<b>5</b>
<b>3. What is Wrong with the UK Education System?</b>	<b>11</b>
<b>4. Arguments for School Choice</b>	<b>16</b>
<b>5. The Lessons for the United Kingdom: A Guide to School Reform</b>	<b>19</b>
<b>6. Answering Frequently Raised Objections</b>	<b>23</b>
<b>7. Conclusion</b>	<b>27</b>

# 1. Introduction

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Our state education system is not fit for purpose: too many of our children leave school without the skills they need for life, work, or further education. Examinations are becoming ever easier, and our students' grades are ever less reflective of their knowledge. Children from low-income families have very few educational options. Schools are not faced with enough competition and have little incentive to improve. Many teachers are unmotivated, and are constrained by an overly elaborate National Curriculum.

It is sad that, in the UK, only the wealthiest can afford to send their child to a private school, or move into the catchment area of a good state school. The disadvantaged, however, have no choice but to have their children assigned to a state school by their Local Education Authority, even if its quality is low. Regulations prevent good state schools from expanding and make the establishment of a new school all but impossible when there are spare places in an existing state school nearby.

As a result, social mobility in the UK has been declining, and with it the prospect of living in a truly meritocratic society where skills and motivation matter more than the circumstances into which one was born.

These trends ought to be reversed. Our education system needs a thorough-going reform.

In 1992, the Swedish government implemented an ambitious programme of education reform. Their universal open access scheme allowed parents to send their children to any approved school of their choice — whether state, private or religious — and made these schools eligible for government funding on a per-pupil basis.

Fifteen years later, it is clear that the Swedish reform has been a great success. All parents — not only those with a high enough income — now have a much wider choice of schools for their children. Greater competition has improved standards in existing state schools. The independent school sector has expanded rapidly, and many new schools have introduced innovative curricula focused on the needs and abilities of individual students. Most parents value the reform and its basic principles are now embraced by all major political parties in Sweden.

The United Kingdom can learn a great deal from the Swedes. This report suggests that the Swedish experience could be a blueprint for education reform in the United Kingdom. A reform that will reverse the negative trend of declining standards, allow teachers to pay more attention to the specific needs of each individual child, expand educational options for children from disadvantaged families, and thus help to improve social mobility.

## 2. The Swedish Education Reform of 1992

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### Background

The Swedish school system consists mainly of compulsory schools for all children between the ages of 7 and 16. It lasts nine years, and is followed by non-compulsory upper secondary schools for young adults between the ages of 16 and 20. Both compulsory and upper secondary schools are free of charge.<sup>1</sup>

In 1992, the Swedish government, led by Carl Bildt of the centre-right Moderate Party, implemented a sweeping education reform: it extended school choice to all parents by introducing a universal open access scheme. These reforms were the consequence of growing popular dissatisfaction with a state-run education system, in which standards had been low and schools had paid little attention to parental concerns.

Since the Government bill on *Freedom of Choice and Independent Schools*<sup>2</sup> and the Government bill on *School Choice*<sup>3</sup> were passed into law by the Swedish parliament, parents have been able to send their children to state schools outside of their own municipalities or, alternatively, could take their municipality-provided funding to any non-government school of their choice.

The schools are obliged to meet some basic requirements: they cannot discriminate based on ability, ethnic origin or religion, for instance, they must enroll their students on a first-come, first-served basis, and have to be approved by the National Agency of Education (NAE). Each year, the NAE receives hundreds of requests to approve new schools. Often they are being established by teachers or parents disappointed with the education provided by their local state schools. On the list of approved schools, we find ones administered by teacher-student cooperatives, non-profit charities, as well as by private firms. All schools are, furthermore, required to meet the government-set educational standards, and to profess the fundamental values of the school system. Municipalities can comment on whether a newly proposed school would threaten, in some way, existing state schools. They do not have the right, however, to veto the NAE's approval decision, and some new schools have been approved against the wishes of the municipalities.

Under the 1992 Swedish open access plan, NAE-approved independent schools would, for every child they enrolled, receive 85 per cent of the cost of educating a student in the municipal system. This amount was later changed: first it dropped to 75 per cent; and then, in 1997, it was increased to 100 per cent. Since 2001, the funding of independent schools has been decided on the same basis as that of municipal schools — namely, based on the specific undertaking of the school and the needs of its pupils.<sup>4</sup>

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<sup>1</sup> *The Swedish Education System*. National Agency for Education, Sweden

<sup>2</sup> 'Proposition om valfrihet och fristaende skolor' (Prop. 1991/92:95) established freedom of choice for compulsory schools up until grade 9

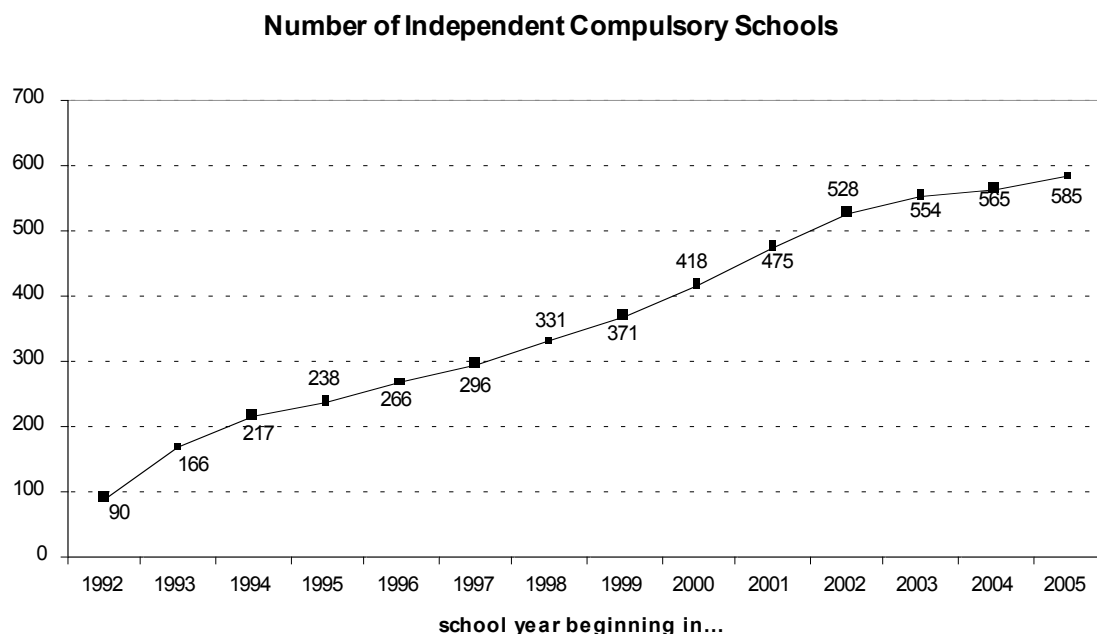
<sup>3</sup> 'Valfrihet i skolan' (Prop. 1992/93:230) extended freedom of choice to upper secondary schools

<sup>4</sup> Bergström & Blank, *A Survey on the Development of Independent Schools in Sweden*, 2005

The education reform in Sweden in 1992 was initially opposed by the Social Democrats (then in opposition) and other left-of-centre parties. By the time that the Social Democrats returned to power in 1994, however, it had become clear that the Moderate Party's reform had been beneficial. After all, a 1993 opinion poll conducted by the NAE found that as many as 85 per cent of Swedes "valued their new school choice rights" and 59 per cent of parents thought that the teachers "worked harder" under the new system.<sup>5</sup>

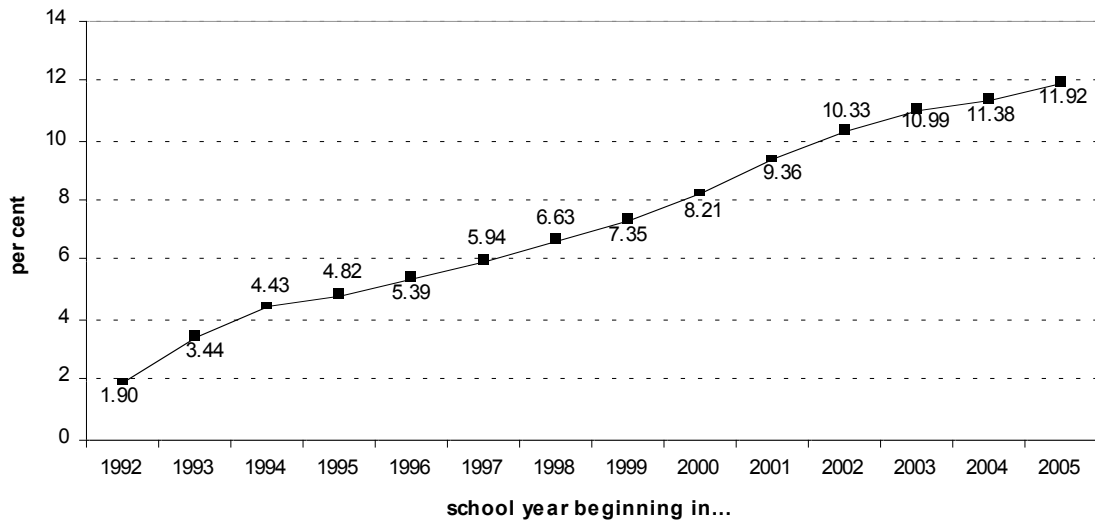
### Rapid growth in independent schooling

When the reform was enacted, there were only 90 independent compulsory schools in Sweden. Since then, the number of independent schools has been growing rapidly. During the first year of the open access system, the number of independent schools almost doubled to 166 schools. During the 2005–2006 school year, there were as many as 585 independent compulsory schools, comprising almost 12 per cent of all compulsory schools in Sweden.



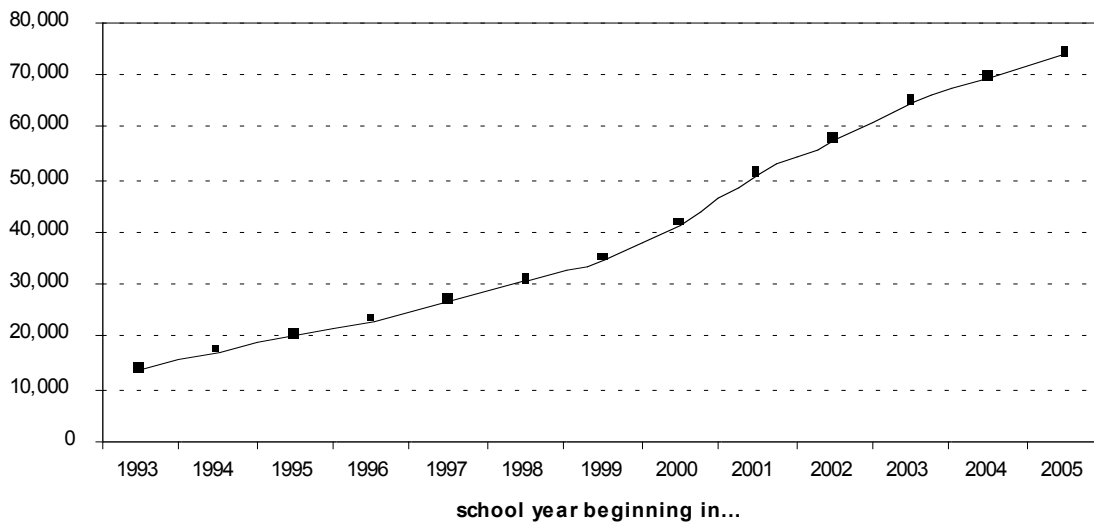
<sup>5</sup> *Close-Up on Education*, Center for Governmental Research, 1997

### Independent Schools as a Proportion of the Total Number of Compulsory Schools



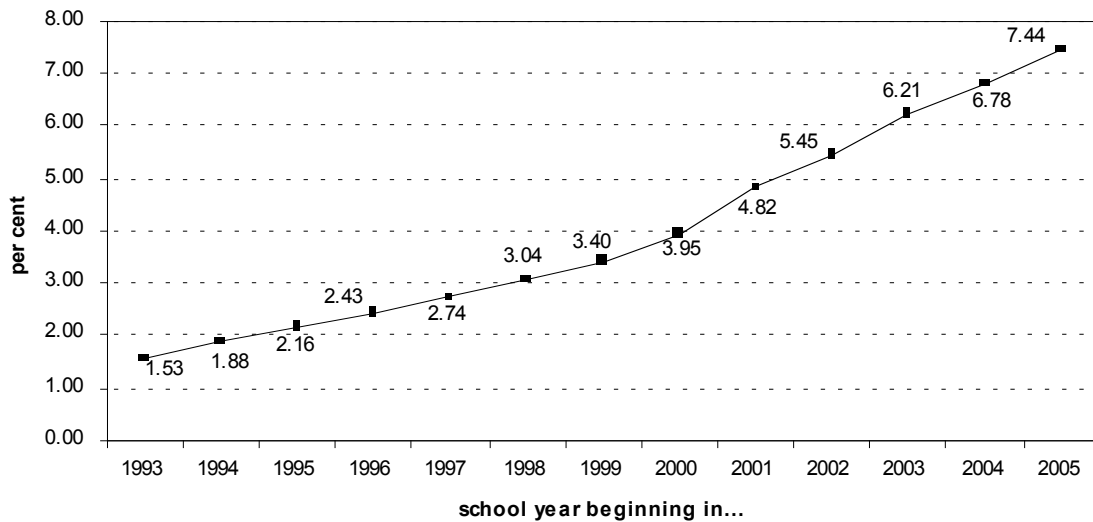
The number and proportion of compulsory school pupils educated in independent education has been rising as well. In 1993, the 13,689 children who attended independent compulsory schools made up less two per cent of Sweden's pupils. In 2005, however, there were more than 74,000 pupils in independent compulsory schools — about 7.5 per cent of Swedish schoolchildren.

### Number of Compulsory School Pupils Enrolled in Independent Schools



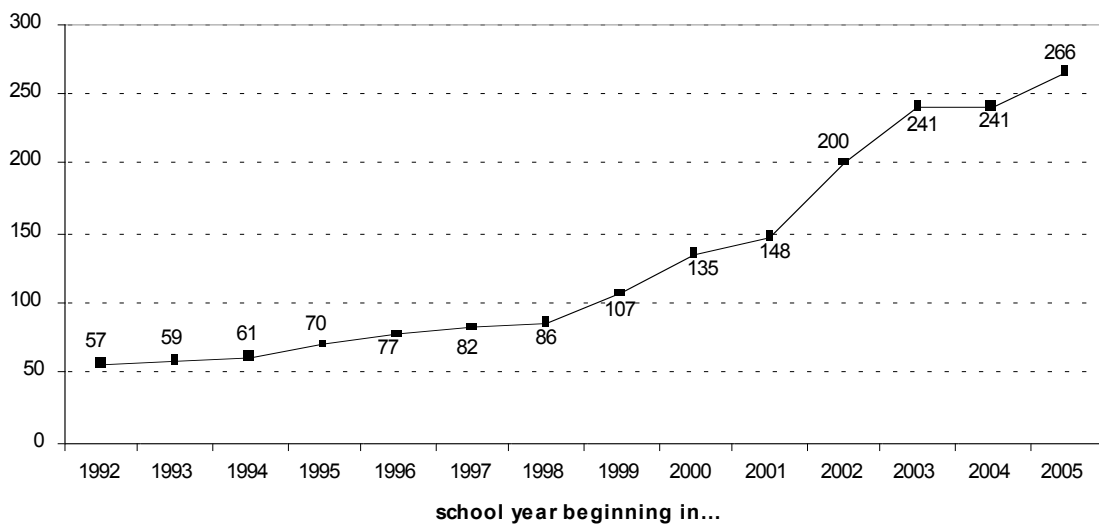


### Proportion of Compulsory School Pupils Enrolled in Independent Schools

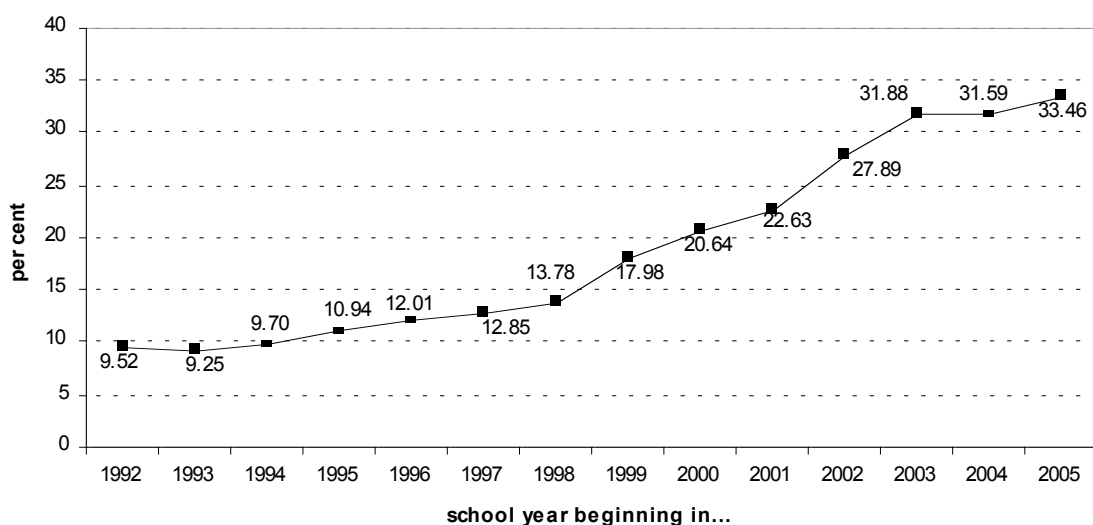


There has been a similar rise in the number and popularity of Swedish upper secondary schools. During the 1992–1993 school year, there were only 57 such schools. By the year 2005, however, there were 266, more than four times the number. At the same time, the proportion of upper secondary school students enrolled in independent schools rose from less than 10 per cent in 1992 to about one third in 2005.

### Number of Independent Upper Secondary Schools

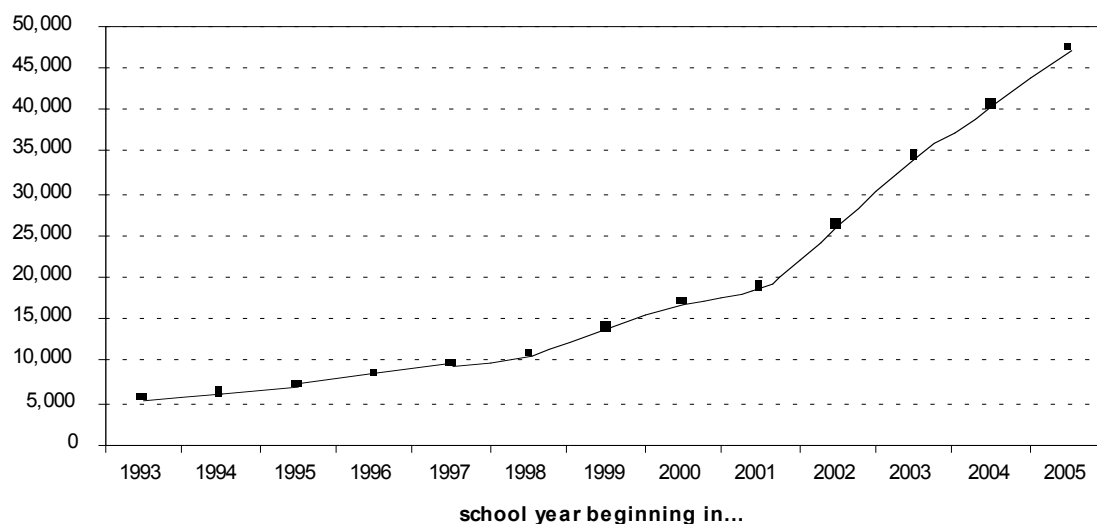


### Independent Schools as a Proportion of the Total Number of Upper Secondary Schools

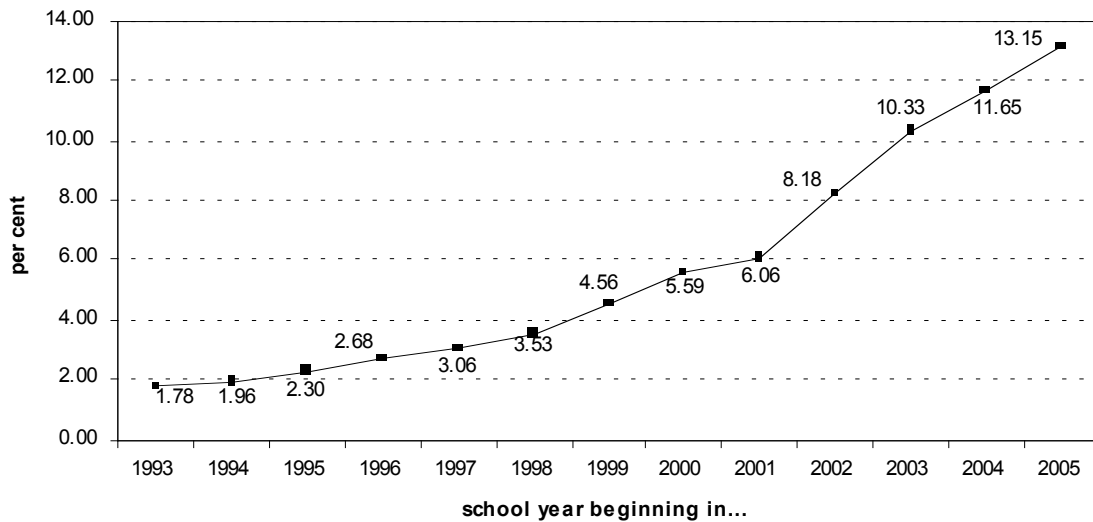


In 1992, only 5,214 students attended an independent upper secondary school, less than two per cent of the total number of Swedish students enrolled in this type of schools. By 2005, however, there were 47,256 children – more than 13 per cent of upper secondary school students — enrolled in independent schools.

### Number of Upper Secondary School Students Enrolled in Independent Schools



### Proportion of Upper Secondary School Students Enrolled in Independent Schools



### Innovative curricula

Some independent schools in Sweden have developed their own, more creative and innovative curricula. *Kunskapsskolan*, a chain of independent schools founded in 1999 and now educating about 8,000 Swedish children, for instance, focuses on “personalized education” in which “the school and the teachers adapt themselves to your goals, ambitions and potentials — not the opposite.”<sup>6</sup> Children who enroll in these schools are taught at their own pace with a personal tutor who adjusts the curriculum to the child’s knowledge and needs.

### Improving state schools

Economists Mikael Sandström and Fredrik Bergström have found that, as predicted by the reform’s proponents, increased competition has raised educational standards in Swedish state schools:

In today’s debate, efficiency motives have been introduced as an argument for school choice. It is claimed that increased competition between schools would be beneficial to educational quality. A number of empirical studies have shown this argument to be valid.<sup>7</sup>

<sup>6</sup> Website: <http://www.kunskapsskolan.se/foretaget/inenglish.4.1d32e45f86b8ae04c7ff213.html>

<sup>7</sup> F. Mikael Sandström & Fredrik Bergström, *School Vouchers in Practice*, 2002

### 3. What Is Wrong with the UK Education System?

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#### Student achievement is too low

Too many of our children are leaving school without the knowledge and the skills they need for life, work, or further education. In 2000, a United Nations survey made headlines when it claimed that as many as seven million adults in the UK, one in every five, were 'functionally illiterate.'<sup>8</sup> An educational charity, the Sutton Trust analysed the OECD's Programme for International Student Assessment (PISA) study of 2000 and concluded that English students performed poorly in maths, relative to students from other developed countries.<sup>9</sup> It was not just outside observers who were critical of education within the UK, the providers themselves were self-critical. The government's *Five Year Strategy for Children and Learners*, published in July 2004 by the Department of Education and Skills, stated that a large number of British adults lack vital skills in literacy and numeracy.<sup>10</sup>

Against this depressing background, the GCSE and A-level examination results have been improving: more students receive top exam grades today than ever before. Nevertheless, there is reason to suspect that these results may overstate the real progress made by our students. Many have suggested that some of the improvement may be due to the declining difficulty of the examinations, rather than the result of greater student achievement.

#### Ever easier examinations

In our 2002 publication *The Standards of Today*, Chris Woodhead, a former Chief Inspector of Schools, suggested that public examinations had probably been becoming easier. We may be "living in an educational cloud cuckoo land", he said.

The improving GCSE and A-level results could be giving us a misleading picture. In 2006, 4.4 per cent more pupils achieved a grade of A\* or A on the GCSE, and 6.6 per cent more students achieved an A grade on the A-levels than 1998. But what do these numbers mean? If the tests are becoming easier, higher grades on these examinations may not reflect the candidates' better mastery of the subject.

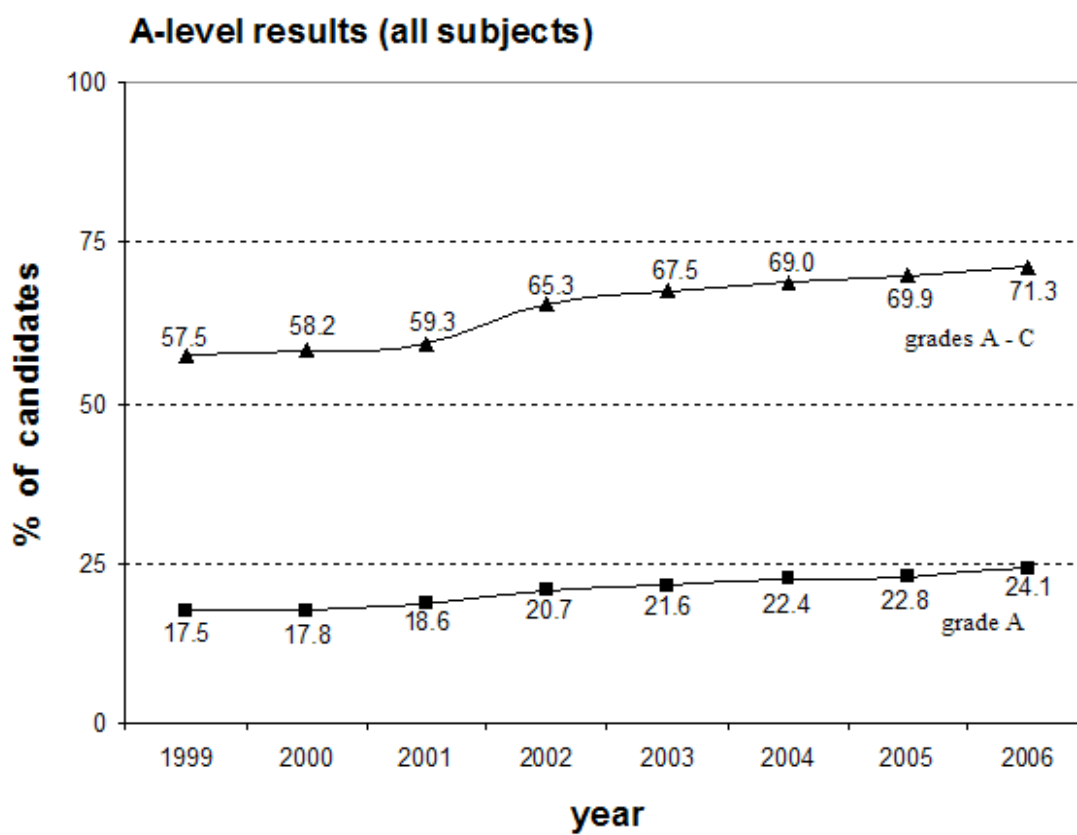
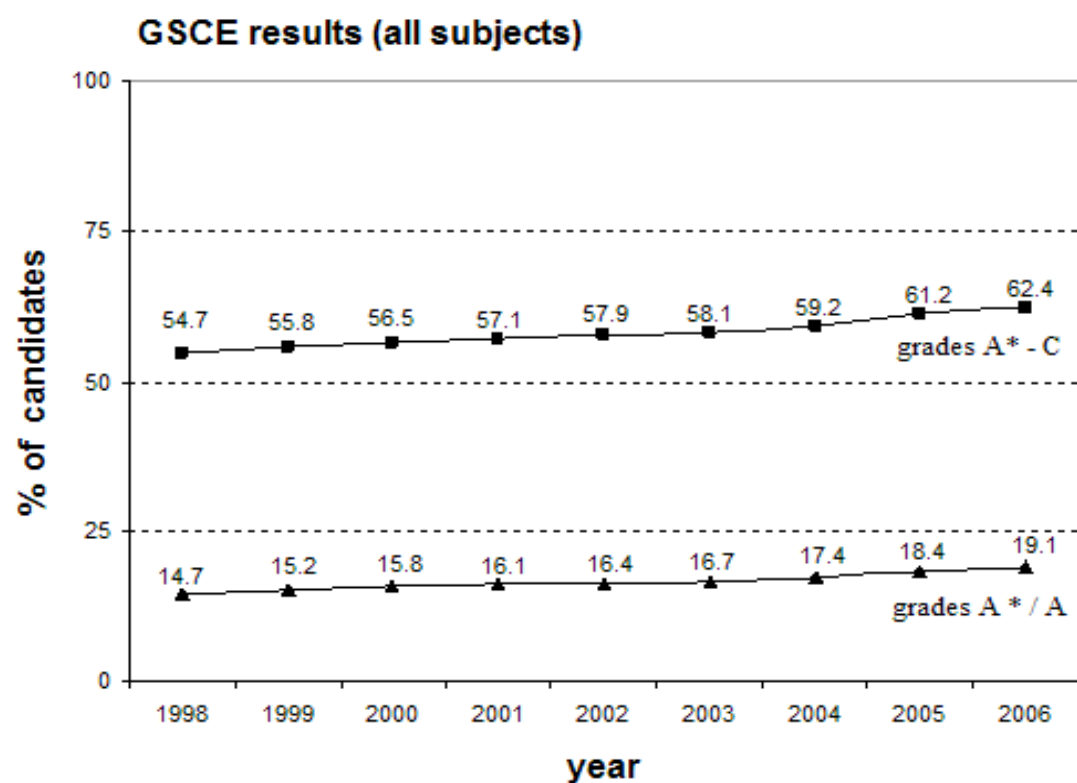
The following two tables indicate the proportion of candidates who have earned A\*/A or A\*-C grades on the GCSE, and A or A-C grades on the A-levels, respectively, in recent years.

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<sup>8</sup> "One in five UK adults 'illiterate'", BBC News, 29 June 2000

<sup>9</sup> Alan Smithers, *England's Education: what can be learned by comparing countries?*, 2004

<sup>10</sup> Department of Education and Skills, *Five Year Strategy for Children and Learners*, 2004



Over the years, Mr. Woodhead argues, school syllabi have come to cover less material than they used to. A larger proportion of the examination marks are now allotted to coursework. It is unclear how heavily the teachers or parents may have been involved in completing this coursework, or whether the student may have downloaded essays from the internet. Many syllabi are composed of modules, on which the candidates are tested once they have been completed, making examination easier than they would have been, had students been tested on an entire syllabus' worth of material.

In 2001, Jeffrey Robinson, who had served as Principal Examiner in Mathematics for the Oxford Cambridge and RSA (OCR) Examinations board, said that the improving GCSE grades were the result of a systematic lowering of mark boundaries.<sup>11</sup> Whereas in 1988, pupils would have needed to gain 65% to obtain a grade of C, in the year 2000, achieving 45% was enough.

### **Declining social mobility**

Upward intergenerational social mobility occurs when one's children and subsequent generations move through different socio-economic classes. Many consider the level of intergenerational mobility to be an indicator of equality of opportunity. Meritocratic societies, where the greatness of one's achievements depends primarily on one's own skills, motivation, and good fortune, rather than on the family's circumstances, typically exhibit high levels of social mobility.

In April 2005, a widely publicized study by Blanden, Gregg and Machin, released by the Centre for Economic Performance at the London School of Economics (LSE) and supported by Sutton Trust, an educational charity, reported that intergenerational social mobility had fallen markedly in the UK over time.<sup>12</sup> There was less mobility for the cohort of people born in 1970 compared to a cohort born in 1958, its authors found.

The LSE study noted that one of the reasons for the decline in social mobility was the ever closer relationship between family income and educational attainment. At age 16 and age 18, students from more affluent families were more likely to stay in education, and hence benefited disproportionately from the expansion of higher education since the late 1980s. "The strength of the relationship between educational attainment and family income is at the heart of Britain's low mobility culture," the study concludes and suggests that, if the British desire higher intergenerational mobility, they should adopt a strategy to equalize educational opportunities.<sup>13</sup>

In a similar vein, the executive summary of 2004 *Five Year Strategy for Children and Learners* notes that "we have not yet broken the link between social class and achievement".<sup>14</sup>

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<sup>11</sup> "Top GCSE grades a fix", BBC News, 23 August 2001

<sup>12</sup> Blanden, Gregg & Machin, *Intergenerational Mobility in Europe and North America*, 2005

<sup>13</sup> *Ibid.*

<sup>14</sup> Department of Education and Skills, *Five Year Strategy for Children and Learners*, 2004

## Parents have limited options

One could argue that the United Kingdom already has a functioning system of school choice in place. Regrettably, however, in the existing scheme, choice is limited to those who can afford it.

Children from affluent households can attend fee-paying schools in the private sector. Within the state sector, some parents can afford to move to the catchment areas of good schools in the suburbs, effectively paying for choice with their mortgages. If parents do not have enough money to take advantage of private education or to move to a neighbourhood with better state schools, their children will remain stuck with the state schools within their catchment area, even if these do not provide good quality education. Tragically, in British state education, the poorest in society get the worst deal.

The underlying problem relates to the idea that the government, and not the parents, “*knows what education is best for children*”. It is, however, difficult to see how this could be the case. The vast majority of parents have the best interests of their children at heart, know a great deal about their strengths, weaknesses and interests, and want them to succeed in life. The parents, then, should be able to make a better judgement about which school is best for their children; better than any government bureaucrat ever could.

## Not enough competition

The *surplus places policy* eliminates most of the pressure to compete in the school sector. It is widespread policy in local authority areas that state schools cannot expand and no new schools may be established, so long as there are unfilled places at the existing state schools in the area. This is a very unfortunate reality, as more competition between schools would undoubtedly improve the quality of children’s education. Although the government has denied that a formal *surplus places rule* is in place, it concedes that it remains a common practice.<sup>15</sup>

An analogy will clarify how absurd this situation really is: suppose that there are three restaurants in a town, and all of them serve poor food and have slow service. An entrepreneur notices a business opportunity, and decides to open a new, and better, restaurant nearby. Unfortunately, they are prevented from doing so because there are empty seats at the bad restaurants. In the 2002 publication *Access to Achievement*, Chris Lambert put it even more succinctly: “It is like the state banning a busy restaurant from laying extra tables because there are spare places in an unpopular one next door.”<sup>16</sup>

In the same way, we cannot send our children to better schools, because the *surplus places policy* prevents them from being established in the first place. One of the most pronounced tragedies of the current system is that children from the most disadvantaged families do not have any choice but to attend one of the local state schools, even if none of them are good. It is like being forced to eat at a bad restaurant, with no hope of escaping unless the entire system of provision is reformed.

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<sup>15</sup> *Ibid.*

<sup>16</sup> Chris Lambert, “*Access to Achievement: Opening up good schools for all*”, Adam Smith Institute, 2002

## **An inflexible national curriculum**

Our state schools have to follow a very detailed National Curriculum, introduced in the *Education Reform Act* of 1988, which determines the content of what will be taught, as well as setting the targets for learning. Additionally, it specifies how student performance will be evaluated and reported. Its provisions do not apply to independent schools, which create their own syllabi. One of the objectives of the curriculum is to ensure that state schools throughout England and Wales master the same material and are held up to the same standard.

One drawback of the National Curriculum, however, is its inflexibility. In some cases, it may prevent a state school from adapting its teaching methods to the needs and skills of its students.



## 4. Arguments for School Choice

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### Milton Friedman's proposal

Milton Friedman, the University of Chicago economist, who would later win a Nobel Prize, first proposed the idea of open access as early as 1955 in his seminal paper *The Role of Government in Education*:

Governments could require a minimum level of education which they could finance by giving parents vouchers redeemable for a specified maximum sum per child per year if spent on approved educational services. Parents would then be free to spend this sum and any additional sum on purchasing educational services from an approved institution of their own choice. The educational services could be rendered by private enterprises operated for profit, or by non-profit institutions of various kinds.<sup>17</sup>

At the time of the paper's publication, many were skeptical of Milton Friedman's revolutionary idea. Today, proponents of open access find themselves at the cutting edge of policy making.

### How open access works

In an open access system, funding follows the student to whichever school — state or private — the parents choose. When a pupil enrolls in a school, he or she brings with them a certain amount of government money.

Open access entails, in effect, the establishment of a government-funded market in schooling, where parents are the customers looking for the best possible education for their children. All the while, state and private schools compete to provide it. In this scheme, schools are motivated to serve the needs of the child and the parents as best they can.

This is very different from our current education system, in which the government has a near-monopoly on education. Unless they are wealthy, parents do not have a real choice in what kind of education their children receive. Instead, their children are assigned to one of the local state schools. Due to a lack of competition, schools are not motivated to improve, to hire motivated teachers, or to be attentive to the specific needs of its pupils.

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<sup>17</sup> Milton Friedman, *The Role of Government in Education*, 1955

## **Everyone benefits**

Open access schemes ensure the ability to choose the best school for a child is not limited to the wealthiest. Even children from the most disadvantaged families can attend whichever school best fits their needs, whether it be state-funded or private. No one stands to gain more from the introduction of open access than those with limited means.

As schools compete to provide the best education for the pupils, standards as well as the learning environment improve. This happens not only in private schools, but in state schools as well. Studies from the United States and Sweden have demonstrated that greater choice improves educational standards in state schools as well: state schools respond constructively to competition by raising their achievement and productivity.<sup>18</sup>

Schools will have an incentive to hire teachers who will help them attract students. Teachers will therefore also gain, as they will not only be able to work at a greater variety of schools, but also will find more dynamic and motivating conditions.

## **Many ways to implement an open access scheme**

There are several ways to implement open access reform, depending on what student group policy makers wish to target. This report advocates a universal scheme, similar to that introduced by the Swedish education reform of 1992, in which all children are eligible.

Alternatively, however, open access should be means-tested so that only children whose families fall below a certain income level would qualify. Other options include a programme only for children who attend failing schools or who perform below expectations.

## **School choice is ever more popular**

In addition to the Swedish open access scheme, a number of successful school choice schemes are already in place around the world, and more are likely to be introduced in the future.

For example in Chile, Denmark and the Netherlands, all parents can take advantage of a universal open access scheme. In Chile, as in Sweden, state funding is available for non-profit and religious, as well as for-profit independent schools. In Denmark and the Netherlands, on the other hand, only a certain type of non-profit independent school is eligible for government support. School choice has become a defining feature of these countries' educational systems, and is usually endorsed by all major political parties. On a more modest scale, New Zealand has also experimented with open access beginning in 1996 with a small programme for low-income families.

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<sup>18</sup> Caroline Hoxby, *School Choice and School Competition: Evidence from the United States*, 2003

In the United States, there has been a growing interest in open access programmes, often driven by the efforts of grassroots organizations of education activists. Some of the most vocal proponents of open access in the US are African-American non-profit groups. "The ability to choose how your child is educated is a power all parents deserve. School choice is widespread in America — unless you are poor," writes the Black Alliance for Educational Options, an African-American school choice advocacy group.

Since 1990, children from low-income families have had open access to independent schools in the city of Milwaukee. Caroline Hoxby, a Harvard economist<sup>19</sup> focusing on education, has found that students enrolled in the Parental Choice Program, on average, performed better than students who attended state schools.<sup>20</sup>

In 1999, the state of Florida introduced its "*A+ Plan for Education*", which made students from some failing schools eligible for "Opportunity Scholarships". They could then use these scholarships to attend any state, independent or religious school of their parents' choice.<sup>21</sup>

As recently as February 2007, the *Parent Choice in Education Act* was signed into law in Utah, creating the most comprehensive open access program in the United States.

The program will offer scholarships to each of the estimated 500,000 children currently enrolled Utah's public schools and to low-income children currently attending private schools. The program will also offer scholarships to all students entering kindergarten in the fall of 2007. This means that all children in the state will have the opportunity to participate by 2020, thereby creating the nation's first universal, means-tested school voucher program.<sup>22</sup>

All in all, twelve American states and the District of Columbia now provide state funding for school choice programmes. Approximately 150,000 children across the US will attend an independent school on a government-financed scholarship this year.

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<sup>19</sup> Caroline Hoxby was a professor at Harvard University when she made these contributions, but has since moved to Stanford University in California.

<sup>20</sup> Caroline Hoxby, "School Choice and School Competition: Evidence from the United States", 2003

<sup>21</sup> "The potential benefits of real education reform in England", Reform, 2005

<sup>22</sup> Lips & Feinberg, "Utah's Revolutionary New School Voucher Program", Heritage Foundation, 2007

## 5. Lessons for the UK: A Guide to School Reform

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The United Kingdom can learn a great deal from the success of the Swedish education reform. Our children deserve no less than to be able to attend good schools with motivated teachers who are attentive to their needs. This chapter first provides an overview of our education system and then lays out a realistic plan to reform it.

### Overview of the Education System in England and Wales

State school education in the United Kingdom, compulsory from the age of 5 until the age of 16, is the responsibility of the Department for Children, Schools and Families (DCSF)<sup>23</sup> and the Local Education Authorities (LEAs). Most pupils attend schools controlled by these two institutions.

When choosing a school for their children, parents can, in theory, take advantage of the *open enrollment program*, introduced by the Conservative government of Margaret Thatcher in 1988 under the *Education Reform Act*, and express their preference of state school. In practice, however, LEAs tend to consider only the preferences of parents who live within their catchment area. Parental choice is thus restricted to state schools controlled by their LEA. To allocate children to state schools within their catchment area, most LEAs ask parents to rank their preferences. In reality, however, these preferences often matter little, as the LEAs have the final say in deciding which state school a child will attend.

Local government authorities make most decisions regarding the establishment, or closing, of state schools. Under the *surplus places policy*, no schools can expand, or new schools be established if some places remain unfilled in any of the other schools within an area. One can establish a private school, but only rarely will it be eligible for government funding. Most private schools are financed through parent fees or supported by charities. State schools, by contrast, cannot charge any fees, and are largely financed by the central government and from local tax revenue. They also have to follow the government imposed National Curriculum and are subject to extensive government regulation. Privately funded schools on the other hand have more freedom than state schools in their employment and administrative decisions, and are not obliged to follow the National Curriculum.

In 1998, the *School Standards and Framework Act* allowed non-state providers to take over and administer failing state schools. Despite this small advance in education provision the Labour government that introduced it scrapped the *Assisted Places Program*, which had since 1980 allowed a limited number of children from poorer families to attend independent schools, and have their education costs supported by the government. The result of this has been to deny many from poorer families access to state funded education at private schools.

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<sup>23</sup> The Department for Children, Schools and Families replaced the Department for Education and Skills (DfES) on 28 June 2007.

## **Abolish the Surplus Places Policy**

First and foremost, the *surplus places policy* must be abolished. Good schools should be able to expand, even if there are spare places left at another school in the catchment area. We should, furthermore, allow new schools to be established in localities where the current ones are failing. Ending the *surplus places policy* will unleash the powerful forces of competition, and will motivate our schools to improve.

## **Let the parents choose**

We should allow the parents to choose the best school for their children. If they select a private school, the government should provide that school with an amount of funding similar to that received by state schools per pupil. As in Sweden, private schools would qualify for state funding only if they did not charge any top-up fees, and if they fulfilled some basic requirements that would lay down the fundamental values of the school system and specify basic teaching guidelines. The Department of Children, Schools and Families would take on the responsibilities of the Swedish National Agency for Education, and would be responsible for approving schools that wished to participate in the open access scheme.

Ideally, approved private schools would receive the same amount of government funding per child as state schools. When the reform was introduced in Sweden, however, independent schools were eligible only for 85 per cent of the municipal schools' allotment for fears of undermining them. Municipalities, after all, had overall responsibility for the school system and had to incur additional administrative and overhead costs.<sup>24</sup> Later on, nevertheless, the amount that independent schools could receive was raised to 100 per cent. If, especially at the beginning of the education reform, there are concerns in the United Kingdom about putting state schools at a financial disadvantage, policy makers should consider making private schools eligible for a little less than the full amount available per pupil to state schools. As in Sweden, however, the eventual goal should be to provide equivalent funding to both state and private schools.

## **Make it easier to establish new schools**

To encourage competition, we should make establishing new schools as easy as possible. The elimination of the *surplus places policy* would make this process easier for any group of parents or educational activists who should want to propose a new school.

The Department of Children, Schools and Families would approve any new school according to straightforward guidelines: any school that meets the basic civic and teaching requirements, and would not charge parents any fees would get the green light. To discourage corruption and delays, the guidelines should leave as little room for arbitrary decisions as possible.

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<sup>24</sup> Bergström & Blank, *A Survey on the Development of Independent Schools in Sweden*, 2005

LEAs should be allowed to comment on how they believe that the establishment of a new school would affect existing state schools. They should not, however, be able to veto the department's approval, as they have may have a vested interest in shielding the state schools they administer from outside competition.

### **Simplify the National Curriculum**

The National Curriculum, at present an unwieldy document, should be simplified to allow our schools to adjust their teaching to the needs of the student. It should specify the fundamental values of the British educational system — ones of democracy, liberty, tolerance and free enquiry — and it should outline the teaching goals for specific subjects. There should, however, remain enough flexibility to let our teachers do their work as well as they can, without being restricted by bureaucratic syllabi.

### **Political considerations**

A comprehensive reform of the school system is likely to be popular. Although, as in Sweden, it may face some political opposition at the beginning, parents are likely to embrace a system that provides their children with more educational opportunities.

A 2001 survey by the Mori Social Research Institute found that more than half (52 per cent) of parents would send their children to independent schools, if they could afford it.<sup>25</sup> Reform, a think tank supportive of school choice, commissioned an opinion poll in 2005 that found that 76 per cent of the public believed that state education in the UK was “in need of fundamental review”. Half of all voters, including 48 per cent of Labour supporters, said they thought extending school choice by allowing parents to spend government money to send their child to any school of their choice was a good idea.<sup>26</sup>

The Swedish example suggests that even political parties that have traditionally supported a relatively large role for the government in providing public services are likely to warm up to a successful universal school choice system. In Sweden, the Social Democratic Party, which initially opposed the 1992 education reform, now wholeheartedly embraces the open access scheme. The United Kingdom will probably be no different. A well-executed reform that expands parental choice will soon win popular support.

This report proposes a sweeping reform of our education system. If a swift, large-scale implementation of universal school choice proves to be politically risky, policy makers might wish to think about introducing school choice gradually. We could, for instance, identify catchment areas with the worst schools or those with low-income residents, and first introduce an open access system there. The subsequent improvement in standards and greater parental satisfaction will make extending an open access scheme to other areas, or even universally, much more feasible.

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<sup>25</sup> “Parents ‘support private schooling’”, BBC News, 2001

<sup>26</sup> “The potential benefits of real education reform in England”, Reform, 2005

## 6. Answering Frequently Raised Objections

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*‘Why don’t we simply pour more money into the existing state education system, instead of embarking on such a sweeping program of reform?’*

Studies have shown that there is no significant relationship between state spending on schools and educational outcomes.<sup>27</sup> It would therefore be wrong to attribute the inadequacy of the UK state education system solely to a lack of investment. Since there is no reason to believe that increased spending would bring better results, there is little point in pouring money into an unreformed system.

Furthermore, we should remember that taxpayers’ money can only be used at a cost. Diverting more money into state education would require the government to raise taxes, borrow more money, or to cut spending in other areas such as healthcare or environmental protection.

One of the greatest virtues of universal school choice reform is that, in the long run, it saves money while delivering better results.<sup>28</sup> As a result, more of the tax revenue could be redirected into other projects or, alternatively, taxes could be cut.

*‘Education is too important to be left to market forces.’*

Some critics oppose competition among public and private schools on narrow philosophical grounds. They argue that the provision of education is too important a service to be left to market forces and to schools driven by the profit motive.

Upon closer examination, however, this argument is invalid. If we extend the critics’ objection to its logical conclusion, we should not rely on markets to deliver other basic goods and services. Yet, nobody could convincingly argue that market forces have failed to provide us with food, arguably the most basic necessity of all. Furthermore, from a pragmatic point of view, we should be focusing on whether the policy achieves its stated goal of improving educational outcomes. Ideological preconceptions should give way to a dispassionate appraisal of the evidence.

*‘Only the most committed parents will exercise choice, leaving others’ children behind in failing schools.’*

According to *The Economist*, the Swedish example provides very strong evidence against the criticism that choice would be exercised mainly by the most dedicated parents sending their children to better schools and leaving others behind in bad ones.<sup>29</sup>

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<sup>27</sup> Mogens Kamp Justesen, *Learning from Europe*, Adam Smith Institute, 2002

<sup>28</sup> Greg Forster, “Connecting the Dots”, *School Choice Advocate*, June 2007

<sup>29</sup> “Free to choose, and learn”, *The Economist*, 3 May 2007

*'The best students will switch schools, while less accomplished children will stay behind in state schools.'*

Evidence from studies of existing programmes, however, has shown that this “cream-skimming” argument fails and that, in fact, the opposite is more likely to happen.

Hoxby (2003), for instance, shows that the open access and charter school programmes enacted in the United States disproportionately attract students who had performed poorly in state schools.<sup>30</sup> This finding should not be surprising: good students are not likely to leave schools where they have been successful. Children who perform worse, however, stand to gain much more from a change of their learning environment, and are thus more likely to switch schools.

*'There will be excess demand for the best schools, and, as a result, too many children will be unable to attend the school of their parents' choice.'*

The expansion in the Swedish independent school sector has been so great that schools only rarely have to invoke the first-come first-served rule and, in general, children find places in their first choice schools. On the other hand, one of the major shortcomings of the current UK school system is that the best schools tend to fill up. The *surplus places policy* prevents these schools from expanding if other schools in their area have spare places, and pupils are thus often assigned to inferior schools.

The universal school choice reform we propose would provide a solution to this problem. Good state schools would be able to expand and accommodate more students. Parents dissatisfied with state schools in their area could send their child to an approved private school instead, without paying any fees. Allowing state funding to go to private schools would serve as an incentive to establish new schools, and the increased competition would improve standards in both state and private education.

*'If government funding is allowed to finance education at private schools, taxpayers' money could be used to fund schools that do not impart good civic values.'*

Swedish independent schools have to abide by a national curriculum that specifies a set of fundamental values that the schooling system is expected to impart to students. These include “the inviolability of human life, individual freedom and integrity, the equal value of all people, equality between women and men, and solidarity with the weak and vulnerable,” among others. A good education reform in the United Kingdom would place similar restrictions on the schools it approves as eligible for government funding.

Far from enabling the teaching of radical ideologies, school choice actually has a salutary effect on the transmission of good civic values. Recently, a survey of empirical studies of American schools by Patrick J. Wolf, a professor of Education Reform at the University of Arkansas College of Education, has concluded that civic values tend to be enhanced, or at least not harmed, by the exercise of school choice.<sup>31</sup>

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<sup>30</sup> Caroline Hoxby, “School Choice and School Competition: Evidence from the United States”, 2003

<sup>31</sup> Patrick J. Wolf, *Civics Exam: Schools of Choice Boost Civil Values*, 2007



“Studies of political knowledge, political participation, civic skills and social capital all overwhelmingly showed a school-choice benefit,”<sup>32</sup>  
*‘An open access scheme would lead to segregation based on race or ethnic origin.’*

In Sweden, approved independent schools are prohibited from discriminating based on race, gender, ethnic origin or religion. In the UK, any education reform that expands school choice should put in place similar legal requirements.

There is reason to believe that a universal open access scheme would, contrary to what some critics believe, actually help to reduce segregation. Evidence from the United States indicates that independent and private schools may be more integrated than government-funded schools.<sup>33</sup> Jay P. Greene and Nicole Mellow of the University of Texas in their study *Integration Where It Counts: A Study of Racial Integration in Public and Private School Lunchrooms* noted:

Private schools tend to offer a more racially integrated environment than do [state] schools. The primary explanation for private schools’ success at integration is that private school attendance is not as closely attached to where one lives as attendance at public schools. [State] schools tend to replicate and reinforce racial segregation in housing. Because private schools do not require that their students live in particular neighborhoods, they can more easily overcome segregation in housing to provide integration in school.<sup>34</sup>

In another study, *Civic Values in Public and Private Schools*, Mr. Greene found that private schools exhibited greater racial tolerance and conveyed stronger democratic values than did state schools.<sup>35</sup>

In Sweden, there is very little evidence that competition from independent schools has increased segregation, as the student bodies at typical state and independent schools do not differ radically.<sup>36</sup> On the contrary, segregation appears to have decreased. In the words of a Swedish policy analyst Kristian Tiger:

Sweden has wealthy areas and low-income areas, prosperous places as well as places with many social problems, idyllic as well as rough neighbourhoods. The old system only fortified segregation of that sort. The open access system has made it possible for children to choose schools further away from their homes.<sup>37</sup>

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<sup>32</sup> “New study shows schools of choice are better at boosting civic values among students”, Hoover Institution, Press Release, 2007

<sup>33</sup> Anita Nelam, “Fear of segregation is no argument against school choice”, 2000

<sup>34</sup> Jay P. Greene & Nicole Mellow, “Integration Where It Counts: A Study of Racial Integration in Public and Private School Lunchrooms”, 1998

<sup>35</sup> Jay P. Greene, “Civic Values in Public and Private Schools”, 1998

<sup>36</sup> Dixon, Sandström, Stanfield & Tooley, *The Right to Choose? – Yes, Prime Minister!* Adam Smith Institute, 2006

<sup>37</sup> “School Vouchers in Sweden: Internal markets for schools in the grand dame of welfare states”, Frontier Center for Public Policy, 2005

## 7. Conclusion

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In this report, our goal was to provide a realistic blueprint for the reform of our failing state school system. We have discussed the many ills that plague our current system — declining standards, ever-easier examinations, lenient inspections, the predicament of the poor who cannot send their children to a good school, as well as the resulting decrease in social mobility.

Our search for a possible solution to these problems has led us to examine education reform in Sweden. After the government allowed parents to send their children to any school that they thought was best — whether state, private or religious — and the government made sure that funding followed the pupil, as long as the school did not charge any top-up fees, Sweden experienced an unprecedented expansion in the independent school system. New, affordable educational possibilities opened up to children from disadvantaged families. Swedish state schools were faced with having to compete in a more vibrant environment, and their quality improved as a result. Thanks to its spectacular success, the open access scheme introduced there is now valued by most parents, and embraced by all major political parties.

Following the Swedish example, we have outlined a blueprint for a thorough, yet realistic, education reform in the United Kingdom. Local education authorities should abolish the anti-competitive *surplus places policy* to allow good schools to expand, and new ones to be established. The government should also allow its funding to go, on a per-pupil basis, to any state or private schools the parents pick for their children, as long as the school does not require the parents to pay any fees and conforms to a set of basic requirements. A simplification of the National Curriculum, furthermore, would allow schools to be more flexible in catering to the specific needs of their students.

If implemented, our open access scheme will allow all parents — not only the wealthy ones — to choose the best school for their children. This would weaken the link between wealth and education and a consequence of this weaker link would be improved social mobility. New schools will be established, and existing schools will improve. Teachers, moreover, will be able to enjoy working in a more motivating environment.

Most importantly, however, it will allow our children to receive a much better education than they do now. They deserve no less.

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