



CENTRE FOR EUROPEAN REFORM

working paper

Learning from Europe

Lessons in education

**Nick Clegg MEP
Dr Richard Grayson**

May 2002

ABOUT THE AUTHORS

Nick Clegg MEP was elected as a Liberal Democrat Member of the European Parliament for the East Midlands in 1999. He is the Trade and Industry Spokesman for the Liberal Democrats in the European Parliament. Previously, he worked as a journalist, EU development aid official, and a senior policy advisor to Sir Leon Brittan, Vice President of the European Commission. Previous pamphlets include *Doing Less to Do More: A New Focus for the EU* (CER, September 2000) and *Trading for the Future: Reforming the WTO* (Centre for Reform, 2001).

Dr Richard Grayson has been Director of Policy of the Liberal Democrats since 1999 and was the principal author of the party's 2001 general election manifesto. A former principal speech writer for the Rt Hon Charles Kennedy MP, he was previously Director of the Centre for Reform and a university lecturer. The author of two books and several articles on British political history, his previous public policy publications include *Saving our Future: Disaffection with Schools* (Centre for Reform, 1998) and *Funding Federalism* (Centre for Reform, 1999).



AUTHORS' ACKNOWLEDGEMENTS

We are very grateful to Baroness Sharp of Guildford for leading our delegation in the Netherlands. Phil Willis MP performed a similar role in Denmark and Sweden and then commented on drafts of the text. We very much appreciate the expertise that Phil has brought to this exercise, not just as a party spokesperson, but also as someone with years of experience as a classroom teacher and head teacher. We stress, however, that the conclusions are the responsibility of the authors alone.

We owe a debt of gratitude to many other people involved in this project. Jessica Olley organised the visits in conjunction with colleagues in the European Parliament and has provided research support subsequently. Thank you to our friends in the Netherlands, Denmark and Sweden for helping us to organise such productive visits and for welcoming us so warmly, notably Marieke Sanders ten Holte MEP, Mrs Rietschoten, personal advisor to the Dutch minister for education, Anne Jensen MEP, all at the Danish Centre for International Co-operation and Mobility in Education and Training (CIRIUS), Olle Schmidt MEP and Therese Wallqvister.

In producing this text we are very grateful to Claire Chandler who provided extensive research support and worked on first drafts of the descriptions of the systems operating in different countries. Sereena Hirst accompanied us on the visit to the Netherlands and wrote an invaluable analysis of the Dutch system. Elizabeth Peplow also joined us in the Netherlands and has provided much valuable advice. Lucy Grayson provided advice on practice in a number of English comprehensive schools.



Contents

About the authors

Authors' acknowledgements

I Introduction

II The virtues of decentralisation

III The blight of inequality

IV To stream or not to stream?

V Private versus public schools and
the role of the faith school

VI The EU approach

VII Conclusion and summary of recommendations

I Introduction

British policy-makers are increasingly turning to the rest of Europe as a source of new ideas on how to reform the UK's ailing public services, particularly the health and education systems. Across the political spectrum there is a growing consensus that the superior performance of public services in many European countries should serve as a benchmark for improvements in the UK.

To date, the British debate has largely focused on health systems, notably the contrast between the directly funded National Health Service, and the mixed funding arrangements employed elsewhere in Europe. The media and politicians have paid much less attention to education. For all the talk of emulating European practices, there is precious little detailed analysis of the comparative merits of UK and European education systems. This paper is an attempt to fill the gap and provide an accessible comparison between different education models. It focuses particularly on secondary education.

The education debate within the UK, particularly England, is reaching a crucial stage. The English secondary education system has been in an almost permanent state of flux for some time. The passage of the Labour Government's Education Bill will result in yet another volley of reforms in the coming years.

The reforms that both Conservative and Labour governments have introduced, have tended to increase central government control of the funding along with the organisation and inspection of education, while diminishing the role of local authorities. Successive governments have also sought to expand the diversity of British secondary schools, using centrally administered financial incentives to encourage the creation of a bewildering array of 'City Academies', 'Academies', 'specialist', 'Beacon', 'faith', 'technology', 'Fresh Start' and 'Launch Pad' schools. However, critics claim that the focus on establishing new centres of educational excellence has come at the cost of uniform high standards for all.

It is difficult to assess how well this constantly evolving British education system measures against educational performance elsewhere in Europe. The historical trend has been for the UK to underperform compared to other Organisation for Economic Co-operation and Development (OECD) countries. For instance, the OECD's most recent annual report on key performance indicators in education found that Britain lagged behind the OECD average in terms of basic literacy and maths skills.¹ In contrast, the separate OECD Programme for International Assessment (PISA) report, which employs a different methodology, provided evidence that Britain has made a major advance in improving its literacy and numeracy levels during the last few years and now ranks above the OECD average.²

That one organisation can reach two such different conclusions demonstrates the difficulties inherent in trying to compare educational performance by statistics alone. What is undeniable, however, is that UK education performance still remains poor in many important respects. Only 73 per cent of 17 year-olds are enrolled in education, compared with an OECD average of 82 per cent, and participation rates of 90 per cent or more in countries such as Germany, France and Japan.³ Numerous studies have also shown that the UK has one of the widest variations in performance between students from different social backgrounds, a problem that will be explored in greater detail in this paper.

This study will not attempt an additional statistical ranking between the UK and other European educational systems. Rather, it will try to highlight some of the key qualitative differences between the UK and other European systems, and suggest some areas where the UK may learn from others.

¹ OECD, *Education at a Glance*, Paris, 2001.

² OECD, *Knowledge and Skills for Life, First Results PISA 2000*, Paris, 2001.

³ Department for Education and Skills, White Paper, *Schools Achieving Success*, HMSO October 2001.

The study has also been conducted with the latest EU pronouncements on education and training in mind. EU leaders agreed at the Lisbon summit in March 2000 to develop a series of educational policy targets to help make Europe the world's most competitive knowledge-based economy by 2010. EU member-states are now committed to increasing student mobility and participation rates in higher education, improving the mutual recognition of education qualifications across the EU and establishing a common European diploma for IT skills.

Importantly, the EU is not pursuing these educational objectives through the normal EU legislative means, but through a new 'open method of co-ordination'. The open method is a 'soft' policy tool, which seeks to encourage the spread of best practice by obliging member-states to develop comparative benchmarks and indicators of performance, and by subjecting their national educational policies to frequent peer review.

However, EU governments have only made limited progress so far in meeting their Lisbon educational commitments. Indeed, as we explain in greater detail in the penultimate section of the paper, the EU's current approach in this field risks becoming rich in ambitious targets, whilst remaining weak in meaningful policy co-ordination. In mid-February 2002, EU education ministers adopted a document that restated the Lisbon educational targets and promised that they would submit a progress document to heads of government in 2004.⁴ This paper aims to contribute to the body of comparative analysis that the EU must develop if it is to deliver on the objectives agreed at the Lisbon Summit, while recognising that education policy resides first and foremost with national governments

The comparisons will primarily focus on Sweden, Denmark and the Netherlands. During 2001, the authors visited all three countries, meeting senior politicians and teaching professionals, and visiting numerous schools. The three countries provide a good basis for comparative analysis because they all share characteristics that are recognisably close to UK experience. Much of the political debate surrounding education in those countries is similar to British debates about funding, about the number of teachers, about curriculum and inspection, and about the decentralisation of educational decision-making. The three countries are traditionally high achievers in most key performance indicators, although all have experienced some slippage in recent years.

In a summary table at the end of this study, statistics from education systems in other major European countries (France, Germany and Spain) are also included, for reference purposes. However, the French, German and Spanish educational structures are so fundamentally different to those in the UK – for instance, the complete autonomy of German *Länder* in education policy – that no attempt has been made to develop detailed comparative analyses of these systems.

Throughout, the paper has taken care not to make simplistic comparisons between the different systems under examination. There is a tendency in the present British political debate to alight on practices abroad that confirm previously held political opinions, and to highlight those practices in isolation as conclusive evidence in favour of a particular policy. For instance, Damian Green, the Conservative education spokesman, has argued that the large number of independent church schools in the Netherlands provides a positive example of the need for more "faith schools" in the United Kingdom.⁵

However, Green failed to mention that Dutch church schools are the result of a particular historical evolution in the Netherlands, and have little similarity to the 'faith' schools under debate in Britain today. Church schools in the Netherlands are guaranteed equal state funding under the terms of the 1917 Dutch Constitution, which represented an historic pact between the Catholic and Protestant communities, and which guaranteed the right of all communities to establish schools freely, with state support. But as time has passed, most Dutch church schools have shed formal links to the religions to which they owe their origins, and they are now run overwhelmingly along secular lines.

⁴ European Commission, *Political Cooperation on the Future Objectives of Education and Training Systems in Europe*, Com (2001) 501 Final, Brussels, 4th February 2002.

⁵ *Daily Telegraph*, 18th December 2001.

To suggest that the specific circumstances surrounding the establishment of Dutch church schools could easily be replicated in the UK is to turn a blind eye both to history and contemporary facts. With this warning in mind, this paper will try to highlight European experiences which could serve as useful guides to UK education policy, without suggesting that a straightforward transplantation of practices from one country to another is either desirable or possible. The conclusions summarise some of the European practises that could provide inspiration for radical reform of the English secondary education system.

II The virtues of decentralisation

Of course local taxes are always a big issue at election time. But people seem to accept hefty local taxes when they see that the money goes directly into funding good local schools.

Jens Mejer Pedersen, The Danish Centre for International co-operation and Mobility in Education and Training

The National Agency for Education has no sanctions over schools. It evaluates them through a system of dialogue rather than formal inspection

Helen Engmo, Head of Schools Division, Department of Education, Sweden

Over the last two decades, most European countries have begun to decentralise their education systems. During the 1980s, almost all the Nordic nations transferred the funding and organisation of secondary education to local government. In 1989, Belgium transferred almost all responsibilities for education to its constituent language communities. Even France – traditionally the model of a centralized, uniform state system – has progressively handed down responsibilities to regions, *départements* and *communes*. And in Spain, certain ‘Autonomous Communities’, such as Catalonia, the Basque country and Galicia, have developed extensive responsibility for education, and other Spanish regions are set to follow suit.

Of course, this process has not followed a single model. The powers and responsibilities of, for example, the 289 Swedish municipalities, or *Kommuner*, are not the same as those of the German *Länder*, even though both are broadly responsible for the management of secondary education. Political culture and institutional structures have dictated the exact nature of the decentralisation programme in each country. Equally, decentralisation can mean different things to different people. The Dutch education system, for instance, could be described as highly decentralised since individual schools are almost entirely free to run their own affairs. Indeed, the Dutch education system is the closest approximation to a ‘free market’ in educational choice, since parents are free to choose any school, and schools compete for all admissions. Yet, the Dutch school system is also distinguished by highly centralised funding arrangements, since the national government supplies funding directly to schools on a per capita basis.

Generally speaking, however, a pattern has emerged in which central government attempts to set the overall objectives and parameters of education policy, but leaves the specific methods for meeting those objectives to subsidiary levels. In almost all European countries, national government still plays a significant role in establishing and monitoring professional teaching qualifications; in setting core curriculum and examination requirements; in overseeing school inspection systems; and in financing all or part of the education system. All other powers and details are the preserve of local government or the schools themselves.⁶

In contrast, the successive reforms of British governments have increased centralisation within the English education system, although Scotland, Northern Ireland and Wales enjoy devolved education powers. The degree of centralised authority in English education is significantly greater than almost anywhere else in Europe, whether it takes the form of the National Curriculum, the installation of a powerful school inspection system (OFSTED), or the allocation of central government resources directly to individual schools.

⁶ European Commission, *Le Degré de Centralisation du Système d'Enseignement*, Marc Demeuse and Christian Monseur, ‘Socrates’, 1998.

Even the latest proposed government reforms, unveiled in the name of greater school autonomy and diversity, include an array of new powers for central government. The Education Bill will give the Secretary of State for Education new powers to appoint governors directly to schools; to create a commercial company to take over the running of new or failing schools; to ring fence school budgets; and to specify the work conducted by qualified teachers and support staff within a school. Such powers are unimaginable in most other European countries. Even more alien to European practice is the degree of Whitehall micro-management of teaching time, through edicts on the conduct of basic numeracy and literacy classes. When one of the authors explained to a Danish class teacher the detailed guidance provided to British teachers for the conduct of numeracy and literacy classes, she simply refused to believe that central government could provide such minute-by-minute instructions.

The introduction of a national curriculum, the setting of stringent literacy and numeracy targets, and the installation of an interventionist school inspection system are all part of a centrally-driven attempt to raise standards. Government ministers and officials claim that the improvement in some performance indicators, notably literacy and numeracy, are a vindication of this centralising approach. But it is difficult to test this assertion. Other factors, notably the socio-economic background of pupils, family circumstances, school autonomy, and a better use of resources, may have played a more important part.

This level of central interference in exam syllabus and the curriculum is unparalleled elsewhere in Europe. Perhaps the most rigorous inspection system outside of the UK takes place in the Netherlands. There, the *Inspectie van het Onderwijs* issues annual school report cards that show the school's exam results. But these include a measure of the socio-economic background of the pupils, so that parents can compare like with like.

In Sweden, national educational experts conduct inspections. These inspectors examine schools' capabilities in terms of resources and the difficulties they experience in attaining their objectives. Based on this assessment, they also make proposals for reforms. There is a strong belief that although teaching needs to be of the same standard throughout the system, it does not necessarily need to be conducted in the same way. The National Agency for Education in Sweden has nothing like the sweeping powers of OFSTED, and works by negotiation with schools.

Denmark has a similarly relaxed approach to inspection, employing the Danish Evaluation Institute to assess all educational institutions receiving public funds. But each evaluation involves a significant amount of self-assessment by the school itself, and the Evaluation Institute is specifically forbidden to produce any ranking of institutions.

The acid test for decentralisation, however, lies in the mechanism for funding education. If local communities are asked to pay local taxes to fund local schools, there is a qualitatively different relationship between parents, teachers and local government. Experience elsewhere in Europe suggests that decentralised taxation arrangements can help to create a more stable political consensus in favour of higher levels of funding for education. The differences between the funding arrangements in the UK, Sweden and Denmark are particularly instructive.

In Britain, successive governments have eroded English local authorities' role in providing education. Policy-makers have argued that local government tends to be inefficient. They have claimed that a highly centralised system of raising taxes, balanced with greater control of individual budgets by the schools themselves, has produced greater value for money. For example, the Conservative government of 1987 to 1992 introduced 'grant maintained status' for schools. This allowed schools to opt out entirely from local government control and receive funding directly from the national Department of Education. Around 1000 schools successfully gained this status following parental ballots.

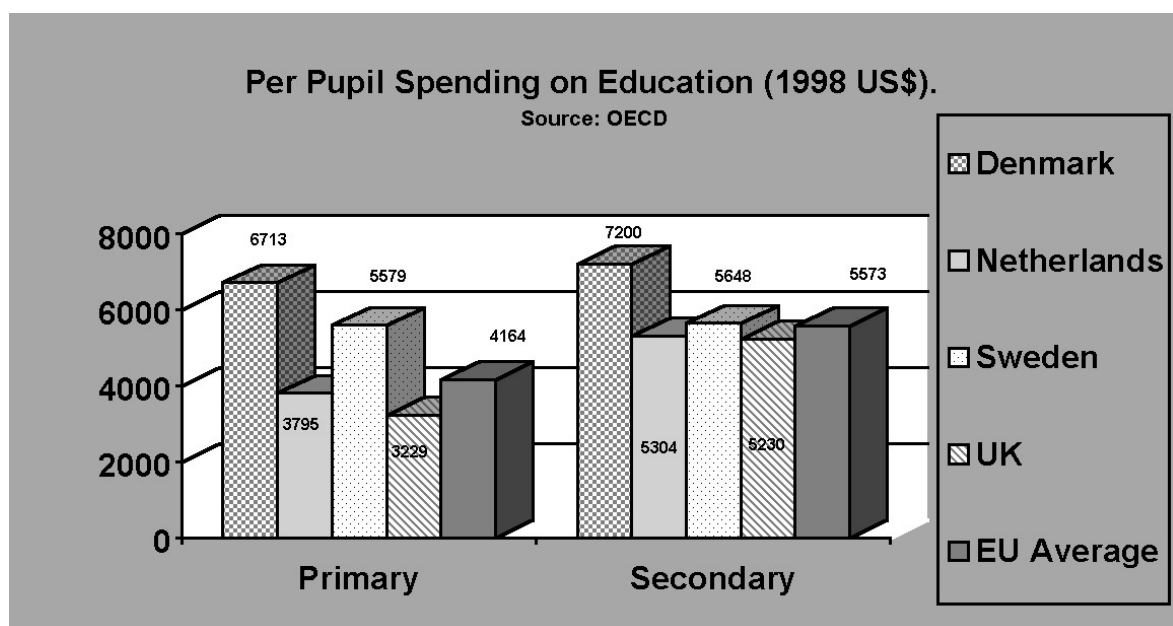
The current Labour government has partially reversed this reform, returning 'grant maintained' schools to local government supervision as 'foundation', 'voluntary aided' or 'community' schools. However, these schools, which make up around one third of all of English schools, are still self-governing. Moreover, central government retains a tight grip on school funding, supplying local government directly with nearly 80 per cent of its funding needs. The government is also moving towards the 'ring fencing' of grants, so that all money granted for education will have to be used for education.

This ring fencing was announced in the September 2001 White Paper that also outlined plans to provide extra revenue for 'specialist schools'. The government is aiming for half of Britain's secondary schools to adopt a specialism by 2005. A few specialist schools already exist, generally focusing on technology, arts, languages or sport. In future, schools will be able to focus on subjects as diverse as engineering, business and enterprise, or maths and computing. Any school, which can raise £50,000 in sponsorship and submit an approved development plan, will receive extra funding from central government.

There are differences in the funding system in other parts of the UK. In Wales, money for education is devolved to the Welsh Assembly as part of a block grant, which the assembly can distribute as it chooses. This money is then allocated to local authorities with the same powers as those in England. Similarly, money for Northern Ireland education is devolved to Belfast by Westminster. The Northern Ireland Assembly then decides how much to give the Department for Education in Northern Ireland (DENI). Much of that money is then divided by several funding formulas, and is given to five Education and Library Boards. These then have another set of funding formulas to pass the money to school heads who decide their own budgets. However, there is also a significant 'voluntary maintained' and 'voluntary grammar' sector in the province, which runs mainly Roman Catholic schools, and receives money direct from DENI.

In Scotland, local authorities have an important role in giving money to schools, using revenue from local taxes and grants from the Scottish Parliament. However, under the Devolved School Management system, head teachers, in consultation with their school's board, take 80 per cent of budgetary decisions.

Education in Denmark and Sweden, and to a lesser extent the Netherlands, is better funded than in the UK. As the graph below illustrates, spending is higher per pupil in all three countries. Spending on all education (that is, including higher education) is also more as a percentage of GDP in the case of both Denmark and Sweden, which spend respectively at 7.2 per cent and 6.8 per cent of GDP. Total educational expenditure in the UK and Netherlands, at 4.9 per cent and 4.6 per cent respectively, is below the EU average of 5.6 per cent of GDP.



All these systems are broadly based on the principle of per pupil funding. There are, however, significant differences in how socio-economic differences are treated. In the UK, the amount of money that local councils receive to spend on education is related to the Standard Spending Assessment (SSA), which takes account of socio-economic factors. The Dutch system is far more directly linked to each individual pupil, as discussed in the next section, though it shares the key similarity with the UK of being administered directly by central government from national tax revenues.

Both the Danish and Swedish systems are considerably less centralised. In Sweden, the 289 municipal councils make the major decisions on education. They receive a block of funding from the central government. Although this is partly based on a calculation of what educational facilities they are likely to need to provide, the money is not ring-fenced, so the municipalities are able to spend the money how they wish. However, the block grant accounts for only part of the money that municipalities spend, with the rest being raised by local taxation, principally via a local income tax. In more wealthy parts of the country, such as Stockholm, local taxation accounts for the bulk of spending, with only around 11 per cent of Stockholm's municipal budget funded by central government. However, in poorer parts of the country, state funds provide a larger part of the budget.

Denmark offers an even greater contrast. In Denmark, the municipalities own and fund the *Folkeskole* which provide the compulsory education from 7 to 16. Meanwhile, counties fund the *Gymnasiums* which provide post-16 education. Both the municipalities and counties raise revenue primarily through local income taxes. These are collected at a national level, but at rates set entirely by the appropriate level of local government. Central government does, however, provide grants to try and eliminate the largest socio-economic differences between municipalities.

The result of such local freedom is that within each school year there can still be significant differences between municipalities' school expenditure. For example, in 1996 expenditure per pupil ranged from DKK 31,000 (\$4,400) to DKK 54,000 (\$7,700).⁷ Some of this variation is the result of differences in the seniority of teachers, and therefore their relative costs, and of different salary weighting in different parts of the country. Also, these inequalities reflect the point of local funding: local authorities can determine local priorities, and raise the necessary money without the need to conform to centralised standards or targets.

The most striking observation of these different funding arrangements is that in the two countries where funding still relies on national tax revenues, the UK and the Netherlands, funding levels are significantly below those in Denmark and Sweden, where resources are raised partially or exclusively from local taxation. Anecdotal evidence suggests that Danish and Swedish taxpayers, whilst hardly welcoming relatively high tax levels, are more content to pay local taxes if those taxes are clearly destined to fund local schools and other local services. There is also evidence of this trend in Switzerland.⁸ Conversely, political resistance to taxation seems to be highest when taxes are raised nationally for purposes that taxpayers do not understand.

This is a crucial distinction. In the UK many people believe that it is impossible to increase resources for British schools over a sustained period of time without increases in national taxation. Yet the experience of Denmark and Sweden would strongly suggest that the most effective way to leverage greater funding into schools is by relying more, not less, on local revenue raising powers. To the extent that local taxation strengthens the link between the tax paid and the service received, the lesson seems to be that it provides a more reliable source of education funding.

More generally, too much central government control over the conduct of education is undesirable. Not only does decentralisation seem to offer the potential for injecting greater resources into schools, it also promotes a more fruitful environment within which to innovate and teach. It is simply impossible for schools to thrive, and to remain creative in their teaching, if the bulk of their energies and resources are allocated to meeting targets from central government or to preparing for a volley of examinations and school inspections. European experience demonstrates the virtues of a lighter touch from central government: schools need space to breathe.

⁷ Eskil Heinesen, 'Local public choice of school expenditure: A dynamic panel date model', 2000, at http://www.akf.dk/eng2000/summary/school_expend.htm

⁸ B.Frey, 'A constitution for knaves crowds out civic virtues', *Economic Journal*, 107 (1997), pp.1043-53.

If UK secondary schools are to fulfil their true potential they must enjoy the freedoms enjoyed by schools elsewhere. Both on grounds of principle and practice, the level of centralised control exercised by Whitehall over the English education system is unsustainable. This does not mean that all the mechanisms introduced to date should summarily be rolled back. An excessively hands-off approach also has its dangers: in Denmark, for instance, there is sometimes no system for measuring pupils' comparative performance in their final year, due to an extremely relaxed attitude to examinations.

But politicians must lighten the burden of central control in English education. They should streamline curriculum requirements, introduce examinations at a less relentless pace, and school inspections should become a mechanism of support, not condemnation, for schools. The central education establishment in England, if it is to emulate the best practices of Europe, must learn to let go.

III The blight of inequality

As far as I can see, attaching extra funding to disadvantaged pupils, which stays with them as they make their way through the education system, is the best way to tackle social exclusion.

Loek Hermans, Dutch Minister for Education, Culture and Science

If excessive centralization is one bane of the British education system, sharp inequality between pupils from different socio-economic classes is the other major shortcoming. The recent OECD PISA study confirmed yet again a long-standing trend: the difference that socio-economic background made to pupil performance was greater in the UK than in all but 4 of the 32 countries included in the survey. Some of this inequality is explained by specific family patterns. The survey showed that living with only one parent is clearly associated with lower student performance, and both the UK and the USA have the largest proportion of pupils living with only one parent.

The same survey, however, concluded that the socio-economic composition of a school's student population is an even stronger predictor of student performance than individual home background. In other words, the average social background of other pupils in a school exerts a huge influence on the overall educational performance of the school. That has effects for the rest of the system. Affluent families in England are able to cluster around 'successful' schools by affording the more expensive property prices that inevitably arise near such schools. That contributes directly to the concentration of performing schools in affluent communities. The 25 per cent of UK pupils from the most affluent backgrounds achieve higher literacy levels than their equivalents in any other country.

Excellent pupil performance is, of course, welcome. It is neither practical nor desirable to attempt to stop the concentration of affluent families in particular areas. Free movement within a free property market will always ensure that affluence congregates. Even in the highly egalitarian French school system, recent studies have revealed how clusters of middle class families act to exclude their children from so-called 'undesirable' catchment areas.⁹

But concentrations of excellence must not occur at the cost of the education system as a whole. In particular, it is difficult to justify why schools, which attract children from comparatively affluent backgrounds, should enjoy additional public resources compared to those operating within more disadvantaged socio-economic areas. Yet the British government's latest initiative to provide supplementary financial support to individual 'specialist' or innovative schools risks doing just that. It will not always be the case that new specialist schools cater predominantly for affluent catchment areas. But experience suggests that middle class parents are most interested in, and most active at pursuing, specialist education for their children. Schools in more affluent areas will be in a better position to find the £50,000 needed to apply for specialist status. These extra amounts of private and state funding will also ensure that these schools have an advantage in attracting the best quality teachers. Thus it is ultimately likely that more resources will be directed towards pupils from more advantaged socio-economic backgrounds.

Equality in education should not be pursued as a blind faith. An excessively egalitarian approach can be dogmatic and illiberal. But any public education system that caters for excellence amongst those from comparatively privileged backgrounds while providing fewer resources to those from disadvantaged backgrounds would be failing in one of its central tasks – to provide opportunities for those most in need to educate themselves out of poverty.

⁹ *The Guardian*, cited by Donald Hirsch, *Be Thankful for Comprehensives*, 10th December 2001.

Indeed, the Dutch education system is distinguished by a radical funding formula that explicitly devotes more public resources to children from under-privileged backgrounds. In the Netherlands, each pupil acquires an 'education number' on starting school. The pupil's number is based on, for example, the parents' educational background and whether they are a member of an underachieving ethnic group. These numbers are used to calculate the amount of money that the school receives. The government also gives resources for the extra provision of secondary school teachers, where there are large numbers of pupils who do not have Dutch as their first language.

The Dutch 'education number' system means that the more disadvantaged a pupil's background, the higher its number, and the more funding it brings to their school. It therefore becomes financially attractive for schools to take children from 'difficult' backgrounds. The impact that this might make on school funding can be seen from the following multipliers, which in some cases result in almost twice as much funding for certain types of children:

WEIGHING IN FUNDING FOR PUPILS IN PRIMARY EDUCATION IN THE NETHERLANDS¹⁰

Background of child	Education number
Dutch cultural background, where parents have low level of education and low-skilled occupations	1.25
Parents are barge-operators	1.40
Parents are caravan-dwellers or gypsies	1.70
Non-Dutch cultural background, where parents have low level of education and low-skilled occupations	1.90
All other children	1

Schools which admit large numbers of pupils from disadvantaged backgrounds, are able to employ more teachers, and so keep class sizes down. School classes in one inner city school in The Hague visited by the authors typically contain 15 pupils, but can contain as few as three or four, especially for Dutch language teaching. In contrast, a church school in a comparatively wealthy suburb of The Hague had class sizes consistently over thirty in most subjects.

It may be hard to introduce such a re-distributive formula in England, but it is worth noting that a centre-right education minister in the Netherlands is implementing this policy with broad support amongst voters. At present, it is difficult to imagine the UK achieving the kind of social and political consensus which would be needed to deliver such a transparently progressive funding formula. Affluent families would need to accept that their children would not enjoy the same level of public support as children from immigrant or under-privileged families.

¹⁰ Ministerie van Onderwijs, Cultuur en Wetenschappen, *Education, Culture and Science in the Netherlands*, The Hague, 2001, pp. 32, 42, and 131.

Equally, the Dutch funding formula relies heavily on direct central government funding. It would undoubtedly be more complex to administer 'levelling up' funding in a radically decentralised education system, as outlined above. Yet, while complex, it would not be impossible to combine the virtues of an education system largely reliant on local revenues with direct top-up funding for pupils from under-privileged backgrounds. Such a mechanism would bear some resemblance to the current SSA system in England but would be simpler and result in a higher level of transparency.

So, notwithstanding the pitfalls, the Dutch funding formula merits serious consideration. After all, the latest government reforms are likely to exacerbate the excessive differences in pupil performance which plague the English system.

IV To stream or not to stream?

Making sure that the curriculum is flexible enough to be relevant to students' needs and abilities is a central part of our system, and there is no stigma attached to vocational subjects.

A secondary school teacher in The Hague

One of the most hotly debated issues in British education is whether schools should teach pupils in groups which broadly reflect their ability. Streaming can take place in a number of different ways: by sending pupils to different schools according to their ability; splitting subject classes within schools on the basis of ability (known as 'setting'); or by streaming pupils for all classes. There has been a vibrant debate on the merits of different approaches, in which teaching 'mixed ability' classes is contrasted with some form of streaming. This debate has often generated more heat than light. Any teacher will point out that all classes, even those that are streamed are of mixed ability. Meanwhile, teachers taking mixed ability classes often set special pieces of work for pupils whose abilities are well above, or well below, the level of the rest of the class.

Nevertheless, some form of selection is now the norm in many subjects and in many schools. In England, Scotland and Wales, such selection takes places mainly within individual schools. Each school sets its own precise rules on how this should occur, although there is a tendency to set by ability in most subjects, at least post-14. A small number of English counties persist with the 11+ exam, with approximately the top 20 per cent of pupils moving on to grammar school and the rest going to secondary modern schools. In Northern Ireland a system of 'transfer tests' is still in force similar in style to the 11+ plus exam. The tests are not compulsory, but any child who wants the chance to go to a more academic 'grammar' school must take them. From the end of primary school, therefore, children in Northern Ireland are split between the grammar schools and the secondary schools.

The Northern Ireland Assembly has been looking at alternatives to the transfer system, due to concerns that it is socially divisive. One possible solution would be 'delayed selection', whereby all children would spend the first three years of secondary school together, before being split at 14 into two groups. This idea is based partly on the experiences of schools in the Netherlands, but also on the system of delayed selection already operating in the Craigavon area of Northern Ireland. However, there are concerns that less able pupils perform worse in this system than in the 11+ system. The Burns Report, which the Northern Ireland Education Minister, Martin McGuinness, published in October 2001, concluded: "We have been left in no doubt that the 11+ Transfer Tests are socially divisive, damage self-esteem, place unreasonable pressures on pupils, primary teachers and parents, disrupt teaching and learning at an important stage in the primary curriculum and reinforce inequality of opportunity."¹¹

Dutch education is also very selective, but in a fundamentally different way to the 11+ system, and recent reforms have made selection more flexible. At the end of primary education, pupils, parents and teachers decide which of three streams the pupil should go on to study:

- ★ VWO (*Voorbereidend wetenschappelijk onderwijs*) for academic study leading to university, accounting for 18 per cent of pupils;
- ★ HAVO (*Hoger algemeen voortgezet onderwijs*) for senior general secondary education, accounting for 18 per cent of pupils;
- ★ VMBO (*Voorbereidend middelbaar beroepsonderwijs*) for pre-vocational secondary education, accounting for around 55 per cent of pupils.

¹¹ <http://www.deni.gov.uk/review/pprbpressrelease.pdf>, news release, 24th October 2001.

In addition, around 10 per cent of pupils are on special education programmes, usually associated with learning difficulties. It is important to note, however, that since 1998 the first two to three years at secondary school (12 to 14/15) are considered as 'bridging years'. During this period pupils and teachers can judge whether they have made the right decision, and pupils may move streams quite easily. All pupils study core subjects but there are considerable differences between schools and streams. At the end of this bridging period, about 20 per cent of pupils do change streams.

The decision about where each child should go is based on their performance throughout the previous school year, the pupil's and parents' own preferences, and advice from the school. VWO courses last another three years (that is, until pupils are eighteen), but HAVO or VMBO courses last for another two years (until pupils are seventeen). For the final year of study, HAVO pupils tend to transfer to VWO courses. Meanwhile, VMBO pupils move on to an adult vocational education programme involving work experience, usually two days per week in school, or two weeks in school, followed by three weeks in the workplace. This system is based on the view that for many children, vocational study is more appropriate than academic study. Because there is a long-standing culture of vocational education in the Netherlands, the vocational stream attracts nothing like the stigma that secondary moderns once attracted in the UK.

Another important aspect of this method of selection is that, increasingly, one school provides for different streams. Nearly two-thirds of all pupils in secondary education attend a combined school, although within schools, the streams are sometimes accommodated in different locations. In 1999-2000, about half of the pupils in combined schools were accommodated in the same location. Overall, this represents a move away from the practice of having different streams in completely separate institutions. This trend is based on a recognition that it is important to allow freedom to move between different streams.

Denmark also has a strong vocational tradition, although it starts at 16 rather than 15. Around 40 per cent of Danish 16-year-olds go to a vocational college to enter training, while just over half continue in academic education. The vocational system is based on the apprenticeship principle, with up to three-quarters of each programme taking place in businesses. Programmes begin with a 20-week basic training phase, followed by three to three and a half years of vocational specialisations covering subjects such as technology and communication, building and construction or food production and catering. The central government sets the objectives for each programme, while the participants in the scheme, usually businesses and local colleges, decide the content and teaching methods.

A key aspect of the Danish vocational system, introduced in 2001, is that students are able to draw up their own personal education and training plans if they are not yet sure which career path they wish to pursue. These plans focus on continuing education in a range of subjects. There are also, however, specific programmes, setting the framework of study and work experience for most vocational students. The commercial and clerical programmes prepare people for work in offices and shops. Technical programmes focus on preparation for jobs such as carpenters, bakers, hairdressers and transport workers. Meanwhile, social and health education programmes qualify people to work as social and health care assistants.

The Swedish system has similarities to the Danish post-16 system, although the distinction between the vocational and the academic is much less pronounced. From age 16, after compulsory basic school, Swedish pupils can choose to go on to upper secondary education provided they have successfully completed compulsory basic school, and have not yet reached the age of 20. Around 90 per cent of pupils take this option. In upper secondary school pupils choose from between 17 national programmes, set by the National Agency for Education and which last three years, providing a basis for university or further study. These programmes include: child and recreation; electrical engineering; energy; arts; vehicle engineering; business and administration; handicraft; use of natural resources; natural science; healthcare; social science; and technology. Many of these streams have a strong vocational orientation, and can be adapted to suit the particular vocational needs of each pupil. As well as these national schemes each municipality can tailor its own programmes. Specific programmes can meet the learning needs of indi-

vidual pupils, particularly if they did not reach the required grades in Swedish, English or maths at the end of compulsory basic schooling.

What are the conclusions from this overview of different streaming methods? First, rigid streaming has become less popular over time in many parts of Europe. The Dutch government's decision to encourage streaming at a later stage in a pupil's development, to increase the number of schools catering for all streams and to allow for greater movement between streams, is representative of a wider trend. In Germany, perhaps the most rigidly streamed education system in Europe, the provision of integrated schooling in *Gesamtschule*, and the introduction of a year of "orientation" at age 10/11 when pupils can move between streamed schools, has softened the distinctions between streams.

Furthermore, there is little empirical evidence to suggest that rigidly streamed systems produce better results. Indeed, the OECD figures indicate that Germany has one of the largest gaps between the highest and lowest performing students. Germany performs below the OECD average in all the literacy and numeracy tests, with most of the variation accounted for by differences between schools. Strikingly, Finland, which has no streamed education system, produces the best results in the EU by far, and some of the best results of all OECD countries. Finnish pupils are taught in a highly individualised system, in which each student is expected to pass a threshold of individual points and exams, but there is substantial flexibility in the pace of development.

To the extent that rigid streaming is going out of fashion in parts of Europe, the thrust of English education reforms, towards a proliferation of "specialist" schools, could be at variance with the wider European trend. On the other hand, the diversity of specialist schools in England is altogether more fluid than the structural rigidity of German or Dutch-style streaming, and only seven per cent of specialist schools have so far opted to select part of their intake by 'aptitude'. Thus, comparisons are difficult. Nor does the empirical evidence argue unambiguously in favour of a uniformly mixed, comprehensive system. Internal setting by ability within schools is a pedagogical tool of great value. The evidence points against the separation of streamed schools, rather than against the teaching of pupils by ability within schools themselves.

Second, and more importantly, the key division is not the ideologically charged distinction between able and less able pupils, but that between academic and vocational education. This contrast is striking. In the UK, despite repeated attempts to develop attractive vocational qualifications, notably the introduction of GNVQs in 1992, vocational education still carries a social stigma. The government has proposed a number of changes in its February 2002 Green Paper to try and address this problem. However, the government has not attempted to deal with the problems caused by England's divided examination systems, consisting of GNVQs, GCSEs, A/S Levels and A Levels, for example, by replacing these with a single credit accumulation system.

By contrast, in the Netherlands, and especially in Denmark, vocational education is a widely accepted alternative to the completion of academic final exams. The Danish tradition of vocational training has its roots in medieval guilds, and is still running strong today. While the Danish government has increased the flexibility of vocational courses in recent years, the system relies heavily on the co-operation of Danish employers. Apprentices receive a stipend from local employers during college-based vocational education, which is in turn largely financed from an employers' reimbursement system.

Similarly, in the Netherlands, the VMBO vocational stream relies on the longstanding Dutch belief in the value of vocational education, supported by businesses. Around 55 per cent of Dutch pupils are on some form of vocational pathway, clearly demonstrating the absence of stigma or discrimination against vocational education. Vocational pupils receive more per capita funding from the government than those in the academic streams, and government subsidies cover part of the costs to employers in the apprenticeship schemes.

British policy-makers should make a sustained effort to establish an equality of respect, and adequate financial support, for vocational educational streams – rather than repeat tired ideological statements about streaming. Indeed, it will be difficult to build the necessary structures to support successful vocational education if, every time it is tried, the stale ideological argument about streaming is applied. Whilst the evidence suggests that the rigidity of some of the European streamed systems is undesirable, this should on no account be a pretext to reject radical solutions to introduce effective vocational options in British secondary education. European experience also suggests that this can best be achieved if the division between academic and vocational options is not introduced at too early a stage in a pupil's secondary school development. The age of 14 is an obvious dividing line. There is already a break in the English system at that age as pupils begin external examination courses. Introducing vocational options at this point would also ensure exactly that sort of flexibility in the early years of secondary education, just like the Dutch system.

V Private versus public schools and the role of faith schools

It would be unthinkable in Sweden for the quality of a child's education to be determined by their parents' ability to pay fees to a school.

A Swedish secondary school teacher

The influence of the Catholic church on the school is limited to the one hour of religious education each week which is built into the timetable. Certainly the Church has no say in the running of the school.

Mr B.W. Dijkmans, Head Teacher Alfrink College, Zoetermeer, The Netherlands

Nothing sets the British, especially English, education system apart from its European neighbours more than the existence of an independent, fee-paying school sector. English private schools – confusingly still referred to as ‘public schools’ – educate 7 per cent of the school population, and are completely free from the government in terms of funding and teaching, although pupils do take GCSE and A Level exams. A small number of pupils receive scholarships to attend these schools, but most pupils are only able to attend if their parents pay fees, and in many cases, the schools require prospective pupils to sit an entrance exam.

The private schools are widely seen to offer a privileged education to an elite whose parents can afford to pay fees. They consistently achieve better results than much of the state sector. Of the 100 schools at the top of the league tables, 85 are private, and just under half of all entrants into Oxford and Cambridge Universities come from fee-paying schools. Class sizes in fee-paying schools are roughly half of those in state schools. Pupils in fee-paying schools have access to far greater resources than children in state schools. Around 13 per cent of the country's teachers now teach in the fee-paying sector.

In Sweden, Denmark and the Netherlands there are also schools which operate independently of the rest of the education system, and some are commonly called ‘private’ schools. But, crucially, they all rely on state funding, to a greater or lesser extent, for their existence.

The Dutch system includes a particularly important role for ‘independent’ schools, which attract around 65 per cent of all pupils. But independence means operational independence from direct state control, rather than private financial support. After all, the public purse almost entirely funds these schools. The operational independence stems from the fact that freedom of choice in education is one of the key principles of the Dutch education system, as enshrined in the 1917 Dutch Constitution. That means the freedom to found schools, to organise teaching in schools and to determine the principles on which they are based. So, all people living in the Netherlands have the right to found schools on the basis of their own religious, ideological or educational beliefs and to have them funded by government. Parents thus have a choice from a range of both publicly-run and privately-run schools.

Associations or foundations run these independent schools. Most of them are either Roman Catholic or Protestant, but there are also Jewish, Islamic, Hindu and humanist schools. There are also private non-denominational schools, run by an association or foundation, on the basis of, for example, particular pedagogical aims. Unlike publicly run schools, which must admit all pupils, private schools can adopt admissions criteria, although most private schools do not have a restrictive admissions policy. While fees are absent from the Dutch education system, parents are increasingly asked to make limited contributions to some school activities. These are not compulsory and, on average, the annual amounts

requested are €50 (approximately £31) for primary schools and €100 (approximately £62) for secondary schools. The money often goes into extra-curricular activity.

In Sweden, there is a small – just 3 per cent of pupils – but growing independent sector, which delivers specialised education, for example, in the English language. Independent schools, which provide education for children between the ages of 7 and 17, are forbidden by law to charge fees. However, independent upper secondary schools (post 16) are allowed to charge fees. In 1999, 23 such schools charged some sort of fee although often this is simply for the school lunch.

Significantly, the Swedish government, with cross party backing, now wishes to abolish the payment of any fees, and is set to pass legislation to do so in 2002. The government has already determined that independent schools should only charge incidental fees to the same extent as public schools (for example, for school journeys). The Swedish National Association of Independent Schools wishes to retain modest application fees, a maximum of SK 150 (£10), but the government has indicated it will not allow even such limited charges.

In Denmark, there is a ‘private’ alternative to the state Folkeskole (compulsory schooling from 7 to 16) in the form of ‘free elementary schools’. These independent schools educate around 12 per cent of pupils in Denmark, and receive about 85 per cent of their per pupil costs from central government. When combined with parental fees, this means that independent schools have approximately the same resources as municipal schools. They offer a variety of types of education, such as that based on religious beliefs, or on a particular pedagogical perspective.

What is intriguing in the context of the English education debate is that the independent or ‘private’ sectors in Sweden, Denmark and the Netherlands are all strikingly similar to the plans that the present British government has for ‘specialist’ and ‘faith’ schools. All these schools enjoy significantly greater independence than the average English comprehensive from local and central government control; rely on state funds for their core funding but combined with parental contributions as in Denmark or private funding as in English ‘specialist’ schools, also derive support from other sources. To this extent, the latest education reforms in England may be introducing a European model of ‘independent’ schools into the public system.

It is difficult to say in what way this evolution will affect the unique English attachment to fee-paying private schools. What is certain is that parental demand for fee-paying schools continues to grow, as an increasing number of affluent families find that they are able to afford them.

This poses some difficult policy challenges. It is undoubtedly the case that English fee-paying schools skew the education system, not least by allowing a small minority of pupils to take a disproportionately large number of places at the country’s best universities. This creates marked divisions in British society. The advantages which money can buy through a private school education are reflected not only in British universities, but also in the workplace. Individuals who have enjoyed the benefits of a private education inevitably enjoy more opportunities to succeed in highly remunerated professions. Such entrenched social and economic inequality is not the mark of a liberal or socially just society.

We firmly believe that the best approach to diminishing the need for private schools would be to improve state schools to such an extent that demand for private school education would naturally drop off, or that those who choose to pay fees would not be buying any form of advantage in doing so. Experience elsewhere in Europe clearly demonstrates the virtues of a universal education system which caters effectively for all pupils, and diminishes rather than exacerbates social and economic divisions.

However, even if that approach worked, and all state schools were delivering results that matched those of any private school, it is unlikely that demand for private school education would disappear in England. This is because of the uniquely persistent nature of Britain’s class system. The reasons why some parents choose to pay fees for their children’s education are as much distinguished by social aspi-

rations as they are by strict educational considerations. Parents often see a private school education as a passport for their children to a particular social and cultural standing in Britain's class system. Fee-paying schools lie at the heart of a British social system in which the most affluent classes are united by their representation in the leading private schools. That means that a powerful section of society is divorced from the normal web of social relations associated with geographical locality and place. If one accepts that this is a problem, one needs not only to focus on improving state schools, but also to debate how to open up the exclusivity of the fee-paying sector.

One traditional left-wing response to fee-paying schools is to call for their abolition in the name of equality of opportunity and class emancipation. But nowadays such a move would be politically unacceptable. It would also rest on a fundamentally illiberal denial of the freedom of citizens to pay for certain privileges – although it should be noted that the state itself provides a form of indirect financial support to fee-paying schools by granting them charitable status. The Swedish decision to legislate to ban all parental fees is not an option in Britain.

Rather, successful English fee-paying schools should be considered as an asset. The focus should be on how to share this success as widely as possible, by bringing private schools within the wider education system. One option, advocated by the commentator Will Hutton, is to insist that the state subsidises a majority of pupils at fee-paying schools.¹² However, the schools themselves would only be able to maintain the high standards which make them so attractive if the state were to pay the equivalent of a private school fee for each state-sponsored pupil attending and that would represent an excessive discrimination against children in state schools. However, if the schools simply received the same per capita allocation for state-sponsored children as any other school, the fees for the remaining minority of fee-paying children would need to rise so dramatically as to make them unaffordable even for affluent families, so rendering the scheme unworkable.

Similar problems confront the Conservative Party's support for a reintroduction of the 'Assisted Places Scheme'. If this scheme simply provided funding for a minority of the fee-paying school population, it would be of little more than symbolic value since it would only benefit a very small proportion of children. If, on the other hand, the assisted places scheme were to fund the majority of fee-paying pupils, it would give rise to the same funding problem, namely unsustainably high fees for the remainder of fee-paying pupils and, as a result, a refusal by many fee-paying schools to participate fully in the scheme.

An alternative option is to encourage, even oblige, fee-paying schools to share their facilities and expertise with neighbouring state schools, perhaps as a condition of them continuing to hold charitable status. This, however, would only have a modest effect. Where attempted, it has led to significant social tension between private and state schools. And it does not meet the key objective of opening up access for pupils from less affluent backgrounds to the outstanding standards of fee-paying schools.

Another option is to emulate the principles of the Danish model and simply grant fee-paying schools the same amount of public money as any other state school, so that parental fees no longer provided the core of school funding. This would certainly increase the accessibility of fee-paying schools, by dramatically reducing the cost of entry to fee-paying parents. However, it would only work with legislation explicitly preventing schools from charging full fees to those parents willing to pay. In other words, laws would have to enshrine limits to parental contributions. Otherwise, full fees, which are affordable only to a small minority, would re-emerge, and successful fee-paying schools would have little incentive to accept the change.

This idea also runs the obvious risk of diverting resources away from more needy schools. The cost to the public purse would be substantial. Funding the half million pupils at private schools, at the current rate for state school pupils, would cost around £1.7 billion per year. On pragmatic grounds alone, when the public finances are already under pressure, it would be out of step with political reality to put extra resources into subsidising fee-paying schools, even if the purpose would be to dramatically increase access to them.

¹² *The Observer*, Comment, 25th November 2001

Undoubtedly, the focus of political action must continue to be to bring state schools up to the highest standards. Improving standards for the 20 per cent of pupils in the state sector who leave school with few or no qualifications is the major challenge facing education in England today. Nevertheless, this should not exclude consideration of creative ways to address the lop-sided effect of the fee-paying sector on the education system in particular, and on society in general.

In the long run, a reform of the UK fee-paying school sector is desirable, using the Danish approach as the most pragmatic way forward. By raising standards in the state sector and reducing barriers of entry into fee-paying schools, it is possible that the current apartheid between the private and state sectors could gradually disappear, and the record of excellence amongst fee-paying schools could spread more widely throughout society. Since the government has already signalled that it wishes to see 'specialist' schools seek additional top-up funding from private sources, there could over time be an amalgamation of existing fee-paying schools and the top performing state 'specialist' schools.

How to tackle the issue of fee-paying schools in the UK remains one of the most intractable questions in British education policy. Experience elsewhere in Europe provides few simple answers, and no quick fixes. But it does offer a broad model in which access to educational excellence does not depend on access to private wealth. Dealing with that problem, by investing in and improving state schools, and by opening access to the privileges of the private sector, must remain the overriding aspiration for British education policy.

VI The EU approach

Policy-makers in the United Kingdom have traditionally felt more comfortable in drawing comparisons with the USA, Canada, New Zealand or Australia than with our nearest neighbours in Europe. This is partly because of a common English language, and partly because those former colonies still carry certain traits and traditions in their education systems that are immediately recognisable to a modern British observer.

A willingness to turn towards our European neighbours for comparison is a relatively recent innovation – a product of the growing realisation amongst the British press and political classes that public services are, in general, of a consistently high quality in many other European countries.

At the same time, EU policy-makers have begun a concerted attempt to establish a systematic benchmarking approach between national governments, to raise EU performance in education and training. At the Lisbon summit in March 2000, all EU governments pledged to compare their records in training and education, and to meet certain key targets, as part of the effort to ensure that the EU becomes the most competitive economy in the world by the end of this decade.

The development of this new comparative policy approach at EU level is still at an embryonic stage. Results so far are not especially encouraging. Ahead of the EU Summit in Barcelona in mid March 2002, education ministers and the European Commission jointly adopted a ‘Detailed Work Programme’ to improve education and training systems, in pursuit of the wider ‘Lisbon Agenda’ on competitiveness.¹³ Yet the Detailed Work Programme remains somewhat weak on detail, and gives rise to serious concerns that policy co-ordination in this field may amount to little more than the presentation of a series of papers on loosely defined topics by each member-state.

The Detailed Work Programme attempts to define three strategic goals, which are broken down into 13 overall objectives and no fewer than 42 ‘key issues’, ranging from the strengthening of educational co-operation at the European level to “developing the spirit of enterprise”. It then attaches a series of “indicators for measuring progress” and “themes for exchanging experience, good practice and, as appropriate, peer review” to each of the 13 themes.

However, in keeping with the objectives themselves the suggested ‘indicators’ and ‘themes’ are vague. Thus, for instance, attached to the objective “Supporting Active Citizenship, Equal Opportunities and Social Cohesion” is a single indicator “the proportion of the population aged 18-24 with only lower secondary education and not in education or training”; and three themes – “participation of pupils, parents and other stakeholders in school governance; gender equality in tertiary education and continuous training; models for integration of and giving access to disadvantaged groups to education and training”.

This is not the most effective way to conduct policy co-ordination at the EU level. The policy language is obscure, the objectives seem arbitrary, and the comparative indicators often lack substance. Indeed, there is a risk that by the time heads of government receive a ‘progress report’ on the fulfilment of the Lisbon Agenda in the education and training field, due in 2004, the comparative policy making process will have become disconnected from the realities of the classroom as analyses and statistics are traded between national Education Ministries.

This is, of course, indicative of the wider problems associated with the new “open co-ordination method” championed at the Lisbon Summit in which comparative benchmarking practices rather than binding legislation is driving policy. Benchmarking depends on target setting, and setting meaningful tar-

¹³ European Commission, *Political Cooperation on the Future Objectives of Education and Training Systems in Europe*, Com (2001) 501 Final, Brussels, 4th February 2002.

gets is fraught with difficulties, as has been demonstrated at the national level in the UK in recent years. Targets at EU level are likely to become the subject of comparative competition between administrations, without necessarily affecting policy in a substantive manner. In particular, there seems to be little merit in applying comparative targets to too many countries at once. That is why this study has focused on a qualitative comparison of three selected national education systems, leading to a fuller appreciation of the policy differences between them.

There is little sense, for instance, in making comparisons between the UK secondary school system and, say, the Spanish, French or German systems. They are all part of such different constitutional and cultural traditions – for instance, the role of the German Länder, or Spain's Autonomous Communities – that any comparisons are always tenuous. As already explained, the Swedish, Danish and Dutch systems, whilst by no means identical, at least share a number of traits with each other, and with the British system. This would suggest that EU policy-makers should 'cluster' certain countries into comparative groups where comparisons can be meaningfully made.

A crude quantitative approach poses other serious pitfalls. This study has deliberately avoided making a recommendation on the optimal funding levels for secondary school education. It is obvious from the statistics that average funding levels have been significantly lower, over a number of years, in the UK than elsewhere in Europe. The case for increased funding is therefore difficult to refute. However, it would be futile to pinpoint a specific funding level appropriate for all, given the marked differences in the way in which authorities raise and spend resources. Equally, as the cursory review of OECD literacy and numeracy figures in the Introduction showed, reliable comparative statistics on educational performance are still few and far between.

For these reasons, a qualitative approach presents itself as one of the more promising routes for a comparative approach. The EU Lisbon targets run the risk of becoming somewhat bereft of policy content, especially since each EU member-state can easily contrive to produce statistics to 'show' that the targets in question have been met. A more challenging, qualitative comparison of policy themes may be harder for governments to duck.

Finally, a comparative approach yields little of lasting benefit if it does not involve teachers and students themselves. The EU already funds significant large-scale exchange programmes between schools and colleges. For instance, the 'SOCRATES II programme' supports European co-operation in education, from secondary schools to higher education, from new technologies to adult learners. The 'ERASMUS programme', established in 1987, covers higher education and aims to promote the mobility of university students throughout the EU. The EU budget of SOCRATES/Erasmus for 2000-2006 amounts to around €950 million. From 1987/88 to 1999/2000, about 750,000 university students spent a period abroad thanks to Erasmus funding, and more than 1,800 universities (or other Higher Education institutions) are presently participating in the programme.

These hundreds of thousands of pupils and students, who have been educated in more than one EU member-state, probably exercise a greater influence on the comparative awareness of different education systems than any number of EU declarations. The most effective way to ensure that best practice spreads across the EU would be to supplement the official policy process with a large scale investment in further exchanges, ideally involving teachers, who are in the best position to translate best practice into reality.

VII Conclusions and summary of recommendations

This pamphlet has attempted to demonstrate that comparisons with neighbouring European countries can yield important insights into the reforms necessary to improve secondary education in England. It has tried not to make simplistic comparisons or judgements. No education system is the same as the next, and no trait can simply be translated from one country to another. But there are still lessons to be learned.

Having visited Denmark, Sweden and the Netherlands, and compared the record of other European nations in secondary education, it soon became clear that important, systemic differences exist on either side of the English Channel. The English education system is, both in terms of funding and teaching, significantly more centralised than those of its neighbours. It is also marked by greater differences in educational performance between socio-economic groups. Furthermore, it has a weaker tradition in vocational education, and a unique minority of schools that are financed by parental fees.

In contrast, the Danish, Swedish and, to a lesser extent, Dutch systems enjoy greater local autonomy and accountability, higher per capita expenditure on pupils, less central government interference, narrower differences between the educational performance of socio-economic groups, and a far more sophisticated system of vocational training and education.

Perhaps the most striking observation of the different education systems is that in the UK and the Netherlands, both of which rely on national tax revenues for education funding, the levels of spending on schools are significantly below those in Denmark and Sweden, where authorities raise resources partially or exclusively from local taxation. Some evidence suggests that Danish and Swedish taxpayers, whilst not welcoming relatively high tax levels, are more content to pay local taxes if those taxes fund local schools and other local services. Meanwhile, political resistance to taxation seems to be highest if taxes are raised nationally for aims that are not easily identifiable to taxpayers.

This is a crucial distinction. In the UK, the need to provide increased resources to British schools over a sustained period of time will require an increase in national taxation. Yet the experience in Denmark and Sweden would strongly suggest that the most effective way to leverage greater funding into schools is by relying more on local revenue raising powers. To the extent that local taxation strengthens the link between the tax paid, and the service received, the lesson seems to be that it provides a more reliable source of education funding. The uncomfortable lesson for the increasingly centralised method of resource allocation in the English education system is obvious – the long-term level of funding must not rely wholly on central taxation.

We recommend a number of practices discussed in this essay:

- ★ Making sure that the overwhelming bulk of funding for secondary education is raised from local taxation, to secure sustained higher levels of funding for UK schools.
- ★ The introduction of a Dutch style per capita top-up funding formula that automatically allocates additional funding to pupils from disadvantaged socio-economic groups. The central government could make top-up funds available to those local authorities with high concentrations of socio-economic deprivation, or operate such a system on a regional basis.
- ★ The introduction of a vocational stream from ages 14 to 19. This should include extensive apprenticeship schemes out of school, allowing pupils to work in companies to acquire skills linked to the vocational subjects they are studying.

★ A dramatic reduction of content in the National Curriculum, allowing both schools and individual teachers more time to innovate and focus on specific aspects in the curriculum.

★ A more constructive and collaborative school inspection system. OFSTED inspectors should work more closely with teachers on improving teaching, rather than simply offering criticism.

★ A more selective use of tests and examinations, to reduce the amount of bureaucracy and the extent to which learning is focused primarily on meeting centrally-set targets.

There also needs to be a debate on how to ensure that all children are able to access the best education, regardless of their parents' ability to pay. Above all, this involves implementing measures to improve the state sector. But in the long term, we recommend looking at ways to ensure that the school system does not entrench and exacerbate social and economic inequalities. This does not mean abolishing fee-paying schools, but rather lowering the high financial barriers that presently prevent a wider range of families from benefiting from their outstanding resources. The Danish system, where the government pays the majority of tuition fees at private schools, is a particularly interesting starting point for any such debate. However, there are obvious objections to adopting this system in England, both in terms of use of scarce public resources and in terms of introducing state-imposed limits on parental contributions.

Finally, the experience of this comparative analysis also yields some tentative suggestions for the way in which the EU should conduct its new 'open method of co-ordination' in education policy. First, the EU needs well-defined comparisons between 'clusters' of national education systems, rather than general comparisons across too many themes and countries; second, qualitative policy comparisons will yield more fruitful results than bland numerical target setting; and third, ambitious exchange programmes for both students and teachers must complement any comparative policy approach at EU level.

Our recommendations are simple, but far-reaching. Some, notably on funding, are more controversial than others. Some could be introduced immediately, while others would require significant changes in the British political system, notably the reinvention of English local government. But all are derived from a detailed, open-minded assessment of the strengths and weaknesses of other educational systems in Europe. To correct our own failures by learning from the strengths of others is not a defeatist exercise. Rather, it could herald a significant advance in the British political debates about both education and Europe.

Summary table of comparative education statistics

	UK	Germany	Denmark	Sweden	France	Spain	Netherlands	EU-15
Duration of compulsory schooling (age)	5-16	6-18	7-16	7-16	6-16	6-16	5-17	
Participation rate in pre-primary education %, 1997-8. <i>Source: Eurostat Yearbook, 2001.</i>	72.5	77.3	84.6	66.6	100	90.3	98	82.6
Public expenditure on education per primary pupil, US\$ 1998. <i>Source: OECD Education Indicators, 2001.</i>	3329	3531	6713	5579	3752	3267	3795	4164
Public expenditure on education per secondary pupil, US\$ 1998. <i>Source: OECD Education Indicators, 2001.</i>	5230	6209	7200	5648	6605	4274	5304	5573
Expenditure on education as a % of GDP, 1998. <i>Source: OECD Education Indicators, 2001.</i>	4.9	5.5	7.1	6.8	6.2	5.3	4.6	5.6
Primary pupil-teacher ratio, 1997. <i>Source: World Bank 2001 World Development Indicators</i>	19	17	10	12	19	15	14	N/A
% of 18-24 year olds leaving school on or before completing lower secondary education (GCSEs), 1999. <i>Source: Eurostat, May 2001.</i>	20	15	12	7	15	29	16	21

	UK	Germany	Denmark	Sweden	France	Spain	Netherlands	EU-15
% of persons with upper secondary education (i.e post-16), 1999. <i>Source: Eurostat, May 2001.</i>	63.75	80.75	81.25	79	63.5	38.5	66.25	61.75
% of 25-64 year olds with higher education qualifications <i>Source: Eurostat, May 2001.</i>	27	23	27	29	21	20	23	21
Teachers' salaries in public institutions at the upper secondary level of education, per teaching hour after 15 years of experience in equivalent US\$, 1998. <i>Source: OECD Education Database</i>	48	63	82	--	48	63	48	--
Significant proportion of state funded independent schools? (i.e. over 10% of pupils attending)	no	no	yes	yes	yes	no	yes	--
Literacy rates, % of adults with prose literacy at the lowest level. <i>Source: International Adult Literacy survey, 1998.</i>	21.8	14.4	9.6	7.5	--	--	10.5	--