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# Private Schools as Public Provision for Education School Choice and Marketization in the Netherlands and Elsewhere in Europe

AnneBert Dijkstra, Jaap Dronkers & Sjoerd Karsten<sup>1</sup>

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Abstract – In the international discussion about enlargement of parental choice and private deliverance of education, the Dutch arrangement is quite often regarded as a 'unique' system. This paper discuss the features of this Dutch arrangement as a variation of comparable arrangements within European Union, wherein parents can make a real choice between comparable schools, mostly between public and state-funded private schools, without paying very high school fees. Parental choice of a school for their children was one of the most important political topics in the 19th century continental European societies. These struggles had more or less comparable results, with public and religious-subsidized school sectors offering parents a choice between schools of the same curriculum and usually under comparable financial costs for the parents. Despite the increasing irrelevance of church and religion in the everyday life of most late 20th century European societies, the religious schools in these societies did not dwindle away, nor in the Netherlands or elsewhere in Europe.

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<sup>&</sup>lt;sup>1</sup>AnneBert Dijkstra is Professor of Behavioral and Social Sciences at University of Groningen. Jaap Dronkers is Professor of Empirical Sociology at the University of Amsterdam & Sjoerd Karsten is Associate Professor of Educational Policy and Administration and Director of the Centre for the Study of Educational Policy and Organization at the University of Amsterdam, The Netherlands.

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#### 1. Introduction

Parental choice in education or free choice by parents of the school of their children is one of the major topics in educational policy (CERI 1994). The introduction of more parental choice in educational systems is often advocated as a means to introduce competition for pupils between schools and thus improving the quality of teaching, decreasing the level of bureaucracy in and around schools and reducing its costs (Chubb & Moe, 1990). One of the assumptions of this 'parental choice' debate is that non-public schools are more effective than public ones.

Contrary to the situation in the USA, parents in different European societies can make a real choice between comparable schools, mostly between public and private schools, without paying very high school fees. These private schools are most often Catholic or Protestant schools operating within a national educational system receiving state grants. The countries of the European Union can be divided into three groups according to the relationship private education has with the public authorities (Eurydice, 2000). In Greece and the United Kingdom, private schools receive no public funding. However, this absence of funding does not prevent the State from exercising control over private education institutions. In the United Kingdom, most denominational and other schools owned by churches or trustees are considered to form part of the public sector education. In the second group of countries (France, Italy and Portugal), different types of contracts exist which create a link between private schools and the public authorities. Depending on the type of contract, the school receives grants of a more or less significant amount and is freer to a greater or lesser extent with regard to conditions (of teaching, teacher recruitment, etc.) imposed by the public authorities. Finally, within the last group of countries, which comprises the majority of countries, grant-aided private schools appear to have much in common with public sector schools. In Belgium, Denmark, Germany, Spain, Ireland, Luxembourg, Austria, Finland and Sweden, private education is grant-aided, either partially or fully, but operates under more or less the same conditions as public sector education. In the Netherlands, financial equality between public and grant-aided private

institutions is a constitutional right. The size of these public and non-public school sectors varies strongly between these European societies for specific historic reasons, and non-public schools disappeared in some of these societies as a consequence of the communist regime (see Graph 1). Therefore, European educational systems with public and religious-subsidized school sectors are a better place to test several assumptions of the parental choice debate.

In the international discussion about enlargement of parental choice and private deliverance of education, the Dutch arrangement is quite often regarded as a 'unique' system. Central to this arrangement is the constitutional principle of 'freedom of education'. This principle has resulted in approximately 70% of parents sending their children to schools established by private associations and managed by private school boards, yet fully funded by the central government. In the opinion of national interest groups as well as experts (e.g. van Kemenade *et al.*, 1981; Hermans, 1993) this freedom of education and equal financing of public and private education from public funds, makes the Dutch system exceptional. Foreign observers are also of this opinion, as illustrated by the last OECD review of Dutch education, in which the arrangement of freedom of education and the underlying compartmentalized organization of society has been designated as unique (Organization for Economic co-operation and Development [OECD], 1991). The Dutch system developed in over a century from a relatively secular school system, dominated by the national government at the beginning of the last century, to a plural system, with private school sectors dominated by religious groups. According to international observers - 'the evolution of the Dutch system of education is unique in the Western World' (James, 1989, p. 179) - this history is also regarded as remarkable.

This international interest in the Dutch arrangement (and some others, e.g. the Danish system) often has the debate about parental choice and public financing of private education for a background. For several societies, the analysis of the effects that are to be expected of enlargement of parental choice and privatization in education is often based on analytical evaluations or small-

scale experiments (e.g. the Milwaukee Parental Choice Program in the United States, cf. Witte, 1993). Yet, the Netherlands offers an 'experiment' in private production of education on a national scale, which includes the entire education system and is a century old. As Brown (1992, p. 177) so concisely puts it: 'The Netherlands is the only country with a nation-wide school choice program.' In the choice debate, the Dutch experiment is advanced as an argument in pleas to come to more private deliverance of education in other countries (e.g. Dennison, 1984) or as a warning to not go down that road (e.g. Walford, 1995). The apparently 'unique' features of the Dutch system evidently offers points of departure for arguments for as well as against enlargement of freedom of education and private production of education. A number of years ago, Glenn (1989) already warned that references to the Dutch situation are 'often with little factual basis', underlining that a proper insight in the Dutch system is necessary, before more general 'lessons' can be learned. In this paper, we will discuss some characteristics of the system of schooling in the Netherlands, as well as recent developments in this long-standing, nation-wide experiment of private deliverance of education.

## 2. Systems of choice and central regulation

Parental choice of a school for their children was one of the most important topics in the 19th century Netherlands. The political struggle between the liberal, dominant class and the Catholic and Orthodox-Protestant lower classes gave rise to Christian-democratic parties that have held central political power since the start of the 20th century until the mid-1990s.

This political struggle was not unique to the Netherlands but the unintended result of three interacting processes: the struggle between the state and the established churches in Continental Europe; the fight between the 18th century *ancien regime* (mostly with one state-church and suppressed religious minorities) and the 19th century liberal state (which claimed to be neutral to all churches); and the emergence of new social classes in the 19th century (skilled workers, craftsmen, laborers) which rejected the dominant classes, either liberal or conservative. Nor was the outcome of these three interacting processes unique to the Netherlands. In several continental European

societies (Austria, Belgium, France, some German *Länder*) these processes had more or less comparable results, with public and religious-subsidized school sectors offering parents a choice between schools of the same curriculum and usually under comparable financial costs for the parents. For good reasons, these processes had a quite different effect in the United Kingdom (Archer, 1984) while other societies, like the United States, have never experienced these long conflicts over school between the state and the church, or the *ancien regime* and the liberal state.

In the Netherlands, choice between religious and public schools was not only an educational choice; it was closely connected to other choices in life - voting, church activities, membership of clubs, unions, newspapers, etc. The choice between public and religious schools was linked to the choice between the Catholic, Orthodox-Protestant and public sub-cultures, or 'pillars', as they were called in the Netherlands (for a description of this "polarization" in Dutch society, see Post, 1989). A consequence of these religious grounds for the rise of subsidized schools was that parental choice on educational grounds (quality of schooling in public and religious schools) did not exist during the first half of the 20th century. Religious considerations and the belonging to a specific sub-culture were dominant, with perhaps only some elite groups the exception to this rule. Free parental choice of school was a religious choice. Since religious socialization was seen as closely connected to education, this freedom of parents to choose a public or religious school under equal financial conditions was known as 'freedom of education', a concept which originally referred to one of the basic human rights formulated during the French Revolution. Initially, this concept of 'freedom of education' referred to the freedom to teach without church approval, contrary to the situation of the ancien regiem. Later, it came to mean freedom of persons and juridical bodies to establish and maintain schools of different denominations under equal conditions to public schools maintained by the state (cf. Box, Dronkers, Molenaar and de Mulder, 1977).

The religious, political, and social contrasts at the time of the so-called 'School Conflict', that reached its peak around the turn of the century, have greatly affected the structure of the pillarized education system. Convinced of the dilution, as they saw it, of the Christian character of the public school, nineteenth-century supporters of Christian education strove for their own schools. After the attainment of this freedom of education in the 1848 constitutional amendment, the conflict then moved to government financing of private schools. The School Conflict was finally ended with the 'Pacification' of 1917, which provided the financing of private schools from general funds, laid down in the constitution. The freedom of education amendment and the provision of public funding represent the basic historical background of the contemporary framework within which private-religious schools in the Netherlands operate, and continues to be a delicate political issue until today. As a result, the constitutional sections on education has not been undergoing any change, despite its old-fashioned wording and inapplicability to current issues (e.g. recent tendencies towards ethnic segregation since the arrival of new minority groups in Dutch society, cf. Karsten, 1994), and despite later revisions of the Dutch constitution, its old-fashioned wording being too sensitive to change without reviving the school conflict of the 19th century.

The current interpretation of constitutional education article states prescribes the equal subsidizing by the state of all school sectors; they are subjected to strong control of equal examinations, salary, capital investment, etc. by the national state (see also James, 1989). Although the constitution only sets out the funding of primary education, later legislation and interpretation expand this public funding to all types of education, including schools for higher vocational training, until the Protestant and Catholic universities were also subsidized by the state on the same footing as public universities in 1972, all without any change to the constitution.

The Dutch educational system is, however, considered unique in several other aspects when compared to other European countries with similar state-subsidized religious and public school sectors. First, in most such countries the religious schools are of one denomination, mostly Catholic or the former Protestant state church. This is not the case in the Netherlands, whose creation in the 16th century religious wars resulted in a large Catholic minority within a moderate Protestant state. As the outcome of the 19th century political struggle, there exist since the 1920s three main private sectors, a Catholic, a Protestant, and a non-religious private school sector, all with independent private school boards, besides some small private religious sectors and the public sector, the latter governed by local municipalities. Within the Catholic and Protestant school sectors, there are national umbrella organizations which also function as lobbies, but they do not replace the autonomous boards, nor do they coordinate all Protestant or Catholic schools. These boards generally have the juridical form of a foundation, with a high degree of self-selection of new board members.

Second, the principle of freedom of education or parental choice under conditions of equal funding was enshrined in the constitution of 1917. The interesting point to note is that the Netherlands has almost the only educational system with equal subsidies and treatment for religious and public schools. From the Dutch point of view, certain debates in other societies on parental choice or vouchers closely resemble debates on this topic in the Netherlands in the second half of the 19th century. Those debates focused among others on the lower quality of religious schools or the alleged elite characteristics of such schools, and the unfairness of paying taxes for public schools and extra money for the preferred religious school or the appropriately of public funding of religious schools.

Third, the equal subsidizing of all religious and public schools has promoted a diminution of prestigious elite schools outside the state-subsidized sector. As a consequence of equal subsidizing

and prohibited use of extra funds for teacher grants, smaller classes, etc., there does not exist an institutionalized hierarchy of schools within each school type, such as in most Anglo-Saxon societies (the English public schools or independent grammar schools; the Ivy League, or the difference in the quality between schools in the poor inner cities and those in the wealthy suburbs in the United States).

The variation in Europe and the unique situation in the Netherlands, in terms of the size of the private sector and the context in which private schools operate, provide a favorable setting in which many of the arguments in the choice and voucher debates can be tested. First, one can test the hypothesis that providing subsidies to private schools will make them more effective competitors of public schools and that the strengthened competition will force public schools to become better (Bishop, 2000). Essential for testing the hypothesis of a competitive environment is that barriers to attending a school other than the closest one are low. This is the case in the Netherlands and Belgium, because schools in these countries are numerous, population densities are high, public transportation is generally available, spending per pupils varies little and money follows the student. Second, the interaction among school choice, private schools and external examinations can be tested. According to Bishop (2000) private schools, being more sensitive to market pressures, will respond more radically to an external exam system than public schools will. In the Netherlands the government sets the examinations for each type of school that influence access to tertiary education and job opportunities, while leaving schools much freedom in course materials and how to teach. And finally, the practice of repeating the grade, as a way of allowing some students extra time to achieve very demanding learning goals, can be examined. This practice is widespread in some European countries and schools differ in the rates of 'redoublement'. By American standards the rates of 'redoublement' are very high in the Netherlands, Belgium and France.

# 3. Religious schools in secular societies

Despite the increasing irrelevance of church and religion in the everyday life of most European societies, the religious schools in these societies did not dwindle away. On the contrary, the non-public school sector in societies with not very active religious populations is growing or strongly overrepresented. This is not only true for societies, which have traditionally such schools (Austria, France, the old German *Länder*, Netherlands), but also for those societies in which non-public schools were abolished during the communist regimes (Hungary, the new German *Länder*). One of the possible explanations is that non-public schools are generally more effective in their teaching than public schools, because the non-public schools not longer aim at religious socialization of the pupils but still try to reach more non-cognitive goals with their education valued by irreligious parents. A better educational administration, a stronger value-oriented community between parents and schools and a more deliberate choice of non-public schools might be the most important mechanisms, which produce the average higher effectiveness of religious schools in Europe.

From the middle of the 20th century onwards, the religious sub-structures or pillars in Dutch society broke down rapidly. In 1947 only 17 per cent of the population did not officially belong to any church; by 1995 the proportion had increased to 40 per cent. The same trend can be seen in the votes in favor of Christian-democratic parties in national elections: in 1948, 55 per cent; in 1994, less then 30 per cent of the vote. The extent of secularization in the Netherlands is considered being one of the highest in western societies (Greeley, 1993). The first thing one might expect to have resulted is a decline in institutions such as religious schools that depend on religious affiliation for their recruitment. However, although such a decline occurred in a number of organizations and institutions (unions, journals, clubs, hospitals), it did not affect the educational system. In 1950, 73 per cent of all pupils in primary education were attending a non-public school; in 2000, 68 per cent.

How then can one explain the non-disappearance of religious education or the failure of public schools to attract the growing number of children of non-religious parents (cf. Dronkers, 1992)? This issue of legitimacy is also of interest to modern societies characterized by an increasing number of religious schools and increasing pressure for public funding, and perhaps even more so in societies with a not very active religious population. The Dutch case might offer some insights into the mechanisms of stability or increase in religious schooling in not particularly religious societies. Out of several explanations and theories explaining this paradox suggested in the literature (cf. Dronkers, 1995) we will shortly address some mechanisms that might add to the explanation of the continuing existence of religious schools in Dutch society (for a detailed account, see Dijkstra, Dronkers and Hofman, 1997).

# Segregation

A possible explanation of the attractiveness of non-public schools is that they can promote segregation between pupils from more privileged or affluent classes and from less privileged or affluent classes. This can also be an important explanation of the stability of religious schools in irreligious societies.

Karsten (1994) showed that segregation between children of migrant workers and children from Dutch-born parents sometimes occurs along lines of non-public and public schools. But there are many contrary situations wherein children of migrant workers prefer religious schools above public schools. This preference for religious schools is partly connected with the greater sensitivity of Catholic and Protestant schools for the Islamic values and beliefs. The importance of Islam for important groups of migrant workers from Turkey, Maroc and Suriname lead to the establishment of state funded Islamic primary schools in the Netherlands during the '90s. It is still to early to evaluate the effectiveness of these Islamic schools, but they seem already not less effective than non-Islamic schools in comparable circumstances. However, it is clear that these Islamic schools attract

children from parents who are less integrated in Dutch society than migrant workers from the same group who send their children to non-Islamic schools (Driessen, 199#).

Differences in student intake explain, on average, only one third of the outcome differences between schools. After controlling for the differences in student intake, the differences in effectiveness between public and religious schools are roughly the same as before controlling. Religious schools do not on average have a better-qualified student intake, so this social composition explanation is not a good one for the attractiveness of religious schools. However, when the number of pupils is increasing while the numbers of available good teachers are decreasing, some non-public schools can become more attractive for both teachers and parents. Non-public schools have more legal means to attract more and better-qualified teachers (not by salary but by other working conditions, for instance class size) than their public counterpart. In the situation of pupils abundance, this difference might lead to a stronger selection of entering pupils and thus to a stronger social segregation between schools.

Bishop (2000) compared the degree of segregation with educational systems in America, Europe and Asia, which had several forms of parental choice between a public and a private school sector, and formulated interesting conclusions.

The use of national diploma exams at the end of secondary education raises the scholastic achievements in both public and private schools. Differences in quality between private and public schools are more open to public inspection and debate due to this national exams and thus tends to be smaller, specially if public and private schools are both state funded on a comparable base.

National diploma exams are thus a important mean to decrease segregation between schools.

Nationally organized exams or tests take place in the Netherlands both at the end of primary school and at the end of secondary schools since 1968. Also the results of these exams (also on added value bases) are open to the public since the late '90s (Dronkers, 1998; Veenstra, Dijkstra, Peschar &

Snijders, 1998). The existence of national exams and tests together with a fair publication of the results can avoid a strong social segregation between schools of the Dutch private and public school sectors (Dronkers, 1999).

The size of the private school sector is related with the possibility of private schools to select the most able pupils: the larger the private sector, the lower the possibilities of private schools to attract only the most able pupils and thus promote social segregation. This is an obvious explanation for the nearly non-existence of selection differences between the public, Protestant and catholic schools sectors in the Netherlands. But this relation between size of the private sector and segregation between schools also depends on the rules governing admission to public schools and the opportunities for parents to choose within the public school sector. The less choice parents have in choosing a public school (for instance due to obliged catchment areas for public schools), the more selective non-public schools can be in their admission policies and thus the larger the social segregation between public and private schools. During the '70s and '80s obliged attachment areas for public schools in the Netherlands have been abolished and thus offering parents more choice within the public school sector.

The smallest private school sector (beside the Orthodox-Protestant and the Islamic sectors) is the neutral-private sector, which is a still growing school sector in the Netherlands. These neutral-private schools are often the more established and traditional schools or offer specific pedagogical approaches (Montessori, Antroposophy). Here we find the highest degree of social segregation between schools of this sector and the schools of the other sectors, in accordance with Bishops (2000) hypothesis. The higher scholastic achievements of the schools of this neutral-private sector can be fully explained by the social composition of these schools (Koopman & Dronkers, 199#). If one controls for this social composition, these neutral-private schools tend to achieve lower academically than comparable schools outside this sector. This lower effectiveness of these

neutral-private schools doesn't harm their attractiveness, because it is neutralized by their social composition. An explanation for this neutralization is that admission to further levels of Dutch education depends only on the exam diploma and not on the grades of this diploma (with a few studies with a numerous fixes as an exception).

## Central regulation

A second explanation suggested, is the strong position of religious schools through political protection by the Christian-democratic party, by laws protecting freedom of education, and by the dense (administrative) network of the organizations of religious schools. This hypothesis has some validity. The central position of the Christian-democratic party on the Dutch political map till halfway the 1990s, made it possible to maintain the pillarized school system and the religious schools within that system, despite the society's decreasing secularization, and even to establish new religious schools in areas with low number of active church members. Nevertheless, this mechanisms can't fully explain the flourishing private religious school sectors, because of the Dutch system enables parents to 'vote with their feet'. Despite all regulations and the strong formal position of religious schools, parents can favor other school sectors without facing serious spatial or financial barriers, because of the free choice of schools (the Dutch system, among other things, does not contain catchment areas) and the equal governmental funding of public and private schools.

Schools are financed according to the number of pupils enrolled, and the way to establish a new school is to find enough parents who will send their children to that school of a given denomination. Several groups of parents (Orthodox-Protestant, Evangelical, Islamic, Hindu) have recently used this mechanism of 'voting with their feet' with success against the powerful, already established organizations of private religious schools, to found schools of their own religious preference. The essential question here is therefore why non-religious parents did not use the same mechanism to increase the number of non-religious schools or the number of pupils attending them.

It is hard to argue that these parents are less powerful or less numerous than the Orthodox-Protestant, Evangelical, Islamic or Hindu parents and their organizations - actually, the opposite might be true. Non-religious parents are on average better educated and have more links with the established political parties than the groups mentioned before. What we conclude from this is that non-religious parents no longer feel deterred by the religious socialization of religious schools - that is, to the extent religious schools still offer such socialization (cf. Vreeburg, 1993) - and thus do not see the need to change to non-religious schools. If this is true, the mechanism of protection is not sufficient to account for the continuing existence of religious schools.

#### Administration

There exist slight differences in educational administration between public and religious schools (Hofman, 1993) and they can explain some of the outcome differences, despite the enforced financial equality and strong control by the state. It are not the formal differences in educational administration, but on the average the stronger informal relations between board and teachers in the religious schools which explains partly the better performance of their pupils and thus the attractiveness of religious schools for non-religious students and parents (Hofman *et al.*, 1996).

### **Values**

A fourth explanation is that irreligious parents prefer religious socialization, because they still appreciate the religious values to which they no longer adhere. However, it is clear from longitudinal research that the number of adherents to religious values among Dutch adults is decreasing, which is in contrast to the stability of recruitment of religious schools. Only a minority of parents (about 30 per cent, depending on the local situation) give religious reasons for choosing a religious school for their children. If the appreciation of religious values by irreligious parents were an effective explanation of their choice of a religious school, the percentage of religious reasons should be higher. However, the values-oriented character of religious schools leads them to stress secular, non-

religious values as an important aspect of schooling in the broader sense (Germans would call this *Bildung* and the French *éducation*). Public schools with their neutral status tend to avoid discussion on value-oriented topics and stress instruction instead. Irreligious parents who prefer schooling to have a broad scope rather than a more narrow instructional purpose, thus choose the modern religious school for its breadth, which they consider an aspect of educational quality, rather than for religious values.

Neither Protestant nor catholic churches have a major influence any longer on the curriculum of most religious schools, and religious education has decreased to the point where it simply gives factual information on various world views (Claassen, 1985; Roede, Peetsma and Riemersma, 1994). A study (Karsten, Meijer & Peetsma, 1996) has shown that in Catholic circles, in particular, the Catholic identity of schools has worn very thin. There are few traces left of specifically Catholic elements either in entry requirements for pupils or in the selection of personnel. One good reason for this breakdown of religious socialization is the scarcity of teachers who are religious and willing to undertake that religious socialization. The lack of religious teachers in the Netherlands can be explained by the positive relationship between level of education and degree of traditional religiousness. A majority of pupils in religious schools have not an active religious background and their parents do not want them be socialized into a religion they do not belong to. But they do not object to cognitive information on various world views. There is a happy conjuncture between the impossibility of religious schools to provide religious socialization and the small number of parents still wanting it. Thus, these schools offer as next best cognitive information on world views (which a teacher who is not religious can give as part of cultural socialization, although it is often still known under the old curriculum title of religious education), and non-religious parents can accept information on world views as part of cultural socialization (despite its old-fashioned title). The

forced neutrality of public schools and the secular values-oriented character of religious schools explains partly the attractiveness of the latter schools.

Another explanation offered for the attractiveness of religious schools is their (on average) mild educational conservatism, compared to the (on average) more progressive tendency of public schools. Among the reasons for this mild educational conservatism is the different exposure of public and private schools to social policy initiatives around the school. The board of public schools is the council of the municipality. These councils might favor educational experiments in order to accomplish political goals, because education is one of the major instruments of policy makers to promote desirable developments. Although boards of private religious schools are often in indirect ways connected with the more moderate political parties, boards of private schools have less direct connections with policy makers, and represent (mostly indirectly) more parents. Therefore they will feel less need for educational experiments for political reasons. Another difference between public and private schools is that the first have less opportunity to avoid pressure from the national government because they cannot use the principle of freedom of education as a shield to protect themselves. Religious schools can only be obliged to conform to educational experiments if they are forced to by national law which declares the educational experiment a quality condition necessary to qualify for public funding. In all other cases, religious schools can only participate in educational experiments on a voluntary basis.

#### **Effectiveness**

Also, Dutch research contains evidence of positive effects of Catholic and Protestant schooling on academic achievement (for a review, see Dijkstra, 1992). These differences, all adjusted for differences in the student intake of public and private schools, are reported in terms of educational outcomes measured as drop out, test scores, degrees, attainment, etc. Although, like in other societies, the debate to what extent these differences are of any substance remains unsettled,

private religious schools do distinct themselves by a reputation for offering educational quality, which, as research shows, is an important motive in the process of parental choice favoring religious schools in The Netherlands.

Closely related to the reputation of academic quality of religious schools is the argument of a deliberate educational choice. A deliberate choice for an 'unconventional' school (as compared to a 'traditional' choice for a common school) will increase the possibility of this 'unconventional' school becoming a community in which students perform better. Depending on a deliberate educational choice, and the self-selection following from such a choice, both religious and public school can become a community with shared values and dense social ties affecting student achievement, as suggested by Coleman and Hoffer (1987). Roeleveld and Dronkers (1994) found evidence that schools in districts in which nor public, Protestant or Catholic schools attracted a majority of the students, the effectiveness of schools was the highest, after taking student composition into account. In districts without schools having a dominant position on the educational market, there is no such thing as a 'conventional' school choice, and thus the parental choice is more deliberate. In districts in which public, Protestant or Catholic schools had either a very small share of the market (<20%) or a very large one (>60% of all students), the effectiveness of these schools was lower. In these district the 'conventional' school choice is most common and the parental choice more traditional.

Especially after the secularization of Dutch society peaked from the 1960s onwards, religious schools were forced to compete for students for attendance for other then religious motives, and they could no longer rely on their recruitment along the religious, pillarized lines in society. For religious schools, a deliberate educational choice became important. Religious schools were on average better equipped for this competition, because of their history (during the 19th century, Dutch religious schools won the struggle partly on the pupil market), because of their private governance and administration (more flexibility compared to public schools under authority of the

local government, cf. Hofman, 1993), and because of their reputation of educational quality (Dijkstra, Dronkers & Hofman, 1997). Perhaps public schools also lost this battle because their leading advocates expected the religious school sector to break down automatically, as a consequence of the growing secularization and irreligiousness of Dutch society.

# 4. Educational inequality, regulation, and costs

Inequality

As said before, the equal funding of private and public schools has promoted the diminution of prestigious elite schools outside the state-subsidized sector. The equal financial resources of religious and public schools have prevented a creaming-off of the most able students by either the public or the religious schools. Before the 1970s, the choice of a religious or public school was not made on educational, but on religious grounds. As a consequence, the long time existence of parental choice didn't increase educational inequality in Dutch society.

The educational differences between religious and public schools are recent and could be the start of a new form of inequality, despite efforts of the Dutch administration to diminish unequal educational opportunities. Differences between parents in their knowledge of school effectiveness, which correlates with their own educational level, can perhaps be seen as the basis of this new form of inequality (Dijkstra & Jungbluth, 1997). In the Netherlands as well in other European societies, the importance of deliberate choice of parents to promote the educational opportunities of their children, seems to be an important element in understanding the persistence of educational systems with religious school sectors as substantial components, despite secularization. But also in a school system without private religious sectors of some size, knowledge of school effectiveness by parents can be an important factor.

## Regulation

The system of equal funding has led to a high degree of central regulation, and a relatively uniform curriculum and structure. While the private sector is considered responsible to determine

the philosophical or religious direction of their education, the government is given responsibility to oversee and guarantee the general quality of schooling. Although the central government is not allowed to determine the exact content of the curriculum, nor the specific texts and pedagogy, the government does have significant control regarding standards of quality, such as teacher qualifications, working conditions and salaries, curriculum subjects and the time allotted for each, the use of finances, and the examinations given to all students at key transition points (cf. OECD, 1991, p. 16). However, in this respect the Netherlands does not differ much from other European countries. In only few countries does the State refrain from setting at least basic educational aims and objectives to be adhered to when establishing private schools offering education to pupils of compulsory school age. Countries where the legal obligations of private schools regarding educational content extend only as far as prescribed aims and objectives are Denmark, Germany, the Netherlands, Portugal, Sweden and France. Countries, which make more specific stipulations in the area of educational content, that is, regarding the curriculum, are Belgium, Greece, Spain, Ireland (state-recognized schools), Luxembourg, Austria, Finland and the United Kingdom. This does mean that, in these countries too, the curriculum is not markedly different from that of the public sector (Eurydice, 2000). Because of these centralized standards and the equalization of resources available to both private and public schools, there is a relatively high degree of uniformity as well as equality between private and public school sectors. The standardized exams given at key transition points and the diplomas granted by schools (which indicate a similar level of achievement) mean that students are able to move in and out different sectors with relative ease. Thus, while the Dutch system is designed to give parents significant choice regarding the philosophical or religious orientation of schools, there is considerably less choice as to the level of resources a school has and the academic quality that is often associated with such funding (cf. Naylor & Dijkstra, 1997).

### Costs and economies of scale

Another explanation for the demand for private schooling may be the financial differences between school sectors. Dutch schools do not differ greatly in their fees. Religious schools charge certain extra fees, which are mostly used for extra-curricular activities. The choice of parents here can hardly be influenced by financial considerations. The irrelevance of financial criteria for choice during a school career is shown in various educational attainment studies (de Graaf, 1987). Financial differences is not a good explanation for the existence of religious schools.

A dual educational system, however, is not less expensive. Koelman (1987) estimated the extra costs of the Dutch system of both public and religious schools at about Gld. 631 million pro year for primary education only. The extra costs come from the many small schools of different sectors existing in one community, given the small minimum number of pupils necessary to maintain a school. Efforts by the government to reduce these costs are promoting larger schools by increasing the minimum number of pupils in a school. In secondary education this has led to a fusion of schools in larger units, but the mergers have been mostly within the given boundaries of the public and religious sectors (with some tendencies to merge Protestant and Catholic schools into one Christian school). However, in primary education this fusion movement partly collapsed because the government could not raise the minimum number of pupils to a sufficient level. The main cause of the failure has been pressure from smaller communities, who have feared losing their only school. In contrast to the higher cost of maintaining small schools (public or religious) are the lower overhead costs of most religious schools, who are not obliged to use the more expensive services of their municipalities but can shop around to obtain the cheapest and most effective assistance for administration, repairs, building, cleaning, etc. Religious schools also use more voluntary help (owing to their more direct link with parents), which also lowers overhead costs. A total balance-sheet of the lower overheads costs of religious schools and the higher costs of

maintaining a multi-sector school system has never been agreed, as the figures are disputed by all sides.

## Towards new equilibra?

To the Netherlands, a new form of religious schooling was introduced by the establishment of Islamic schools operating in the Dutch context, although their number is not yet very large. The motives for establishing Islamic school are comparable to those given by Protestant and Catholic parents during the School Conflict in the 19th century. Since the constitution and educational laws were developed to accommodate these religious based educational preferences, the Dutch system essentially allows for the establishment of schools organized around new denominations, despite objections raised in the current political debate. Besides problems regarding the actual establishment of Islamic schools (the mobilization of parents, religious and cultural differences among the communities the schools want to serve, and the lack of qualified Islamic teachers), especially the consideration that segregation will hamper the integration of Islamic children into Dutch society is raised as an argument against an Islamic school sector. The strongest opposition on this basis comes from advocates of public rather than Catholic and Protestant schools, since the integration of all religious groups into one school has always been the ideal of public schools.

On the whole, the Dutch case doesn't indicate that private religious schools do produce more educational inequality then public schools, as long as these religious schools are treated in the same way by the state as the public schools, and as long as the religious schools are not allowed to collect extra resources for their schools.

Recent developments suggest that the disparity between the supply of schooling (organized around religious diversity) and demand of schooling in a predominantly secular society (see section III) might lead to some adjustments in the regulations regarding the establishment of private religious schools in the near future. Especially noticeable was a report published by the Dutch

Educational Council (the so-called Onderwijsraad, an influential advisory council to the national government) which might become the marker of an important change in the current system of choice. The Educational Council, commonly seen as powerful 'watchdog' regarding the arrangement of freedom of schooling, is proposing the adjustment of the educational system to the new social realities of Dutch society. In effect, the report radically re-interprets the design of the system of choice in education (Leune, 1996; Onderwijsraad, 1996). The Council argues no longer taking the religious charter of the school into account in the planning of the educational establishment, but to base this solely on a quantitative criterion, thus removing all criteria regarding the need for a religious or philosophical foundation for schools from legislation.

Although the Educational Council (Onderwijsraad, 1996, p. 95) puts the existence of discrepancies between the supply of schools and educational preferences of parents into perspective, and is of the opinion that the current situation offers a sufficient balance between supply and actual demand, the Council recognizes a cause for drastic adaptation of the school planning, and suggests founding and maintaining schools only on the basis of a numerical criterion. The main reason for the proposed adaptation is to tune the teaching activities more to the parental wishes, although arguments in the field of retrenchment should not be left out, be it, that they are seldom mentioned.

In practice, this will not so much mean the foundation of new schools. In the current system, the denomination of the school also plays a part in the funding of a school who wishes to change (or merge) its religious direction, when, for example, the student population has changed its identity. In a system in which a religious or philosophical charter is no longer a criterion for state funding, it is becoming easier to realize parental preferences through adaptation of the school's religious charter (Netelenbos, 1997, p. 11-14). So, by providing for diversity along other dimensions than the religious or philosophical lines, according to parental demands, it is hoped that the system would allow for more of a linkage between changing parental preferences and the teaching activities.

Furthermore, the system would be more consistent, no longer having as its rationale the religious diversity which Dutch society no longer exhibits.

With the adaptation of the educational infrastructure based on religion to a demand-driven system, the evolution of the current religiously based system to an otherwise structured system, based on other than religious preferences, be they ideological, pedagogical, educational or based on any other diversity, could lie ahead. By basing the founding and closing down of schools on a quantitative criterion, the balance between educational consumers and suppliers is thought to tip in favor of the first.

Regarded in the field of education and world view this would mean, that the educational supply is no longer sorted on the basis of denomination and the ideological diversity behind it, but that, now more than ever, the actual need defines the composition of the supply of schools. Different to a division of the stream of pupils based on religious diversity and a pre-programmed system of schools for the religious mainstreams, the decreased importance of religion and the enlargement of cultural diversity is reason to rid the organization of the supply of as many impediments as possible, in order to create maximal freedom to whom ever manages to mobilize sufficient support for a school of the proposed identity, at is the idea behind this development towards adjustment of some religious parts in the current arrangement of choice.

The school, however, is not only responsible for the passing on of culture, but is also a selective and reproductive instrument. Prestige, power and possessions have been unequally distributed in society, and educational achievements play an important part in the acquisition of these. Getting ahead in the labor market and the division of chances in life are highly influenced by scholastic achievements, which closely corresponds to socio-economic background. Education, therefore, is an important instrument for the justification and reproduction of the inequality of power, social status and income. The school, through this, becomes a scene of battle of social

groups centered on securing their position within the hierarchy of status of enlarging their part in the division of scarce means (see for example Bowles & Gintis, 1976). This means that not only is education a market where buyers and suppliers together decide on the setting of the transferal of standards and values, but also an arena, in which social groups meet to battle for the scarce social means.

This gives rise to the question what implications the intended enlargement of the freedom of educational consumers in the Netherlands will have for the arena in which social groups meet face to face in the competition for scarce means. What does enlargement of educational freedom mean for the reproduction of social inequality? (for more information, see also Dijkstra & Jungbluth, 1997).

#### 5. Discussion

The Dutch case shows that promoting more parental choice in education and more competition between schools can be a good way to improve the quality of teaching, to decrease the level of bureaucracy in and around schools, and to reduce the costs within schools. The Dutch case also shows that it is possible to strike a fair balance between the parental freedom of school choice and the aims of a national educational policy. It assumes, however, the equal funding and treatment of public and private religious schools by the state. Advocates of a strong market orientation and the absence of the state in education, tend to forget these important conditions of equal treatment and subsidizing. Without these conditions, the introduction of religious schools will produce less quality of teaching for the average student, more educational inequality, and a less balanced provision of societal relevant education. A balanced combination of the forces of the market and the state produces a better education for a larger part of the population then a reliance on either the state or the market. In the latter case the missing counter-balances against

the inevitable negative aspects of either a powerful state or a almighty market will produce a suboptimal result.

The developments outlined earlier make the Dutch experiment interesting because of, among other things, the question why parents in a secularized society do not favor education that is managed by the government on behalf of that society, but favor education managed by private organizations. This preference seems also to be demonstrable in other modern societies, and it is growing. There seem to be complementary explanations available, as discussed above. Schools run by private non-profit organizations will eventually, in equal circumstances, have more chances to have a more effective management and a social network around those schools, than schools that are run by local or national governments. These explanations cannot be seen as separate from the problems governments have to effectively produce and allocate in the long term quasi-collective goods in the areas of education, the arts and social services. Particularly the two-sided character of these quasi-collective goods is important in this. These are goods that neither the market nor the state are able to produce and allocate both efficiently as well as effectively. Private non-profit organizations seem to be able to deal better with the two-sided character of these quasi-collective goods than private, profit seeking organizations or public organizations, so that the former can produce quasi-collective goods, under equal circumstances, more effectively and efficiently than the state or profit organizations.

What does this mean for the future of systems of choice? The most likely development seems to be that it continues to exist, but in a transformed shape. The ideological and religious legitimization of private non-profit organizations will move more and more to the background. This will happen, however, without the legitimization being publicly renounced by all, because religion and ideology still form the building blocks of society. In those cases where that religious legitimization will be abandoned, it will be traded in for one that will refer to the efficiency of the

education offered. This efficiency does not need to relate only to school results, but also to the measure in which the school offers protection against the dangers of modern society. The legitimization of this efficiency will probably be rather multiform: ranging from ideological attention to a certain didactic, and from a religious identity to a certain social-cultural composition of the student population. Because private non-profit organizations may offer this efficiency in providing adequate surroundings more easily, there will not be a movement in the direction of an increase in education managed by local or national government. On the contrary, schools that are at the moment being managed by a local or national government might increasingly try to transform into schools managed by private non-profit organizations, or something resembling this. In short, the most likely development of public and denominational education might be a transformation to a type of non-religious or non-denominational education.

The role of the national and local government has become rather important in all of this. Regarding the optimal production and allocation of the quasi-collective good, which because of its nature cannot be left fully to the free market, the government is given the role of allocator of the collectively financed costs of the initial education, of guard of the quality of the initial education, and of determiner of the scale and the duration of the initial education. These roles are not new to the Dutch government: it has fulfilled these roles since the education legislation of the Batavian Republic. But the role of administrator of education is, because of the anticipated transformation, transferred to private non-profit organizations.

This transformation of private production of education based on religious and ideological organizations to a system based on private non-profit organizations might also create new problems. Private delivery of education by non-profit organizations does not automatically lead to an economically efficient organization of education. A situation with too many small schools under the responsibility of too many private non-profit organizations leads via one with a large number of

small schools to scale inefficiencies, and therefore to an expensive educational system and economic inefficiency. On the other hand, large non-profit organizations, which each manage many large schools, will no longer be very efficient, because frequent and intensive contacts with the internal sections in the school, and with external authorities, will diminish (cf. Hofman, Hofman, Guldemond & Dijkstra, 1996). The cause of this is the necessary increase of bureaucracy and legal rigmarole. The chances to form a functional community in and around the school will also diminish. Therefore, it will remain the task of the government, as provider of the collective means for education, to continually find the balance between efficiency and effectiveness.

Private non-profit organizations have another classical drawback: they may fall into the hands of a certain elite in society. The managerial control of education may, in such a situation, become an uncontrollable instrument of power. The current denominalization of education is a good illustration of just such a situation: there is a close bond between administrators of denominational education and the (Christian-democratic) political party that took up a central position in the Dutch political landscape for a long time. This classical drawback of private non-profit organizations makes permanent action of the national government necessary, to prevent unproductive power concentrations in education. If the transformation of education systems toward a more private production of education takes place too quietly, or is dominated by rhetoric and symbolism, this disadvantage might work out more even seriously. Solutions, like handing power of administration over to parents or schools, will also have to indicate which groups will have to receive this power, in situations where parents or schools do not have adequate administrative or marketization resources at their disposal. Given the inequality between schools and parents, it is unlikely that all schools and groups in society will be able to summon the force to administrate effectively.

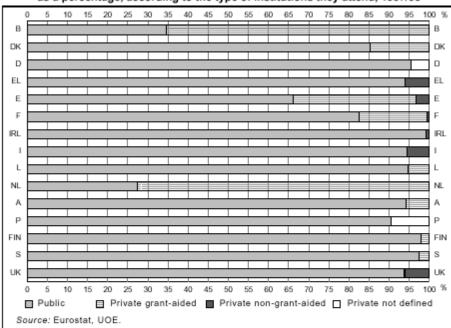
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Graph 1: Distribution of primary and lower secondary level pupils (ISCED 1-2) as a percentage, according to the type of institutions they attend, 1997/98



Pupils are classified into different categories according to whether they attend public sector education institutions, controlled and organised directly by the public authorities, or prinzite education institutions, controlled and organised by a non-governmental organisation.

Among private education institutions can be distinguished those which are grant-aided and those which are not. For UOE data collection, a private education institution is said to be grant-aided if it receives more than 50% of its grants from the public authorities. A non-grant-aided private institution receives less than 50% of its grants from the public authorities.

In most cases, the data permits the narrowest classification to be used. It is not possible to make a distinction between pupils attending grant-aided or non-grant-aided private education institutions in Germany or Portugal.

The ISCED classification was used to collect the data for 1997/98.

#### Additional notes

Balgium: The information shown is for the Flemish Community only. Non-grant-aided private education is not included.

Lessurgesurg: Non-grant-aided private education is not included.

Notherhands: Financial equality between public and grant-aided private institutions is a constitutional right.

United Kingdome The graph shows the situation for the United Kingdom as a whole, but in Scotland only 4% of pupils attend nongrant-aided private schools and the remainder attend public schools.