

Schools like any other?

INDEPENDENT SCHOOLS AS PART OF THE SYSTEM 1991-2004



Schools like any other?
Independent schools as part of the system 1991-2004

Order no 06:949
ISBN 91-85545-08-2
ISBN 978-91-85545-08-7

Design: Mera text & form
Cover image: GoodShoot

Swedish National Agency for Education 2006

Schools like any other?

INDEPENDENT SCHOOLS AS PART OF THE SYSTEM 1991-2004

Summary report in English

Index

Foreword	5
1. Introduction	6
Purpose and questions	7
Scope and methodology	10
The growth of independent schools – hopes and fears	11
What is an independent school today?	14
Independent schools in Sweden	16
2. Consequences of independent schools from the point of view of the municipalities	18
School choice	19
Competition and cooperation	22
The future	30
Summary	32
3. Pupil and school performance	34
The equivalence of grades	34
Throughput	37
Pupils' attainment	38
Summary	39
4. The municipalities' costs	41
Summary	45
5. Independent schools as part of the system – a summary	46
Quality	47
Choices and diversity of provision	48
Cost effectiveness	50
Segregation	51
Different municipalities	51
Different organisers	52

Foreword

The Swedish National Agency for Education is the central administrative authority for the Swedish state school system for children, young people and adults, as well as for preschool activities and child care for school children. The role of the National Agency for Education in the Swedish education system is to define goals in order to administrate, to inform in order to influence and to review in order to improve.

Today independent schools are a major element in the Swedish school system. They are often included in the National Agency for Education's studies and evaluations in the same way as schools run by the municipalities. This report takes as its starting point previous studies carried out by the National Agency for Education and examines whether independent schools have helped to improve the education system in the manner intended. The arguments for making the conditions under which independent schools operate more like those for municipal schools can be summarised in a few key points. These have been used as the basis for questions which this study has sought to answer.

The group working on the report comprised the following National Agency for Education staff: Jesper Antelius, Staffan Engström, Gunnar Åsén, Hanna Österlund and Karin Wahlström (project manager). Political scientist Göran Bergström at Stockholm University contributed his views in the final phase of the project.

The following report is an abridged version of the Swedish report *Skolor som alla andra? Med fristående skolor i systemet 1991-2004*. Swedish National Agency for Education report 271. The original Swedish report contains a chapter summarising previous studies of independent schools compared with municipal schools. It contains a more detailed chapter showing the number and geographical spread of independent schools in Sweden. The report also contains an appendix describing the statistical methods and analyses used.

Per Thullberg
Director-General

Karin Wahlström
Project manager

1. Introduction

Until the late 1980s it was virtually taken for granted in Sweden that state-financed services such as health, education and care should be publicly run. In the years that followed, this view changed. Expectations of the positive consequences of competition and a market-oriented approach were behind the changes in regulation which made it possible for external players and agencies to operate public services.¹ Citizens have gained considerably greater choice within the welfare system.² This report looks at the effects of these changes on the education system.

The 1990s saw responsibility and decision-making in the education sector decentralised, giving municipalities new rights and responsibilities in the areas of childcare and education. The municipalities have taken on a great deal of the responsibility for organising education. The state has moved from a rule and resource-based management system to one based on target and results. This change in the management system for the education sector was introduced during the 1990s, alongside a new curriculum for compulsory schools and a new grading system. The period on which this study focuses is thus one which has seen many changes in schools.

Hopes that competition and decentralisation would have positive consequences have led to the conditions under which independent organisers in the field of education operate increasingly being made the same as those of their municipal counterparts. This process began in the early 1990s. Since then the number of independent schools has increased. This increase took place at the same time as Sweden had a large number of pupils passing through compulsory education. This means that the independent schools have been able to absorb some of the surplus. In the future pupil numbers are set to decline, but the bulge in pupils will continue in upper secondary school for a while yet.

Today's independent schools take various forms, from small parental cooperatives whose start-up may have been fuelled by the closure of a municipal school, to schools with a particular educational approach or subject specialism,

1) Gustafsson R Å (2000) *Välfärdstjänstearbetet. Dragkampen mellan offentligt och privat i ett historie-sociologiskt perspektiv (Welfare services. The battle between the public and private sectors in a historical-sociological perspective)*. Gothenburg: Daidalos.

2) Hugemark & Wahlström (2002) *Personlig assistans i olika former – mål, resurser och organisatoriska gränser (Personal assistance in various forms – goals, resources and organisational boundaries)*. R&D report 2002:4, City of Stockholm.

and schools which are run by large for-profit education companies. What independent schools have in common is that they are external players in the otherwise state-run school system. It is in precisely this capacity that they are of interest to this report.

The growth of independent schools has taken place at the same time as an increase in educational choice. The National Agency for Education has produced several evaluations on this subject.³ The effects of choice have thus been reported and analysed in several reports. However, the National Agency for Education has not produced any overall description of the growth of independent schools and their impact on the school system. Nevertheless, these issues are related. The question of choice can be said to be more generally about the mobility which has arisen in the education sector regarding schools, pupils and staff. When examining the impact of independent schools on the system, the question to be addressed is whether they have contributed to consequences other than those created by greater choice. This would have to do with the fact that the schools are run by a body other than the municipality and that they are governed by different rules from state schools.

Purpose and questions

The main purpose of this report is to describe the period in which independent schools were established in the Swedish school system from the point of view of the public sector, on the basis of the existing statistics and studies gathered by the National Agency for Education. The political decisions which have facilitated the setting up of independent schools in recent years have sought to improve the Swedish school system in various ways. What traces of this can be identified today? Have these ambitions been realised? The study uses as its basis some of the most common arguments for independent schools, arguments which have been put forward in government bills by non-social-democratic and social democratic governments. It was hoped that independent schools would help to create:

- a wider range of schools and thus increased freedom of choice. Freedom of choice is both an important aim in its own right and a means of achieving other aims. Independent schools are to help to create a wider range of

3) National Agency for Education (1993) *Val av skola, Rapport om valfrihet inom skolplikens ram läsåret 1992/93 (Choice of school, Report on choice within the framework of compulsory attendance for the academic year 1992/93)*. Report no. 40; National Agency for Education (1996) *Att välja skola – effekter av valmöjligheter i grundskolan (Choosing a school – effects of choice in compulsory school)*. Report 109; National Agency for Education (2003) *Valfrihet och dess effekter inom skolområdet (School choice and its effects in Sweden)*. Report 230. These reports are summarised in section 2 of the original Swedish report.

schools, which in turn will provide more specialisation, greater variety and increased flexibility in the school system.

- better quality in the school system. The many different organisers and schools with different profiles competing with each other for pupils will revitalise the school system and lead to improvements in teaching throughout the education system. Pupils will achieve more.
- a more cost-effective school system. Independent schools will contribute towards a more effective use of resources in the school system as a whole, e.g. by disseminating more cost-effective working methods.

The main counter-argument put forward by politicians concerns the potential segregation caused by independent schools.

On the basis of the above arguments three questions have been formulated for this study:

What quality-related consequences can be discerned as a result of the existence of independent schools?

This project studies the aspect of quality from several different perspectives. The starting point was identifying any differences in quality between independent and municipal schools. Quality is measured in terms of merit rating and average grade points, which can be said to be very rough and limiting but still significant measurements of quality.⁴ One analysis carried out examines how pupils with final grades from municipal and independent compulsory schools respectively succeeded in upper secondary school, in terms of grades and rate of throughput. The analysis also addresses the progress pupils made in terms of grades in independent upper secondary schools compared with municipal upper secondary schools. Here the empirical evidence is derived from national statistics. As the quality aspect is hard to identify and grades and merit ratings

4) *The merit rating* is calculated by adding the points for the 16 best grades in the pupil's leaving certificate at the end of year 9, where the grade Pass = 10 points, Pass with distinction = 15 points and Pass with special distinction = 20 points. The rating is calculated for pupils who have been awarded grades in at least one subject and before any re-marking. *The average number of grade points* is calculated based on all the graded courses in pupils' school leaving certificates from upper secondary school, where the grade points for the course are multiplied by a weighting per grade (Fail = 0, Pass = 10, Pass with distinction = 15 and Pass with special distinction = 20) divided by the pupil's total number of grades. The merit rating is thus based on the assessment of many teachers of the total knowledge of 16 subjects over a long period, unlike, e.g. a national test which measures limited knowledge in one subject at a certain point, assessed by one teacher. (see National Agency for Education (2005) *Att mäta skolors relativa effektivitet – En modellanalys baserad på resurser och resultat* (Measuring the relative effectiveness of schools – A model analysis based on resources and results) Ref. 2004:1464.

are limited measurements, different prerequisites for quality were also studied. Schools having staff with a teaching qualification and a high teacher-pupil ratio are usually seen as such prerequisites.⁵ Another important prerequisite for quality is related to the cooperative climate between schools.⁶ The existence of evaluations can also be of great importance for schools' ability to maintain and develop good quality.⁷ Educational improvement is a further aspect that can be linked to quality. All these questions are addressed in this study. The quality aspects are thus studied in terms of pupil and school results measured as grades, educational improvement in schools and prerequisites for schools and municipalities to provide a good education.

How are the available choices/diversity of provision affected as a result of independent schools?

To shed light on this question summaries have been made on the basis of national statistics on where independent schools are located, any special focus they may have, what the trend has been like in terms of the number of independent schools, their geographical spread and focus.⁸ Choice is studied in terms of access to independent schools but is also addressed in the question of which categories of schools the independent schools fall into.

-
- 5) Gustafsson & Myrberg (2002; *Ekonomiska resursers betydelse för pedagogiska resultat – en kunskapsöversikt (The importance of financial resources for educational results – an overview)*. National Agency for Education: Liber) states that positive effects are seen in pupils' results practically irrespectively of how teacher expertise is defined.
 - 6) The importance of this for improving education is emphasised in the National Agency for Education report (2003b; *Lusten att lära med – med fokus på matematik (Desire to learn – with a focus on mathematics)*. National quality audit 2001-2002). The city of Stockholm's education inspectors note the lack of cooperation between schools, not only independent schools but also municipal ones, on grading. The conclusion of one inspector is: "We can see ahead of us increased cooperation between upper secondary schools irrespectively of who they are run by in order that pupils be able to be offered teaching which is characterised more by an overall approach and which helps them to gain a better overview of broad areas of knowledge. Such cooperation between municipal and independent schools would require an expressed desire to do so on the part of those running the schools." (City of Stockholm 2003; *Gymnasieutbildning med olika kvalitet. Gymnasieinspektörernas rapport för läsåret 2002/2003 (Upper secondary education of varying quality. Upper secondary school inspectors' report for the academic year 2002/2003)*)
 - 7) Gustafsson & Myrberg (2002; *Ekonomiska resursers betydelse för pedagogiska resultat – en kunskapsöversikt (The importance of financial resources for educational results – an overview)*. National Agency for Education: Liber) refers to several researchers who consider that the existence of regular evaluations is one of the relevant criteria for successful schools, see also SOU (1999:98); Likvärdiga villkor Slutbetänkande av Kommittén för uppföljning av resursfördelning till fristående grundskolor. (Equivalent terms Final report of the Committee monitoring the allocation of resources to independent compulsory schools).
 - 8) Information on this has been obtained from the National Agency for Education's independent school database.

What financial consequences have independent schools had for the municipalities?

Regarding financial consequences, the finances of the municipalities were analysed in relation to the existence of independent schools. Information has also been gathered on how the situation regarding efficient use of resources and organisational issues such as opportunities for planning and organisation are viewed by municipal civil servants.

In addition to the three main questions of the study, the aim is also to shed light on any segregating consequences as a result of independent schools being set up. Previous studies have identified such effects as a result of choice and the existence of independent schools.⁹ For this reason, this issue is not the main focus of this report. However, we have sought to identify any segregating consequences in terms of parental education, ethnicity, pupil results, etc.

Within the limitations set by these questions and the empirical evidence, a tentative argument is made regarding the consequences of the independent school reform.

Scope and methodology

The study is limited to mainly addressing compulsory schools. There is much to indicate that, if possible, it is considerably more difficult to separate the consequences of independent schools from the consequences of educational choice for upper secondary schools than it is for compulsory schools. This is why this study focuses on compulsory schools.

This study is largely based on the National Agency for Education's already published data and analyses. To supplement this, information has been gathered at municipal level from heads of education with responsibility for compulsory schools. A questionnaire addressed to "the municipality's director of education or equivalent with overall responsibility for compulsory schools" was sent to Sweden's municipal authorities. It is reasonable to assume that the questions regarding the system we are posing in this study can be answered at central municipal level.¹⁰ The municipalities have an overview of the financial situation in the municipality and how this has changed over time. It can also be expected

9) Including National Agency for Education (1996) *Att välja skola – effekter av valmöjligheter i grundskolan (Choosing a school – effects of choice in compulsory school)*. Report 109; (2003a.) *Valfrihet och dess effekter inom skolområdet. (School choice and its effects in Sweden)*. Report 230.

10) The question of which of the municipality's officials has this overview has been discussed with the National Agency for Education's investigation department's municipal reference group consisting of centrally located civil servants responsible for investigation, evaluation and coordination in over ten municipalities. The view of the reference group was that the questionnaire questions should be able to be answered by the director of education or equivalent in the municipality.

ted that the municipalities have an overview of the schools for which they are responsible and of how their quality is improving or changing. This should be the case, especially given the development of the evaluation system in various forms in the municipalities in recent years. Central municipal level should also be aware of the attitude of parents and children to the choices currently available in education. It is the municipalities that are responsible for ensuring that every child attends compulsory school and they can therefore be expected to know in which schools the municipality's pupils are receiving their education. This means that parts of the study also have a central municipal perspective, more precisely the perspective of the heads of education.

The growth of independent schools – hopes and fears

In 1991 a non-social-democratic government came into power with the express ambition of increasing the role of independent schools in the Swedish school system. The government's aim was to give children and parents the opportunity, as far as possible, to choose a school, including the opportunity to choose an independent school, to choose within the municipal school system and to choose a school in another municipality. The government considered that the guiding principle should, as far as possible, be parental and pupil choice and it therefore sought to strengthen the right of municipalities to educate children from other municipalities.¹¹ There were several arguments in favour of this: greater freedom of choice, which in turn assumed that several choices would be available, would revitalise Sweden's schools. Increased freedom of choice would boost parental involvement, and municipalities would pay more attention to the views of parents and pupils. "Stimulating competition between different schools, with different specialisms and different forms of ownership"¹² would help to raise quality across the entire school system, while an increased range of schools with different specialisms would also allow different interests to be served to a greater extent. Freedom of choice was to create greater breadth and further the development of new teaching methods, helping to form a climate in which independent schools with new profiles would be created. These independent schools would not, as was previously the case, have to differ in character from the municipal school in order to receive a government grant. An independent school could be approved provided that it met the general objectives for education as specified in the Education Act (*skollagen*) and the curriculum.

¹¹) Government bill (1991/92:95) p. 8 *Om valfrihet och fristående skolor (Choice and independent schools)*.

¹²) Government bill (1991/92:95) p. 9 *Om valfrihet och fristående skolor (Choice and independent schools)*.

At the start of the 1990s, the most common independent schools were those with a special educational approach and faith schools. The non-social-democratic government anticipated a trend towards more parental cooperatives and schools focusing on particular subjects and hoped that rural schools threatened with closure would be able to gain a second chance under new management. Another expected consequence of increased choice and an increased number of independent schools was cost-efficiency and a more efficient use of resources within the school system overall. The underlying idea was that schools with their own profiles would be able to try out new, more effective working methods that could then be spread further.¹³

By the time the social democrats came into power in 1994, the number of independent schools had already risen considerably and the new social democratic government now saw independent schools as an integral part of the Swedish school system. In their view, independent schools had made a positive contribution towards diversity in the school system. Diversity in education, with independent and municipal schools, was seen as necessary for improvement and innovation in education. The municipal schools too were also seen as largely independent units with great freedom under responsibility. The social democratic government expected that the municipal schools would compete with each other and with independent schools. Like the previous non-social-democratic government, the social democrats thought that competition and choice would benefit education. However, the government also advocated closer cooperation between independent schools and the municipalities in order to make best use of their shared resources. Such cooperation would benefit all schools, whoever they were run by.¹⁴ Schools were thus to both compete and cooperate.

The social democratic governments from 1994 onwards have put forward arguments in favour of independent schools which are more or less identical to those put forward by the non-social-democratic government of the early 1990s but have also expressed a number of fears. In several bills on independent schools different social democratic governments have emphasised the importance of consistency in the Swedish school system. At the same time, they have highlighted the value of diversity in education in positive terms. Integrating pupils with different experiences and different cultural and social backgrounds has been considered to be of great value. “Diversity, must, however, be reconcilable with a national and municipal responsibility for a consistent and equivalent school system in which quality can be guaranteed and transparency ensured.”¹⁵ One

13) Government bill (1991/92:95) p. 9 *Om valfrihet och fristående skolor (Choice and independent schools).*

14) Government bill (1995/96:200) pp. 21-22 *Fristående skolor (Independent schools).*

15) Government bill (2001/02:35) p. 29 *Fristående skolor. (Independent schools).*

important condition for diversity was thus that it must not threaten a consistent and equivalent school system and public control of this.

The non-social-democratic government had also highlighted the importance of equivalence, which, combined with quality, could be formulated as “everyone’s equal right to a good education”¹⁶. The regulatory system should be distinguished by such equivalence, and better opportunities to choose a school was also one dimension of equivalence.¹⁷ The social democratic government instead emphasised the need for common regulations and control of the entire school system.

Different social democratic governments have expressed concern that an increase in the number of independent schools would lead to the school system becoming more segregated. No schools were to be permitted to act in a manner that segregated on financial or social grounds. All pupils were to have the same opportunities to choose a school. The fundamental principle that schools must be open to all pupils was important and in the early 2000s the government stated that “freedom of choice in state school provision with supplementary alternative forms of operation must not lead to wider gulfs and greater segregation”.¹⁸ The regulatory framework was to be designed so as to prevent any such tendencies. Schools were not to act in a segregating manner by imposing special rules on admissions or by charging application or tuition fees. In order to safeguard equivalence in the system, the government also wanted the financial conditions to be identical for all schools, whether municipal or independent. All schools were to be granted resources relative to the needs of their pupils.

On various occasions, social democratic governments have put forward the viewpoint that more independent schools could threaten freedom of choice in another way. Partly following the decision made by some municipalities to turn all their municipal schools into independent ones,¹⁹ it was stated during the 1998-2002 term of government that education for children and young people should primarily be run by the state but that there should also be scope for independent alternatives. “The pupil’s right to choose a school must not, however, be restricted to an opportunity only to choose an independent school. Instead there must be a real right to choose a municipal school.”²⁰

When the proportion of independent schools run in the form of limited companies increased, the government pointed to some complications. There

16) Government bill (1991/93:230) p. 26 *Valfrihet i skolan (Choice in education)*.

17) Government bill (1991/93:230) p. 27 *Valfrihet i skolan (Choice in education)*.

18) Government bill (2001/02:35) p. 30 *Fristående skolor (Independent schools)*.

19) see National Agency for Education (2003) *Valfrihet och dess effekter inom skolområdet (School choice and its effects in Sweden)*. Report 230.

20) Government bill (2001/02:35) p. 29 *Fristående skolor (Independent schools)*.

could be a risk of conflicts of interest for this type of independent school, i.e. problems reconciling the profit motive with educational improvement.²¹ In the view of the government, the profit motive also risks increasing social and economic segregation and creating a society with wider gulfs. Furthermore, a risk was seen that schools that failed to make a profit would be closed, which could result in sudden changes for pupils, parents and municipalities. The government therefore considered that the financial profits of independent schools should always be ploughed back into the school. Work is still in progress on this issue in the Government Offices.

The above overview sets out the political arguments that formed the basis for the growth of independent schools, as expressed in government bills. There were both hopes and fears and these have steered the regulatory framework that surrounds independent schools today.

What is an independent school today?

An independent school is characterised by having a different principal organiser (owner) from a school run by the state, a municipality or a county council. Independent schools are available for compulsory and voluntary types of education. Pre-schools, leisure-time centres and pre-school classes can also be run by independent bodies. These schools must be open to all children who have the right to the type of schooling in question within the state education system except in cases where admission would result in considerable organisational or financial difficulties for the school. Various entrance tests or queuing systems can arise when the number of applicants exceeds the number of places.

There is a particular chapter in the Education Act (Chapter 9) and a particular Ordinance (1996:1206) regulating independent schools. Although independent schools do not need to follow the national curricula, syllabi or timetables, the education they provide must essentially match the knowledge and skills and comply with the general objectives and values expressed by these national documents²². An independent school that has been approved by the National Agency for Education to run tests and issue grades is to apply the provisions of Chapter 7 of the Compulsory School Ordinance. Independent upper secondary schools as a rule are to set grades in line with the provisions of the Upper Secondary School Ordinance, although Waldorf schools may issue certificates instead of awarding grades. Like municipal schools, independent schools are obliged to primarily hire trained teachers. If it is not possible to obtain a trained teacher,

21) Government bill (2001/02:35) p. 31 *Fristående skolor (Independent schools)*.

22) The majority of independent compulsory schools and upper secondary schools currently follow the national curricula and syllabi.

exceptions may be made, as is the case in the state school system. Independent compulsory schools and schools for pupils with learning disabilities (särskola) must have at least 20 pupils unless there are special reasons to the contrary²³. Schools for pupils with learning disabilities²⁴ must provide pupils with the care they require. Attending an independent school must be free of charge and independent comprehensive schools, schools for pupils with learning disabilities and special schools must provide pupils with free school meals. The school must also provide school health care and mother tongue tuition. Independent schools may have a religious focus. All independent schools are to have one person who performs the function of a head teacher in leading the work of the school. However, this does not apply to schools whose educational philosophy dictates that leadership is shared, e.g. Waldorf schools.

The National Agency for Education examines applications for approval as a school. What is examined is the organiser's ability to run the school in a stable and long-term manner. The municipality in which the independent school is applying to set up is entitled to state its opinion on the application. Its comments are to concern the consequences of the independent schools being set up. However, in its statement the municipality may also report local knowledge about the independent organiser and its ability to run an independent school. This provides the National Agency for Education with better grounds for reaching a decision. Independent schools are not to be entitled to funding if "...its activities would cause considerable negative consequences to the school system in the municipality where the school is situated"²⁵. The negative consequences referred to here are having to close an existing school, which can lead to some pupils having a considerably longer journey to school than previously or municipalities incurring considerably increased costs in the short and the long term. The National Agency for Education takes on board the municipality's comments and takes them into account in its decision and may reject the application in two ways. Either the entire application is rejected or the school can be refused funding. The independent schools which are approved are to be awarded funding on the basis of the school's provision of education and the needs of

23) Government bill 1995/96:200 *Independent schools, etc.* cites schools in sparsely populated areas and schools of the treatment centre/therapy school type as examples of special reasons. Nor does the National Agency for Education consider that a school which has been approved as an independent compulsory school but which also wishes to be approved as an independent school for pupils with learning disabilities in order to be able to integrate pupils with learning disabilities into the school, needs to have 20 pupils. Another reason can be that the school is in the process of growing. (SOU 2002:121 *Skollag för kvalitet och likvärdighet (An Education Act for quality and equivalence)*, appendices, page 89)

24) However, no independent schools for pupils with learning disabilities have been established as yet.

25) Education Act, Chapter 9, Section 6a.

each pupil, on the same grounds as those applied by the municipality in allocating resources to municipal schools. If another organiser wishes to take over the school, this organiser must be examined and approved in the same manner.

Independent schools are independent from requirements set by central municipal level. When it comes to insight, review and evaluation, however, the independent schools have an obligation to participate to the extent required by the municipality in which they are located. They are also obliged to participate in the National Agency for Education's reviews, evaluations and inspections, as well as in national tests as laid down by the government or the agency appointed by the government.

The schools are free from the responsibility the municipalities have to offer education to all children of compulsory school age in the municipality. Thus an independent school can be started and closed without any such considerations. The municipality has no obligation to fund school transport for pupils who choose to attend a school other than that in which the municipality would have granted the pupil a place. This applies, for example, where the pupil chooses to attend an independent school.

To sum up, it can be said that the independent schools have greater freedom to organise their operations than do municipal schools. However, their operations must in the main comply with the spirit and the content of comparable education provided by the municipality.²⁶ The changes imposed over time have led to the conditions under which independent schools operate having become increasingly similar to those of municipal schools

Independent schools in Sweden

Since the start of the 21st century, the number of applications to start independent schools has fallen, both at compulsory school and upper secondary school level. The number of active independent schools has, however, shown a constant increase since the mid-1990s. Ten years ago the largest group of independent compulsory schools in relation to the total number of schools was those with a special educational philosophy. Today the largest group is schools with a generalist approach. Creating a school with an alternative educational philosophy is thus now not as popular as having a more general focus. If this general focus can be said to correspond to that of many ordinary municipal schools, this change can be interpreted as indicating that the independent compulsory schools are

26) For an exhaustive overview of the restrictions surrounding independent schools and of how the regulatory framework is interpreted and applied by politicians and civil servants in the city of Stockholm and by the National Agency for Education, see Mannerfelt (2005) *Villkorad frihet – om reglering av fristående skolor (Conditional freedom – the regulation of independent schools)*. R&D report 2005:4, City of Stockholm

becoming increasingly like municipal compulsory schools. However, this general focus can also encompass schools that base their operations on special educational ideas. The categorisation of independent schools may therefore be too imprecise to be able to say anything certain about their activities.

In general, the independent schools have fewer pupils than municipal schools.

Independent schools geared towards pupils in need of various kinds of special support have also shown a marked increase in the past five years. These include independent schools for pupils with learning disabilities, and independent schools specially geared towards pupils with different neuropsychiatric diagnoses, pupils with dyslexia, physical disabilities and pupils with various social problems.

On average pupils in independent schools have higher merit ratings than pupils in municipal schools. However, the range is wider across independent schools overall.

The pupil make-up in independent compulsory schools differs in some respects from that in municipal compulsory schools. Independent schools contain a larger proportion of girls, a larger proportion of pupils with parents who have continued in education after upper secondary school and a larger proportion of pupils with a foreign background. Pupils with a foreign background attending independent compulsory schools have parents who are relatively well educated compared with parents of pupils with a foreign background who attend municipal schools. These are factors that vary positively with pupil results at school and may be one of the explanations behind the good results achieved by independent schools. The proportion of teachers with a university teaching degree is lower in independent schools than in municipal schools. Independent schools also have a lower teacher-pupil ratio than municipal schools. The National Agency for Education receives more complaints about independent schools than municipal schools in proportion to pupil numbers but the number of independent schools criticised is lower than the number of municipal schools.

2. Consequences of independent schools from the point of view of the municipalities

As part of the project, a survey was carried out with the aim of studying the consequences the establishment of independent compulsory schools may have had in the municipalities, primarily in terms of quality, choice and finances. A questionnaire was addressed to “the municipality’s director of education or equivalent with overall responsibility for compulsory schools”, i.e. the public servant who could be expected to have the best overview of the school system in the municipality and who would presumably be able to make a qualified assessment of any consequences of independent schools being set up in the municipality.²⁷ There was a “don’t know” option for all the questions. In a letter accompanying the questionnaire, respondents were specifically instructed to select this option if they were uncertain. The questionnaire was sent out to all of Sweden’s municipalities in May 2004. It was answered by 281 of 290 heads of education, a response rate of 97 percent.²⁸ According to the responses to the questionnaire, 158 municipalities had at least one independent compulsory school in the spring term of 2004, while 123 municipalities had only compulsory schools run by the municipality.

This chapter reports the results of the questionnaire in the following areas: pupils switching school, relations between the municipalities and the independent schools, the consequences of independent schools being set up, and the future. For the first three areas only answers from the 158 municipalities that have independent compulsory schools are reported, while the report of responses to questions about the future is based on answers from all 281 contributing municipalities. The municipalities’ answers vary for the majority of questions, among other things in the number of pupils in the municipality who attend independent schools. The answers will therefore be reported partly according to the total distribution of responses for each question and partly according to how

27) In the text the responses are referred to as being those of the municipalities and the heads of education.

28) In the 8 municipalities that did not answer the questionnaire between 0 and 11 percent of pupils attend independent compulsory schools. The mean average for Sweden’s municipalities is 6.2 percent, with a median of 1.5 percent. Four of the municipalities that did not respond lie above the median and four lie beneath it.

the responses are distributed for groups of municipalities with different numbers of pupils in independent schools. Some answers are also reported distributed on the basis of the number of independent schools and/or the party-political majority in the municipality, where these factors prove to be significant. In the latter case, a division is made into “social democratic majority”, “non-social-democratic majority” and “other majority”.²⁹ On certain questions where there are clear differences in the responses from different types of municipalities, the answers are reported distributed between three different groups of municipalities: “cities/suburbs”, “large/medium-sized municipalities” and “small municipalities”.³⁰

The questionnaire contained a number of statements about the consequences of independent schools being set up. The heads of education were asked to state how well these statements matched the situation in their own municipality. Four possible answers were available: “to a very large extent” “to quite a large extent”, “to quite a small extent” and “not at all”. In this report the answer “to quite a small extent” is interpreted as a negative response, i.e. that independent schools being set up did not, for example, lead to the consequence in question. If this response were instead to be interpreted as indicating that a certain effect could be seen, albeit a very small one, the effects of independent schools would be considerably greater in every respect throughout the survey.

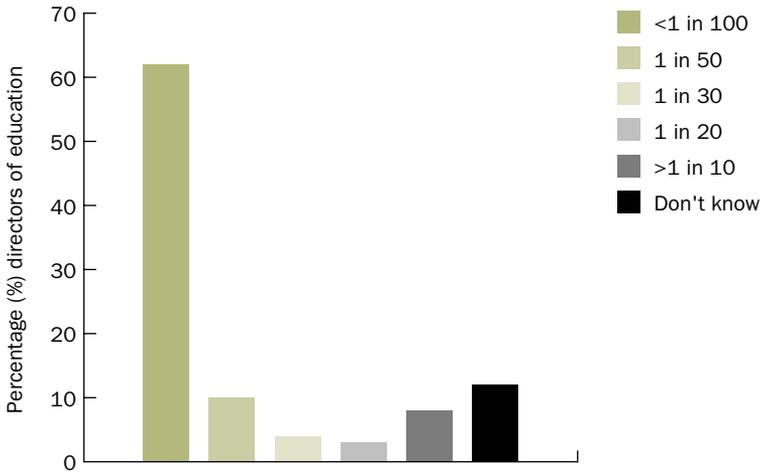
School choice

The municipalities were asked some questions about pupils switching between schools run by different principal organisers. The answers show that in the majority of municipalities only a very small proportion of pupils (approximately 1 out of 100 pupils or fewer) switched *from a municipal to an independent school* in the school year 2003/04, but that there are also municipalities – primarily those in cities and suburbs – where the proportion of pupils who made this switch was considerably higher. Approximately eight percent of the municipalities stated that one in ten pupils or more switched from a municipal to an independent school before or during the school year (see diagram 2:1).

29) This division is based on information from the Swedish Association of Local Authorities and Regions (formerly the Swedish Association of Local Authorities) and refers to majorities according to the mandate division in the 2002 election.

30) In this case the starting point is the groupings of municipalities carried out by the Swedish Association of Local Authorities and Regions, in which Sweden’s municipalities are divided into nine groups according to their structural features such as population and business structure. The group “cities/suburbs” combines municipalities in the cities and the suburbs, the group “large/medium-sized municipalities” includes large and medium-sized towns and other large municipalities, while other types of municipality are included in the group “small municipalities”.

Diagram 2:1. Directors of education's answers to the question "Roughly how large a proportion of your municipality's pupils switched from a municipal to an independent compulsory school before or during the school year 2003/04?"



When asked *when* during the time between pre-school class and year 9³¹ this change of school generally took place, 40 percent answered that the majority of pupils switched as early as before year 1, in other words after the pre-school class. 13 percent answered that the majority of changes of school took place in years 2-5, 20 percent that pupils switched school in years 6-7 and 3 percent that switching mainly took place in years 8-9. Just over a quarter of the heads of education were unable to answer the question.

According to the responses to the questionnaire, the most common switch is *from one municipal school to another* (41 percent of municipalities) and *from municipal to independent schools* (37 percent of municipalities). Approximately 7 percent answered that *switching from an independent to a municipal compulsory school* is the commonest change, while 14 percent of heads of education did not know. Municipalities with a high proportion of pupils in independent schools replied to a greater extent than others that the most common switch is from a municipal to

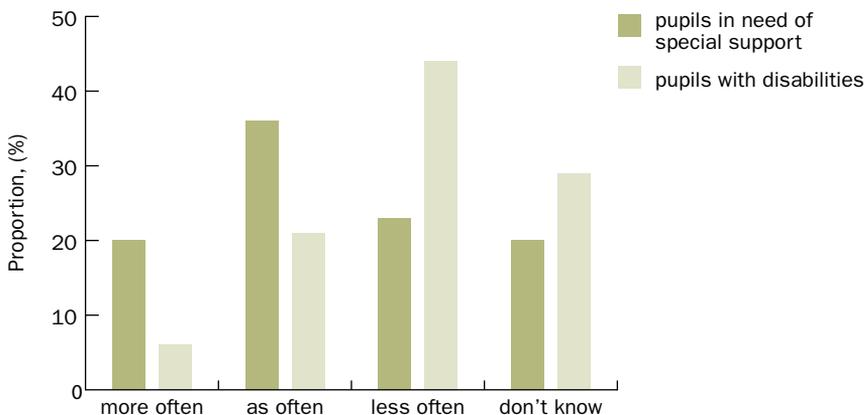
31) All pupils who changed "school" between the pre-school class and year nine are counted as having changed school as in the municipalities the pre-school class to year 9 is usually seen and planned as a continuum. The choice of pre-school class is also as a rule a choice of continued attendance at the school. In many cases, pre-school classes are run in conjunction with years 1 and 2. (National Agency for Education 2001; *Att bygga en ny skolform för 6-åringarna. Om integrationen förskoleklass, grundskola och fritidsbarnhem (Building a new school form for 6 year-olds. Integrating pre-school classes, compulsory schools and leisure-time centres.)* Report 201) Changes of school throughout the period from pre-school class to year 9 can be expected to affect the municipalities' planning, despite the fact that pre-school classes are voluntary and compulsory school is compulsory.

an independent school. According to these municipalities, the number of changes of school has increased in the last five years. 26 percent answered that changes of school increased *considerably*, 33 percent that they increased *slightly* while 37 percent state that changes of school did not increase at all. Here a clear difference can be seen between the different types of municipality. According to the heads of education, the increase is largest in the “cities/suburbs” group of municipalities, which also contains the largest number of independent schools and more municipal schools to choose between.

Of those who state that the number of changes of school has increased, a majority consider that this has had consequences in the form of *planning problems* for the municipality, the schools or both. Almost 70 percent of these municipalities answered that increased changes of school led to planning problems, while 16 percent consider that this did not lead to any planning problems. Some municipalities answered that more changes of school also had other consequences, primarily financial or in terms of premises, partly as a result of schools being closed or the number of classes being cut. A large proportion of heads of education in “large/medium-sized municipalities” and municipalities with a high proportion of pupils in independent schools stated that planning problems of some kind arose as a result of the number of changes of school.

When asked about pupils in need of special support, 36 percent of the municipalities answered that *pupils in need of special support* switch school as often as other pupils, 20 percent that these pupils switch more often than other pupils, 23 percent that they switch less often, while 20 percent answered that they did not know. When asked about *pupils with disabilities*, 21 percent of the heads of education answered that they switch school as often as other pupils, 6 percent that these pupils switch more often and 44 percent that they switch less often than other pupils. 29 percent answered that they did not know (see diagram 2:2).

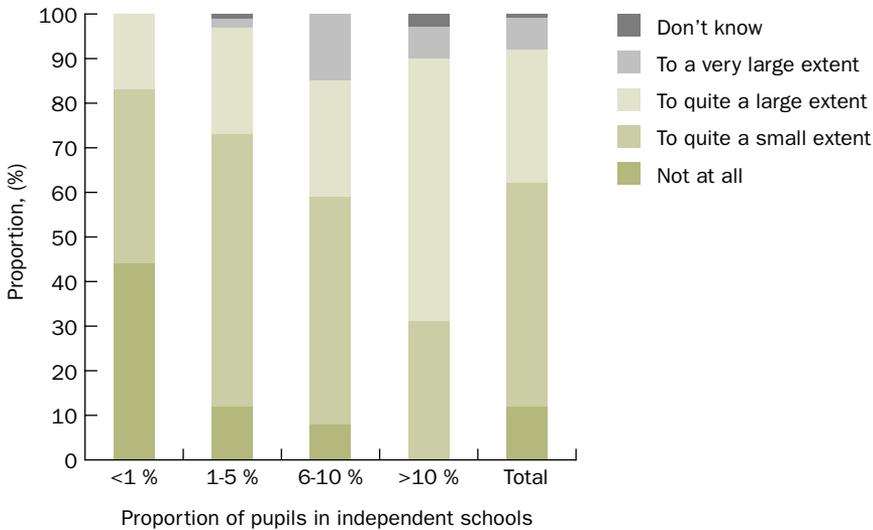
Diagram 2:2. Answers to the question “What do the switching patterns look like, in your view, for pupils in need of special support/pupils with disabilities in your municipality?”



Competition and cooperation

The questionnaire asked whether the situation in the municipality is characterised by *competition* between schools with different principal organisers. Almost half of the respondents answered that the situation in their own municipality was characterised by competition between compulsory schools with different principal organisers “to quite a large extent” or “to a very large extent”. When the municipalities are divided according to the proportion of pupils in independent schools, it becomes clear that it is largely in municipalities with a high proportion of pupils in independent schools that this kind of competition is experienced. In municipalities with over ten percent of pupils in independent schools, almost 60 percent answered that relations between schools are characterised by competition “to quite a large extent” and approximately 7 percent that relations between schools are characterised by competition “to a very large extent”. This can be compared with municipalities with 1 percent or a lower proportion of pupils in independent schools, where almost 20 percent answered that relations between schools are characterised by competition “to quite a large extent” (see diagram 2:3).

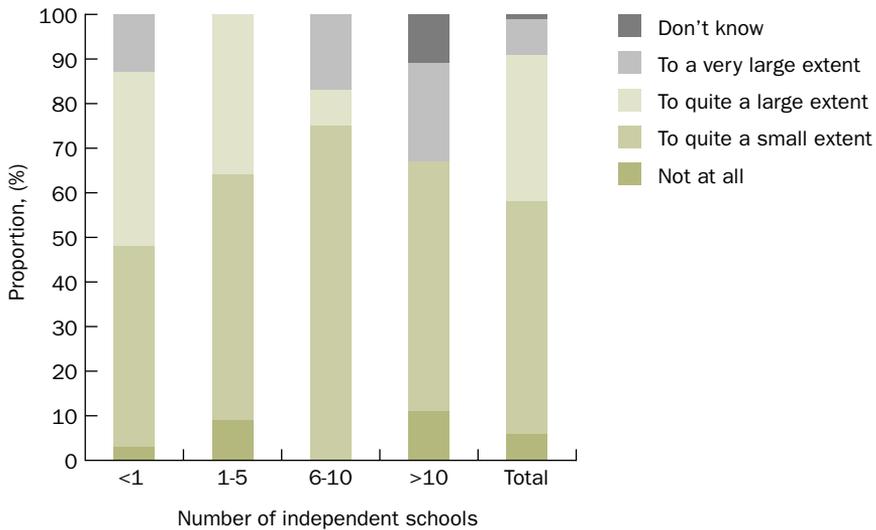
Diagram 2:3. Answers to the question “To what extent does the following statement match the situation in your municipality: Relations between compulsory schools with different principal organisers are characterised by competition?”



A large proportion of “city/suburb municipalities” and “large municipalities”, which also contain more independent schools than “small municipalities”, consider that relations between schools with different principal organisers are characterised by competition. The heads of education in social democratic-run municipalities and municipalities with the political majority “other” answered that relations were characterised by competition to a greater extent than those in municipalities under non-social-democratic control.

The heads of education were also asked the reverse question, i.e. whether relations between schools with different principal organisers were characterised by *cooperation*. On this question approximately 40 percent answered that relations were characterised by cooperation “to quite a large extent” or “to a very large extent”. Here the answers vary primarily with the number of independent schools in the municipality. Municipalities with few independent schools answer that relations are characterised by cooperation to a somewhat higher extent than municipalities with a larger number of independent schools (see diagram 2:4).

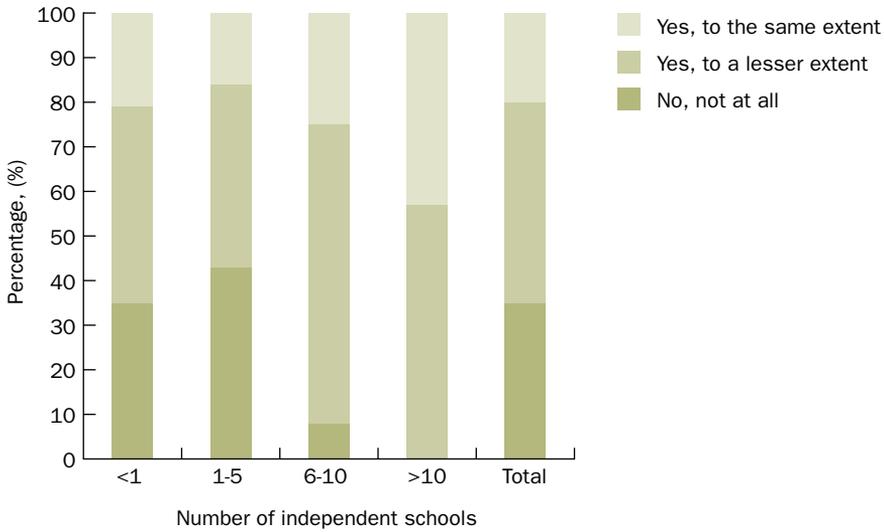
Diagram 2:4. Answers to the question “To what extent does the following statement match the situation in your municipality: Relations between compulsory schools with different principal organisers are characterised by cooperation?”



The questionnaire asked to what extent the independent schools participate in the follow-up and evaluation carried out by the municipality. 20 percent answered that the independent schools participate to the same extent as the municipal compulsory schools, 45 percent stated that they participate to a lesser extent and 35 percent that they do not participate at all. However, the answers

differ depending on how many independent schools there are in the municipality. In municipalities with ten independent schools or more, all independent schools are covered to some extent by the municipality’s follow-ups and evaluations, according to the heads of education. In municipalities with five schools or fewer run by independent bodies, approximately 40 percent of these municipalities state that the independent schools are not covered by the review and evaluation work carried out by the municipality (see diagram 2:5).

Diagram 2:5. Answers to the question “Do the independent compulsory schools participate in the follow-ups and evaluations of schools carried out by the municipality?”



Viewing the results by type of municipality shows that the independent compulsory schools in “cities/suburbs” participate in the follow-ups and evaluations carried out by the municipality to a considerably greater extent than they do in other types of municipality.

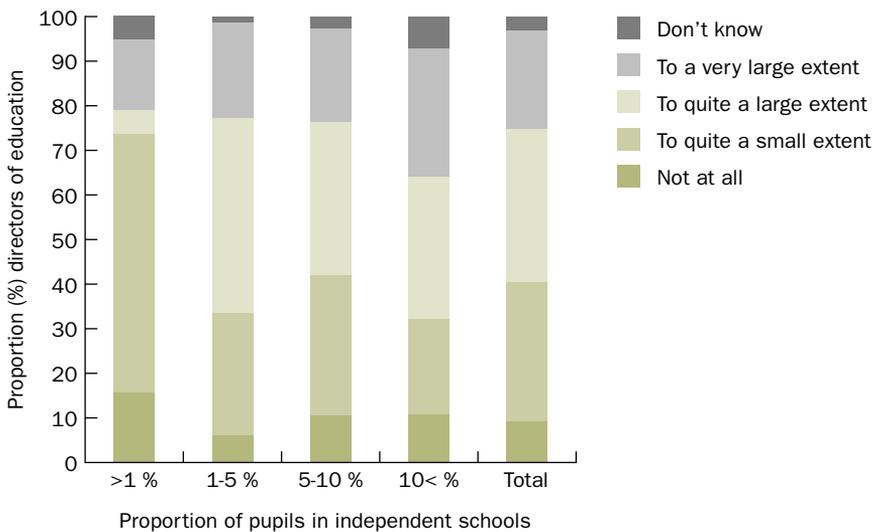
Municipal finances

Regarding the question on *more effective use of resources* there is fairly widespread agreement that the independent schools have not contributed towards this. 86 percent answered that they gained more efficient use of resources “not at all” (47 percent) or “to quite a small extent” (39 percent) as a result of independent schools being set up in the municipality. Only eight percent of the heads of education considered that the municipality’s resources were used more efficiently “to quite a large extent” or “to a very large extent” as a result of independent

schools being set up. A somewhat higher number of municipalities with a high proportion of pupils in independent schools considered that resources were being used more efficiently.

Greater disagreement was seen on another question regarding finances. 34 percent consider that the setting up of independent schools has led to *significant increases in costs* for the municipality “to a very large extent”, 22 percent answered “to quite a large extent” and 31 percent “to quite a small extent”, while 9 percent answered that this is not at all the case in their municipality. Municipalities with a low proportion of pupils in independent schools consider that they have seen significant increases in costs to a lesser extent than do municipalities with many pupils in independent schools (see diagram 2:6). To sum up, 90 percent of the municipalities with independent schools consider that independent schools being set up led to significant increases in costs to varying degrees.

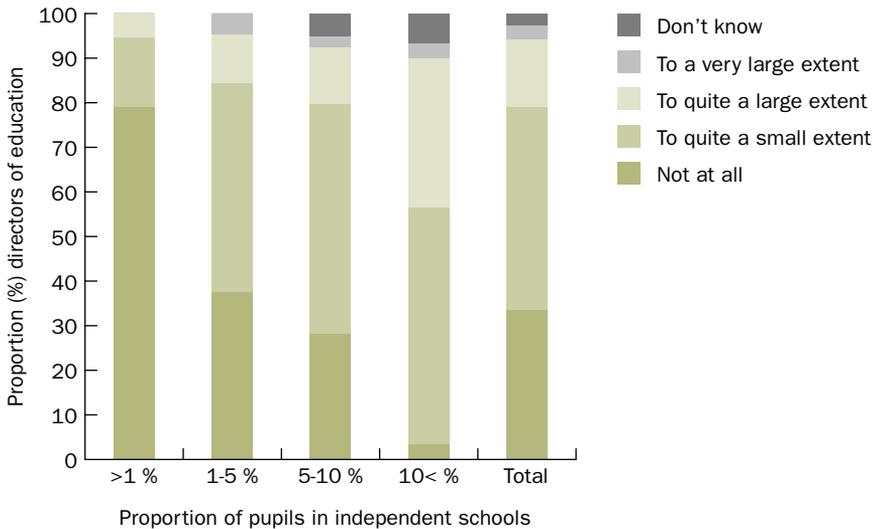
Diagram 2:6. Answers to the question “To what extent does the following statement match the situation in your municipality: The setting up of independent schools has led to significant increases in costs for your municipality?”



School improvement

When faced with the statement “competition with independent compulsory schools in your municipality has contributed to *school improvement* in compulsory schools in your municipality?” 34 percent of the heads of education replied “not at all” or “to quite a small extent” (45 percent). Around 18 percent considered that competition had contributed to school improvement in municipal compulsory school “to quite a large extent” (15 percent) or “to a very large extent” (3 percent). This is shown in diagram 2:7.

Diagram 2:7. Answers to the question “To what extent does the following match...? Competition between independent compulsory schools in your municipality has contributed to school improvement in compulsory school in your municipality”

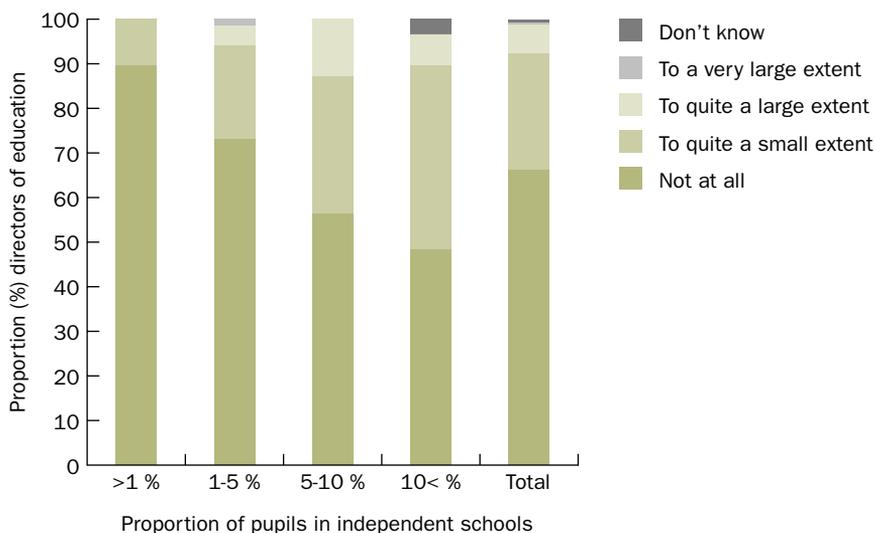


Those who stated that competition in the municipality had led to school improvement in the municipal compulsory school to the highest extent are found in the group of municipalities with at least ten percent of pupils in independent schools. In this group approximately 35 percent of the heads of education answered that the statement on school improvement matched their situation “to quite a large extent” or “to a very large extent”. In the group of municipalities with the lowest proportion of pupils in independent schools, a large majority considered that schools was not at all improved as a result of independent schools.

School organisation within the municipalities

The establishment of independent schools may have different consequences depending on the conditions under which the municipality operates. In the questionnaire the heads of education were asked whether they agreed with the statement “independent compulsory schools have *taken pressure off* your municipality’s compulsory school which had surplus pupils”. 92 percent answered that this matched the situation in the municipality “not at all” (66 percent) or “to quite a small extent” (26 percent). Only 7 percent of municipalities agreed with the statement “to quite a large extent” or “to a very large extent”. Municipalities with the highest proportion of pupils in independent schools and “cities/suburbs” agreed to a somewhat greater extent than other municipalities that these schools had an effect of easing the pressure on the municipality’s schools (see diagram 2:8).

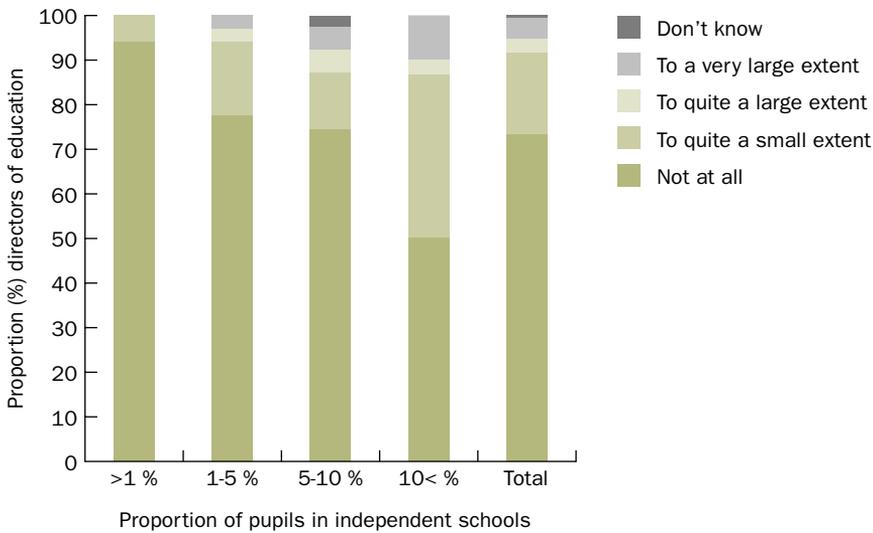
Diagram 2:8. Answers to the question “To what extent does the following match...? Independent compulsory schools have taken pressure off your municipality’s compulsory schools which had surplus pupils”



Nor have the majority of heads of education any experience that the establishment of independent compulsory schools has led to *closures of municipal compulsory schools* in the municipality. Only approximately seven percent replied that this statement matches the situation in their municipality “to quite a large extent” or “to a very large extent”. 18 percent answered that the statement matched the situation in their own municipality “to quite a small extent” and 73 per-

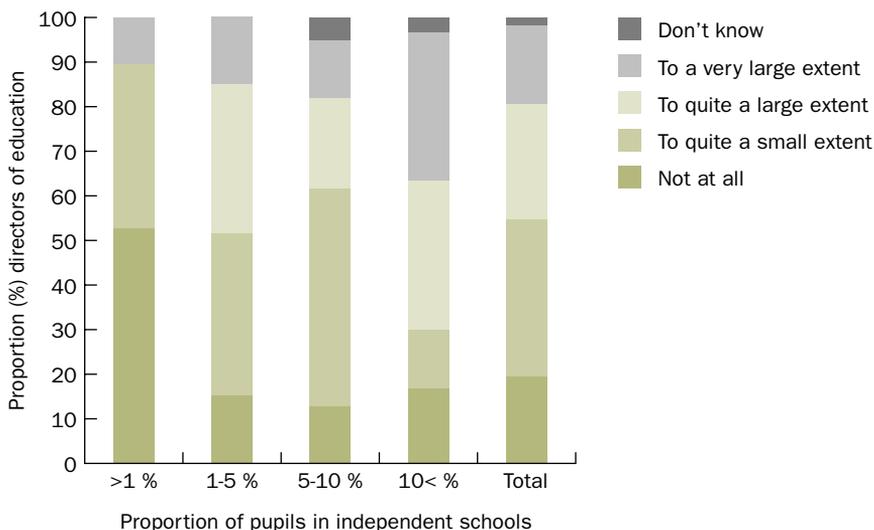
cent answered “not at all”. This can be compared with the answers to another question in the questionnaire where 41 municipalities answered that they have independent schools which were set up because the municipality planned to close one or more municipal schools. A larger proportion of the municipalities with higher rather than a lower proportion of pupils in independent schools answered that the establishment of independent compulsory schools had led to municipal schools being closed (see diagram 2:9).

Diagram 2:9. Answers to the question “To what extent does the following match...? The establishment of independent compulsory schools has led to closures of one/more municipal compulsory school in your municipality”



Regarding the statement that the establishment of independent schools in the municipality contributed to *overcapacity*, unused resources in the municipal school as a result of pupils leaving it, 44 percent answered that the statement matched their own situation to a large extent (18 percent) or to quite a large extent (26 percent). 55 percent, on the other hand, considered that the statement matched the situation in their own municipality to quite a small extent (35 percent) or not at all (20 percent) (see diagram 2:10).

Diagram 2:10. Answers to the question “To what extent does the following match...? Independent compulsory schools have contributed to overcapacity, unused resources in compulsory school in your municipality, as a result of pupils leaving”



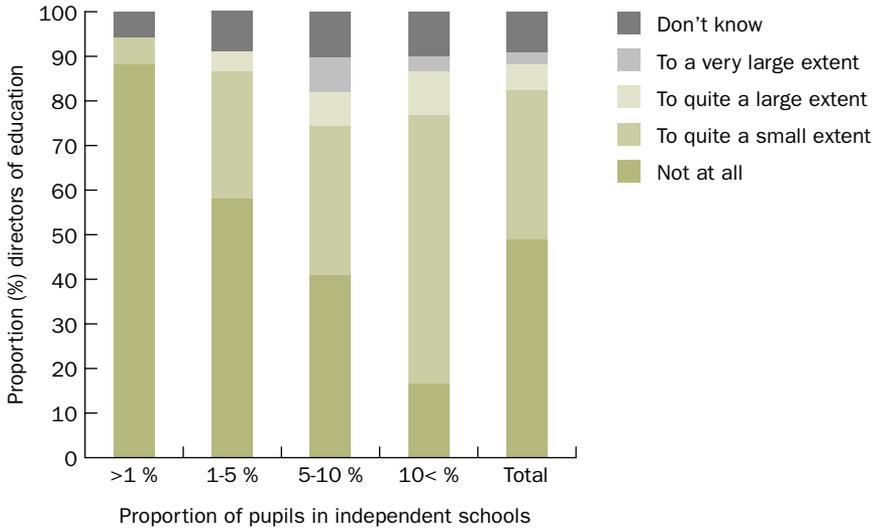
Here there are relatively large differences in the answers of municipalities with a high and a low proportion of pupils in independent schools. A larger proportion in the group of municipalities where over ten percent of pupils attend independent schools than in the other groups of municipalities consider that the establishment of independent schools has contributed to overcapacity in the municipal school. Within this group, however, “cities/suburbs” differ from the other groups of municipalities as a higher proportion of these answer that the independent compulsory schools have not at all contributed to overcapacity.

Integration and segregation

Around half of the municipalities do *not* consider that the establishment of independent schools has led to increased *segregation* of the municipality’s pupils and around a third answered that this had led to increased segregation “to quite a small extent”. Almost 10 percent consider that increased segregation occurred “to quite a large extent” or “to a very large extent” as a result of independent schools being set up in the municipality. Those heads of education who consider that the independent schools had a segregating effect in the municipality are primarily seen in municipalities with a relatively high proportion of pupils in independent schools i.e. five percent or more. Here both “cities/suburbs” and “large/medium-sized municipalities” are over-represented. In municipalities with a lower proportion of pupils in independent schools and in those munic-

papalities belonging to the group “small municipalities” a considerably larger proportion of heads of education answered that the establishment of independent schools had “not at all” led to segregation (see diagram 2:11).

Diagram 2:11. Answers to the question “To what extent does the following match...? The establishment of independent compulsory schools has led to increased segregation (ethnic, social or in terms of performance) in your municipality”



Regarding the statement that the establishment of independent compulsory schools led to increased *integration* of the municipality’s pupils, 80 percent answered that the statement matched the situation in their own municipality “not at all”. Twelve percent, primarily heads of education in “small municipalities” answered that the statement matched their own situation “to quite a small extent”.

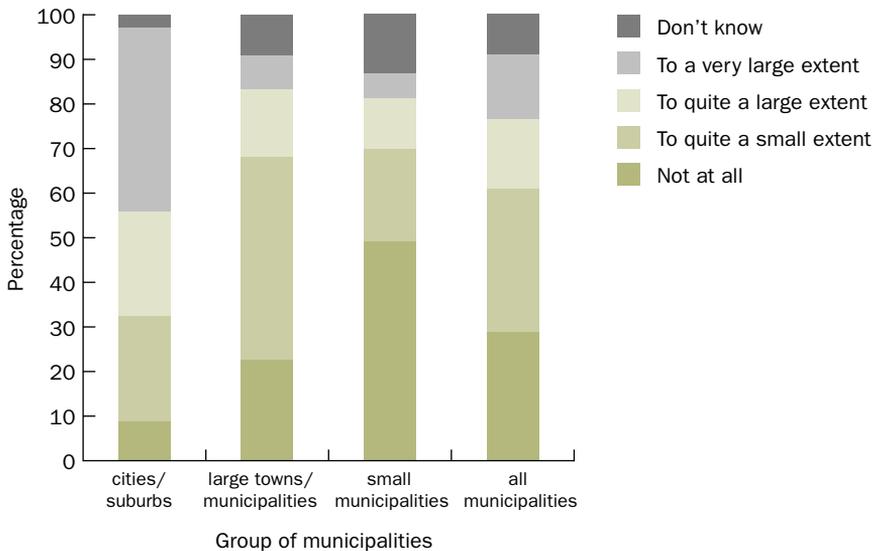
The future

A couple of concluding questions in the questionnaire addressed views on the future regarding independent schools and the coming drop in pupils in compulsory school.

When asked whether or not the municipal council takes a positive view of more independent schools being set up in the municipality, just over 60 percent of all heads of education (both in municipalities which currently have and currently do not have independent schools) consider that the council takes a positive view of further schools being set up “not at all” or “to quite a small extent”. Approximately 30 percent of the heads of education answered that the

council takes a positive view regarding this “to quite a large extent” or “to a very large extent”. Approximately ten percent answered “don’t know”. When the municipalities are divided on the basis of the political majority in power, it can be seen that heads of education in municipalities with non-social-democratic and “other” majorities consider that the council takes a positive view of more independent schools being set up in the municipality to a considerably higher extent than heads of education in municipalities with a social democratic majority. When the answers are divided between different groups of municipalities, an even greater difference is seen. In cities/suburbs, approximately 65 percent of councils are positive towards additional independent compulsory schools being set up in the municipality while only 17 percent and 23 percent respectively of the municipalities in the other two groups are, in the view of the heads of education (see diagram 4:12).

Diagram 2:12. Answers to the question “To what extent does the following statement match the view of the municipal council in your municipality? The municipality takes a positive view of more independent schools being set up in the municipality”



There are also differences between answers within each group of municipalities. A larger proportion of heads of education in municipalities which gained significant increases in costs as a result of independent schools being set up consider that the council is less positive towards more schools being set up when compared with the view of the heads of education in municipalities which stated that they did not gain increased costs.

Almost 90 percent answered that the municipality had planned for coming reductions in pupils and only six percent answered that they had not. Examples of the measures taken include adapting the number of school premises, cutting the number of teaching posts or planning to close schools. Five percent of municipalities answered that they would not be affected by falling pupil numbers.

Summary

To judge by the questionnaire responses, in the majority of municipalities switching between schools with different principal organisers is restricted to a small number of pupils, but there are also municipalities where switching involves a considerably larger proportion of pupils. Most municipalities agree that the number of changes of school has increased in the last five years. In some municipalities it is still most common for pupils to switch between different municipal schools, while in others, primarily in cities/suburbs and municipalities with a high proportion of pupils in independent schools, it is most common to switch from a municipal to an independent school. According to the questionnaire responses, pupils in need of special support in general switch school roughly as often as other pupils while pupils with disabilities switch less often. The heads of education in the majority of municipalities, especially those with many independent schools and a high proportion of pupils in independent schools, experience the consequences of increased changes of school in the form of planning problems for the municipality and/or the schools.

The majority of municipalities with a high proportion of pupils in independent schools consider that relations between independent and municipal schools are largely characterised by competition. Municipalities with a low proportion of pupils in independent schools consider that relations between schools with different principal organisers are more characterised by cooperation.

According to the heads of education, the independent compulsory schools participate to varying degrees in the follow-up and evaluation work of the municipalities. In municipalities with many independent compulsory schools and in the group cities/suburbs, the independent schools participate to a higher extent than in other municipalities, a relatively large number of which answered that independent schools do not participate in follow-ups and evaluations at all.

In the questionnaire the heads of education were asked to give their views on a number of questions and statements about the consequences the establish-

ment of independent schools has had for the municipalities and the municipal compulsory schools. The answers show that these views vary considerably. Some municipalities – primarily in the group cities/suburbs and in municipalities with a high proportion of pupils in independent schools – cite more wide-ranging effects of independent schools being set up. In these municipalities, according to the heads of education, the independent schools have contributed to improved education to a greater extent, but they have also led to overcapacity in the municipalities' compulsory schools, significant cost increases for the municipalities and, at least in some municipalities, increased segregation.

Similar differences between different groups of municipalities are also seen for the question of how the municipal councils view the establishment of additional independent schools. In municipalities in the city regions (“cities/suburbs”) and in municipalities with a high proportion of pupils in independent schools the councils, according to the heads of education, take a more positive view of an increase in the number of independent schools than in other municipalities. This question also highlights ideological differences between municipalities with different party political leadership.

3. Pupil and school performance

The purpose of the analyses presented in this section is to compare pupil and school performance in independent and municipal schools. The official statistics show that pupils who attend independent compulsory schools and upper secondary schools achieve better results in terms of grades than pupils in municipal schools.³² One explanation for this could be that there is a selective intake of pupils in independent schools, as was shown in the first section. However, there are several possible reasons, e.g. that independent schools use different and more successful educational methods or that teachers in independent schools award pupils higher grades for their level of attainment.

This section provides an in-depth analysis of the differences in the results of pupils in municipal and independent schools.³³ The first question to be studied is that of level of attainment relative to grades:

- Are there reasons to suspect that compulsory school grades are awarded on different grounds depending on whether the school is municipally or independently run?

Another question concerns the throughput rate in upper secondary school linked to principal organiser:

- Are there differences in the rate of throughput in upper secondary school depending on whether the pupils have attended a compulsory school run by the municipality or one which is independent?

The third question studied in this section concerns whether upper secondary schools with different organisers achieve different levels of success in improving pupil's achievements:

- Are there differences between independent and municipal upper secondary schools in terms of pupil achievement measured as grades?

The equivalence of grades

The first analysis investigates whether pupils who have attended an independent compulsory school followed by an academic programme in a municipal up-

32) This applies to all categories of independent compulsory schools apart from the category "Others".

33) The methods are described in more detail in the original Swedish report *Skolor som alla andra? Med fristående skolor i systemet 1991-1994*. Swedish National Agency for Education report 271.

per secondary school received grades equivalent to the grades of a corresponding group which had previously attended a municipal compulsory school.³⁴ There is covariation between the pupils' gender, foreign background, maternal education and the pupil's average grade points from upper secondary school. This means that girls on average have higher average grade points than boys. Pupils with a foreign background have on average lower average grade points. Pupils whose mothers have a high level of education have higher average grade points than pupils whose mothers have a lower level of education. There is covariation between the merit rating from compulsory school and the pupils' average grade points from upper secondary school.³⁵ This means that those who have a high merit rating from compulsory school tend to have high average grade points on leaving upper secondary school and those who have low merit ratings tend to have low average grade points. However, there is a difference in this covariation depending on whether the pupils previously attended a municipal or an independent compulsory school. Those pupils who attended an independent compulsory school display slightly lower covariation between their merit rating in compulsory school and their average grade points from upper secondary school.³⁶ One may therefore suspect that the grades in independent and municipal compulsory schools are not equivalent. At the same time, it can be seen that pupils who have attended independent compulsory schools when viewed as a group achieve higher grades than pupils who have attended municipal compulsory schools, even taking into account the differences relating to gender, foreign background, maternal education and merit rating from compulsory school.

The next group to be analysed are those pupils on academic programmes at independent upper secondary schools. This is the group of pupils which achieves the highest average grade points of all upper secondary school pupils. Compared with the previous group, the results differ on three main points. Firstly, it appears to be the case that pupils with a foreign background, when viewed as a group, do not achieve worse grades than pupils with a Swedish background, taking the other background variables into account. This could be due

34) The tables for this section can be found in the original Swedish report *Skolor som alla andra? Med fristående skolor i systemet 1991-1994*. Swedish national agency for education report 271.

35) The merit rating is calculated by adding the points for the 16 best grades in the pupil's leaving certificate at the end of year 9, where the grade Pass = 10 points, Pass with distinction = 15 points and Pass with special distinction = 20 points. The rating is calculated for pupils who have been awarded grades in at least one subject and before any re-marking. The average number of grade points is calculated based on all the graded courses in pupils' school leaving certificates from upper secondary school, where the grade points for the course are multiplied by a weighting per grade (Fail = 0, Pass = 10, Pass with distinction = 15 and Pass with special distinction = 20) divided by the pupil's total number of grades.

36) This applies to those pupils who completed upper secondary school in spring 2001 and 2003.

to the fact that those pupils with an immigrant background who attend independent schools are not representative when it comes to socioeconomic background factors, something which has been found both in statistics and in previous studies.³⁷ Secondly, there is no difference in covariation between the merit rating from compulsory school and grade points from upper secondary school depending on whether the pupils have attended an independent or a municipal compulsory school. Nor, when viewed as a group, do pupils from independent compulsory schools perform better or worse than pupils from municipal compulsory schools, where gender, foreign background, maternal education and the pupil's merit rating remain constant. This analysis does not therefore support the hypothesis that pupils' grades from independent and municipal compulsory schools are not equivalent.

The third group to be analysed are those pupils on vocational programmes at municipal upper secondary schools. Once more it proves to be the case that there is covariation between upper secondary school grades and factors such as gender, foreign background, maternal education and merit rating from compulsory school. When all the above factors are taken into account, there is no difference in grades between pupils whether their compulsory school was independently or municipally run. Thus this analysis too does not support the hypothesis that grades are not equivalent.

The fourth and final group to be analysed are pupils on vocational programmes at independent upper secondary schools. In this case too, there are certain differences between municipal and independent upper secondary schools. However, there is no covariation between the average grade points and gender or between average grade points and foreign background, where maternal education and pupils' merit ratings from compulsory school remain constant. This result once more does not support the hypothesis that grades are not equivalent.

All in all, it can be stated that this method of analysis does not support the hypothesis that the grades awarded by independent and municipal compulsory schools are not equivalent. This is the case in three cases out of four. In the fourth case, pupils on an academic programme in a municipal upper secondary school, this hypothesis cannot be cast aside without the results becoming somewhat contradictory. The analysis indicates that pupils who attended an independent compulsory school display lower covariation between their

37) Parents having higher education, in relative terms, participating in the labour market (if they have a job) and pupils living with both parents (not just with one) are socioeconomic background factors which vary positively with grades. (National Agency for Education 2005; *Elever med utländsk bakgrund. En sammanfattande bild (Pupils with a foreign background. A summary)*). National Agency for Education ref. 75-2004-545).

merit rating in compulsory school and their average grade points from upper secondary school. Nevertheless, this group of pupils, seen as a group, achieves higher grades in upper secondary school than the group of pupils who attended a municipal compulsory school.

Throughput

The second question addresses achievement of objectives in terms of what the rate of throughput looks like depending on whether pupils attended municipal or independent compulsory schools or upper secondary schools. Two cohorts of pupils were studied, those who started upper secondary school in the autumn term of 1999 and those who began the following year.

The pupils were first divided according to whether they attended a municipal or independent *compulsory school*. Of the pupils who began upper secondary school in autumn 1999, whether this was an independent or municipal school, 79.7 percent of those who had previously attended a municipal compulsory school received final grades and thus completed upper secondary school within four years. The corresponding figure for pupils who had previously attended an independent compulsory school was 79.4 percent. Of the pupils who began upper secondary school in autumn 2000 and had attended a municipal compulsory school, 81.2 percent completed upper secondary school within four years. The corresponding figure for pupils who had previously attended an independent compulsory school was 79.8 percent. A slightly larger proportion of pupils from municipal compulsory schools thus completed their upper secondary school studies within four years compared with those from independent compulsory schools.

The pupils are now divided up according to whether their *upper secondary school* is independently or municipally run. Of the pupils who started attending a municipal upper secondary school in autumn 1999, 79.4 percent completed upper secondary school within four years. The corresponding figure for pupils attending an independent upper secondary school was 81.8 percent. Of the pupils who started attending a municipal upper secondary school in autumn 2000, 81 percent completed upper secondary school within four years. The corresponding figure for pupils attending an independent upper secondary school was 82.1 percent. A slightly larger proportion of pupils attending independent upper secondary schools thus completed their upper secondary school studies within four years compared with those from municipal upper secondary schools.

There are no major differences in the rate of throughput in upper secondary school when comparing pupils who attended municipal compulsory schools with those who attended independent compulsory schools. Nor are there any major differences in throughput which can be related to whether the upper secondary school itself was independently or municipally run.

Pupils' attainment

The third and final question studied in this section is about the way the schools improve pupils' attainment, measured in the form of grades. If we look at the pupils' average merit ratings, it can be seen that upper secondary schools achieve very different results. Some of the differences can be explained by the considerable differences in the backgrounds of pupils between schools. Schools with pupils from "more favourable" backgrounds, e.g. pupils with well-educated parents, achieve better results in terms of grades. Another significant difference is that the range of programmes offered can differ considerably from school to school.

The following analysis is based on the pupils' merit ratings. The merit rating is used to produce a result calculated using a model, i.e. the result which the upper secondary school should achieve seen in purely statistical terms (in terms of pupils' average grade points) given their existing attainment (measured in terms of the pupils' merit rating). Comparing the school's actual results with the result produced by the model produces a measurement of the school's contribution towards the pupils' additional attainment, taking pre-existing attainment into account, i.e. the school's "value-added" measurement. Is there any systematic difference between independent and municipal upper secondary schools in this respect?

The schools were divided into two different groups, one for academic programmes and one for vocational programmes. In practice therefore, what is being compared is not the schools but the programmes in the different schools.³⁸ The data material is all pupils who completed upper secondary school in spring 2001, 2002 and 2003.³⁹ The same econometric method is used to calculate the school's modelled value as in the first of our analyses.

The independent upper secondary schools achieve better results than municipal upper secondary schools even when taking into account the fact that pupils starting independent upper secondary schools on average have higher grades from compulsory school. On average independent upper secondary schools perform slightly better than the statistical model predicted, while municipal upper secondary schools perform slightly worse than predicted by the same model. The differences between independent and municipal upper secondary schools are not particularly great on average, but there is a statistically significant difference when looking at academic programmes.

Unlike the academic programmes, there is no significant difference between independent and municipal schools for vocational programmes when it comes

38) Many upper secondary schools offer both vocational and academic programmes.

39) Pupils who immigrated to Sweden after the age of 15 and pupils who have attended state boarding schools, international schools and schools run by the county council have been excluded.

to the schools' contribution to performance measured in the form of grades. However, pupils leaving independent upper secondary schools do have higher grades than those leaving municipal municipality upper secondary schools. This difference is linked to the fact that the pupils had better grades when they started at upper secondary school.

In summary, this analysis method shows that the academic programmes at independent upper secondary schools create greater value-added than their municipal equivalents, even after taking into account the fact that the pupils attending independent upper secondary schools had higher grades from compulsory school. However, this is not the case for vocational programmes.

Summary

This section studied three questions in closer detail. The first concerned the equivalence of grades between independent and municipal compulsory schools. The analysis was based on statistics on all pupils who left upper secondary school in the spring terms of 2001, 2002 and 2003. Analysis showed that grades were equivalent irrespective of whether the school was independently or municipally run. This result applies when analysing independent schools as a group. Covariation between the merit rating and grades from upper secondary school is the same for pupils who attended independent compulsory schools and those who attended municipal compulsory schools. Nor does the analysis show any systematic differences between municipal and independent upper secondary schools in this respect. However, there is a difference in covariation regarding pupils who have taken academic programmes in municipal upper secondary schools. Those pupils who attended an independent compulsory school display slightly lower covariation between their merit rating and their average grade points from upper secondary school⁴⁰. Thus it is not possible to completely eliminate the hypothesis that there is a variation in compulsory school grades depending whether the school is municipally or independently run for this group of pupils.

The second question studied was whether the rate of throughput for upper secondary school pupils differs depending on whether the upper secondary school itself or the previously attended compulsory school is independently or municipally run. Throughput was measured as the proportion of pupils who complete their upper secondary education within four years. The study showed that there are no major differences between the principal organisers in either of the two dimensions.

The third and final question to be answered was whether there are any differences between the contribution made by independent and municipal upper

40) This applies to those pupils who completed upper secondary school in spring 2001 and 2003.

secondary schools towards improving pupils' attainment, measured in the form of grades. The schools' average results vary. A great deal of this variation can be explained by the fact that the programmes offered, the pupil make-up and pupils' previous knowledge differ between schools. The analysis is therefore based on pupils' merit ratings on leaving compulsory school. The results show that independent upper secondary schools are more successful at improving pupils' attainment, measured as grades, for academic programmes. For vocational programmes there is no statistically significant difference between independent and municipal schools.

4. The municipalities' costs

This section reports an empirical analysis of the municipalities' costs.⁴¹ The analysis covers the period 1995-2002.

Competition forcing down the cost of education is one of the arguments in favour of independent schools. According to economic theory, imperfect competition (e.g. a monopoly) leads to unnecessarily high costs for producers.⁴² This is due to inefficient use of resources, low rate of rationalisation, etc. On the basis of this theory, increased market elements and thus more competition, should lead to lower costs to produce a given quality. Within the education sector, the increased establishment of a number of alternative education providers, i.e. independent schools, has created competition for pupils. This was one of the main arguments put forward by the advocates of school vouchers, independent schools and choice. As municipal schools are not run for profit and in principle have a monopoly on providing education at compulsory school level, it was not considered that there were any direct incentives to reduce costs. The advocates of choice and more independent providers wanted to let the various players "compete" to provide the most attractive and cost-effective education.

However, there are a number of circumstances which counter these assumptions. Increased competition and pupils switching school lead to certain difficulties for the municipalities in planning and organising municipal education cost-effectively, something which has been demonstrated by the survey. One reasonable assumption is that the number of independent schools increased so quickly that it was difficult for individual municipalities to modify the size of municipal provision at the same speed. The municipality risks retaining high fixed costs, e.g. for premises and teachers, at least in the short term. Compulsory attendance at school also has an effect on municipal finances in this context. Regulations on compulsory attendance mean that the municipality must be prepared to offer places to all pupils of compulsory school age resident in the municipality. This means that the municipality has to maintain a certain preparedness for potential future pupils who are attending independent compulsory schools today, but who tomorrow may need a place in the municipal compulsory

41) This chapter is a summary of the report *Vad kostar de fristående skolorna? – en studie om fristående grundskolor och kommunernas kostnader (What do independent schools cost? – a study of independent compulsory schools and the municipalities' costs)*. National Agency for Education analyses (2004c). The report also includes a detailed report of the method used.

42) Bohm (1996); *Samhällsekonomisk effektivitet (Socioeconomic effectiveness)*, SNS Förlag.

school. In practice the municipality may be forced to have a certain amount of over-capacity of both posts and premises. It is true that some municipalities apply to a varying degree what is known as a “compulsory attendance deduction” when calculating the payment to the independent compulsory schools, but according to a report by the Competition Council⁴³ there are considerable differences between the municipalities in the way this deduction is calculated. The Competition Council points out in its report that there is a risk that municipalities who have a negative attitude to independent schools being set up can work against them by applying a high compulsory attendance deduction. At the same time municipalities with a positive attitude to independent schools can apply a low compulsory attendance deduction or none at all.

The increased competition in the education sector can also lead to increased costs for the municipalities due to the design of the payment system. Municipalities can tackle the increased competition by allocating the municipal school more financial resources, in order to make it more attractive to pupils and parents. If it becomes the case, as statistics have shown, that it is the pupils in the municipality with good potential to study who leave the municipal school and move to the independent sector, the municipality may then be forced to increase funding to the municipal school in order to maintain quality. The independent schools are to receive funding on the same grounds as the municipal schools⁴⁴ and this can lead to funding being increased for the independent schools as well. Both these scenarios can lead to the average cost per pupil in municipal schools going up, and thus the grants to independent schools also having to rise. However, it is likely that planning and strategies on the part of the municipalities are able to influence this trend and that acute effects will level off over time.

There may be other, beneficial economic effects of an increased number of independent schools being set up. For municipalities with a growing population of compulsory school age, the addition of independent schools can provide economic benefits in some cases. Here the municipalities do not need to invest in new buildings, equipment, etc. The cost to the municipality will increase, but only in proportion to the growing number of pupils in the municipality. As the municipalities are not obliged to pay for school transport for pupils in independent schools, school transport costs may fall. The establishment of independent

43) Competition Council (2003) *Lika villkor mellan kommunala grundskolor och fristående skolor?* (Equal conditions between municipal compulsory schools and independent schools?) Report ref. 26/03, SOU.

44) The grant to the independent compulsory schools shall be determined with regard to the school's provision of education and the pupil's needs on the same basis as applied by the municipality in the allocation of resources to its own Compulsory Comprehensive Schools (Education Act, Chapter 9, section 6).

schools can thus have both a positive and a negative effect on the municipalities' costs per pupil.

The analysis of the municipalities' costs uses data at municipal level spanning the period 1995-2002. Several different methods are used to analyse the link between increasing competition from the independent compulsory schools and average pupil cost. In the initial phase it was investigated whether there are any systematic differences in average pupil cost in compulsory school between municipalities which have at least one independent compulsory school and those which do not have any. The conclusion was that this does not appear to be the case. One interpretation of this could be that competition does not necessarily have any direct effect on costs.

In a second phase, regression analysis was used to explain variations in the average pupil cost in compulsory school between municipalities. The question posed was whether there is any link between the proportion of pupils in independent compulsory schools and the average cost per pupil. The conclusion of the analysis was that there does seem to be a link. Municipalities with a high proportion of pupils in independent compulsory schools have a higher average cost per pupil.

The third phase investigated whether there is any link between the change in the average pupil cost and the change in the proportion of pupils in independent compulsory schools. No such link could be found.

The summarised interpretation of the results is that even if there is a link between a higher average pupil cost and a higher proportion of pupils in independent compulsory schools, one cannot draw the conclusion that the latter causes the former. It may be the case that independent schools choose to set up in places they find most attractive, i.e. where the grant independent compulsory schools receive per pupil is high.

As the proportion of pupils in independent compulsory schools is much higher in the three city regions of Stockholm, Gothenburg and Malmö than in the other municipalities, the data material was divided up. Variations in average pupil cost and variations in the change in this variable were analysed for two different groups respectively. One group comprised the three city regions and the other group consisted of the other municipalities. The conclusion from this analysis was that for the municipalities in the three city regions, there is a link between the change in the average pupil cost and the increase in the proportion of pupils in independent compulsory schools. In this case an increase in the average pupil cost of SEK 145 per pupil per year is seen. There was also a link for the other municipalities but this went in the opposite direction. In these municipalities an increase in the proportion of pupils in independent compulsory schools led to a reduction in cost per pupil per year of SEK 64. The fact that the link goes in the opposite direction may be one reason why no link is

found when this link is analysed for all the municipalities together.⁴⁵

Why do we get these different results? The assumption that increased competition in a school's area automatically leads to lower costs can be discarded. The regions where competition was toughest, seen in terms of the number of independent compulsory schools and the number of pupils in these, show a positive link between the increase in the average pupil cost and the increase in the proportion of pupils in independent compulsory schools. The municipalities' views, reported in section 2 support this conclusion. However, it may be the case that the assumption that a shifting pupil base has led to planning difficulties for the municipality and thereby increased costs per pupil is correct to a certain extent. But this cannot be the only explanation as there is a negative link in some regions.

It could be thought that the effects shown by this study are small in relation to the average cost per pupil which in 2002 was SEK 64,200. The small effects may be due to the fact that pupils in compulsory school increased during the period analysed from just over 900,000 pupils (in years 1-9) in the academic year 1994/95 to just over 1,000,000 pupils in the academic year 2001/02. During this period of increased demand for places, it is likely that in many cases the independent compulsory schools have acted to supplement rather than compete with the municipal schools and thus helped to relieve the pressure on municipal schools. According to the prognosis of the National Agency for Education for the number of pupils in years 1-9 in the years ahead, pupil numbers are set to fall. In the academic year 2009/10 pupil numbers are estimated to be down at about the same level as in the academic year 1991/92, at just over 870,000 pupils. Competition for pupils will then increase and it may be possible to observe greater and clearer effects of the increased proportion of pupils in independent compulsory schools and its effect on municipal finances.

It should be pointed out that this study only concerns the direct school and pupil costs incurred by municipalities with respect to compulsory schools. The increased number of independent compulsory schools also means other increases in costs for agencies as well as municipalities, e.g. for administration and processing.

45) An increase of SEK 145 per pupil per year, and a reduction of SEK 64 per pupil per year might be considered to be small sums. In reality, however, these changes in costs can be considerable. An example calculation for a municipality as large as Stockholm shows that the total increase in costs would be approximately SEK 10 million/year with a 1 percentage point increase in the proportion of pupils in independent compulsory schools. $\text{SEK } 145 \times \text{number of pupils } 70000 \times 1 (\%) = \text{approx. SEK } 10 \text{ million}$. Reductions in costs can be worked out in the same way.

Summary

The study shows that the average pupil cost is higher for municipalities in the three city regions the greater the proportion of pupils attending independent schools. For the other municipalities the link goes in the opposite direction. In these municipalities an increase in the proportion of pupils in independent compulsory schools led to a reduction in cost per pupil per year.

5. Independent schools as part of the system – a summary

Independent compulsory schools are found in almost 170 of Sweden's municipalities, with independent upper secondary schools in approximately 80 municipalities. Over six percent of compulsory school pupils and just over ten percent of upper secondary school pupils currently attend independent schools. In the past 15 years, the number of pupils of compulsory school age increased by around 20 percent. Many of them now attend independent schools. A certain saturation point seems to have been reached in several of the municipalities when it comes to independent schools.

Independent schools are today both many in number, almost 800 compulsory schools and upper secondary schools in total, and different. One of the National Agency for Education's quality audits states that independent schools are more different from each other than municipal schools are. This concerns their approach to learning and the interpretation of steering documents as well as the way teaching is organised and assessment. Making general statements or ascribing common attributes to all independent schools is difficult and something which should be done with great care. The only thing that the independent schools have in common is the fact that they are privately run and the regulations and conditions which they are governed by. The latter have become increasingly similar to those applied to municipal schools.

This report is based on national statistics on education and the conditions governing it. Merit ratings and average grade points have been used to compare the results in independent schools with those in municipal schools. The study has also gathered information on how the establishment of independent schools has been viewed at central municipal level. The starting point is that the heads of education are well placed to see the effects, if any, of independent schools being set up. The responses from the heads of education in the municipalities correspond with the development and growth of independent schools shown by the statistics, which reinforces this assumption.

The study has mainly focused on the consequences of independent schools in three areas, and also to a certain extent in a fourth. These areas were selected because they are common arguments put forward in bills on independent schools in the 1990s. The arguments are that the school sector must be made more efficient in terms of quality and economics and that choice/diversity of provision is to increase. A fear was also put forward that independent schools

would have segregating consequences.

A tentative effort has been made to describe the growth of independent schools and their consequences for the school system using these questions and on the basis of this empirical evidence.

Quality

The quality aspects have been studied in terms of pupil results, prerequisites for schools and municipalities to provide a good education and the view of central civil servants of educational improvement in schools in the municipalities.

The annual statistics show that the proportion of teachers with a university teaching degree is lower in independent schools than in municipal schools. Independent schools also have a lower teacher-pupil ratio than municipal schools. Previous studies have shown that the head teachers of independent schools as a rule are younger, fewer have been trained as head teachers and more are less experienced than head teachers in municipal schools. The inspection of 25 independent faith schools points to problems concerning the leadership of these schools. The fact that the schools are small means that staff and parents risk conflicts of loyalty arising and this makes it difficult to critically review the work of the school. The inspection also finds deficiencies in the schools' participation in external audits. The National Agency for Education has previously expressed concern that the quality of independent schools which have few pupils may be doubtful. This partly concerns schools which were previously run by the municipality which the municipality chose to close but which survived in independent form. According to the heads of education, nor are all the municipalities exploiting the opportunity to demand that the schools participate in the municipality's review and evaluation system. This is particularly the case in municipalities with few independent schools. The open climate of cooperation between schools emphasised by the National Agency for Education in previous studies is important for various initiatives to improve the school system, e.g. equivalent grading does not seem to be found to as high an extent in independent schools as it does in municipal schools. All these circumstances can be seen as signs that independent schools are poorer placed than municipal schools to provide high quality education. However, much of this has to do with the fact that the schools are small and not necessarily with the fact that they are independent.

However, the previous studies have also shown that in many cases independent schools are better placed organisationally to offer leadership in education. The studies show that action plans in the independent schools studied are more focused on the role of the school than on that of the pupils and that the school's educational methods are questioned to a greater extent when pupils do not succeed. Statistics show that pupils in independent schools are a selection of pupils

with parents who have relatively high education and who are involved in their child's schooling, which are factors that covary with good pupil results. These circumstances point towards independent schools having more favourable prerequisites for running high quality education provision. However, this has much to do with the selective pupil base and not with the fact that the schools are independent.

Statistics on pupils' results show that pupils in independent compulsory schools achieve higher grades and a greater proportion of them are qualified to apply for the national programmes in upper secondary schools than those who have attended municipal compulsory schools. Nevertheless, the range of results is greater in the group independent schools than in municipal schools if we look at merit ratings. The statistical analyses do not give us grounds to suspect that compulsory school grades in general are not equivalent between municipal and independent schools. When it comes to the rate of throughput for upper secondary school pupils, there are no differences irrespective of whether the school is independently or municipally run. On the question of how schools contribute to raising pupils' grades, the statistical analysis indicates that the independent upper secondary schools are better at this (pupils achieve higher grades) for academic programmes. However, for vocational programmes there are no statistically significant differences irrespective of whether the school is independently or municipally run.

In municipalities with a high proportion of pupils in independent compulsory schools, heads of education consider that competition between schools has contributed to improved education. Cooperation is another incentive for improvement. Previous studies emphasise the importance of cooperation and disseminating good examples in order to improve the quality of the schools and thus the quality of the entire system. Thus there are expectations that schools will compete and work together in order to promote improvement. According to the answers provided by the heads of education, cooperation between independent and municipal schools is less common the more independent schools there are in the municipality. It is reasonable to assume that there are no obvious motives for successful independent schools or education companies to work together and share their ideas on education with other schools.

When looking at quality and contributions to improving quality, attention must be paid to the differences between schools. It is difficult to say anything general about independent schools in these respects.

Choices and diversity of provision

The contribution to choice and to diversity of provision has been studied in terms of access to independent schools and the many specialisms offered by independent schools.

Statistics show that the opportunity to choose an independent school has increased considerably in the last 15 years. However, conditions differ in different parts of the country. Choice is limited in sparsely populated areas. Where there are any independent schools at all, choice is restricted by the fact that pupils are not entitled to free transport to them. It is mainly in the large cities and their suburbs that independent schools offer real alternatives. Previous studies show that choice is appreciated by parents. In independent schools parents and their children expect that pupils will be better treated and feel secure. An increasing number of parents and pupils are exercising choice.

The majority of heads of education consider that the number of pupils switching schools increased in the last five years. In municipalities with many independent schools a high proportion of pupils switch school, mainly from municipal to independent. The largest proportion of heads of education considers that pupils with disabilities do not switch school to the same extent as other pupils. This may be due to a number of different factors, e.g. that this particular group of pupils has no desire to do so or that the municipalities as a rule advise them to attend a particular school which has the special educational expertise required. Possibly expert assessments were made of the school which would best suit these children at an early stage and therefore changing schools is not relevant. Choice is limited for pupils with disabilities or who need various forms of special support. Independent schools are not obliged to admit pupils who cause major organisational or economic difficulties for the school, unless the municipality provides additional funding for this.

The proportion of independent schools specifically geared towards pupils in need of special support or with disabilities has increased in the past five years. This concerns both independent schools for pupils with learning disabilities and schools geared towards pupils with disabilities of a medical, psychological and social nature. The regions of Gothenburg and Stockholm have the largest number of such schools. Many of them are small. Pupils in these schools have not always chosen their school on the same grounds as others and may have been offered places at or referred to these schools.

Previously it was independent compulsory schools with a special educational philosophy which formed the largest group both in terms of the number of schools and the number of pupils. Today the largest category is made up of independent schools with a general approach and it is these schools which account for the greatest increase in newly set-up independent schools. If this general approach can be said to be equivalent to that in "ordinary municipal schools", the innovation in education which the independent schools were expected to contribute towards is taking on increasingly less importance. However, it may also be the case that the way the independent schools categorise themselves does not tell us very much about them and their specialisation.

Cost effectiveness

What are the financial consequences of independent schools in the municipalities in terms of use of resources and organisational issues such as the opportunity to plan and organise activities?

The analysis shows that in the city regions there is covariation between average pupil cost and the proportion of pupils in independent compulsory schools. The more pupils attend independent compulsory schools, the more expensive it will be for these municipalities. This may be because the municipalities have invested more in education in order to improve quality. But costs may also have gone up as a direct consequence of independent schools being set up. For other municipalities the opposite is true. Here the costs have gone down. Previous studies of the effect of choice in education show that independent schools have given rise to additional costs for the municipalities. The risk of the municipality running into financial difficulties is also the most common reason given by municipalities when objecting to independent schools being approved.

Many heads of education say that more pupils switching schools means planning problems. This can clearly not solely be seen as a consequence of the existence of independent schools but must also be seen as a consequence of the ability to choose a school in general. In municipalities with a high proportion of independent schools a majority of heads of education consider that the establishment of independent schools has had financial effects in the form of overcapacity and significant increases in costs. A relatively large number of municipalities state that they plan to save money in the future by closing compulsory schools as pupil numbers are falling. Some state that saving money in this way is no longer possible as the schools can be kept open under independent management and will have to be funded in any case. “We’ll have to close an ice rink instead”, as one of those responsible for education put it in the questionnaire. However, the municipality can demand that the right to start a school be rejected by demonstrating considerable negative financial consequences. The overall obligation to provide compulsory education which the municipality has can also be compensated for in the grant system by applying what is termed a “compulsory attendance deduction” for the independent schools.

One conclusion which can be drawn is that increased competition in education does not automatically lead to lower costs. Much indicates that a shifting pupil base makes planning more difficult which increases the municipalities’ costs in the short and the long term. The growth of independent schools took place at a time when pupil cohorts were temporarily large. Recent years have seen pupil numbers fall. The financial effects of independent schools must be seen in the light of how the municipalities choose to plan for falling pupil numbers and to manage the situation of more players in the education market.

Segregation

Does the study show any segregating consequences in terms of parental educational background, ethnicity or pupils' results as a result of an increased number of independent schools? Are there signs of other segregating effects?

Choosing an independent school can mean choosing a particular desirable social context and thus rejecting a different one. This has proved to be significant in the choice of an independent school. Previous studies show that the opportunity, for example, to attend a faith school with a system of values similar to that of the home is appreciated by parents, .

In statistical terms, pupils with a foreign background achieve poorer results at school than pupils with a Swedish background. Parents of pupils with a foreign background in independent schools are relatively well-educated compared with the parents of similar pupils in municipal schools. This may be the reason why pupils with a foreign background in independent schools achieve better grades than pupils with a foreign background in municipal schools. The pupils in independent schools are thus selected. Several previous studies, and statistics, show that choice in the school system has led to a tendency to segregate in terms of pupils' sociocultural background, performance and ethnic background.

The increased number of independent schools for pupils in need of special support also displays a trend towards segregation. However, this trend can also be seen in municipal schools.

Different municipalities

The study in general, and the survey in particular, shows that the effects of independent schools differ in different municipalities. The effects are more clearly seen in municipalities with many independent schools than in municipalities with only one or a few independent schools. In general terms two types of municipality can be identified, which represent two extremes. One is made up of a city or a city suburb. This is where independent schools are most common and where the largest proportion of pupils is recruited. The municipality offers a great deal of choice when it comes to education. Independent schools have different specialisms and there are also independent schools geared towards pupils in need of various kinds of special support. Here the independent schools have also influenced the schools provided by the municipality. So many pupils in the municipality switch schools that the central municipal level encounters planning problems. The schools have led to considerable increases in costs. Schools here are competing for pupils, which has led to improved education. The independent schools have been able to absorb surplus pupils but they have also contributed to overcapacity as pupil numbers have fallen. The municipality includes the independent schools in its evaluations. The schools have a segregating effect to a certain extent.

The other extreme is a rural municipality in a sparsely populated area or a small municipality. Independent schools are not as common here. The independent schools which do exist have been set up because the municipal schools have been closed down and they operate in a way similar to their municipal predecessor. The opportunity to choose an independent school is limited. Here independent schools have not influenced the schools provided by the municipality to any great extent. Changes of school are relatively rare and cause no planning problems at central municipal level. The schools have not contributed to increases in costs. Here the schools work with each other and do not compete for pupils. The independent schools have not contributed to overcapacity. The municipality does not include the independent schools in its evaluations. The independent schools do not have any segregating effect.

Municipalities today fall between these two extremes.

Different organisers

Overall the study does not provide any clear pictures. The consequences of independent schools are linked to how many of them there are in the municipality and the proportion of pupils who attend them. What sort of schools they are (system of organisation, etc.), what sort of education they offer (various specialisms and philosophies) and which pupils they focus on (pupils with particular diagnoses, particular interests, etc.) also determines the impact they have. It is probable that the municipalities' willingness and ability to adapt to the "new" regime with independent schools in the system also plays a major role, not least when it comes to the financial consequences.

When it comes to choice and quality in terms of educational improvement, the analyses in this report show positive trends in municipalities with a large proportion of pupils in independent schools. Choice has increased for many pupils, but not for all. Independent schools are still a more common phenomenon in cities and suburbs. When looking at educational improvement there are signs that the independent schools have had a positive effect partly through competition and partly by offering different, and for many pupils more interesting, curriculum than the traditional municipal schools. However, municipal schools have also changed in recent years. Today specialisms are offered which used only to be found in independent schools. Correspondingly, today there are also independent schools which have no particular specialism.

On the question of segregating tendencies as a result of independent schools in those municipalities which have many independent schools there may be grounds to monitor future trends carefully. The segregation in terms of pupil background described in previous studies as a result of educational choice affects both municipal and independent schools. Here the question is asked how two political ideals in the Swedish school system can be united; *choice*, which also

incorporates the opportunity to choose an independent school, and *equivalence* which means that all pupils are entitled to an equivalent education. How the balance between these two ideals is to be handled will become an increasingly relevant question.

Independent schools with a general focus have shown the greatest increase in recent years. The number of faith schools remains relatively constant and faith schools account for an increasingly small proportion of independent schools in total. At the same time, an increasing number of municipal schools are becoming more specialised, especially upper secondary schools. This means that the importance of independent schools as educational alternatives offering something different from municipal schools is tending to become more diffuse. There is much to indicate that in the future there will be little point discussing differences between schools in terms of who they are run by. As far as can be judged, schools' work to improve quality, their size, the population structure in the area in which they are located, the type of municipality and other factors, are more significant to the quality of education they provide than whether they are municipally or independently run.

Skolverket
Swedish National Agency for Education

www.skolverket.se