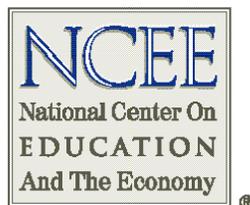


**Comparative Governance, Administration and Finance for
Elementary and Secondary Education in
Selected Countries**

Brian J. Caldwell and Jessica Harris

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**COMPARATIVE GOVERNANCE, ADMINISTRATION AND FINANCE
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COUNTRIES**

Brian J. Caldwell and Jessica Harris¹

SYNOPSIS

Profound and dramatic change is under way in policy formulation and service delivery in public education. Even in nations that appear at the top of the international league tables are contemplating further change as the knowledge revolution gathers momentum and there is realization that ‘victory will go to the smartest nations’ (to use the front page headlines of the special edition of *Newsweek* of December 2005 to February 2006).

In this paper commissioned by the National Center on Education and the Economy (NCEE) we give particular attention to structural arrangements that lie at the heart of efforts to achieve change in public education on the scale described above. While particular attention is given decentralization, we offer a caution from the outset, namely, that there are significant shifts as far as centralization is concerned, and that in nations around the world, the balance of centralization and decentralization is constantly changing.

We consider developments in seven nations and conclude in the final section of the paper that there is indeed a new paradigm, or as we choose to call it, a ‘new enterprise logic of public education’, one that places the student at the center – the most important unit of organization – and that organizational structures must be configured accordingly (Caldwell, 2006). The common goal, or vision as some would choose to call it, is of significant, systematic and sustained change that ensures high levels of achievement for

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all students in all settings, thus contributing to the wellbeing of the individual and the nation. To realize the goal, or bring such a vision to realization, requires a capacity for deep decision-making at the local level to ensure that all resources – financial, intellectual and social—are aligned to the unique mix of learning needs that exists, but constantly changes, at the school site. This is the decentralization side of the balance. At the same time, society must make clear its expectations through goals, policies, curriculum, standards and accountabilities. This is the centralization side. The balance changes from one setting to another and changes over time. The nation or system that believes it has got the balance right for all time, and that fine-tuning or incremental change will suffice, is doomed to disappointment.

We immerse ourselves in the detail of developments in seven countries in the pages that follow, before returning in the final section to the big picture. We approach the task with some humility, realizing that public education has been slow to see what is occurring in the rest of the world, in both public and private sectors. After all, the late Peter Drucker, pre-eminent among social commentators and management gurus in the 20th century, coined the concept of the ‘knowledge worker’ as far back as 1959.

Scope

The focus of this paper is ‘devolution’, sometimes referred to in the United States as ‘school-based management’ or ‘site-based management’, and in some other countries as ‘self-management’. Whatever the nomenclature, it occurs when there is systematic and consistent decentralization to the school level of authority and responsibility to make decisions on the allocation of resources within a centrally-determined framework of policies, goals, curriculum, standards and accountabilities. Resources are defined broadly to include money, personnel, curriculum, pedagogy, information, supplies, equipment, services and facilities. The ‘center’ that determines the framework depends on constitutional and governance arrangements and may be the nation, region, state, province, or district. Consistent with the brief for this project, the paper considers issues at the center, variously defined, as well as the school.

Particular attention is given to developments in Australia, especially in the State of Victoria, Denmark, England, Finland, Netherlands, New Zealand and Sweden, each of which has a pattern of governance that involves ‘devolution’. In Australia, information from a contrasting state is included, namely, New South Wales, which is the largest and most centralized system of public education in Australia. It is important to note that Australia is the only country in this set where constitutional powers to make laws in relation to education do not lie at the national level, but at the state level. In this respect Australia is more like the United States. In Australia and the United States, national governments are powerful to the extent that they may make grants to the states for educational purposes, but these grants are conditional or categorical.

Sources of Information

There are several important sources for the information contained in this paper. The chief among these is the Organization for Economic Cooperation and Development (OECD) that publishes an annual report under the title of *Education at a Glance*. The OECD gathers information from member and associate countries, including each of the nations selected for attention in this paper. The 2004 edition of the report provided comparisons of patterns in the distribution of responsibility among six levels of governance. The OECD also conducts the major testing program known as the Program in International Student Assessment (PISA). In addition to conducting tests of student achievement in four areas at elementary and secondary levels, information is gathered on a range of variables including levels at which certain kinds of decisions are made.

Extensive use was also made of Eurybase, a database that provides detailed information on education systems in Europe. The information included in Eurybase is made available by Eurydice, an information network on education in Europe established in 1980. It covers the education systems of the member states in the European Union. According to its website (www.eurydice.org) Eurydice is ‘an institutional network for gathering, monitoring, processing and circulating reliable and readily comparable information on

education systems and policies throughout Europe'. Information from Eurybase is referenced throughout the paper.

Further information has been drawn from a forthcoming book (Caldwell, 2006) that refers extensively to developments in Australia and England, with an up-to-date perspective gained from a visit by Caldwell to England in early May 2006. Deeper knowledge of developments in Finland was gained during a visit by Harris to Finland during the same period that included interviews with Reijo Laukkanen, a Counsellor at the Finnish National Board of Education and Pirjo Linnakylä, the Vice Director of the Institute for Educational Research at Jyväskylä University.

Devolution and Student Outcomes

Reports of PISA refer to the association between levels of achievement and patterns of decision-making. Andreas Schleicher, Head of the Indicators and Analysis Division at OECD, identified decentralization as one of several policy levers for student achievement. He found that, in the best performing countries:

- Decentralized decision-making is combined with devices to ensure a fair distribution of substantive educational opportunities
- The provision of standards and curricula at national / sub-national levels is combined with advanced evaluation systems
- Process-oriented assessments and / or centralized final examinations are complemented with individual reports and feedback mechanisms on student learning progress
- Schools and teachers have explicit strategies and approaches for teaching heterogeneous groups of learners
- Students are offered a variety of extra-curricular activities
- Schools offer differentiated support structures for students
- Institutional differentiation is introduced, if at all, at later stages

- Effective support systems are located at individual school level or in specialized support institutions
- Teacher training schemes are selective
- The training of pre-school personnel is closely integrated with the professional development of teachers
- Continuing professional development is a constitutive part of the system
- Special attention is paid to the professional development of school management personnel (Schleicher, 2004).

It is important to note that, while decentralization was highlighted because that is central to our commission from NCEE, many of the factors in Schleicher's list call for a central framework, reinforcing the notion of a balance of centralization and decentralization.

Another program in international student assessment is Trends in Mathematics and Science Study (TIMSS), conducted in more than 40 nations. Ludger Woessmann, formerly at the University of Kiel and now Head of the Department of Human Capital and Structural Change at the Ifo Institute for Economics in Munich, undertook a comprehensive study of why students in some countries did better in TIMSS, and found a powerful connection between decentralization of decision-making to the school level and student achievement (Woessmann, 2001). More evidence about the link between decentralization and learning outcomes is reported elsewhere (Caldwell and Spinks, 1998; Caldwell, 2002; Caldwell, 2003; Caldwell, 2005).

While the countries selected for study have relatively high levels of decentralization, it is important to note that there are accompanying shifts as far as centralization is concerned. This is a general pattern, as reported by the OECD:

An important factor in educational policy is the division of responsibilities among national, regional and local authorities, as well as schools. Placing more decision-making authority at lower levels of the educational system has been a key aim in educational restructuring and systemic reform in many countries since the early

1980s. Yet, simultaneously, there have been frequent examples of strengthening the influence of central authorities in some areas. For example, a freeing of ‘process’ and financial regulations may be accompanied by an increase in the control of output from the centre, and by national curriculum frameworks (OECD 2004, p. 34).

Organization of the paper

The paper is organized according to the terms of reference for the project as set out below.

1. *Organizational structures* What does the organizational structure for elementary and secondary education look like? Are there school districts? Does the ministry have regional offices? What are the principal divisions within the ministry? Are there units outside the ministry — inspectorate, research and development authority, education standard-setting bodies, assessment bodies — that play important roles in the system, and, if so, what are they? Can you tell us about how many people work at each at these levels and in each of these major organizational units, and how many, in the aggregate, work in the schools?
2. *Student performance* Who has responsibility for setting the goals for the system? Who sets the standards for student achievement and how is it done? Who has responsibility for setting the national examinations? And for collecting, reporting on and analyzing student performance?
3. *Accountability* What does the national accountability system for education look like? What positive and negative incentives does it place on which actors? What triggers its rewards and sanctions? Is there any relationship between the amount of the autonomy the head has and the performance of the school? Who determines what happens when a school is not performing? What happens to a school when that determination has been made? Can a school be taken over by

the state (ministry) or put out of business? If the former, what actually happens?

4. *Distribution of authority and responsibility* How are authority and responsibility distributed through the system — for budget-making and expenditure, school staffing structures, curriculum design, assessment, school design, and so on? Over what matters is the principal (head) of the school autonomous? To what extent does that authority have to be shared with others?
5. *Personnel* How does the system for recruiting, selecting, training, compensating, hiring and firing teachers work? Who is the employer of teachers (the state, district or school)? Who selects them for work in a particular school? For a particular assignment within a school? What role does seniority play in teacher assignment and compensation? What is bargainable in the collective bargaining framework?
6. *Support for schools* How is the state (ministry) organized to provide help to schools and their faculties (mainly technical assistance and training)? What kind of help is provided, by whom? Does the state have other organizations available to provide help? If so, of what kinds and what is the state's responsibility to organize, pay for and deploy that help? Are school required to join networks that provide help on a continuous basis? Does the state see itself as having a role in expanding and improving the quality of the help available to schools, and, if so, how does it do that?

Organizational structures

The organization of school education is differently structured in each country examined in this paper. Citing Chubb and Moe (1990), Justesen suggests that the organizational settings of schooling play a role in shaping schools performance (Justesen 2002, p. 8). Conversely, the examination of the differing organizational structures in each of the seven countries described in this paper may provide some insights into how the educational outcomes of their schools are achieved. According to the OECD, one aim of the restructuring of education throughout its 30 member and associate countries has been

to decentralize the decision-making processes, allowing regional, local and individual school authorities to have more freedom over the provision of education. The centralized government organizations in many of these countries, however, retain some of the responsibilities for the organization of schooling.

In Australia, as with the United States, the constitutional responsibility for education lies with the states. As such, each of the six Australian states and two territories has a government department to create policy and to administer its schools. The Department of Education and Training (DET) in Victoria, for example, has primary responsibility for the provision of elementary and secondary schooling in the public sector. DET has nine regional offices, each with the duty of supporting the center and schools. DET has five divisions, four of which have specific responsibilities for areas of elementary and secondary school education, including teaching and learning, strategic planning and resource management.

There is a range of smaller statutory bodies which report to the Minister on specific aspects of schooling. The Victorian Curriculum and Assessment Authority (VCAA), for example, is responsible for research on innovations in, and development of, a curriculum framework for all Victorian schools and the assessment and monitoring of student achievement. Another is the Registered Schools Board which determines the criteria and for and then assesses proposed government and non-government schools for registration, without which schools are unable to legally enroll students or apply for Commonwealth (federal) or State funding. This board is also responsible for the monitoring of schools, including any changes to the number of enrolments, methods or standards of instruction, and the premises with regard to the safety and welfare of students, and to assess their ongoing registration requirements.

These two functions, the development and assessment of curriculum and the registration of schools, are undertaken by the Office of the Board of Studies in New South Wales. The Board of Studies reports to the New South Wales Department of Education and Training (DET). The Department in New South Wales is the largest organization, either

public or private, within Australia, requiring 10 regional offices to provide organizational support to schools around the state.

As with the Departments of Education and Training in Victoria and New South Wales, the Ministry of Education in New Zealand is responsible for the development and implementation of education policy. There are no states in New Zealand. In 2004, it employed over 3100 people in 51 locations around the country (Ministry of Education 2004, p. 28). In addition to providing organizational support to four regions, the Ministry is split into 11 teams, 9 of which have direct responsibility for particular areas of schooling, including curriculum design, education policy, special education and the policies and planning for Māori Education.

While schools in the Netherlands have one of the highest levels of freedom to make their own decisions among OECD countries, the government's Ministry of Education, Culture and Science undertakes the design and issuing of regulations for the supply of school education (Justesen 2002, p. 18). This central body is assisted in the day-to-day aspects of the administration of government schools by local municipal councils. The majority of schools in the Netherlands are non-government schools and these are fully funded by government on the same basis as government schools (it is a requirement under the constitution that there shall be no differentiation in funding on the basis of who owns the school). All schools in the Netherlands must operate under the same government-issued regulations. Nevertheless, these government-funded non-government schools enjoy a greater freedom of organization in terms of their day-to-day management and teaching than their government counterparts. They are overseen by independent school authorities, who perform similar tasks to those performed by municipal councils for government schools. These authorities are also required to create a 'participation council' for teachers and parents to have input into the administration of their schools (Justesen 2002, p. 19). It should also be noted that a small proportion (less than one percent) of Dutch schools belong to a non-government-funded independent sector that are not required to follow government regulations and are, therefore, given extensive freedom to make decisions about the curriculum and organization of their schools (Justesen 2002, p. 19).

As with the Netherlands, both the central Danish Ministry of Education and local government authorities are responsible for aspects of the regulation of schooling in Denmark (Justesen 2002, p. 26). Unlike the Netherlands, the local government authorities exert some control over the enrolments for elementary schools, allocating students to schools based on their residential address. While parents are able to apply for their child's enrolment in another school, the final decision is left to the local municipal council. Municipalities are also responsible for the budgeting and administration of public schools, including responsibilities such as the commission of new school buildings. (Justesen 2002, p. 28). As a result of these responsibilities, councils are able to intervene in the management of a school. The level of council involvement in the day-to-day administration of the school, however, depends on the individual local council. Many of these responsibilities can be passed along to the school board and/or the principal of public elementary schools.

The organizational structures of schooling in Denmark differ both between municipalities and between levels of schooling. The public vocational schools have a high degree of independence from local government intervention, despite being state-funded. The responsibility for the organization and management of these schools falls with the principal, and the school board, who are able to appoint the principal. The conditions within these vocational schools appear to only be government-regulated in terms of the national collective agreements, through which teachers salaries and employment conditions have been negotiated. Otherwise, the principal and school board have considerable freedom over the organization of teaching and learning in these vocational schools (Justesen 2002, p. 28).

Responsibilities for the education system in Sweden are divided between the Ministry of Education, Research and Culture; Ministry of Agriculture, Food and Consumer Affairs; and the Ministry of Industry, Employment and Communications, and several agencies which are connected to each of these (Eurybase Sweden 2005). Most of the organizational responsibilities for elementary and secondary schools, however, falls to

the local level authorities, under the guidance of the Division for Schools and Division for Upper Secondary Education, in the Ministry of Education, Research and Culture. These divisions create the regulatory framework, within which the municipal councils and schools must operate. Individual municipal councils are then able to organize their schools within this framework. Many councils have further devolved the administration process to provide school boards the responsibilities for schools (Eurybase Sweden 2005).

The Swedish system of education has a great deal in common with the organizational structures in place in the English and Finnish education systems. Although the central government, represented in England by the Department for Education and Skills (DfES) and in Finland by the Ministry of Education, provides legislative scaffolding for the education system, the local education authorities (LEAs) in England are responsible for the implementation and administration of policies. In England the DfES provides guidance to these LEAs, including learning targets for students at various levels of their education (Eurybase England 2005).

The organizational structure of education in Finland includes an additional level of administration. The Ministry of Education is the highest education authority in Finland, with responsibility for creating education policies for all levels of education. Policies for school-level education, however, are implemented by the Finnish National Board of Education, which works with the Ministry to develop educational aims and design the core curriculum in primary and secondary schooling. The National Board is contracted by the Ministry to perform these tasks, with the contracts being renewed on a triennial basis. Each of the six provinces in Finland includes a Department of Education and Culture to manage appeals processes for the different systems of education. Following the decentralization of the Finnish Education system in 1985, however, the local municipal authorities, including the municipal boards of education and several committees, are responsible for the organization and provision of school level education.

The 420 municipal councils in Finland each provide primary level education for students living in their region. The provision of lower secondary schooling is also the responsibility of the municipality. Due to the large number of municipalities, however, the numbers for lower secondary schooling may be small. Two or three municipal councils, therefore, may collaborate to provide a lower secondary school. Whilst obliged to fund all compulsory and upper-secondary schooling, municipal councils are not required to organize the schooling for the upper-secondary years. This responsibility is split between the local and regional councils. Nevertheless, many municipal councils collaboratively take on this responsibility, in conjunction with the rectors, who are employed within individual schools to manage the school (Eurybase Finland 2005). The Finnish legislation enables upper-secondary students to attend the academic or vocational upper-secondary education institution of their choice, anywhere in Finland. This legislation allows students from around the country to attend those schools that are known to specialize in particular academic or vocational programs, which may not be available in their own municipality. The students' home municipalities, however, are required to fund their upper-secondary schooling, regardless of where this takes place.

Like many government departments for education, the UK Department for Education and Skills works beside other agencies which have the responsibility for the inspection and regulation of schools. The Office for Standards in Education (OFSTED) sets the framework for the inspection system for English schools and monitors and implements its various regulations (OFSTED website). Another statutory body with responsibility for education in England is the Qualifications and Curriculum Authority (QCA). This authority is responsible for the development and maintenance of the curriculum for all levels of schooling in England. Like the Board of Studies in New South Wales, the QCA also have responsibility for the accreditation of qualifications for school-leavers.

Student performance

In each of the countries examined in this paper, the goals and responsibilities for student performance are set by the relevant Ministry of Education and/or an affiliated body. The

methods of setting goals and monitoring student performance in the two Australian States, the Danish Folkskole and in New Zealand are very similar. In each of these areas, schools are provided with a framework of curriculum and standards for students at each level of schooling. These standards are provided by the Ministry of Education in New Zealand, the VCAA in Victoria and the Board of Studies in New South Wales. Similarly, the Danish Ministry of Education has the responsibility for setting goals and curricula for the Folkskole, which includes elementary and lower secondary schooling, and upper secondary.

Although the responsibility for education lies primarily with the states in Australia, both Australia and New Zealand hold nation-wide tests at the elementary level. From 1999 the Australian Government implemented the National Literacy and Numeracy Plan, which assesses the level of literacy and numeracy of all Australian students. From 1999, all students in years 3 and 5 have undertaken state-based assessments of their literacy. This assessment program was expanded in 2000 to include numeracy skills and, again, in 2001, to include students from year 7, who have either just entered, or are just about to enter, secondary schooling, depending on their residential state (Department of Education, Science and Training Website). The results of these state-based assessments are collected and analyzed to develop ‘national benchmark’ data on the literacy and numeracy skills of Australian students. These provide data to schools, students and parents about individual student’s performance in these assessments. Similarly, the New Zealand Ministry of Education carries out the National Education Monitoring Program (NEMP) every four years at the elementary level. NEMP monitors the performance of about a sample of 3 percent of students, aged 8 and 12, in the compulsory aspects of the New Zealand curriculum and the framework of ‘essential skills’ (New Zealand Ministry of Education; Schooling in New Zealand).

Whilst the assessment of student performance at elementary level is very similar in the Australian States and New Zealand, there are fundamental differences in the evaluation at secondary and upper secondary levels. In Victoria, for example, students are required to sit for the VCE (Victorian Certificate of Education) at the end of their upper-secondary

schooling. The VCAA is responsible for the development of VCE courses, which extend over the final two years of school, and the assessment of students' final examination. In New South Wales, students are required to sit two examinations, the High School Certificate, which is undertaken by students in year 10, when they have completed their compulsory schooling, and the Higher School Certificate (HSC) examination, which is taken in combination with internal school assessments and external 'trial' examinations to provide tertiary entrance scores for students who have completed upper secondary school. The Board of Studies develops the syllabus for each course and oversees the external marking for each examination. Similar to the New South Wales High School Certificate, Danish Students from all schools are able to sit two levels of examinations, the leaving examination, which takes place after the 9th year of schooling, and the 10th form examination at the end of lower secondary school. Both of these levels of examinations are devised and graded at a central level.

The main qualification at the secondary school level in New Zealand, introduced in 2002, is the National Certificate of Educational Achievement (NCEA). This certificate entails both internal and external examinations for a range of student selected subjects that extend beyond the traditional school curriculum. As with elementary schooling, the New Zealand Ministry of Education provides a framework of national standards for the NCEA subjects, which describes various levels of achievement in 'a skill or knowledge area' (Schooling in New Zealand), for each of the three NCEA levels. The first of these levels is similar to the High School Certificate, provided by the New South Wales Board of Studies, or to Grade 10 in the United States. The second level is equivalent to the American Grade 11, while the third and final level of the NCEA is similar to the Australian year 12 Awards of VCE in Victoria and HSC in New South Wales.

In England, students are nationally assessed at four Key Stages of their schooling (Eurybase England 2005). At the first stage, age 7, students are required to sit practical class-room tasks and written tests in English and Mathematics, designed by an external agency, which audits test results after they have been marked by the classroom teachers. Changes to this arrangement were implemented in the 2004/2005 school year, which

provided teachers with greater input into when the tasks took place. They use these standard assessments in their own grading of students' performance.

Similar testing is used for students, aged 11, to assess their proficiency in English, mathematics and science. These examinations are marked by an external agency, which is appointed by the Qualifications and Curriculum Authority. Statutory testing at Key Stage 3, when pupils are approximately 14 years of age, includes eight tests covering English, mathematics and science. These are the final round of statutory testing before students sit the General Certificate of Secondary Education (GCSE), which is administered at the end of Key Stage 4. The QCA designs and administers GCSE examinations based on a national curriculum, and a range of other vocationally-based subjects. The final assessment of student achievement designed and administered by the QCA are the Advanced General Certificate of Education, known as A levels, and the Vocational Certificate of Education (A levels), which examines vocationally-based subjects.

There are two levels of responsibility for the collection and reporting of student performance in Sweden. While, in general, the municipal councils are responsible for the monitoring and reporting of schools' outcomes, the national evaluations of students are set by the Ministry of Education. These national evaluations examine students' performance in Swedish, English and Mathematics at two stages of their compulsory schooling. Participation in the first stage of national tests, which take place at the end of the 5th school year, is optional. The final tests, which take place at the end of the 9th year of compulsory schooling, function as both an evaluation of students and as a grading benchmark for the other subjects, for which the state designs the syllabus and grading criteria, of the leaving certificate for compulsory schooling (Eurybase Sweden 2005). In upper-secondary schools in Sweden, students are internally assessed on their performance in subject-based courses. Only three subject areas, Swedish, English and Mathematics, require students to sit external examinations before they can receive a subject grade.

At the end of elementary-level education in the Netherlands students are able to sit the Elementary School Leavers Attainment Test, developed annually by a government

commissioned testing and assessment company, the CITO Group. While this examination is not compulsory, approximately 90 percent of Dutch students participate (Dutch Ministry for Education, Culture and Science).

The upper-secondary levels of education in Denmark, Finland and the Netherlands share one feature: they provide students with the option of undertaking either General or Vocational upper-secondary courses. In the Netherlands, students are able to choose a third pre-University stream (Eurybase The Netherlands 2005). At the end of their pre-vocational training (VMBO) Dutch students are required to sit both a practical internal evaluation and a centrally-devised external written examination. This is different to the assessment of the Ministry-designed Vocational Education courses that takes place in Finland, which rely on the course teachers and workplace trainers to provide student evaluations (Eurybase Finland).

Students in the general upper secondary level of schooling in Finland are required to sit four examinations, designed by the Ministry and National Board of Education, including one examination in their mother tongue, which may be Finnish or Swedish. Students are also required to sit examinations in three elective subjects, including their second national language (Finnish/Swedish), a foreign language, mathematics or general studies and have the option of undertaking additional tests (Eurybase Finland 2005). These examinations are assessed by teachers and the Matriculation Examination Board. In Denmark, All general upper secondary students must sit a national written examination. Assessments in other areas are based on individual courses, with students required to pass 10 course-based examinations over the three years of upper secondary school to achieve their final certificate.

At the completion of four years in secondary school in the Netherlands the general upper secondary (HAVO) and pre-university (VWO) students are required to sit two examinations, the national examination and school exam. The school examinations are devised by the schools and can include projects or portfolios, which may be assessed at any stage throughout the school year. These examinations must be approved by the

Ministry of Education, Culture and Science, which also designs and arranges the National examinations. Following these examinations, general secondary (HAVO) students can opt to proceed to higher professional education, vocational courses or to undertake a fifth year of secondary education with the VWO students.

Accountability

Each of the countries examined in this paper undertakes a review of the performance of its education system as a whole and the performance of individual schools. Several of these, including Victoria in Australia, Britain, New Zealand, Sweden, Denmark and The Netherlands, have reviewed their school evaluation processes within the past decade. Most include a form of self-evaluation.

School reviews in many of the education systems examined in this paper are the responsibility of independent agencies. In England, the Office for Standards in Education (OFSTED) conducts inspections of LEAs (Local Educational Authorities) and individual schools (OFSTED 2005). The Danish Evaluation Institute, an independent body within the Danish Ministry of Education, was established in 1999 to conduct reviews of practices at all levels of education (Thune 2006). The Danish Ministry of Education worked collaboratively with municipal authorities and schools to develop the tools for school evaluations (Eurybase Denmark 2005). The Finnish Education Evaluation Council, which has been active since 2003, is responsible for designing and coordinating evaluation processes, both nationally and for individual schools although school inspections have not been part of Finnish education policy since 1985 (Eurybase Finland 2005). In 2003, the Swedish National Agency for School Improvement was founded and the Swedish National Agency for Education was provided with additional resources to carry out school inspections. These inspections take place in addition to the 'annual quality reports' that schools and municipal authorities have been required to provide since 1997 (Eurybase Sweden 2005). The Education Review Office (ERO) was established in the late 1980s to assess the performance of all schools and education

providers in New Zealand. Evaluation in Victoria and The Netherlands, on the other hand, is primarily undertaken by divisions of the relevant ministries and departments.

Self-evaluation is used, to some extent, in the school review process in all of the education systems examined in this paper. In Victoria, school self-evaluation makes up one stage of a four-yearly four-step review process, which also includes a strategic plan and annual report, assessment of compliance with the legislations and regulations, and an external review. In England and New Zealand, OFSTED and ERO, respectively, use standardized self-evaluation formats as a starting point to their external inspections. This process was implemented in England in 2005, to minimize the disruption to schools and time required for OFSTED inspections (OFSTED 2005). The governing body and headteacher (principal) are responsible for the self-evaluation of their institution (Eurybase England 2005). Similarly, the school board of New Zealand schools is required to oversee the internal evaluation and to submit a 'Board Assurance Statement', which outlines the areas of the school self-review (ERO 2006). This 'assurance statement' indicates the school's level of compliance with government regulations, an assessment of the school's performance and an outline of steps that will be taken to improve in either of these areas.

Unlike the standardized reviews designed by OFSTED and ERO, the self-evaluations of schools in Sweden vary as widely as the schools themselves. The principal is responsible for developing and implementing internal reviews of their own schools, which are provided to the Swedish National Agency in the form of an 'annual quality report' (Eurybase Sweden 2005). Schools in The Netherlands do not have quite the same level of freedom as they are required to satisfy four criteria: an annual plan for the school; its self-assessment program and improvement plan; a prospectus containing information to parents and students including a procedure for complaints; and the system for monitoring the performance of students (Eurybase The Netherlands 2005). While the Danish Evaluation Institute is responsible for the review of all levels of education in Denmark (Thune 2006), the *Folkskole*, Gymnasiums and Vocational upper secondary schools may

carry out self-evaluations using tools designed by the Ministry of Education and monitored by the Municipalities (Eurybase Denmark 2005).

School self-evaluation is the major component of the review process for educational institutions in Finland. The aim of these self-evaluations is to identify the strengths and weaknesses of the school and to develop a plan to improve its quality and educational outcomes. These internal reviews are also used to make the activities within the school 'transparent to external interest groups' (Eurybase Finland 2005). Self-evaluation is viewed as a learning tool to help develop the management of Finnish Schools and increase 'efficiency, effectiveness and financial accountability' (Eurybase Finland 2005).

In addition to these school self-evaluations, schools in each of these systems are required to undergo external review by the relevant education authorities. The method of external review can differ between educational systems and, in places such as England, New Zealand and Victoria, between individual schools. The recent changes to the OFSTED inspection system in England increased the time between inspections from three to six years and devised a differential system of inspections, with the 'lightest' inspections procedures being used for high-performing schools (Department for Education and Skills 2005, p. 11). Similarly, in New Zealand the ERO can issue 'Supplementary Reviews' for further examination of a specific matter or 'Special Reviews' in response to areas of serious concern in schools.

In Victoria there are three levels of external review for schools. The 'negotiated review' for high performing schools focuses simply on issues that have been raised in the self-evaluation, whereas the 'continuous improvement' review functions as a further analysis of internal assessments. Finally the 'diagnostic review' is used to identify and work on areas of the school that need significant and sustained improvement (Department of Education and Training Victoria Website). Under the School Improvement and Accountability Plan in Victoria, if a school has been found to perform below expected standards, it is required to join the Targeted School Improvement Program, where a team of school members and members from the regional office work together to identify and

improve in areas of difficulty. In the three-year period from 2003-2005 the Victorian Government has provided AUD \$6.25 million for this incentive. Should the Targeted School Improvement Program fail to raise school performance to expected levels within the four year period, schools may be at risk of having their registration revoked or not renewed by the Registered Schools Board and, thus, close the school (Department of Education and Training Victoria Website).

External school reviews do not only maintain school accountability through the possibility of school de-registration, as in Victoria, or withdrawal of LEA funding, as in England. Schools accountability is also maintained through the public availability of the results of external reviews. OFSTED and ERO make the reports of their reviews of schools in England and New Zealand, respectively, available on their websites (OFSTED Website; ERO Website). While external school inspections in Sweden are made on a project and not an ongoing basis, the Swedish National Agency for Education often provide comparative indicators of schools' performances (Eurybase Sweden 2005). The Netherlands use a novel method to inform the public about the performance of schools. Since 2003 each school in the Netherlands is issued a report card by the Education Inspectorate, which provides information on the students' results in examinations, the teaching methods and materials, the school's relationship with parents and the local community and the general atmosphere of the school (Eurybase The Netherlands 2005). These report cards are made publicly available on the inspectorate's website.

The public reporting of school evaluations in many countries is contrasted to the process used by the Finnish Education Evaluation Council and the National Board of Education. The National Board of Education undertakes a random sampling of schools to research the performance of students in mathematics and their primary language every two years and intermittently for other subject areas. The results of these reviews are published at a system level, or using other variables such as the province or the gender of students. These published results, however, never include the results of individual schools, which are only ever reported to the schools themselves (Linnaklyä and Välijärvi 2003, p. 6). This principle of confidence means that the majority of schools are happy to participate in

standardized testing, such as PISA (OECD), and offer their full cooperation with external reviews. The results in the 2003 OECD PISA tests indicate that differences between schools counted for an average 36 percent of variation in students' reading ability. In Finland, this between-school variation was markedly lower at only 5 percent (Linnaklyä and Välijärvi 2003, p. 2). Furthermore, even though the students from the weakest-performing schools in Finland reached the OECD average in literacy (Linnaklyä and Välijärvi 2003, p. 2), weak performing schools in Finland have additional resources allocated to them to prevent disadvantage (Ministry of Education Finland)

Distribution of authority and responsibility

The OECD's *Education at a Glance* (OECD, 2004) included information on the balance of centralization and decentralization among member and associate nations. The report considered the locus and mode of decision-making in four domains. Locus referred to which of six levels decisions were made: national, state, regional, municipal, local, or school. Mode referred to which of four ways decisions were made: full autonomy at the level concerned, consultation with other bodies at that level, independently but within a framework set by a higher authority, or other. The four domains were organisation of instruction, personnel management, planning and structures, and resources.

As far as trends are concerned, the report compared patterns in 1998 and 2003. It found that 'in 14 out of 19 countries decisions are taken at a more decentralized level in 2003 than in 1998. This is most noticeable in the Czech Republic, Korea and Turkey where more than 30 percent of decisions are taken at a more decentralized level in 2003 than five years earlier. Focussing on the school level, over 20 percent more decisions are made by schools in England, Korea, the Netherlands and Norway over the same period. But at the same time, in the French Community of Belgium and Greece, there have been shifts towards more centralized decision-making' (OECD, 2004 page 428).

The following summarize the major findings:

- Overall, based on data for 2003, decision-making is most centralized (taken at the central and / or state level of government) in Australia, Austria, Greece, Luxembourg, Mexico, Portugal, Spain and Turkey, with central government particularly dominant in Greece.
- Decisions are more often taken at the school level in the Czech Republic, England, Hungary, New Zealand and the Slovak Republic and in particular in the Netherlands where all decisions are taken at the school level.
- Decisions on the organization of instruction are predominantly taken by schools in all OECD countries, while decisions on planning and structures are mostly the domain of centralised tiers of government. The picture is more mixed for decisions on personnel management and allocation and use of resources.
- Just less than half of decisions taken by schools are taken in full autonomy, about the same proportion as those taken within a framework set by a higher authority. Decisions taken by schools in consultation with others are relatively rare. Schools are less likely to make autonomous decisions related to planning and structures than related to other domains. (OECD, 2004a, pp. 21-22)

In general, ‘decisions on the organization of instruction are predominantly taken by schools in all OECD countries, while decisions on planning and structures are mostly the domain of more centralized tiers of government. The picture is more mixed for decisions on personnel management and allocation and use of resources.’ (OECD 2004 p. 423)

Several of the seven countries examined in this paper have decentralized the management of their school systems to lower, municipal or school-based, levels. The decentralized decision-making of schools, however, is generally undertaken within a legislative framework designed and implemented by the relevant Ministries of Education. In the Netherlands, which the OECD reports as having the highest levels of school self-management, with 100 percent of decisions made at the school level, approximately 30 to 50 percent of these decisions are made within a framework set by the Ministry of Education, Culture and Science or in collaboration with other education authorities (OECD 2004 p. 426). England has the second highest level of decentralized decision-making powers among OECD countries with over 80 percent of decisions made by the

individual school and 5 percent of their choices being made at the local LEA level. Like the Netherlands, around 30 to 50 percent of the decisions made by schools in England are within a centrally-designed framework (OECD 2004 p. 426).

Although the OECD reports Australia as maintaining a relatively centralized education system, this does not take into account the differences between school systems. In Victoria, for example, 94 percent of the state's recurrent budget is decentralized to the school level for local decision-making, albeit within a centrally determined framework, and this level exceeds that in England and New Zealand, countries that are reported as being highly decentralized.

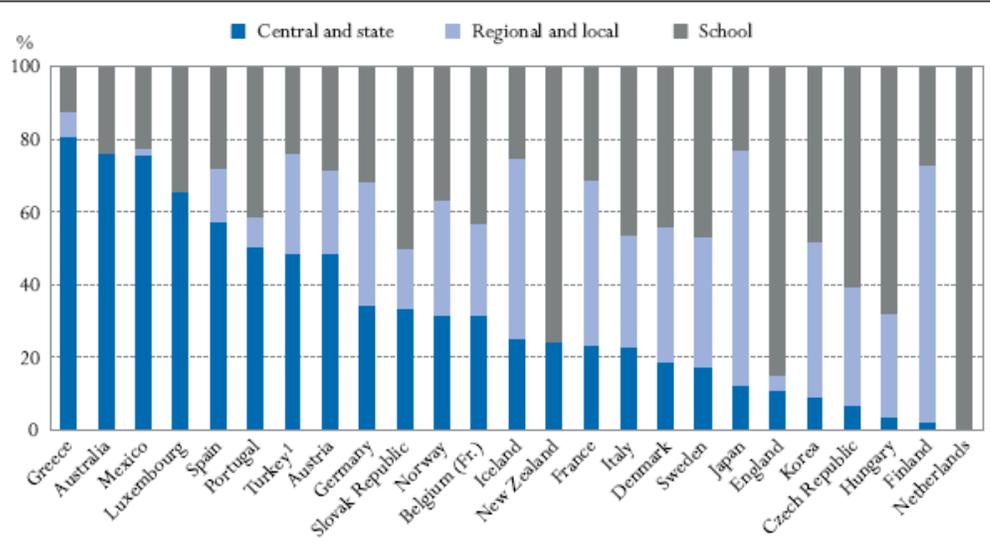
The OECD (2004 p.362) reports that Australian schools have the highest level of flexibility in the curriculum they are required to follow: 58 percent of the compulsory curriculum, designed by the state agency, for 9 to 11 year olds is offered on a flexible basis. These levels vary depending on the state and the school levels of students, with 32 percent of the compulsory curriculum being flexible for students from 12 to 14 years of age. In Victoria, the VCAA provides standards of learning from the beginning of elementary until senior secondary school in eight key learning areas. These standards indicate what abilities are expected of students at various levels in each of the learning areas, whilst allowing the school to devise their own syllabus.

Countries like Australia and New Zealand, have national standards of competence levels for students. In New Zealand, Denmark and the Netherlands the national education policies describe the targets for schooling at various levels. It is then up to the schools, or local authorities, to ensure that these targets are reached. The National Ministry of Education in Denmark provides schools with curriculum guidelines and targets for each subject and at each level of schooling (OECD 2004 p. 358). This is similar to the state-provided targets for education devised by the VCAA and Board of Studies in Victoria and New South Wales, respectively. Some flexibility is provided in the curriculum for schools in The Netherlands. A new curriculum in Finland, which will be fully implemented by August 2006, provides schools and teachers with considerable flexibility

within a framework designed by the National Board of Education. Schools are also able to apply for permission to deviate from this National curriculum if they choose to specialize in or ‘emphasize’ particular subject areas. Other countries, such as Sweden, have what is referred to as a ‘compulsory flexible’ curriculum, which allows flexibility in the time spent or a limited selection between subjects within the compulsory framework.

In England, however, there is little flexibility in the curriculum, which is devised at the national level for all stages of education (OECD 2004, p. 358). Despite this prescribed English curriculum, teachers in each of the countries examined are free to select the materials that they will use throughout the school year (Eurybase England 2005). These decisions are generally taken in consultation with school staff members. Most of these countries enable schools to similarly self-manage other decisions about the provision of schooling, particularly the grouping of students into classes. In the upper-secondary levels in Finland, schools are able to negotiate hours with their students to provide more flexible class times. One trend that has been observed throughout the OECD countries is that the less government funding that a school receives, the more autonomy they appear to have. This is especially the case with a small number of wholly financially independent schools in The Netherlands which are completely autonomous.

Chart D6.1. Percentage of decisions relating to public sector lower secondary education, taken at each level of government (2003)



Example: In Greece, 80% of decisions are taken at the highest level of government (central and state), 7% at regional and local levels and 13% at the school level.
 1. Data refer to primary education.
 Countries are ranked in descending order of the percentage of decisions taken at central and state levels of government.
 Source: OECD. Table D6.1. See Annex 3 for notes (www.oecd.org/edu/eag2004).

(OECD 2004 p. 423)

In terms of budgets and resource planning, The Netherlands once more has the highest level of decentralized decision-making powers. Dutch schools are independently responsible for all of the decisions on their allocation of resources (OECD 2004, p. 428). These decisions, however, must take into account the central regulations on certain resource areas, such as teaching salaries and private income (Justesen 2002, page 18). By contrast, all decisions about the distribution of resources in Finland are made at a local, municipal level. More than half of these budgeting decisions are made cooperatively with the individual schools (OECD 2004, p. 428). The Danish education system includes a mix of these local-level decisions and school self-management. In the Folkskole, the compulsory schooling, almost all decisions are made at a municipal level. In the upper secondary levels, and particularly vocational schooling, schools have a ‘very significant degree’ of autonomy in their resource allocation, management and organization (Justesen 2002, page 28).

Personnel

Teachers in government (public) schools in Australia are employed by government departments at the state and territory levels. In Victoria, the school principal is responsible for the selection of teachers, although teachers are compensated at grades, according to the grading of their position in the school, which are set out in a collective agreement for the school system. If a principal's position is vacant, the school council is responsible for establishing a selection panel and making a recommendation of an appropriate candidate to the department. In New South Wales, however, teaching positions are advertised and application procedures are undertaken through the State Department of Education and Training (New South Wales Department of Education and Training Website). Conditions for the employment in New South Wales, set by the Department, vary according to the teacher's individual role and the location and type of school in which they are employed.

This system of employment is similar to that used in Finland, where most of the decisions about personnel management are made by the municipal administrative bodies (OECD 2004, p. 426). By contrast, many of the decisions about staff are made at a school level in England, New Zealand and Sweden. The schools in The Netherlands are totally responsible for the management of their staff, although minimum basic salaries for staff are set by government guidelines for the various levels of schooling and position within the school (Ministry of Education, Culture and Science website).

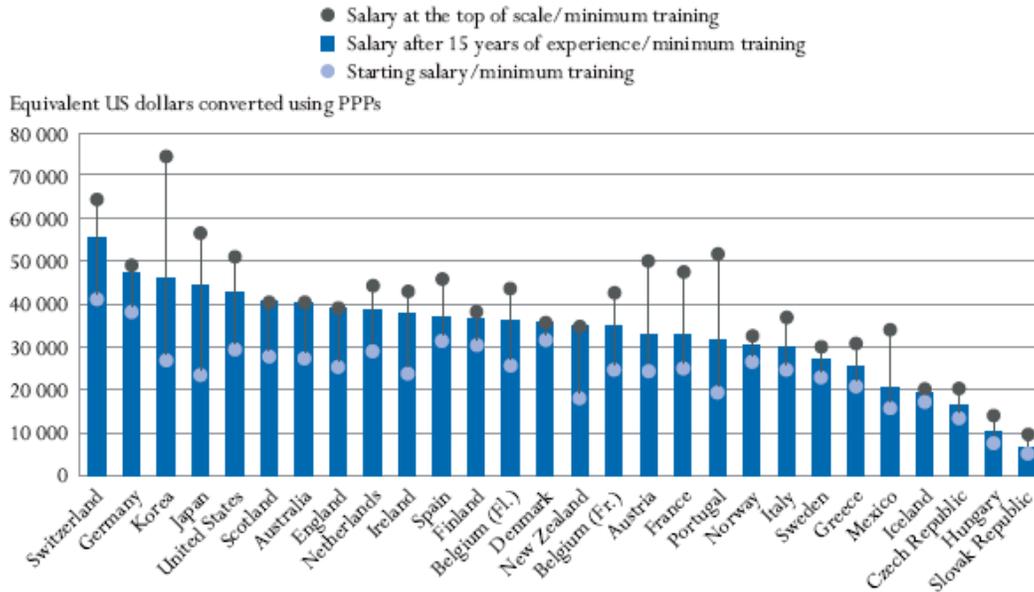
The salaries of teachers in Victoria shift according to the grading of their position. A movement in the grading, resulting in a salary increase, may be based on promotion or experience following promotion to a higher position category. The Victorian Government Schools Agreement 2004 'provides for salary progression linked to achievement against the applicable professional standards and the use of relevant data. Teachers must demonstrate that all the relevant standards have been met to receive salary progression.' (SoFweb Human Resources website)

‘Pay scales are typically based on the simple principles of qualification levels and years of service but in reality, the structure of the teacher compensation system is far more complex. Many countries include regional allowances for teaching in remote regions, or a family allowance as part of the annual gross salary’ (OECD 2004, p. 381). There is a range of other allowances and entitlements that may be offered to teachers in some Countries, such as England where guidelines were set in 2000 for flat-rate allowances, provided in addition to teachers’ base salaries, which are awarded to classroom teachers who carried out specific management duties that were not part of their everyday responsibilities (OECD 2004, p. 387). Although many countries including Australia, Denmark, Finland, New Zealand and Sweden, provide guidelines for additional responsibilities and overtime work, schools are often given some flexibility to decide how these tasks will be rewarded (OECD 2004, p. 386).

Teachers in England are also able to request that their performance be measured against national standards. If their performance is favorably assessed they can be moved to an ‘upper pay scale’ and be eligible for further performance-based salary increases (OECD 2004 p. 388). Performance-based salary incentives are also offered in countries such as Denmark, Sweden and New Zealand.

In each of the countries, the salary levels for teachers increase with their level of experience. This is shown in the OECD 2004 chart, which indicates the difference between teachers’ starting salaries and their compensation after 15 years of experience. The average salaries at the top of the pay scale are approximately 70 percent higher than those for recent graduates (OECD 2004, p. 383). Amongst the countries examined in this paper, senior teachers in Sweden and Denmark receive the smallest increases in salary amounting to approximately US\$ 2 – 3 000, which is no more than 30 percent higher than the starting salary (OECD 2004, p. 384). This appears to be a trend in Scandinavian countries, as the teachers’ salaries in Finland increase by approximately US\$ 6 – 7 000. This is contrasted with teaching staff in New Zealand, whose starting salaries increase by approximately US\$ 15 000 by the time teachers have had 15 years of experience (OECD 2004, p. 382).

Chart D3.1. Teachers' salaries in lower secondary education (2002)
Annual statutory teachers' salaries in public institutions in equivalent US dollars converted using PPPs, and ratio of salary after 15 years of experience to GDP per capita



(OECD 2004, p. 380)

It is interesting to note that the salary levels for new and more experienced teachers do not necessarily increase at the same rate. In Australia, Denmark, England and Finland, the salary level for recent graduates has risen faster than the levels for those at the higher end of the salary scale. The OECD cites these increases as a bid to attract new teachers to the profession in these countries (OECD 2004 p. 385). The New Zealand Government is similarly endeavoring to recruit new teachers by increasing the salary scales for experienced teachers and decreasing the amount of time that it would take a new teacher to reach this level. New teachers in New Zealand can now reach the top of the salary scale within seven years (OECD 2004, p. 385).

In addition to the variation between the pay scales for starting and more experienced teachers, there are also differences in some countries between the salaries for teachers according to the level of education at which they are employed to teach. These differences are illustrated in the table below. In Australia, New Zealand, Sweden and

England, the salaries for elementary and secondary school teachers are very similar, if not identical (OECD 2004, p. 382). The salaries for Danish teachers in elementary and lower secondary schooling are the same. These are significantly different, however, to the pay scale awarded to teachers in the upper secondary level where the starting salary is lower but increases at a greater rate than their counterparts in compulsory education. In the Netherlands, a teacher in an upper secondary school may earn over 30 percent more than a teacher in an elementary school, with a similar level of experience. The salary levels for teachers in Finland increases with the level of education taught. Depending on their level of experience, Finnish upper secondary teachers may earn between US \$2 000 and \$4 000 more than teachers in lower secondary schools and up to US \$8 000 more than elementary teachers with the same level of experience.

Table D3.1. Teachers' salaries (2002)
Annual statutory teachers' salaries in public institutions at starting salary, after 15 years of experience and at the top of the scale, by level of education, in equivalent US dollars converted using PPPs

	Primary education				Lower secondary education				Upper secondary general education			
	Starting salary/minimum training	Salary after 15 years of experience /minimum training	Salary at top of scale /minimum training	Ratio of salary after 15 years of experience to GDP per capita	Starting salary/minimum training	Salary after 15 years of experience /minimum training	Salary at top of scale /minimum training	Ratio of salary after 15 years of experience to GDP per capita	Starting salary/minimum training	Salary after 15 years of experience /minimum training	Salary at top of scale /minimum training	Ratio of salary after 15 years of experience to GDP per capita
Australia	27 493	40 480	40 480	1.44	27 394	40 479	40 479	1.44	27 394	40 479	40 479	1.44
Denmark	31 745	35 809	35 809	1.23	31 745	35 809	35 809	1.23	30 384	43 063	46 096	1.47
England	25 403	39 350	39 350	1.41	25 403	39 350	39 350	1.41	25 403	39 350	39 350	1.41
Finland	26 647	31 687	33 558	1.20	30 514	36 552	38 249	1.38	32 136	40 482	42 652	1.53
Netherlands	28 003	35 307	40 406	1.22	29 050	38 697	44 388	1.33	29 326	51 444	58 913	1.77
New Zealand	18 109	35 034	35 034	1.61	18 109	35 034	35 034	1.61	18 109	35 034	35 034	1.61
Sweden	23 059	27 359	30 162	1.01	23 059	27 359	30 162	1.01	24 544	29 315	31 711	1.08

(OECD 2004, p. 390).

In most of these countries, where centralized bodies establish the guidelines for the employment of school staff, teachers are able to collectively negotiate their base levels of pay and the conditions of their employment. In Australia, these negotiations are carried out at a state level, with teaching bodies negotiating with the relevant State Department of Education and Training. The collective agreements regarding base salary levels in Finland are reached at the central Government level. The conditions of employment of Finnish teachers, however, may be negotiated at a local, municipal level (OECD 2004, p.

385). Collective agreements about the salaries and conditions for school staff are also negotiated at a central government level in Denmark (Justesen 2002, page 27).

These central negotiations are markedly different to the system in place in Sweden, where the fixed-pay scheme for teachers was abolished in the mid-1990s (OECD 2004, p. 386). The Swedish Government is only responsible for the negotiation of a minimum salary level and the budgeting of the total level of compensation for all school staff. Schools and teachers, therefore, have a great deal of autonomy in the negotiation of individual salaries. When they are hired, teachers and employers are required to reach an agreement about the level of pay, according to the teacher's level of experience and their previous performance (OECD 2004, p. 386).

Support for schools

Arrangements for the support of schools generally follow traditional lines in each of the countries, that is, through support units aligned with structural arrangements as set out earlier in the paper. For example, in Australia and New Zealand these are part of regional offices in the state or national (New Zealand) systems of education; in England, they are attached to the LEA; and in Denmark, The Netherlands, Finland and Sweden, they lie at the municipal level. These units are mainly concerned with curriculum, finance, personnel and students.

There are, however, significant developments in those countries where a substantial part of the budget is decentralized to schools, that is, in Victoria (Australia), England, The Netherlands, Finland and New Zealand. In these places, schools are normally free to purchase support services from a range of providers, including the traditional sources described above (for which a charge may or may not be levied) and from the 'open market', in either public or private sectors, including universities. These developments are best understood as part of a pattern of outsourcing of support in the public sector.

One area of the Finnish National Board of Education functions as a private consultant that may be contracted by municipal councils. In this capacity, the National Board of Education offers evaluation services and in-service training to schools.

There are noteworthy developments in England, where management services have been outsourced for an increasing number of schools, either by choice of the school or requirement of the Department for Education and Skills, and also for some local education authorities, for example, the London Borough of Islington. Two companies have been extensively involved in these arrangements: Cambridge Education Associates (CEA) and the 3 E's (chosen to reflect the 'three priorities' adopted by New Labor in the 1997 election that brought the Blair Government to power – 'education, education, education'). In both instances, the directors of these companies were formerly highly experienced school or school system leaders).

The outsourcing of support in the case of local education authorities, which extends to support for schools, has apparently been successful. The Confederation of British Industry cited independent research that found that the nine local education authorities (LEAs) out of a total of 150 that had outsourced their management services to the private sector had improved their performance on key educational indicators at a greater rate than the national average across all LEAs, and in comparison to LEAs with previously comparable performance that had not gone down this route. Islington was the first of the privatised LEAs and it was the most improved among all authorities across England. The report attributes these outcomes to 'a combination of political will, decisive leadership, improved governance, effective contracting and performance management' (CBI, 2005, p. 5). It is important to note that the private companies involved, such as Cambridge Education Associates (CEA) in the case of Islington, bring together a range of experienced leaders and managers from the education and business sectors. One leader in Islington described success in the following terms:

There is no doubt that the partnership between Islington Council and [CEA@Islington](#) over the last five years has transformed education in Islington.

The combination of strategic political and community leadership and high quality

school support services has created a shared vision and supported schools in raising attainment for pupils. The partnership has worked by putting the needs of pupils and schools at the heart of what we do and ensured that the contractual framework has been an enabling factor. (James Kempton, Executive Member for Children, Islington Council cited in Quinn, 2005).

In New South Wales (Australia), 19 new schools have been or are being built through public private partnerships, in which capital for construction is raised in the private market, with lease-back by the government over 30 years. In each instance, management services and maintenance are provided by a private company (Spotless). This outsourcing in New South Wales has been well-received by the profession, with the New South Wales Teachers Federation (the teacher union) reversing its opposition to public private partnerships.

The possibilities of networking have been explored by the Organization for Economic Cooperation and Development (OECD) that published a book under the title of *Networks for Innovation: Towards New Models for Managing Schools and Systems* (OECD, 2003). The following excerpts illustrate the case for networks:

School autonomy goes hand-in-hand with being connected to community, other educators, and the broader society. Hence, the key roles of networks and partnerships. Too much educational practice in OECD countries is characterized by isolation: schools from parents and the community and from each other; teachers and learners in isolated classrooms. (Ylva Johansson, of the Swedish E-Learning Organisation, in Johansson, 2003, p. 149)

The challenge of reforming public education systems is therefore acute. Those responsible are in no position to deal with uncertainties. What they can do is manage and transfer knowledge about what works effectively, intervene in cases of under-performance, create the capacity for change in the system and ensure that it is flexible and adaptable enough to learn constantly and implement

effectively. (Sir Michael Barber, former Head of the Prime Minister's Delivery Unit in the UK, in Barber 2003, p. 115)

[Networks] offer the potential for 're-inventing' the meso level by promoting different forms of collaboration, linkage, and multifunctional partnerships – sometimes referred to as 'cross-over structures'. In this respect, the network enables stakeholders to make connections and to synergise activities across common priorities. The system emphasis is not to achieve control (which is impossible), but to harness the interactive capability of systemic forces. (David Hopkins, former Head of the Standards and Effectiveness Unit in England and Special Advisor to the Secretary of State for Education and Skills, in Hopkins, 2003, p. 159).

The most notable developments in the countries under consideration are in England. For example, there are now more than 100 'networked learning communities' associated with the National College for School Leadership (NCSL). There are three kinds of networks associated with the Specialist Schools and Academies Trust, a non-profit organization that supports the Blair Government's initiative to shift from comprehensive secondary schools to specialist secondary schools, with about 2,500 of approximately 3,100 secondary schools now offering at least one of 11 specialisms. These networks comprise schools offering the same specialism, for example, networks of schools specializing in languages; networks of secondary schools and nearby elementary schools' and networks of secondary schools in the same region. These networks have been created to share knowledge, address common problems and pool resources.

There is some evidence of impact on learning outcomes. The NCSL has commissioned research on the impact of its Networked Learning Communities and publishes the findings from time to time. While cause-and-effect is not attributed, it was found, for example, that schools in networked learning communities in Cornwall consistently outperformed those that were not, on value-added measures at Key Stage 2 (upper

elementary) (National College for School Leadership, 2005, p. 15) (see also Earl and Katz, 2005).

More information about networks in Australia, England and New Zealand is contained in Caldwell (2006).

Discussion

Much of the paper contains intense, relatively detailed descriptions of patterns across the seven countries, organized in themes according to the commission from NCEE. What should be made of these developments in the light of current circumstances in the United States? What stand out as the significant changes? Is a ‘new enterprise logic’ emerging in the organization of public education, especially in relation to the balance of centralization and decentralization?

We re-iterate our observation at the outset. While there have been important developments in respect to decentralization, including evidence of impact on learning outcomes, these must be seen in the context of shifts to centralization on some matters. There is no one best balance of the two, and the balance is shifting over time. It appears to us that each nation is endeavouring to get an optimum balance to achieve a particular outcome, namely, high levels of achievement for all students in all settings. There is deep concern about the distribution of achievement among different groups of students in some settings, even if there are high levels of achievement among the best students.

At first sight, the experience of some nations may not appear relevant to the United States. Finland is a case in point. It has a small, relatively homogeneous population. It has attracted the attention of policymakers and practitioners around the world because it is at the top of the tables in PISA. Hundreds have visited to find out the secret of success. If

there has been an over-arching pattern it has been systematic and consistent decentralization from the national to municipal district level in recent decades, a national curriculum framework that leaves much to the professional discretion of teachers, an absence of high-stakes tests, and high esteem for the teaching profession. The last of these is reflected in the small proportion of applicants who are accepted into initial teacher education and a career in education being near the top of priorities for graduates from secondary schools. Resource levels are high, but by no means the highest among comparable countries, with the peak level of per student funding occurring at the junior secondary level. There is powerful community support for schools. Despite a range of qualifying factors (small and homogeneous population) there is no doubt that Finland has 'the runs on the board' when it comes to student achievement and a successful economy, enhanced by high levels of creativity as documented by Florida (2005). Major restructuring occurred and decentralization was a major thrust.

England is an example that is much closer to the context presented by the United States, especially in relation to the size and diversity of its population. There are profound challenges for its system of public education. There has been extensive decentralization, with all of its public schools having control over about 90 percent of the budget. At the same time, there has been significant centralization, with high stakes testing and a rigorous system of inspection. Schools are bombarded with a plethora of policy initiatives. Leadership is demanding, and despite the establishment of what is arguably the world's leading national organization for the preparation and ongoing development of principals (National College for School Leaders), there has been a sharp decrease in the number of people seeking appointment at this level. At the same time, there is considerable evidence of impact of these changes. The shift to specialist secondary rather than comprehensive secondary schools appears to have borne fruit, with more than 80 percent now gaining this status, with achievement levels on value-added measures about 11 percent higher in specialist than in non-specialist schools. The teaching force is being 're-modelled' to provide greater support for teachers. The largest re-building program in the history of public education is now under way in England.

In England, there has been both centralization and decentralization, but there has also been great interest in a ‘horizontal’ shift in the way things are done, with considerable resources invested in the creation of networked learning communities, with early but limited evidence of impact on learning outcomes. Low-performing schools are partnered with high-performing schools in the Raising Achievement in Teaching and Learning (RATL) project administered by the Specialist Schools and Academies Trust. The once powerful local education authorities have quite limited roles now, being one possible source of support for schools, although they maintain an important responsibility of ensuring a fair distribution of students among different schools.

The NCEE has shown a particular interest in recent years in developments in the Australian state of Victoria. It was an early adopter of decentralization, with relatively powerful school councils and about 94 percent of the state budget for public education in the hands of schools. However, in contrast to England, which has similar levels of decentralization within a national framework, it has been cautious in further reform, and there are currently no counterparts to the shift to a specialist approach at the secondary level, the outsourcing of support to the private sector, and building capacity for leadership. A similar observation can be offered about New Zealand. On balance, the most significant of the developments reported in this paper of relevance to the United States is England, although Finland demonstrates that major re-structuring can occur in a relatively short time, with important outcomes for students and the economy.

Some of the most thoughtful work on organizational structures is being carried out in England by the London think-tank Demos. Two statements illustrate the kind of thinking that is shaping interest in networking and a flexible approach to the balance of centralization and decentralization. The first is by Professor David Hargreaves, a powerful advocate of networking and personalizing learning. The senior author of the other is Tom Bentley who is director of Demos and a person who has significantly influenced developments in education and the public sector.

For Hargreaves:

Knowledge-based networks are not the alternative to existing forms of public provision: they are an essential complement. Rather than being represented by an organizational structure or single policy lever, transformation becomes [a feature] of the whole system as it learns to generate, incorporate and adapt to the best of the specific new ideas and practices that get thrown up around it (Hargreaves, 2003, pp. 12-13).

Bentley and Wilsdon (2004) suggest an ‘adaptive state’ is required if the best approaches to service delivery are to be achieved at a particular point in time.

We need new systems capable of continuously reconfiguring themselves to create new sources of public value. This means interactively linking the different layers and functions of governance, not searching for a static blueprint that predefines their relative weight. The central question is not how we can achieve precisely the right balance between different layers – central, regional and local – or between different sectors – public, private and voluntary. Instead, we need to ask *How can the system as a whole become more than the sum of its parts?* (Bentley and Wilsdon, 2004, p. 16)

The final words are those of Professor Sir Michael Barber, former Head of the Prime Minister’s Delivery Unit at 10 Downing Street and now Expert Partner, Public Sector Services, McKinsey & Co (London).

The era of the large, slow moving, steady, respected, bureaucratic public services, however good by earlier standards, is over. In the new era, public services will need to be capable of rapid change, involved in partnerships with the business sector, publicly accountable for the services they deliver, open to diversity, seeking out world class benchmarks, and constantly learning (Barber, 2003, p. 115).

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