



<http://www.diva-portal.org>

This is the published version of a paper published in *Education Inquiry*.

Citation for the original published paper (version of record):

Lundahl, L., Erixon Arreman, I., Holm, A., Lundström, U. (2013)

Educational marketization the Swedish way.

Education Inquiry, 4(3): 497-517

Access to the published version may require subscription.

N.B. When citing this work, cite the original published paper.

Permanent link to this version:

<http://urn.kb.se/resolve?urn=urn:nbn:se:umu:diva-80682>

Educational marketization the Swedish way

*Lisbeth Lundahl**, *Inger Erixon Arreman**, *Ann-Sofie Holm*** & *Ulf Lundström**

Abstract

Sweden has commonly been regarded as a striking example of a social democratic welfare-state regime (Esping-Andersen 1996), characterized by strong state governance and active involvement in welfare matters. In the last two decades, however, the Swedish public sector and education system have been radically and extensively transformed in a neo-liberal direction, a move that was preceded by extensive decentralization of decision-making from the state to municipalities and schools. In this article the scope, character and some of the consequences of internal and external marketization of Swedish education in the early 2000s are summarized, and the impact of competition on the internal workings of upper secondary schools is highlighted in particular. We conclude that the external marketization of education has proceeded a long way and Sweden also fully embraces new public management, i.e. ‘inner marketization’, of education in most respects. However, aspects of the older social democratic policy paradigm are still visible with regard to the assigned functions, values and governance of education.

Keywords: Sweden, marketization, education policy, upper secondary education

Introduction

During the latter part of the 20th Century increasingly close connections were forged between education and the economy in the whole OECD sphere; this occurred at a stage of globalization commonly described as the knowledge economy or knowledge capitalism. A general transition took place, starting in the 1970s, from Keynesian welfare states aiming to maintain full employment and raise living standards for all citizens, to Schumpeterian welfare states, actively seeking to raise competitiveness by promoting innovation, enterprise and flexibility (Jessop 2006, Jessop et al. 2008, Lauder et al. 2012, Rizvi and Lingard 2010). A range of sectors and activities that were previously held at some distance from the economy, one example being education, are now more directly involved. In their analysis of educational systems in 24 countries, Stephen Ball and Deborah Youdell (2008) distinguish between endogenous and exogenous privatization of public education. Internal privatization refers to the application of “new public management techniques” to make schools business-like: creation of semi-autonomous units with features including continuous evaluation and assessment, high degrees of accountability and performance-related pay.

*Umeå University, Sweden. Email: lisbeth.lundahl@educi.umu.se

**University of Borås, Sweden. Email: ann-sofie.holm@hb.se

©Authors. ISSN 2000-4508, pp. 497–517

Exogenous privatization refers to schools being opened up to business interests, through commercialization, sponsorships, school–industry partnerships, contracts and competition between private and public actors for students and resources. As Ball and Youdell argue, this development, with its multitude of aspects, permeates and affects education at all levels:

The tendencies this report describes are not just technical changes in the way in which education is delivered. They provide a new language, a new set of incentives and disciplines and a new set of roles, positions and identities within which what it means to be a teacher, student/learner, parent etc. are all changed (Ball and Youdell 2008, p. 11).

We find Ball and Youdell's (2008) distinction between internal and external privatization useful for structuring purposes, but prefer the concepts external and internal marketization, using Montin's (2006) definition of market as a starting point: *a situation when several producers compete over public tasks and/or when internal steering systems are developed with the market and industry as models* (Montin 2006, 7). In this article we will use the term marketization to denote the *direction* of the change process, and quasi-markets when referring to the *resulting situation* as this is not a market in the strict sense. In contrast to proper markets, quasi-markets are characterized by being established and controlled by the state. The relationship between buyers and providers of educational services is regulated by contracts. Competition is based on aspects other than the price, since the service is tax-financed, and Swedish students cannot be charged fees.

The widespread privatization/marketization trends are accompanied by a number of problems and contradictions. Not least, they concern legitimacy: policy initiatives have international reach, but simultaneously have to seem authentic and capable of fostering a national identity (Lundahl 2007). It is not by chance that neoliberalism is often paired with neo-conservatism; indeed, this odd pairing may mitigate such contradictions (Apple 2004). Many aspects of internal marketization have been introduced surreptitiously, in the guise of measures officially intended to raise educational quality and develop schools, hence Ball and Youdell's concept of 'hidden privatization'.

Rizvi & Lingard (2010) correctly point out the danger of structural reification when analysing and explaining local and national developments within the perspective of globalization; agency and politics do play a decisive role in shaping a country's education and welfare system, and therefore it is important to understand how globalization and marketization actually work by relating them not only to common economic factors but also to local and national histories, cultures and power relations.

The case of Sweden

During the last 30 years Swedish welfare and educational policies have undergone a far-reaching transformation, in many respects similar to the neoliberal trajectory

that was taken in other OECD-countries from the 1970s onwards. However the change in the social democratic welfare state of Sweden from having one of the most centrally planned and uniform school systems in the OECD area into one of the most liberal in terms of decentralization and market elements has been faster and more radical than in many other places (Baggesen Klitgaard 2007, Bunar 2010, Lundahl 2002). Swedish independent schools, ‘free-schools’, now attract considerable attention, and even admiration, internationally (see e.g. Erixon Arreman and Holm 2011a, Lundahl 2011) – a ‘Swedish model’ of quite another kind than its predecessor, which referred to consensual relations in the labour market and a commitment to the goals of full employment and social equality (Fulcher 1991, Lundahl 1997). Even if the emergence of large free-school companies is the most eye-catching aspect of the marketization of Swedish education, it is far from the only one. Competition has been established between all schools at municipal, and in the case of upper secondary education, even national level. Further, the work of schools is now orchestrated by new managerialism, and school curricula and educational assessment have been reformed in order to enhance employability, raise academic performance and increase effectiveness. However, it would be incorrect to characterize the present situation as a complete shift to a neo-liberal education policy. In parallel with the strong discourse of excellence, performance and competition, another, that of social inclusion and equality (*A school for all*), still prevails, for example in national curriculum guides for preschool, primary and secondary education (as discussed later).

Some of the rapidly growing work on recent Swedish educational policies is referred to in the following sections. First, it is noteworthy that such studies mostly focus *either* on effects of school-choice policies, i.e. what Ball and Yodell refer to as external privatization, *or* new managerialism in education – educational measurements and ranking, action plans, quality assessment and the like. Given the complexity and scope of the phenomena concerned, this is hardly surprising. However, as a result, there is a need for a more comprehensive overview of the present situation, and a discussion of the extent to which older policy patterns still are visible. Secondly, few studies highlight the fact that external marketization of Swedish education not only governs the relationships between schools but to great extent affects schools’ internal work and life. The research project *Upper Secondary Education as a Market* (2008–2011) that is referred to in the current paper clearly illuminates this fact.

Several international-comparative studies indicate that Sweden has gone a long way down the road of external and internal marketization. In his comparative study of the scope of educational restructuring and new public management (evaluation, assessment and reporting) in five European countries (the Czech Republic, England, France, Germany and Sweden), Daun (2004) concluded that these trends had been most radical in Sweden and the Czech Republic. Baggesen Klitgaard (2007) compared school-choice policies in the USA, Germany and Sweden as prominent

examples of three different welfare regimes (Esping Andersen 1996). He was surprised by the lack of a direct relationship between welfare regimes and school-choice reforms; e.g. he found that the liberal welfare state of the United States displayed social democratic features, whereas social democratic Sweden displayed American and liberal characteristics. Houtsonen et al. (2010) analysed the impact of new public management, more specifically documentation and evaluation, on teachers' perceived autonomy and daily work in Sweden, Ireland and Finland, and concluded that despite the similarities in the policies adopted, Irish and Swedish teachers felt a greater influence of control and accountability procedures than their Finnish colleagues. In a comparative project including Denmark, Finland, Scotland, England and Sweden, Ozga et al. (2011) analysed quality steering based on measurements and rankings, and the related emergence of a European education agenda. Sweden fits well into the European pattern of increased use of quality governance by numbers and comparisons, but, characteristically has the self-image that it does not 'import, borrow or copy ideas or models from anywhere, since ... Sweden is already very good at QAE [quality assurance and evaluation, authors' remark]' (Segerholm 2009). This reluctance to admit Swedish education borrowing policies has also been found more generally (Lundahl 2007).

The aim of this article is to summarize the scope, character and some of the consequences of internal and external marketization in general and in Swedish upper secondary education in particular during the early 2000s. The central questions addressed are as follows. How far has marketization gone? What aspects of the previously dominant social democratic policy are still visible if we look at the functions, values and governance of education?

In the following, some notes on the concept of education paradigms or patterns are made, and empirical sources and methods are briefly presented. Based on our own research and the work of other researchers, the major part of the article is devoted to delineating the present state of the internal and external marketization of Swedish education more generally, and in particular how external marketization affects the inner life of upper secondary schools. In the final section, lingering features of social democratic policy are discussed in terms of functions, value basis and governance of education.

Points of departure

As reference points for the final discussion, we build on a model of ideal-typical education systems developed by Hudson and Lidström (2002), here called policy paradigms. '*Policy paradigm*' may denote a cultural framework that governs the policy process and regulates, for example, what is to be defined as a problem and how the policy process is to be enacted, realized and evaluated (O'Sullivan 1999), or a dominant view or master narrative of education and education policy (Metha 2013). Herein, the concretization of policy paradigms in terms of assigned functions

of education, the value base of education, and education governance is broader but is still situated within the sphere of culture or the dominant set of ideas.

We argue that different welfare regimes (Esping Andersen 1996) – in the Swedish case the universalistic/social democratic regime – frame and form education politics differently, and interact with global neoliberal influences in ways that are related to the history and power relations of various countries. As is illustrated by Baggesen Klitgaard (2007), however, this relationship is far from simple or direct.

Hudson and Lidström (2002, 56 ff) constructed a model of education systems based on dimensions of ‘value’ and ‘instrumentality’, the latter referring to assigned functions of education. Comprehensive versus market values constitute the poles of the first dimension, social/cultural versus economic functions the poles of the second. A model of four ideal education systems was constructed, two of which – broad strategy education and economic élite education – correspond to what is referred to as the social democratic and neoliberal education policy paradigms (or patterns) below. We also include a third dimension of ‘governance’ (c.f. Archer 1985). It should be emphasized that the simple patterns described below are used for analytical purposes; they do not constitute empirical descriptions of a situation at a certain point in time nor do they refer to party ideologies or politics.

Instrumentality of education: In the social democratic policy paradigm there is a stronger emphasis on social and cultural functions of education than there is in the neoliberal paradigm, and education is expected to make a crucial contribution to social inclusion and democratic citizenship. Schools and education are kept *relatively* separate from the economy in order to serve the needs of the individual and society, even if education is regarded as having crucial economic functions. In the neoliberal policy paradigm far greater importance is placed on the economic functions of education, which is regarded as a crucial instrument for fostering economic growth and competitiveness at multiple levels, by supplying employable, flexible manpower and providing targets for investment, marketization and commercialization.

Value basis: By regarding education as a common good, social democratic education policy traditionally focuses on fostering equality, fairness and public service. Providing equal educational opportunities is seen as crucial both for promoting social justice and for enhancing economic, social and individual development. Thus, free, high quality education should be provided, regardless of the student’s background. Comprehensive education, with little streaming and tracking, in socially mixed schools is generally favoured in order to promote social cohesion. A key aim for education is to nurture socially responsible and active citizens. In contrast, ideas of competition and achievement are prominent in the neoliberal policy paradigm, and the links between education, the economy, and markets are much more pronounced. Education is primarily regarded as a private good and diverse kinds of public and private education, providing considerable space for choice, are desirable. Performance, competition and individualism are core values. A wide choice

of schools offering different options is supposed to stimulate development and raise both educational quality and productivity, and a key goal for schools is to foster responsible, self-governing, problem-solving and enterprising individuals.

Governance of education, initiation of change: Traditionally, social democratic policy means that the state is largely responsible for steering and reforming the education system, by issuing detailed regulations relating to curricula, teaching, funding, and evaluation. The system largely follows a bureaucratic model, stressing the importance of impartiality, rational rules and expertise. Based on the market as a model, the neoliberal system of governance and change involves a range of actors and interests interacting at different levels. Schools should be run as firms, according to 'new public management' tenets, while responsibility and accountability for outcomes should be delegated to local actors.

Methods and sources

In the following sections we refer to data and results from our research project *Upper Secondary School as a Market* (2008–2011), funded by the Swedish Research Council. This project aimed to map critically the rapidly expanding market landscape of upper secondary education and, more specifically, to analyse the impact of external marketization on the inner workings of schools; this was achieved by listening to staff and students. We did *not*, however, aim to evaluate social inclusion/segregation or academic performance effects of marketization, as have a number of such studies been conducted by other researchers (see below). The project built on a broad range of empirical data: (1) public statistics; (2) policy documents, web pages of municipalities and schools, and articles in the news media; (3) two web surveys distributed to school directors, principals and career counsellors in two regions, including 60 municipalities and more than one hundred upper secondary schools; and (4) individual and focus group interviews at eight upper secondary schools (five municipal and three free schools) with varying degrees of exposure to competition and from both urban and rural districts within the two regions. In all, eight principals, 58 teachers, 13 career counsellors and 77 students were interviewed.

Internal marketization

Swedish education shows almost all the characteristics of internal, 'hidden' privatization or marketization that have been observed in a number of other countries (cf. Ball and Youdell 2008, Beach and Dovemark 2007). A process that started in the late 1970s and culminated in several decisions in the late 1980s and early 1990s led to extensive decentralization of decision-making to local authorities and the introduction of governance by objectives and results. Especially in its early stages, this process was driven by a perceived need to replace central steering and control by local, democratic decision-making and a stated wish to increase space for

the professionals in schools. Gradually, the neoliberal discourse of customer choice and the professed need to break the so-called state-monopoly strengthened.¹ It could be argued that the decentralization paved the way, and was a necessary step, for the external privatization to come (Lundahl 2002). Furthermore, New Public Management (NPM) strategies increasingly permeated the work of Swedish schools in similar ways to those seen in other countries, transforming schools into semi-autonomous, result-driven units. In the early 2000s it was estimated that Swedish schools had more autonomy in teaching hours, instructional contents and methods, and class size than schools in most other countries (OECD 2002). Swedish principals gained a high degree of autonomy in allocating resources and budgeting, planning the work of the school, and staff administration (Jarl, Fredriksson and Persson 2012). Education has gradually become subject to closer scrutiny and evaluation, in order to ensure that schools 'perform', 'produce' or 'deliver' sufficiently well, and the role of the principal has, accordingly, changed from being a pedagogical leader to a manager. Various control techniques have been introduced in the name of quality assurance, including standards, assessments, audits, benchmarks and indicators, and international comparisons of performance and outcomes have become increasingly important. The focus of assessments is mainly on student or school performance, but the individual teachers are also scrutinized (Daun 2004, Houtsonen et al. 2010, Rönnberg 2012). Individual performance-related pay for teachers and other school staff, introduced in 1996, is an important, but often neglected, governance technique, which increases school leaders' power to decide what constitutes quality and performance at the expense of teachers' professional judgement and autonomy (Lundström 2012).

Sweden's accession to the European Union in 1995 strengthened a global discourse of lifelong learning, flexibility and performance. The need to maintain competence features prominently in the new upper secondary school curriculum of 2011, and fostering enterprise is included in curriculum guides for both compulsory and upper secondary levels. Like previous reforms of upper secondary education, a major aim of the reform passed in 2009 was to improve the preparation of pupils to meet rapid changes in working life (Lundahl et al. 2010). However, while previous reforms linked education to long-term labour market needs, the new one focuses rather on the current needs of firms and sectors. Before the reform the main stakeholders – employers and higher education institutions – were actively involved in defining educational contents that was supposedly relevant to employability, yet another new core concept. Classification, referring to the boundaries, e.g. between content and between programmes, has become stronger. In the 2011 upper school curriculum, Vocational Education and Training programmes have a more pronounced vocational focus than before, and now only the academic programmes give students eligibility for higher studies. Renewed efforts have also been made to introduce 'modern' apprenticeship training (Lundahl et al. 2010).

External marketization

The complex relationship between public and private welfare services can be analysed in terms of the actors who are responsible for provision, funding and decision-making (Burchard et al. 1999). In Sweden, most elements of compulsory and post compulsory education were traditionally provided as a 'purely public service' until the 1990s, although provision of some services (e.g. cleaning), facilities (e.g. school cafeterias) and goods (e.g. text-books and other material) was contracted-out long before then. Preschools have been provided by the municipalities, but funded both by taxes and parental fees, since they were first established. Following the massive expansion of choice and marketization initiated in the early 1990s educational services are still publicly funded, but there are numerous private providers, and individuals decide whether or not to make use of private options. The resulting free-school quasi-market is described in the next section. Parents and students however choose between *all* preschools and compulsory schools within their municipality – public as well as free-schools, and for upper secondary education, their choice is extended to the whole country (see below). There are few examples of 'pure private provision' in education, but companies offering help with homework, for example, have become more and more frequent in recent years. Recently, a controversial opportunity to get tax relief for this has emerged, using new legislation concerning tax-deductions for domestic services ('Rut-avdrag').

Notes on the Swedish free-school sector

During the first decade of the 2000s, a boom in new, independent schools ('free-schools') signified the rise of a highly competitive free-school quasi-market in Sweden (Erixon Arreman and Holm 2011a, 2011b). Swedish "edu-business" (Ball 2007, 67), with generous tax-funding and weak regulation, is unique in some respects, in particular the opportunity for owners to generate and extract profits (Björklund et al. 2005; Baggesen Klitgaard 2008, Lubienski 2009). These are features that make the system more market-oriented than, for instance, the U.S. system of charter schools (Chubb 2007). By 2011 half of the upper secondary schools in Sweden were free-schools, and on average more than a quarter of all upper secondary education students attended them, rising to approximately 50 per cent in the big urban areas of Stockholm, Gothenburg and Malmö. The expansion of the free-school quasi-market has included both the opening of new schools and private acquisition of public schools. Free-schools are tax-funded and should officially be open to all children. In principle fees are not allowed. The free-schools are run by diverse private actors—individuals, religious organizations, non-profit organizations and commercial companies—which seek licensing from the National Schools Inspectorate. By the end of the first decade of the 2000s, almost nine out of ten upper secondary free-schools were run by providers that were entitled to distribute revenues to their

owners (National Agency for Education 2010a). However, it should be noted that this possibility is not exploited by all free-school companies. The surplus in the private upper secondary sector is mainly generated by lower teaching costs per student (National Agency for Education 2011), but lower costs for resources, e.g. premises, also contribute.² Hitherto, free-school companies have been more profitable than businesses in other sectors, on average, while the associated risks and investment costs are relatively low (Erixon Arreman and Holm 2011a, Vlachos 2011). This has made them attractive targets for equity companies, whose motivation is to generate profits for shareholders within a few years (Isaksson 2006). More generally, the free-school quasi-market has become increasingly important for the Swedish business sector (Prochazca and Bergström 2007). Swedish 'edu-business' has also extended internationally; several of the large free-school companies have expanded abroad or intend to do so (Erixon Arreman and Holm 2011b, see also Wiborg 2010). Furthermore, three of the four largest Swedish companies in the upper secondary sector were purchased within a few years by foreign equity companies, none of them previously engaged in education. However, the quasi-market of upper secondary education is currently in the midst of its first economic crisis, due to unusually small youth cohorts and a surplus of schools. Consequently, some schools have to be closed, and the free-schools, which are generally smaller and offer a narrower range of programmes than the municipal schools, are the first to go.

Effects of external marketization on schools' internal work

External privatization affects most Swedish municipalities, schools, staff and students in numerous ways. The political and public debate about educational matters has heavily focused on free-schools and their profit-making, while the fact that all schools, public and independent, have to compete for students, vouchers and reputation has generally received less attention. In our survey seven out of ten school directors and principals of schools (the terms 'principals' and 'school leaders' are used interchangeably here) in 60 municipalities estimated that the competition between schools affected staff and students of their schools *substantially*. Two thirds of all, especially respondents from municipalities that are highly market-exposed, concluded that competition had affected the work of their schools in various ways, such as contributing to the development of new programme profiles and changes in instructional methods. However, this was at the expense of teaching and other educational work, and only a minority (less than 25 per cent) of the respondents reported that competition had raised student performance or well-being. Work had become more intense and planning more difficult; marketing of the school was seen as a particularly onerous and time-consuming new assignment. On average, 85 per cent of all upper secondary schools were actively marketed, and more than half invested *considerable* resources in marketing. A third of the public schools hired advertising companies. Even more importantly, most of the principals and teachers

were involved in marketing activities, often together with students and a range of other actors, according to the respondents. In all probability, the *time* spent on marketing was the major cost. Various channels were used to reach potential students: open houses and school fairs, printed materials and advertisements in the daily newspapers, the internet, radio and TV, mailshots, emails and text messages. Special offers (laptops, cinema tickets, access to gyms etc.) were common.

The following sections are based on interviews with students, principals, teachers and career counsellors at five public and three free schools concerning how the competition impacts their work. While school staff perceive its effects more or less daily, the students do so especially in grade nine of compulsory school, when they make their choices from a veritable 'jungle' of upper secondary schools and programmes. They often find it difficult to make the 'right' choices, which are not just about finding a path to further studies and future work, but are also increasingly important as signifiers of young people's identities. This is undoubtedly a major consequence of school competition. Because of the limited space here, we choose to briefly illuminate the impact of marketization on the work of teachers and school leaders.

School leaders as managers

As schools have shifted towards being competitive organizations, the role of school leaders has become more similar to that of a business leader (Jarl et al. 2012, Holm and Lundström 2011, National Agency for Education 2010b). Swedish upper secondary principals are now responsible not only for ensuring that educational goals are achieved and developing their schools, but also for actively profiling and promoting their schools. Concepts like 'business', 'profits', 'delivering results' and 'selling a product to 16-year-olds' recur in the interviews. Due to the tremendous increase in the numbers and variety of upper secondary schools, in parallel with decreasing student cohorts, many school leaders have to struggle to ensure their school's survival. "It's about eating or being eaten", one of them says. Losing students may result in staff redundancies or closure of the school, prospects which cause stress and anxiety among the principals. In addition, short lead times for accepting students and increases in numbers of students who switch between schools hamper long-term planning and co-ordination. The need to think and act strategically and flexibly has grown. Marketing of schools has become a highly prioritized task, and the need to adapt to the students' desires has increased accordingly, but the principals are uncertain about the best recruitment strategies to apply. They describe dilemmas, such as the potential conflicts between collaboration and competition, but most of them seem to handle the changed conditions in pragmatic ways. As one of them puts it: "That's the reality (. . .) we must learn to live with the market forces and make the best use of them" (Holm and Lundström 2011).

Teachers' new roles

The market demands have contributed to a profound change in teacher's positions, from relatively autonomous professionals to service-oriented workers in a quasi-business environment. In particular in free-schools one can see the development of market-oriented teachers –who 'let the principal manage', who actively promote the mission of the school and are positive about marketing (Fredriksson 2009). Regardless of their attitude to marketization and competition, most teachers are influenced by their schools' attempts to stay competitive. Increasingly frequently (particularly following the contraction of the upper secondary school quasi-market) their employment is directly dependent on the success of marketing and recruitment campaigns. Marketing and benchmarking consumes time, money and energy at the expense of the core activity of teaching, thereby intensifying teaching loads and raising the need to show off their work to the outside world. School staff are increasingly engaged in benchmarking, i.e. examining and relating themselves strategically to competitors. The changed priority of work tasks is the most evident example of a devaluation of professional values that many teachers describe. They provide examples clearly showing that dispassionately applying professional judgement becomes less important than satisfying and retaining students. The focus on competition and ranking is contributing to grade inflation and an emphasis on easily measurable teaching content (Wikström and Wikström 2005, Vlachos 2011). Consequently, traditional core professional values—grading students as impartially and objectively as possible and achieving comprehensive educational goals, e.g. the development of young people as citizens and people—are threatened.

The overall complex of demands, norms and priorities varies according to the ethos that guides the professionals' actions and the dominant culture of their school. For example, a new enterprise culture is strongly apparent in some of the schools, including new terms of employment (e.g. time regulation, work tasks, bonuses), new actors (e.g. shareholders and customers), new values and priorities. However, neoliberal values and privatization have barely affected the internal culture of some other schools, especially those in regions with few competing schools and those with a consistently good reputation. Some teachers defend values based on the social democratic orientation, which to a large extent has underpinned the traditional professional culture, while others adopt the neoliberal policy. A third group of teachers are ambiguous about, or indifferent to, the neoliberal trend. Free school representatives tend to be more positive than teachers in public schools, and school leaders tend to accept and adapt to the market situation more readily than their co-workers. However, there seem to be few expressions of collective resistance by teachers and other staff to the numerous forms of education's marketization (Holm and Lundström 2011, Lundström and Holm 2011, Lundström and Parding 2011).

Impact of marketization at societal level

Whether school choice and competition between schools affect the results of schools and students, and if so in what ways, are fiercely debated, controversial issues that we do not explore in depth here. However, it is difficult to conclude that the general level of academic performance has risen – a key tenet when school choice was introduced in the early 1990s – as all evidence, e.g. from PISA and TIMSS, points in the other direction (National Agency for Education 2010c).

The overall conclusion from international research overviews, for example by the OECD (Musset 2012, Waslander et al. 2010) is that school choice tends to increase differences in school performance and resulting social differentiation. Recent Swedish studies have reported similar findings. In the early 1990s Sweden had among the lowest variations globally in pupil attainments between schools and between children, related to gender, ethnicity and social origin, but such variations have increased over time. In particular, the performance of the children is now increasingly strongly associated with the educational level of their parents. A number of studies have unanimously found increasing social and cultural segregation of students, and greater variations in their academic performance (e.g. National Agency for Education 2010c, Östh, Andersson and Malmberg 2012, Trumberg 2011). A recent report from the National Agency for Education (2012a) concludes that equality has decreased in compulsory education since the end of the 1990s, a trend that is related to decentralization and school choice reforms. The increased variation in student performance between schools is the most tangible manifestation. Östh, Andersson and Malmberg (2012) conclude that contrary to frequent assertions, residential segregation does not necessarily lead to increased school segregation, but privileged groups have increasingly used school choice to avoid contact with less privileged groups. While most studies on school segregation target the compulsory level, other studies focus on the choice of upper secondary programmes and schools and show how these increasingly are based on students' social, cultural and economic capital (e.g. Lidegran 2009, Lund 2006).

How far has marketization gone? Final discussion

In the previous sections we have described internal and external marketization of Swedish education, focusing particularly on the competition between upper secondary schools for students and resources, and how external marketization affects the internal life of schools. In this final section, we make some general remarks about marketization and discuss the lingering features of social democratic policy in terms of functions, values and governance of education.

Functions of education

If we look, in particular, at upper secondary and tertiary levels of education, we find a strong emphasis in contemporary policies on serving economic functions by

promoting employability, flexibility and enterprise, and a consequent diminishment of the importance of other educational functions. However, it would be misleading to argue that the economic focus originated in the 1990s or 2000s and is exclusively connected to the neoliberal movement. Taking upper secondary education as an example, the primary functions during the period of 1960–1990 were both to provide equal opportunities, social security and citizenship education, and to promote economic growth by delivering competent practitioners (Lundahl et al. 2010). If fostering employability and entrepreneurship have become key features of current education policies, matching manpower to the needs of industry were the historic central aims. If we look at education as such, the difference is primarily about the changed balance between social/cultural functions and economic ones. As described above, schools and education, however, were also allocated additional and important *commercial* functions when they were transformed into quasi-markets, and today they constitute big business in Sweden. This is a distinctive difference compared to the situation before the 1990s.

Value basis

In this paper we have provided numerous examples of how neoliberal values underpin recent education policies in Sweden – not least the strong belief in competition as a positive driving force in school and quality development and school-choice as a right and duty of the individual. We have paid little attention to the lingering universalistic and egalitarian features of the social democratic educational policy, but nevertheless they are significant.

The social democratic policy paradigm is probably most clearly expressed in the inclusive and democratic value basis of the Education Act and the formal national curriculum guides. Like its predecessor, the new Swedish Education Act (2010) states that education should be designed in accordance with basic democratic values and human rights, such as the inviolability of human life, individual freedom and integrity, recognition that all people have equal value, equality between women and men, and solidarity between people. The need for compassion and understanding of others is stressed. Education should be equivalent, regardless of location, but adapted to every child's individual needs, and schools have a legal responsibility to provide special support for children who require it to attain appropriate educational goals (Education Act 2010:800).

The requirement to provide equal educational opportunities, thus, has the same central position in the Education Act as it did in the 1970s and 1980s – and it is telling that some of the arguments behind the introduction of free-schools were about securing high quality education for students from less advantageous backgrounds, i.e. invoking a social democratic policy discourse.

If we look at how the above intentions of the Education Act are concretized, it is first important to note that *free access to education* is a non-contested issue;

all children and young people in Sweden receive free education from primary to upper secondary level, and even tertiary level education is free. Parents have to pay preschool fees, but they are income-related and cannot exceed a certain level. The municipalities are obliged to provide three-year upper secondary education to all young people, as far as possible in line with their wishes. All students are also entitled to a range of services, including special education (if needed), counselling, school libraries, school transport, free healthcare and free school meals of high standards. Unlike many other countries, there are no such things in Sweden as school meal tickets, which distinguish the poorest children from the others.

There is still little tracking or streaming of students (e.g. into ability groups) in their nine years at comprehensive school and students with special needs are mostly integrated into ordinary classes. There have been some efforts to introduce so-called elite classes, but to date they have been met with rather limited interest. However the social segregation mechanisms of school choice and the resulting diminishing opportunities for children from diverse backgrounds to encounter each other in school have hitherto received rather little attention in the political and media debate; the positive aspects of freedom of choice continue to be emphasized.

According to international-comparative studies, democracy education in Sweden and Scandinavia can be broadly defined as teaching *about*, *for* and *through* democracy, with a strong emphasis on student participation (Lister et al. 2007, Lundahl and Olson 2013). The 2011 curriculum guide for upper secondary education still includes clauses about fostering democratic citizens who are willing to contribute actively to extending democracy in work and social environments; these clauses are very similar to those in equivalent documents from the 1970s. The only substantial difference concerns schools' responsibility to prepare students for entrepreneurship, enterprise and innovation.³ However, in schools that are heavily affected by competition, 'voting with the feet' is emerging as an important means for students to exert influence, and the strong focus on performance and goal-attainment overshadows less visible and rewarding aspects of the curriculum, e.g. democracy teaching and learning. Finally, students are expected to act as school ambassadors, and to avoid giving negative impressions of their schools (Lundahl and Olson 2013). Fredriksson (2009) talked about market-oriented teachers, and it seems as though we are also increasingly witnessing the emergence of market-oriented students.

At least rhetorically, resting on the old value basis could be interpreted as a slow adaptation to changing external conditions, but it could equally well be interpreted as a means of legitimizing privatization and decentralization among parents, teachers and other actors. We would argue that adherence to the professed aims to promote equality and universalism is not a relic of a recent past; on the contrary it has been essential in facilitating the rapid spread of the market system. Given the strong Swedish history of equal educational opportunities, it would have been very difficult to legitimize marketization in Sweden without allowing free access to the

free-schools. Even the high taxation level (in international terms) has been an asset in this respect, as it has enabled public funding of a huge number of rather small and costly upper secondary schools.

Governance of education

As already mentioned, a wave of extensive decentralization occurred in the 1980s and early 1990s. In contrast to many other countries, powers were largely transferred to the municipal policy level in the first step (c.f. Hudson and Lidström 2002), meaning that the discretion of already relatively autonomous municipalities increased. In a second step, schools were given increased freedom to develop their work within the broad framework of the national curriculum objectives and other legislation, but still the local political authorities have considerable power to set educational strategies and priorities locally, and this may be seen as a characteristic of the social democratic policy pattern. Decentralization has, however, and in stark contrast to previous policies, resulted in large differences between municipalities with regard to educational costs, e.g. in recruiting and retaining suitably qualified teachers and other school professionals, and distributing resources. In other words, local investments intended to deliver *A school for all*, and other educational obligations, vary tremendously and the diverse school market does not improve the situation. In order to reduce such differences, signs are now visible of a wish to 'bring the State back in' (c.f. Weir and Skocpol, 1985) in order to reduce the large and growing variations between schools and students. The government has thus appointed an investigator to evaluate the effects of the decentralization of education to the municipalities (Dir. 2012:84), and the Minister of Education and several other important actors advocate the re-centralizing of education. However such a reform would not necessarily (or even probably) mean a confrontation with the neoliberal policy paradigm. As many researchers have concluded, the state has taken on new functions vis-à-vis the economy in the era of knowledge capitalism; reducing some of the obviously problematic consequences of the current market-orientation of education is one of them. We have already witnessed efforts to reduce the undesirable effects of aggressive competition over students and the resulting plethora of schools and programmes, e.g. by introducing common legislation for public and free-schools and tougher evaluation of applications to start new schools.

Finally, internal market orientation in the form of new public management of schools is still very strong in Sweden and is rarely questioned.

Concluding remarks

Like several other researchers (c.f. Ball & Yodell 2008, Daun 2004), we conclude that Sweden has gone a long way down the road of external marketization of education, and also fully embraces new public management, i.e. 'inner marketization', of education in most respects. However aspects of the older social democratic policy

paradigm are still visible with regard to the assigned functions, values and governance of education. We even argue that lingering components of the social democratic model, such as equal funding of schools and absence of tuition fees, may contribute to make marketization of education appear more legitimate. More generally, the popular support of school-choice and quasi-markets in the welfare sector appears as ambivalent; on the one hand social democratic education policies gave birth to a large, affluent middle-class who seems to favour individual freedom and choice more than values such as solidarity and collective action, and does not feel threatened by the negative sides of marketization. On the other hand most Swedes are still willing, loyally, to pay even higher taxes than today if they benefit welfare services such as education and medical care (cf. Kulin and Svallfors 2011), and eight out of ten Swedes are negative to profitmaking in the welfare sector; they hence take a more radical stand against this expression of marketization than almost all the political parties. Predicting the future of educational quasi-markets in Sweden is therefore not easy, but most probably we have not seen the last attempts to tame the marketization genie that has been let out of the bottle.

Lisbeth Lundahl is Professor at the Department of Applied Educational Science at Umeå University, Sweden. Her main research interests concern contemporary education politics, youth politics and young people's transitions from school to work from Swedish and European perspectives. Email: lisbeth.lundahl@educi.umu.se

Inger Erixon Arreman is an Associate Professor at the Department of Applied Educational Science, Umeå University in Sweden. Her research interests include the areas of teacher education, education policy making, with particular focus on marketization and privatization policies in Swedish upper secondary education, and academic writing in teacher education settings.

Ann-Sofie Holm holds a PhD in Pedagogy and is Associate Professor at the Department of Educational Studies, University of Borås, Sweden. Her research interests include the marketisation of upper secondary education and the field of gender constructions in school. Currently, she is involved in two ongoing research projects; "Inclusive and competitive?" and "Study achievements and gender", both financed by the Swedish Research Council. Email: ann-sofie.holm@hb.se

Ulf Lundström is an Associate Professor at the Department of Applied Educational Science, Umeå University in Sweden. He has a background as a teacher and principal in upper-secondary school and holds a Ph.D. in Educational Work. His research examines the teaching profession, evaluation and education policy. He is currently engaged in three research projects examining: how inclusion aims can be paired with competition on a school quasi-market, how evaluation is enacted in comprehensive school, and local safety policy. Email: ulf.lundstrom@educi.umu.se

Notes

- 1 In addition, the European Convention on Human Rights, especially the article enshrining parents' right to ensure that their children receive education conforming with their own convictions, was used to bolster decisions to extend school choice and establish independent ('free') schools in the first half of the 1990s (Wahlström 2009).
- 2 Until the 2011 Education Act came into force, the legal regulation of free-schools was far more liberal than that of public schools, e.g. with regard to providing formally qualified teachers and other staff, and some facilities such as school libraries. The 2011 Education Act introduced a common legal framework in these respects. However, the regulation of public and free-schools still differ in other important respects; for example the latter are private and excluded from requirements to allow public scrutiny of financial transactions and relationships among the different schools, ownership affiliations and companies (Erixon Arreman & Holm 2011a).
- 3 See National Agency for Education (2012b) for an overview in English of the new upper secondary education system and its steering documents.

References

- Apple, M. (2004). Creating Difference: Neo-Liberalism, Neo-Conservatism and the Politics of Educational Reform. *Educational Policy*, 18(1), 12–44.
- Archer, M. S. (1985). Educational politics. A model for their analysis. In *Policy making in education: The breakdown of consensus. A reader*, I. McNay and J. Ozga (eds.), 39–64. Oxford, England: Pergamon Press/Open University.
- Baggesen Klitgaard, M. (2007). Do Welfare State Regimes Determine Public Sector Reforms? Choice Reforms in American, Swedish and German Schools. *Scandinavian Political Studies*, 30(4), 444–468.
- Baggesen Klitgaard, M. (2008). School vouchers and the New Politics of the Welfare State. *Governance: An international Journal of Policy, Administration, and Institutions*, 21(4) October, 99, 479–498.
- Ball, S. J. (2007). *Education Plc: Understanding private sector participation in public sector*. London: Routledge.
- Ball, S. J. & Youdell, D. (2008). *Hidden Privatisation in Education*. Brussels: Education International. <http://download.ei-ie.org/docs/IRISDocuments/Research%20Website%20Documents/2009-00034-01-E.pdf>
- Beach, D. & Dovemark, M. (2007). *Education and the commodity problem: Ethnographic investigations of creativity and performativity in Swedish schools*. London: the Tufnell Press.
- Björklund, A., Clark, M. A., Edin, P-A., Fredriksson, P. & Krueger, A. B. (2005). *The Market comes to Education in Sweden. An Evaluation of Sweden's Surprising School Reform*. New York: Russell Sage.
- Bunar, N. (2010). Choosing for quality or inequality: current perspectives on the implementation of school choice policy in Sweden. *Journal of Education Policy*, 25(1), 1–18.
- Burchardt, T., Hills, J. & Propper, C. (1999). *Private Welfare and Public Policy*. York: Joseph Rowntree Foundation.
- Chubb, J. E. (2007). Kommentar: Att få ut det mesta möjliga av marknaden. [Comments: How to Gain the Most Possible from the Market]. In *Friskolorna och framtiden – segregation, kostnader och effektivitet* [Freeschools and the Future – segregation, costs and efficiency], Anders Lindbom (ed.), 51–57. Stockholm: Institutet för framtidsstudier (in Swedish).
- Dir. 2012:84. Kommittédirektiv. Utvärdering av effekterna av kommunaliseringen av skolväsendet [Committee directives. Evaluation of the effects of decentralisation of education to the municipalities]. Stockholm: Ministry of Education.
- Education Act (2010). SFS 2010:800. Stockholm: Government Offices of Sweden.
- Erixon Arreman, I. & Holm, A.-S. (2011a). Privatisation of public education? The emergence of independent upper secondary schools in Sweden. *Journal of Education Policy*, 26(2), 225–243.
- Erixon Arreman, I. & Holm, A.-S. (2011b). School as 'Edu-business': Four Serious Players in the Swedish school market. *Education Inquiry*, 2(4), 637–657.
- Esping-Andersen, G., ed. (1996). *Welfare States in Transition. National Adaptations in Global Economics*. London: Sage Publications.
- Fredriksson, A. (2009). On the consequences of the marketisation of public education in Sweden: For-profit charter schools and the emergence of the 'market-oriented teacher'. *European Educational Research Journal*, 8(2), 299–310.
- Fulcher, J. (1991). *Labour movements, employers and the state. Conflict and cooperation in Britain and Sweden*. Oxford: Clarendon Press.
- Grek, S. (2008). From symbols to numbers: The shifting technologies of education governance in Europe. *European Educational Research Journal*, 7(2), 208–218.

- Grek, S. (2009). Governing by numbers: The PISA 'effect' in Europe. *Journal of Education Policy*, 24(1), 23–37.
- Holm, A.-S. & Lundström, U. (2011). "Living with the market-forces". Principals' perceptions of market competition in the Swedish upper secondary school education. *Education Inquiry*, 2(4), 601–617.
- Houtsonen, J., Czaplicka, M., Lindblad, S., Sohlberg, P. & Sugrue, C. (2010). Welfare State Restructuring in Education and its National Refractions: Finnish, Irish and Swedish Teachers' Perceptions of Current Changes. *Current Sociology*, 58(4), 597–622.
- Hudson, C., & Lidström, A., eds. (2002). *Local education politics. Comparing Sweden and Britain*. Basingstoke, England: Palgrave.
- Jarl, M., Fredriksson, A. & Persson, S. (2012). New public management in public education: A catalyst for the professionalization of Swedish school principals. *Public Administration*, 90(2), 429–444.
- Jessop, B. (2006). State and Regulation - theoretical perspectives on the European Union and the failure of the Lisbon Agenda. *Competition and Change*, 10(2), 141–161.
- Jessop, B., Fairclough, N. & Wodak, R., eds. (2008). *Education and the knowledge-based economy in Europe*. Rotterdam: Sense Publishers.
- Isaksson, A. (2006). *Studies of the Venture Capital Process*. Doctoral thesis. Umeå: Umeå University.
- Kulin, J. & Svallfors, S. (2011). Class, values, and attitudes towards redistribution: A European comparison. *European Sociological Review*. doi: 10.1093/esr/jcr046.
- Lauder, H., Young, M., Daniels, H., Balarin, M. & Lowe, J., eds. (2012). *Educating for the knowledge economy? Critical perspectives*. London: Routledge.
- Lidegran, I. (2009). *Utbildningskapital. Om hur det alstras, fördelas och förmedlas* [Educational Capital: Its creation, distribution and transmission]. In Swedish with a summary in English. Uppsala: Uppsala University.
- Lister, R., Williams, F., Anttonen, A., Bussemaker, J., Gerhard, U., Heinen, J., et al. (2007). *Gendering citizenship in Western Europe: New challenges for citizenship research in a cross-national context*. Bristol: The Policy Press.
- Lubienski, C. (2009) "Do Quasi-markets Foster Innovation. in Education?: A Comparative Perspective". *Education Working Papers*, No. 25, OECD Publishing.
- Lund, S. (2006). Marknad och medborgare: - elevs valhandlingar i gymnasieutbildningens integrations- och differentieringsprocesser [Market and citizenship– Pupils' actions of choice in the integration and differentiation processes of upper secondary education]. In Swedish with a summary in English. Växjö: Växjö University Press.
- Lundahl, L. (1997). A Common Denominator? Swedish Employers, trade unions and vocational education in the postwar years. *International Journal of Training and Development*, 1(2), 91–102.
- Lundahl, L. (2002). Sweden: Decentralisation, deregulation, quasi-markets – and then what? *Journal of Education Policy*, 17(6), 687–697.
- Lundahl, L. (2007). Swedish, European, Global: the transformation of the Swedish welfare state. In *The RoutledgeFalmer Reader in Education Policy and Politics*. RoutledgeFalmer, London, 117–130.
- Lundahl, L. (2011). The emergence of a Swedish school market. In *No country for the young*, R. Hatcher and K. Jones (eds.), 37–49. London: the Tufnell Press.
- Lundahl, L., Erixon Arreman, I, Lundström, U & Rönnberg, L. (2010). Setting things right? Swedish upper secondary school reform in a 40-year perspective. *European Journal of Education*, 45(1), 49–62.

- Lundahl, L. & Olson, M. (2013). Democracy lessons in market-oriented schools. The case of Swedish upper secondary education, *Education. Citizenship and Social Justice*, 8(2), 201–213.
- Lundström, U. (2012). Teachers' perceptions of individual performance-related pay in practice: A picture of a counterproductive pay system. *Educational Management Administration & Leadership*, 40(3), 376–391.
- Lundström, U. & Holm, A.-S. (2011). Market competition in upper secondary education: Perceived effects on teachers' work. *Policy Futures in Education*. 9(2).
- Lundström, U. & Parding, K. (2011). Teachers' experiences with school choice - clashing logics in the Swedish education system. *Education Research International*. 2011, Article ID 869852
- Mehta, J. (2013). How Paradigms Create Politics: The Transformation of American Educational Policy, 1980–2001. *American Educational Research Journal*, 285–324.
- Montin, S. (2006). *Styrnings- och organisationsspåret - teoretiska perspektiv och empiriska illustrationer* [The governance and organisation track – theoretical perspectives and empirical illustrations]. rebro: Samhällsvetenskapliga institutionen, Örebro Universitet (in Swedish).
- Musset, P. (2012). School Choice and Equity: Current Policies in OECD Countries and a Literature Review, *OECD Education Working Papers*, No. 66, OECD Publishing.
- National Agency for Education (2010a). Skolregistret. Huvudman, huvudmannatyp och organisationsnummer för gymnasieskolor som var verksamma eller planerade att starta höstterminen 2010. (National School Register. Provider, provider category and organisational number of upper secondary schools, existing or planned to start autumn term 2010). Communication with the National Agency for Education 2011-02-15 (in Swedish).
- National Agency for Education (2010b). *Konkurrensen om eleverna. Kommunernas hantering av minskande gymnasiekullar och en växande skolmarknad*. Rapport 346. http://www.skolverket.se/statistik_och_analys/2.1860/2.1866/konkurrensen-om-eleverna-1.128984. Stockholm: Skolverket. Senast granskad: 2010-06-08. Retrieved 2011-10-12 (in Swedish).
- National Agency for Education (2010c). What influences educational achievement in Swedish schools? A systematic review and summary analysis. <http://www.skolverket.se/publikationer?id=2318>.
- National Agency for Education (2011). *Utbildningsstatistik. PM - Kostnader för förskoleverksamhet, skolbarnsomsorg, skola och vuxenutbildning 2010*. Dnr 71-2011:14. Retrieved 2011-10-05 (in Swedish).
- National Agency for Education (2012a). *Likvärdig utbildning i svensk grundskola? En kvantitativ analys av likvärdighet över tid*. [Equal education in Swedish compulsory schools? A quantitative analysis of equality over time] Rapport 374. Stockholm: Fritzes (in Swedish).
- National Agency for Education (2012b). Upper Secondary School 2011. Stockholm: Skolverket.
- OECD (2002). *Education at a Glance*. Paris: OECD.
- Östh, J., Andersson, E. & Malmberg, B. (2012). School Choice and Increasing Performance Difference: A Counterfactual Approach. *Urban Studies* published online 26 July 2012. <http://usj.sagepub.com/content/early/2012/07/26/0042098012452322>
- O'Sullivan, D. (1999). Gender Equity as Policy Paradigm in the Irish Educational Policy Process. *The Economic and Social Review*, 30(3), 309–336.
- Ozga, J., Dahler-Larsen, P., Segerholm, C. & Simola H., eds. (2011). *Fabricating Quality in Education: Data and Governance in Europe*. London: Routledge.
- Prochazka, N. & Bergström, F. (2007). *Utbildning som bransch – en analys av gymnasieskolan*. AB Handelns utredningsinstitut. http://www.svensktnaringsliv.se/multimedia/archive/00009/Utbildning_som_bransc_9795a.pf (Retrieved 2012-05-05) (in Swedish).
- Rizvi, F. & Lingard, B. (2010). *Globalizing Education Policy*. London: Routledge.
- Rönnerberg, L. (2012). Reinstating national school inspections in Sweden: The return of the state. *Nordic Studies in Education*, 32(2), 69–83.

- Segerholm, C. (2009). 'We are doing well on QAE': the case of Sweden. *Journal of Education Policy*, 24(2), 195–209.
- Trumberg, A. (2011). *Den delade skolan. Segregationsprocesser i det svenska skolsystemet* [The divided school. Segregation processes in the Swedish educational system] (akad. avh.) Örebro studies in Human Geography 6, In Swedish with a summary in English. Örebro: Örebro Universitet.
- Wahlström, N. (2009). Understanding the Universal Right to Education as Jurisgenerative Politics and Democratic Iterations. *European Educational Research Journal*, 8(4), 520–533.
- Waslander, S., Pater, C. & van der Weide, M. (2010). Markets in Education: An Analytical Review of Empirical Research on Market Mechanisms in Education, *OECD Education Working Papers*, No 52, OECD Publishing.
- Weir, M. & Skocpol, T. (1985). State Structures and the Possibilities for 'Keynesian' Responses to the Great Depression in Sweden, Britain and the United States. In *Bringing the State Back In*, P. E. Evans, D. Reuschemeyer and T. Skocpol (eds.). Cambridge: Cambridge University Press.
- Wikström, C. & Wikström, M. (2005). Grade inflation and school competition: an empirical analysis based on the Swedish upper secondary schools. *Economics of Education Review*, 24(3), 309–322.
- Wiborg, S. (2010). Swedish free-schools do they work? Lakes Research Paper 18. London: Institute of Education. University of London.
- Vlachos, Jonas (2011). Friskolor i förändring. I: L Hartman (red). *Konkurrensens konsekvenser. Vad händer med svensk välfärd?* Stockholm: SNS förlag, s 66–110 (in Swedish).