

Autonomy and Choice in an Open Education System

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This paper proposes a reform in the Israeli education system that could improve the effectiveness of schools as well as the way the system allocates the resources available to it, both from the Ministry of Education and other sources. This reform, focused on the three components of school autonomy, school choice, and free entry into the market, is necessary due to the failures of the current system, apparent in OECD data showing Israel's underperformance in education.

The **first chapter** outlines the structure of the paper and introduces the idea of reforming the public education system, detailing the main components of the reform: autonomy in schools' internal administration, school choice for parents and free entry into the market.

The **second chapter** discusses school autonomy and school choice in international literature, explaining the rationale and justifications, and looking at the correlations found with scholastic achievements as well as with risks, such as over-accountability and segregation.

The **third chapter** deals with the subjects of autonomy, school choice, and schools' licensing and recognition in the Israeli education system.

The **fourth chapter** details the recommendations for (i) budgetary and pedagogic school autonomy, (ii) the scope and nature of the Ministry of Education's authorities, (iii) school choice for parents, (iv) evaluation and (v) free entry into the education market, concluding with suggestions for future research.

This paper also includes **appendices** that provide a comprehensive guide to the administration of Israel's education system and a detailed comparison of Kohelet Forum's recommendations with previous recommendations by state commissions.

Summary:

Israel's relative advantage in facing the twin challenges of security threats and global economic competition is rooted in its high human capital. Despite that, Israel's

education system is not providing Israeli youth with the human capital they need as individuals nor as society needs as a whole.

Israeli students score lower than average on international achievement tests. In the 2012 OECD PISA tests, Israel was ranked among the countries whose results fell below average in all three of the examined subjects: mathematics, reading, and science. Moreover, there is a high correlation between students' socioeconomic background and their scholastic achievements; meaning that the system is failing at one of its primary objectives, as stated in The State Education Law (1953): to grant all students equal opportunities.

International research shows that school autonomy; meaning, granting the school principal and staff the authority to design the school's education without external interference or dictates, is a factor that improves the function of both schools and students. This is especially true of populations from lower socioeconomic status or those suffering from discrimination, making school autonomy very relevant to the specific problems of the Israeli education system.

Research also shows that the free choice of school by parents – which, when coupled with school autonomy, creates a market for education and academic studies – also improves the poorest students' function, so long as schools are required to act with transparency and reportage, i.e. when students' achievements in academic subjects, as measured by international standards, internal testing and school climate, are transparent and duly reported to the public.

This means that the Ministry of Education should be responsible for evaluating school outcomes rather than determining precisely how schools should operate. This conclusion does have a caveat: overseas experience (particularly with the US NCLB program) demonstrates that an overly stringent supervisory mechanism can create an atmosphere of learning that is dedicated solely to "test results", downgrading real learning. This must be avoided.

While autonomy in the Israeli education system has been under discussion for nearly forty years, academic research shows that it has never actually been practiced. In the first decade of this century, two important reports were published – the Dovrat report and the Shoshani report. These reports recommended the expansion of choice and autonomy; the transfer of school budgets from an hours-per-class to a sum-per-student basis; and the cancellation of the Ministry of Education's involvement in schools' operations. These reports were only very partially implemented.

The lack of school autonomy stems from the Ministry of Education's budgeting method. Schools are budgeted per instruction "hours", so that the lion's share of the transferred budget is designated for teachers' salaries as compensation for specific

hours taught. This allows the Ministry to determine the objectives of every hour of instruction. Schools struggle to prove their legibility for Ministry "hours" according to the goals set by the Ministry, which are not necessarily compatible with the particular school's needs.

Local authorities, parents and private foundations join the Ministry in funding schools. Officially, schools belong both to the local authority and the Ministry. Municipalities characterized by wealth and higher socioeconomic populations enjoy large additional budgets, which contributes to the disparities in students' achievements by socioeconomic background.

The Shoshani Commission's recommendation of significant differential budgeting for children from lower social economic backgrounds was never fully implemented. In 2014, however, the Ministry decided to incrementally increase the differential component of the budget, which was a positive step; however, it cannot fully offset the additional monies contributed by wealthy municipalities and parents. The latter are justified in complementing school budgets that were decreased in favor of those in lower socioeconomic regions.

Most local authorities don't officially offer parents school choice. In 74 municipalities, the Ministry of Education operates a program of "supervised choice" (a limited choice of 2-4 schools). In many of these, some of the schools are not part of the choice program and their students cannot transfer. Only in Jerusalem can parents choose from among all city schools. Jerusalem employs a balancing mechanism to prevent the creation of exclusive schools for students from different socioeconomic backgrounds.

Recommendations:

We recommend the Ministry of Education adopt a policy that incorporates real school autonomy and real school choice, in order to create competition.

1. The Ministry of Education should **budget schools on a per-student basis**, and **grant schools autonomy**: The Ministry should not dictate what and how students study; how classes and study groups are organized; how many hours are dedicated to each subject or what the curriculum should be. These decisions should be under the schools' exclusive jurisdiction.
2. **All Ministry budgets** transferred under various titles should be **concentrated into one shekel-based payment**. All other contributions (from parents or local authorities) should also be pooled into one shekel-based payment, for the schools' free use towards any objective tied to the children's education.
3. The Ministry of Education's **funding should be differential**, based on a personal socioeconomic scale for each student, as per the Ministry's current

policy. (It is possible to incorporate class size if the Ministry insists). Regional schools known to be small in general and serving weaker communities should not be included, but remain funded via the method adopted in 2014.

4. **School choice** as is practiced in Jerusalem – where every child can be enrolled in any school – **should be put into effect in all municipalities**. Small local authorities can be pooled for choice purposes into regional education administrations, as was first recommended by the Dovrat Commission.
5. In order to increase competition between schools, there should be **free entry into the education market**. Parent groups and non-profits should be allowed to open schools and receive government funding as long as they meet basic, objective and equal criteria. **The current bar against opening schools that would compete with official schools should be canceled forthwith.**
6. All schools, recognized, official or unofficial should receive **full funding from the state, so long as they commit to teaching "core studies"** as determined by the Ministry of Education, and **be tested on the curriculum**, with the results transparent to the public.
7. International research shows that school autonomy is especially important to the success of children from low socioeconomic backgrounds. **The Ministry should be willing to back new schools in the periphery areas and in low socioeconomic areas to compete with existing schools.** There is no reason to preserve failure by protecting schools from free competition.
8. **The following roles of the Ministry of Education** should remain unchanged: **determining what skills and knowledge students should achieve** at every educational level; **regularly testing students and schools** to ensure the money transferred to them is achieving its purpose; and **ensuring that schools meet professional criteria** and social integration conditions set by the Ministry as prerequisites to being funded.
9. **The Ministry of Education's evaluation policy should be moderate.** Current practice is sufficient in schools demonstrating reasonable educational outcomes. School climate indicators should be examined and published every year. The Ministry should intervene if inadequate schools fail to improve students' performance, or regular schools exhibit deterioration; first determining whether the issue is external or due to poor performance by the principal and school staff; and then providing relief: strengthening the school's resources as needed, supporting the school staff, ensuring they have the necessary tools, setting goals for improvement in the medium and long term, and if necessary, demanding the replacement of the school's management team as a condition for continued funding.

10. Although autonomy in hiring and salary payments is an important component of school autonomy, its discussion has been avoided in this paper, since the attempt to challenge collective agreements would make any education reform extremely difficult to carry out.

See the [full Hebrew paper](#)