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# The governance of equity funding schemes for disadvantaged schools: lessons from national case studies

*Executive Summary*



Education and  
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## Executive summary

Equity funding refers to additional funding (per student) provided to schools with an above-average representation of students from disadvantaged (mainly low-SES and immigrant) backgrounds. More than half of EU countries currently provide some type of equity funding to schools that serve target groups such as children with a migration background, low-SES children or children in vulnerable family situations. However, some doubt exists as to the effectiveness of such policies, due to mixed evidence on the effectiveness of such schemes. This report examines to what extent the improved governance of equity funding schemes could contribute to better results. It is based on case studies of equity funding in seven selected member states (or regions) of the EU: Ireland, Finland, Slovakia, Flanders, the Netherlands, England and France.

### Lessons from the case studies

Some of the case studies express vague *objectives* and *target group definitions*. This leaves too much room for interpretation and misunderstanding at the local level of implementation. By contrast, countries in which the objectives behind policy making are clear and well-defined (such as Finland, Ireland, England and France) tend to provide clearer and more effective guidelines to help practitioners implement funding efficiently.

Careful design of the *funding criteria* is essential, not just in order to adequately cover the target group, but also to avoid adverse effects such as funds bypassing disadvantaged pupils and instead benefiting groups that are not disadvantaged. When, as in France, additional funding is targeted at schools within particular geographical areas, the schemes suffer from limited coverage of the target groups and from strong(er) stigma effects that tend to reinforce segregation. Schools containing high percentages of socially disadvantaged pupils also become less attractive for teachers and, consequently, often have staff that are less experienced or qualified (as in Slovakia). Schemes that are based on student profiles rather than on location appear to produce fewer adverse effects. The Dutch and Irish schemes employ mixed formulas under which the weights assigned to pupil criteria are enhanced in schools or areas in which disadvantage is concentrated. This choice is consistent with research findings that show additional problems in schools with higher proportions of disadvantaged pupils, over and above the sum of the individual disadvantages, as a consequence of segregation.

The most efficient systems appear in countries with a *balance between earmarked and free allocation* systems. While it is important to earmark funding for certain aspects (in particular, the professionalisation of teaching staff and school management), schools should retain sufficient autonomy to tackle local needs. Belgium, the Netherlands, Finland and England allow some degree of freedom at local level. The degree of autonomy left to schools should be proportional to the *management capacity* of local actors.

Autonomy of implementation should also go hand-in-hand with *monitoring and evaluation*: the greater the autonomy granted, the more SMART<sup>1</sup> the monitoring

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<sup>1</sup> SMART = specific, measurable, acceptable, realistic and time-bound.

systems should be. Countries such as Finland set a good example by inculcating professional accountability and trust in teachers and principals whose job it is to not only monitor themselves, but also to evaluate and make changes. However, the Finnish model of accountability cannot be transposed to other countries overnight.

The *impact assessments* carried out so far are relatively critical with regard to the range of impacts achieved by equity funding: while it should be seen as a necessary condition to increase equality of educational opportunities, equity funding is not sufficient on its own. What matters more is a pervasive climate of equity within education systems. This translates into accessible, high-quality provision in early childhood, the avoidance of segregation and grade repetition, tracking pupils at later stages of education, etc. At best, equity funding plays an auxiliary role in improving the social and pedagogical approaches at school level.

### **Recommendations: contextual issues**

- Invest in teacher initial and in-service training: in most cases, it was found that teachers in schools that cater to students from socially disadvantaged backgrounds tend to be either less qualified (Ireland, Belgium, and France) and/or out-of-field (Slovakia). It is therefore necessary not only to provide solid initial teacher training programmes that address the teaching skills required to ensure equitable education, but also to provide professional development training opportunities for all teachers. In addition, intercultural training could help to combat any negative bias that may be held by some teachers. With the appropriate training aimed at inclusion, such negative attitudes can be changed. In addition, teachers require strong, scientifically grounded insights into 'what works' to effectively overcome social disadvantage, including insights into the systemic aspects of exclusion and inclusion.
- Reform inequitable education systems: if the overall architecture of an education system remains inequitable, equity funding resembles a plaster on a wooden leg. Research has extensively demonstrated that systems characterised by strong 'academic segregation' (placing children on different trajectories for a long period, e.g. through segregated special education; selective admission to schools; early tracking; grade repetition; ability grouping) inevitably result in social segregation and increase inequality of outcomes. Minimising academic segregation can therefore be expected to have a stronger impact on equity than equity funding.

### **Recommendations: governance issues**

- Set clear goal-oriented policy objectives and targets: France and England are examples of countries in which objectives are SMART (specific, measurable, acceptable, realistic and time-bound).
- Target carefully: a combination of pupil-based and school-based targeting criteria (such as in The Netherlands) appears to be more effective than other options. The most recent Dutch formula, in which the weight of each risk factor in funding is proportional to its impact on outcomes, could be used as an inspiration by other countries.

- Earmark if necessary, but encourage autonomy: countries and regions such as Flanders, The Netherlands, Finland and England provide a great deal of local autonomy, but this yields good results only when local teams are very professional and/or when autonomy is accompanied by appropriate monitoring systems.
- Monitor to see what works and what does not: Ireland implements local action plans under which schools are obliged to report on the implementation of the funds/scheme.

### **Recommendations: strategic issues**

- Distinguish clearly between social disadvantage and disability: in countries such as Slovakia where there is an over-emphasis on special educational needs, it is important to put in place testing or identification mechanisms that can differentiate between low achievement due to obstacles in social background and low achievement due to a disability (either physical or mental), to ensure that children are not mis-labelled.
- Avoid stereotypical labels: Flanders has deliberately merged its equity funding (provisionally only in basic education) into the mainstream funding system, on the basis that 'every school should be an equal opportunity school'.
- Act local, think global: it is important that school teams think beyond individual pupils, and are aware of the potential impact of collective or structural strategies (investing in language policy, anti-discrimination policy, inter-agency collaboration, parental participation, measures to reduce school-related costs, etc.). Expert guidance and professional learning communities concerning school-based policies are powerful levers to promote equity at meso-level.

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