



FINANCING POLICIES FOR INCLUSIVE EDUCATION SYSTEMS

Country Study Visit Report: Norway





CONTENTS

1. INTRODUCTION	3
Need to know.....	3
2. ANALYSIS OF DISCUSSIONS IN THE COUNTRY STUDY VISIT	4
3. ANALYSIS OF KEY FACTORS IDENTIFIED WITHIN THE FPIES PROJECT CONCEPTUAL FRAMEWORK	10
Monitoring and accountability mechanisms	10
Funding and governance mechanisms	12
Support of integrated and cross-sectoral services.....	13
4. IDENTIFICATION OF FUTURE DEVELOPMENTS IN THE COUNTRY'S SYSTEM OF FUNDING INCLUSIVE EDUCATION	14



1. INTRODUCTION

The Country Study Visit (CSV) in Norway took place from 23 to 25 November 2016. A wide range of stakeholders from both local and national level attended, in addition to visitors from abroad. Due to Norway's decentralised system, a broad representation from the local level was seen as crucial for the CSV's outcomes.

Need to know

Norway has had an inclusive education system for decades.

The right to special needs education is linked to the pupils' benefit from the education – not to diagnosis.

Numbers concerning special needs education include all children in all types of schools.

There were representatives from four municipalities and one county, as well as the capital, which holds both municipality and county authority. In addition, the Centre for Economic Research (SØF) attended, giving information from a research project from four big city municipalities. The Norwegian Association of Local and Regional Authorities was also represented.

From the state level, there were key stakeholders from the Ministry of Education and Research, in addition to the hosts. The Ministry of Local Government and Modernisation was represented, as well as the Directorate for Education and Training and Statped (the Norwegian support system for special needs education). From the regional state, there were representatives from two County Governors' offices.

The main strength of Norway's financing system that the CSV visitors discussed was the level of decentralisation and flexibility for local solutions. This was evidenced by how the different municipalities discussed their approaches to financing inclusive education and by how their approaches were based on local needs and circumstances. The role of the national support systems in balancing the local freedom to act was also discussed as an important aspect of the system. The discussions of challenges were also somewhat focused upon decentralisation and the lack of monitoring of resources and how they are spent. It was also pointed out that there seems to be a gap between the developments at local level and the way national support systems conceptualise and discuss inclusive education.

2. ANALYSIS OF DISCUSSIONS IN THE COUNTRY STUDY VISIT

Perhaps the most dominant aspect of Norway's financing system is the strong decentralisation and local freedom to act, yet within the framework of the law. This means that most government funding of education must be considered as general funding. Throughput and input funding are mainly conducted at local level. Government funding very rarely goes to specific schools; it is instead allocated through the local governments.

Moreover, most of the national funding is part of the block grant system. The tasks and duties that the government gives to the local level must be compensated through funds. Most of these should be – and are – funded through the block grant system. There are earmarked grants linked to specific projects and focus areas. However, most of the local authorities' incomes are general and local freedom to act is a strong principle in the Norwegian system. Thus, there are few possibilities for the national level to manage spending and resource allocation at local level.

As a result, there are numerous ways in which resources are allocated to schools. The different municipalities have a variety of systems, often based on numbers of inhabitants, degrees of differences and/or equalities within the population, etc. One of the most striking impressions from the CSV is the variety of solutions and ways of financing schools, including inclusive education. There is a possible pattern seen as a difference between big municipalities with many schools and smaller municipalities with few schools. The big municipalities typically base resource allocation on quantitative and objective criteria. This was seen in Oslo's presentation and SØF's presentation of its study on four big city municipalities. Smaller municipalities tend to base resource allocation more on a qualitative approach, looking at the broad picture for each school.

One of the CSV's main findings is that the mind-set at local level seems to be shifting from a focus on individual needs and funding linked to individuals, to a focus on adapted learning for all pupils and more general funding of schools. Of course, the CSV merely gives an impression from a small number of municipalities, so it is unclear whether this shift is occurring all over the country. Nevertheless, local awareness of the resource allocation systems and their potential effects seems to be strong.

Many of the municipalities at the CSV repeated the same story: a few years ago, an awareness of the high proportion of pupils in special needs education (SNE) prevailed. Statistics made clear that vast resources were spent on SNE, while research indicated that its outcomes were poor. This led the municipalities to analyse the drivers behind the high numbers in SNE. The municipalities found their own ways to turn the focus from special to adaptive education. By doing this, the proportion of pupils in SNE decreased and resources were channelled from SNE to general, adaptive education. The schools in these municipalities did better on national tests after these changes were implemented. It seems to be a fair conclusion that a shift from separate funding of mainstream education and SNE (SNE given as input funding), to a system where schools receive a block budget (general funding) helps to promote inclusive education through a focus on adaptive education for all. However, many CSV participants underlined the importance of other factors, such as clear leadership, capacity-building, collaboration and a common mind-set.

In 2011, 28% of the pupils in Dovre municipality received SNE as an individual right. This took quite a large amount of the total financial resources. The municipality then introduced an early years literacy programme and a dual teacher system. The literacy programme consists of adaptive teaching (dual teacher project, among others) and stronger inclusive pedagogy. The dual teacher system ensures that two teachers have equal responsibility for the class. For the main subjects and in first and second grade, there are two teachers when there are 12 or more learners. Otherwise, there are two teachers when there are 24 or more learners. Dovre has reduced spending on SNE from EUR 400,000 to EUR 100,000 and channelled the funding into adaptive teaching. Dovre's presentation highlighted strong leadership and firm administration as keys for success in changing a system and a culture towards more inclusive education.

The same year, Karmøy municipality realised that 17% of its teacher resources went towards providing SNE to 9% of the pupil population. Karmøy analysed the drivers of special education and came up with four important variables: financing, rights, professionalism and ethics/attitudes. Karmøy decided to work actively with all four drivers to promote stronger inclusive education. Regarding financing, it concluded that resources should not solely depend on decisions of special educational needs, as it saw the high numbers in special education as the biggest barrier to inclusive education. The proportion of pupils receiving SNE dropped from about 9% in 2011

to around 7% in 2013, and has remained stable since. To strengthen inclusive education, Karmøy emphasised the importance of capacity-building and enhancing mainstream teaching through common goals and focus and collaboration between schools, school owners and the local support system (Educational and Psychological Counselling Service – PPT). Karmøy also underlined that resources can be a strong driver for special education, and funding should aim to minimise this effect.

Simultaneously, Flekkefjord realised that 25% of its resources were spent on less than 12% of the learners. Based on an analysis of the drivers behind the high proportion of SNE, the municipality worked with several factors to reduce SNE and promote adaptive education: teaching practices, early intervention and funding – reducing the link between SNE and extra funding. The costs due to SNE decreased, and these resources were maintained in the school budget to strengthen adaptive education and early intervention. The proportion of pupils in SNE dropped from around 12% to about 4–5%. In its presentation, Flekkefjord emphasised the importance of a shared way of thinking to succeed with adaptive and inclusive education. To change the system, it is crucial to change the mind-set at all levels. Changing the financial system can support changes in the rest of the system.

Kristiansand reached a peak in SNE numbers in 2010. The municipality decided on system reform to promote an inclusive learning environment and enhance learning outcomes for all learners. School funding changed from a model where the schools received separate funding for mainstream education and SNE. In the new system, the schools receive a framework budget. Resource allocation to schools is largely based on objective criteria, but with an extra allocation based on specific medical needs. Kristiansand has seen an annual decrease in SNE numbers since implementing this local reform in 2010. It is likely that the decrease in SNE is a result of less organisational differentiation and a stronger emphasis on mainstream education¹.

Many of the participants saw local freedom to act and the focus on general funding as a strength in Norway's system. One visitor pointed out that the block grant system encourages local authorities and schools to find solutions that work for them². It is, however, important to underline that local freedom operates within the framework of the law. Moreover, even though the main picture is a block grant

¹ SØF, 2016. [Spesialundervisning i storbyene](#), p. 23.

² From 'Reflections from Participants'.

system and decentralised decision-making, there are also some earmarked resources from the Ministry of Education and Research, most of which do not specifically address special needs. In addition to influence through financing and law, the national government has an impact on local-level policy-making by expressing what it expects from local level. These expectations are typically expressed through data collection, in the national budget and white papers and are overseen by the County Governors' offices. The goals stated in the national budget have been stable for many years and are widely accepted in the sector and across political parties³.

A visitor underlined in the reflection sheet that this system's strength is the combination of the local freedom to act and the national support system. The Directorate for Education and Training manages the national support system. This includes Statped, national centres and several measures, such as a guidance counsellor corps. Moreover, the County Governor provides advice and information to school owners, in addition to (and in relation to) inspections and the hearing of appeals. Furthermore, the County Governor offices have a co-ordinating role. The question then arises: In what direction does the support system influence the local level? Is it promoting inclusive education?

Statped is the Norwegian support system for special needs education. It is the governmental instrument to support municipalities and counties in their work for satisfactory training for children, pupils and adults with special needs. Statped mainly works in collaboration with the local support system (PPT).

The guidance counsellor corps offers support to school owners and school management. The National Centres are centres mainly specialised in different subjects: Centre for Mathematics, Centre for Reading, Centre for Learning Environment, etc. The Centres work with teachers, school leaders and school owners. Some of them also work with the local Educational and Psychological Counselling Service (PPT) (Centre for Multicultural Education, Centre for Mathematics, Centre for Reading and Centre for Learning Environment).

The different parts of Norway's national support system vary when it comes to target groups and, to some extent, when it comes to who they support or collaborate with at local level. It might make sense to define the different agencies

³ From the Ministry's presentation.

as general or throughput funding based on their target groups. Most of the national support is set to target all or large proportions of the pupils in Norwegian schools, so it must be considered part of the general funding. Statped, however, targets pupils with special needs and can therefore be seen as part of the throughput funding.

The Ministry of Education and Research finances Statped via the Directorate for Education and Training, which has the task of managing Statped. The Ministry states the overarching goals for Statped, while the Directorate and Statped itself operationalise these goals. Statped was represented at the CSV, as was the Directorate for Education and Training. One of the CSV's discussion topics was the mind-sets and choice of words in both the Directorate and Statped. The visitors' feedback was that it seems as if the Directorate and Statped still focus on special education and labelling groups of pupils with difficulties. This focus may be at the expense of a broader approach to inclusive education than the traditional thinking of inclusion.

This said, this focus could also be recognised in the goals for Statped that the Ministry sets. The goals largely focus on special needs and on top competence in areas of difficulties. The Ministry has also emphasised Statped's role in promoting inclusive education. However, there may have been a lack of communication regarding what inclusive education actually means and how a focus on inclusive education can be combined with the need to identify groups that need a 'safety net' such as Statped.

From the CSV discussions, it became clear that there is something of a contrast between this shift of mind-set at local level and the more stable discourse at national level. It seems as if the national authorities and support systems are quite pre-occupied with groups of pupils and labelling difficulties. Here, the thinking around inclusion is somewhat narrower than it seems to be in at least parts of the local level. One visitor pointed out that the Directorate and Statped still start out thinking about challenges and special needs, and then add inclusion at the end. 'It's about what comes first'⁴. This can be a good reminder both for the Directorate and Statped, but also for the Ministry when developing goals, strategies, etc., in the future.

⁴ From the 'Reflections from Participants' on the question about the main challenges.

Statped has recently developed a mission statement: a strategic document for its work and activities. In this mission statement, Statped has chosen inclusive education as the main objective for all its activities. Statped highlights six priorities where it will focus on the perspective of inclusive education:

1. An inclusive learning environment
2. Technology – a tool for inclusion
3. Updating knowledge
4. Making knowledge available
5. Interaction with users
6. Interaction with other actors.

This could be a sign that the mind-set at national level is also developing a broader approach to inclusive education. This could be a good starting point for the Directorate and the Ministry to develop national strategies and the management of the national support systems.

The above-mentioned are also activated in the implementation of national strategies. Even though most of the financing of schools goes through the municipalities and the block grant system, the Ministry of Education and Research is responsible for a rather extensive portfolio of national measures for development in schools (guidance counsellor corps, in-service training, etc.). These are mostly run as projects and governed by the Directorate for Education and Training. The national level monitors spending within these projects more closely than the money in the block grant system.

The focus on inclusive education is often lacking or is not highlighted as a precondition in these projects. There are national commitments when it comes to maths programmes, science programmes, reading programmes, etc. They are all general programmes, and it is worth questioning to what extent it is possible to reach children with special needs through these broad programmes. The national programmes' influence on inclusive education must be considered.

3. ANALYSIS OF KEY FACTORS IDENTIFIED WITHIN THE FPIES PROJECT CONCEPTUAL FRAMEWORK

Monitoring and accountability mechanisms

An analysis of the CSV discussions and the answers given in the reflection sheets gives an overview of the system's strengths when it comes to governance and how the financing system enables stakeholders to act inclusively. There seems to be a good balance between local autonomy and support from national level. There is a shared policy focus with a clear goal for a high-quality inclusive education system. The clear allocation formula on the national level, combined with the necessary flexibility, is largely seen as a strength. The block grant system encourages local authorities and schools to work with solutions in their own system. It seems clear that the municipalities are taking responsibility for supporting learners.

A central question then arises: How are the resources monitored and how are they spent? A lack of monitoring was discussed as a potential weakness of Norway's system. There is no reporting system that makes it possible to 'follow the money', except when it comes to earmarked grants. As the Parliament has decided that the vast majority of the resources should be channelled through the general block grant system, a 'follow-the-money' approach is not possible or acceptable. The resources are made available for the local authorities in blocks, not divided into areas (e.g. health, school, etc.). This reflects the high level of trust in Norwegian society – a trust that is manifested in law, stating the independence of local governments. The block grant system is one of the measures that strengthens local freedom to act. Local level is closest to the challenges and knows best which actions are needed.

It is not possible to say that the municipalities are given a certain amount of money for inclusive education, and then follow the money and how it is spent. This is not seen as necessary knowledge for the national government. National goals are set for the education sector; the local level is responsible for attaining the goals. The municipalities and counties get funding for all their tasks in all sectors. It is up to them to prioritise the resources and conduct their services so that they reach the goals in line with acts and regulations.

This is, of course, a simplified picture. However, it is meant to clarify that there are certain limitations when it comes to monitoring, and that this is a conscious

decision. In principle, this system of general funding and local freedom to act gives the local level a large proportion of responsibility and flexibility when it comes to finding solutions to the specific challenges in different parts of the country.

The discourse around monitoring has increasingly focused on the time-consuming aspects of reporting systems. There are concerns both at national and local level that the extent of reporting can be an obstacle to reaching goals. For teachers, for example, time spent on reports and paperwork can take time away from lesson planning and actual teaching.

Although we do not follow the money from allocation at national level to spending at local level, we do get quite detailed reports from the municipalities and counties through the so-called KOSTRA system. The KOSTRA system shows how much each municipality and county spends on schools. The reports are also divided into categories such as, for example, the proportion of pupils receiving special education, the average number of pupils per teacher, the amount spent on rent, transport, etc.

In addition, the municipalities report into a system called GSI. This system monitors development in schools when it comes to, for example, the number of pupils, how many teachers fulfil the qualification requirements, how special education is organised (in class/out of class, individually/in groups, etc.), hours of special education per pupil, how the local support system (PPT) is organised and staffed, etc.

Altogether, we receive a lot of information from local level that is valuable for national policy-making.

It was pointed out in the CSV that the lack of financial incentives at national level supporting moves towards inclusion could be a challenge in Norway's system. It was further pointed out that the system is dependent on competence on all levels due to the strong decentralisation. There are numerous municipalities in Norway, some with only a couple of hundred inhabitants; it is obvious that competences may vary. Combined with the principle of generalist municipalities – meaning that all municipalities have the same duties and tasks irrespective of their size – both access to and financing of competence can be challenging. An on-going reform seems to be to reduce the number of municipalities from about 430 to about 380. However, it is unlikely that this reform will solve the challenge pointed out.

Funding and governance mechanisms

When shortcomings concerning monitoring were raised in the CSV, local-level representatives underlined the importance of trust in our system. Education is a politicised area, but it is nevertheless an area dominated by a broad consensus with some common goals. This trust and high degree of consensus, combined with statutory local democracy, help to explain that full monitoring of the cash flow is neither wanted nor possible.

This is not to say that there are no control mechanisms in the Norwegian system. The control focuses largely on rights and duties. These are the duties that the Education Act places on the municipalities and counties, and the pupils' rights under the same law. The County Governor has an important role when it comes to control. The County Governor is responsible for carrying out inspections in public schools in accordance with the Education Act (the Directorate for Education and Training is responsible for inspections in private schools). Furthermore, the County Governor is responsible for hearing appeals from pupils or their parents when they claim they have not received a satisfactory education.

The strong emphasis on individual rights can be seen as a strength in Norway's system. The rights are focused on the pupil's needs, not labels or diagnosis. This helps to avoid an approach of labelling children as having special needs. Moreover, the shift in the municipalities from individually-based financing to a more holistic approach is also working in this direction. However, the areas of responsibility for Statped are still based on labels, and the signals from both the Ministry and the Directorate for Education and Training are somewhat ambiguous in this regard.

The emphasis on individual rights can also be an obstacle to an efficient and cost-effective system of inclusive education. As was pointed out in the CSV, the decisions can become too much based on individual pupils' needs, and too little on the needs of the school or class. The learning environment must be considered when it comes to enabling individual pupils in learning situations. A stronger focus on adaptive education in an inclusive learning environment will presumably lessen the need for special education given to individuals or groups. This assumption is supported by the experiences of the municipalities present at the CSV.

It is important to bear in mind that a move towards block budget financing of schools may also have its challenges. SØF, which attended the CSV, examined four cities in its research project. In the final report, it points out that the system of block

budgets in these cities can be said to have moved the strategic behaviour from school level to teacher level. Many schools seem to have a strategy of making the teachers more accountable. They are forced to improve mainstream, adaptive education for all, before a pupil's possible need for special education is raised to the local support system (PPT)⁵. The upside is that it probably improves adaptive education for the whole group of pupils and the actual need for special education decreases. The possible downside is that individuals might not get the special education they need as early as possible, which goes against individual rights and the importance of early intervention. The dilemma between the individual's right to special education and everybody's right to adaptive education was also raised in the CSV.

Support of integrated and cross-sectoral services

In principle, the block grant system prepares for holistic thinking at local level. The money from national level is not marked with labels for 'health' or 'education'. Nevertheless, the local level is subject to signals and management from the national level through many channels, as discussed above. When these signals or this management is poorly co-ordinated at national level, co-ordination at local level also becomes challenging. The struggle for resources and attention between sectors is transferred from the national to the local level, or at least continues at local level.

At national level, each minister is constitutionally and/or politically responsible for the results within their sector. This can be an obstacle to better horizontal co-operation across sectors. The challenges of cross-sectoral co-ordination are widely recognised, but it has proved difficult to address them successfully. In recent years, there has been a national cross-sectoral project working with co-ordination of services. The project is called '0–24 collaboration'. In the 0–24 collaboration, several ministries, directorates and County Governors have joined forces to facilitate proactive, comprehensive, efficient and competent services for children and young adults up to the age of 24.

⁵ SØF, 2016. [Spesialundervisning i storbyene](#), p. 117.

4. IDENTIFICATION OF FUTURE DEVELOPMENTS IN THE COUNTRY'S SYSTEM OF FUNDING INCLUSIVE EDUCATION

One of the challenges addressed in the CSV was the lack of incentives promoting inclusive education in the block grant system. It must be underlined that the system does not have any disincentives to inclusive education either. The national level does not manage or monitor resource allocation to schools from the local level. The introduction of some more management from the national level could be considered. We could, for example, consider a duty for the municipalities to analyse and consider revising resource allocation to schools. Due to the strong standing of the local freedom to act, it does not seem very relevant to pursue an idea of implementing such incentives or management in the system. We might, however, consider how we can more clearly highlight some incentives. An idea that was touched upon in the CSV was to develop a list of principles/good practices known to promote inclusive education. If national authorities are not managing resource allocation at local level, they can strive to provide knowledge of what does and does not work. In addition, it will be possible for Statped to raise such issues during its work together with local authorities.

Sections 2 and 3 clearly show that the national level influences the local level in numerous ways. It is also clear that the signals and efforts from the national level are not always in line with the broad perspective of inclusive education. An awareness of this can be a good starting point for discussing the strategies and goals at national level.

We can raise questions such as:

- We have had a national inclusive education policy for many decades, but have we taken it for granted?
- Are we clear enough that our national strategies for development in kindergartens and schools are emphasising inclusive education?
- Have we carefully discussed how our programmes and strategies actually influence inclusive education?

This aspect was pointed out by one of the CSV visitors, stating that as a way forward, we should emphasise inclusive education as a competence needed in all municipalities and in national strategies and priorities⁶.

As stated in Section 2, Statped recently launched a new mission statement, which puts inclusive education at the centre of all its activities. This mission statement shows that Statped sees inclusive education as an integral part of its work in different areas. During 2017 and 2018, all Statped staff will take part in clearly defined competence-raising activities. This may be a sign of a shift of mind-set at national level. The Ministry and the Directorate for Education and Training should confirm and reinforce it.

The Directorate should develop strategies on how inclusive education can be an integrated part of all its work. Section 2 pointed out that the national strategies for development in schools lack an emphasis on inclusive education. It is necessary to examine how these programmes and strategies actually influence inclusive education. Based on the analysis, we can consider improving the existing programmes or establishing a strategy targeting inclusive education.

Many CSV participants stressed the aspect of common vocabulary and shared experiences. The national authorities should consider creating arenas for discussions on what is understood by inclusive education and what it means in practice – an arena for exchanging experiences both when it comes to resource allocation and the effects on inclusive education, and when it comes to adaptive education practices in inclusive environments.

The Ministry has, in 2017, given the Directorate the task of conducting a model testing for strengthening the inclusion of children and young people with special needs in kindergartens and schools through better use of the combined resources of Statped, the County Governor and the local level. The model testing is to be implemented in selected regions over the next two years.

In 2017, the Ministry of Education and Research has appointed an expert group for children and young people in need of extra support in school and kindergarten. The expert group has been asked to give practical advice to teachers in schools and kindergartens, to enable them to provide adaptive education for all in an inclusive

⁶ From the 'Reflections from Participants' on the question about the ways forward.

environment. The expert group has members from Norway, Sweden and Denmark. Its final report is due in March 2018. The expert group's mandate includes:

- identifying factors and contexts that promote and inhibit inclusion in kindergartens and in schools, at all levels, from national authorities to the classroom;
- proposing tools and measures on the different levels that can promote inclusive practice in kindergarten and in school, and assessing the need for expertise and capacity in this respect;
- discussing whether and how local organisation and practice can contribute to lessen the need for special education;
- assessing how content and organisation of local services and multidisciplinary co-operation can promote inclusive education;
- assessing how the national support system can better support inclusive education locally.

The present report from the CSV in Norway and the Norway country report will be sent to the expert group to form part of the knowledge base for their work.