

Vol. 11 No. 2 (2025)

# intersections

East European Journal of Society and Politics

**Privatized childhoods**

The decreasing role of the state  
in childcare services

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PUBLISHED BY:



ELTE Centre for Social Sciences

Zsolt Boda

Director General

<https://intersections.tk.hu>

E-ISSN: 2416-089X

Intersections. East European Journal of Society and Politics is an Open Access, double blind peer-reviewed online journal. When citing an article, please use the article's DOI identifier.

The publication of *Intersections. East European Journal of Society and Politics (IEEJSP)* was supported by HUN-REN Hungarian Research Network between 1 January, 2024 - 31 July, 2025.

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## Privatized Childhoods: the decreasing role of the state in childcare services<sup>1</sup>

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With the dismantling of the welfare state, Europe has witnessed a significant retrenchment in the provision of educational, social, and health services, and a shift towards a patchwork of providers (Ball, 2012). The global financial crisis of 2008 provided new impetus for the retrenchment of social protection systems and the dismantling and privatization of public health, education, and early childhood care (Lawn, 2013; Jones & Traianou, 2019). In Central and Eastern European countries, the economic downturn was coupled with a demographic crisis and the long-lasting effects of the economic crisis of the 1990s (Kurpas, 2020). Governments typically responded to the financial crisis by introducing neoliberalizing reforms and austerity regimes in public services and increasingly transferring the delivery of services to a competitive market of non-state providers (Youdell & McGimpsey, 2015; Verger et al., 2016; Jones & Traianou, 2019). Alongside the outsourcing of public services through the mechanisms of exogenous privatization, endogenous privatization, the promotion of private sector ideas, techniques, and practices, has become a central shaper of public service infrastructures (Ball & Youdell, 2008). Privatization has emerged in various areas where public services used to dominate, such as healthcare, aiming to address deficits in public budgets, and including the rise of private health insurance (André et al., 2016). In Central and Eastern Europe, these processes have been strengthened by a massive outmigration of labor from the region towards Western Europe, causing further crises in ensuring state-run provision and opening up an opportunity for private providers (Stan & Erne, 2016).

On the consumer side, the increasing demand for privatization corresponds to growing citizen distrust of state-run services (Kopasz & Boda, 2018), a strong source of motivation of capable families, who in their search for privatized solutions increasingly tend to view child-rearing as an individual investment and not a collective matter (Szőke & Kovai,

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<sup>1</sup> The work of the editors of this special issue was supported by the Hungarian National Research, Development and Innovation Office (grant no. FK-135215, PI: Eszter Berényi) and the János Bolyai Research Fellowship of the Hungarian Academy of Sciences (PI: Eszter Neumann).

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2022). Research on educational privatization has expanded its scope beyond the activities of governments, multinational corporations, and private organizations, turning to explore forms of ‘micro-neoliberalism’ that drive individuals and families to adopt market-oriented behaviors regardless of state policies (Zhang & Bray, 2024). Some families choose to refrain from engaging with formalized institutions entirely and pursue private pathways exclusively from birth to higher education, while others complement state-run services by buying additional services from the private market. But even for those opting into the public sector, it is impossible to escape the systemic impact of privatization.

This vast structural transformation of public service provision triggered significant scholarly interest in the early 2010s, with researchers exploring the various forms and modalities of privatization across sectors and geographical locations with significant theoretical and conceptual value (Verger et al., 2016; Walford, 2015; Hogan & Thompson, 2020, the latter two who are reviewed in this special issue). Notwithstanding, these studies have tended to have a relatively narrow regional scope (with particular focus on Western European, North American, and some South American systems), which have become the dominant empirical sources for the conceptualization of public sector privatization and marketization, while other contexts remain less researched (Zancajo et al., 2025). Our special issue had the explicit aim of exploring regions that have attracted less research interest so far, such as Central European countries, India, and South Africa.

While the interconnection between economic and/or political globalization and privatization processes remains a focus of much academic work (Zancajo et al., 2025; Edwards & Means, 2019), the current debate has shifted from addressing structural and institutional transformations and their social justice consequences to the effectiveness of regulatory responses (Zancajo et al., 2022). Recent studies have reaffirmed that not only do the declared purposes of education shift under the growing influence of private actors or philanthropists (Au & Lubienski, 2016), but the informal management cultures of schools are also increasingly permeated by the logic of privatization (Klein & Shimoni-Hershkoviz, 2016). Furthermore, educational privatization is often not a research theme in its own right, but rather discussed as an important dimension of topical research themes, such as the impact of technology and the digitalization of the public sector (Williamson et al., 2025).

Research on public sector privatization processes is conventionally strongly aligned with sectoral boundaries. In this special issue, we propose looking at the privatization of childhood within an integrated framework, understanding how privatization processes and the retrenchment of the state construct and constrain new understandings of good parenting and experiences of privatized childhoods. As editors, we did not aim to undertake the ambitious task of offering a comprehensive overview of the recent developments in the privatization of services. Instead, we have collected studies that highlight emergent modalities of privatization. We now turn to introducing the content of the special issue by bringing these modalities to the attention of the reader.

Some authors explore the dynamics and political drivers behind privatization under autocratizing and de-democratizing political contexts governed by radical-right political forces. The literature suggests that autocratizing states embrace neoliberal governance strategies regarding public service provision in a specific way. Neoliberal marketization in Hungary, for instance, unfolded in a politically laden way, led by strong tendencies towards nationalization. The outsourcing to the private sphere, therefore, took place under

strong, centralized political control (Scheiring, 2022). While autocratizing states retreat from public service provision by outsourcing it to politically loyal GONGOs, they also sideline private actors and NGOs associated with agendas deemed politically critical or threatening (Toepler et al., 2022). This special issue contains studies about such processes in contemporary India and Hungary.

Therese Boje Mortensen explores the restructuring of the Indian child protection sector and the narrowing space for non-profit service providers through the case of the national Childline. The author argues that through a ‘selective privatization’ process, the state has retreated and excluded NGOs, which are seen as a potential threat to the state, while retaining privatization for for-profit companies. The article draws on an ethnographic and policy analysis of India’s national helpline for children, tracing its trajectory from being in partnership with the state for more than two decades to becoming a fully state-controlled service. In 2022, the NGO-state collaboration model was dismantled, and civil society was diluted to ‘volunteers’ and ‘communities’ who struggle to walk the tightrope between being implementers and advocates. Mortensen argues that while ‘loyal NGOs’ and ‘service-providing non-profits’ receive regime support, it is not only ‘claim-making’ NGOs that are targeted, but even erstwhile ‘service-providing non-profits’ are experiencing closure and becoming silenced because they are seen as potential agents of democratization.

The study of Szandra Kramarics highlights the fiscalization of child benefits as a key policy instrument of the pro-natalist Hungarian government. This strategy aligns with a broader trend of restructuring funding schemes to achieve contentious policy outcomes while distancing the government and obscuring or downplaying its role. Such forms of attenuated governance include subsidizing segregated or religious education through funding arrangements and voucher schemes, or involving third-party organizations or tax-system funding arrangements (Hackett, 2020; Zancajo et al., 2025). Fanni Puskás’s article provides a snapshot of how local education markets were rearranged and racial boundaries consolidated by introducing financial incentives that favored faith-based education and care providers in Hungary. Szandra Kramarics’s contribution focuses on how the Hungarian right-wing government has marketized social policy, phased out classic family policy benefits, and replaced them with state-subsidized loans designed for better-off families. This selective pronatalist policy approach was introduced to boost fertility. The article focuses on one of the most popular schemes, the ‘baby-expecting loan,’ and argues that market-oriented social policy entraps recipients in a doubly dependent situation: on the symbolic level, the claimant owes the state the ‘promised’ children, while they also become indebted to banks. Kramarics concludes that through the financialization of social policy, individuals become vulnerable, and luck, individual ingenuity, and the ability to assert interests have become increasingly important determinants of families’ situations. Double dependency, the lack of social rights, and the conception of children as a form of currency create a new type of debt that has not yet been thoroughly discussed in the literature on the role of loans in social policy. Another emerging modality that the special issue addresses is the strengthening of new forms of private service delivery, such as homeschooling. Kaščák and colleagues conducted interviews with homeschooler parents in Czechia and Slovakia. The article engages with the American debate about the relationship between conservative ideologies and neoliberal governance in homeschooling and

explores the extent to which parents' perspectives align with the neoliberal ethos in a policy context closely controlled by the Czech and Slovak states, respectively. One cluster of parents was characterized by secular motives centered on perceptions of risk and the necessity of protecting their children. Another group exhibited a form of religion-driven privatism. They were typically motivated by a mix of ideological and pedagogical drives, including views strongly correlated with the neoliberal ethos. The authors argue that homeschooling should be interpreted as a privatized but not necessarily neoliberalized form of education in the Czech context. In Slovakia, strong convergence between neoliberal governance and conservatism was identified in the homeschooling sector, where religious motivations led parents to use the resources associated with neoliberal education governance.

Several papers engage with the affective dynamics of privatizing childcare and education services. Malin Benerdal, Linda Rönnberg, Joakim Lindgren, and Sara Carlbaum's article explores Swedish early childhood education and care (ECEC) governance and delivery, focusing on the affective relations between private preschool providers and local municipal authorities. They discuss how private preschool operators perceive, express, and 'feel' different municipal market stewardship activities, and how local affective atmospheres and market care (or the lack thereof) shape private-municipal relations in local quasi-markets as key dimensions of the governance of privatized ECEC. The analysis focuses on affective dimensions, employing the notion of 'market care' and introducing a two-dimensional grid wherein predictability and conflict serve as analytical focal points. The paper concludes that experiences and perceptions are enabled, provoked, and felt differently depending on their embeddedness in diverse local 'affective atmospheres.' The paper contributes to the predominantly national and state-focused literature on ECEC governance by highlighting how national regulations are enacted and interpreted locally by individuals who meet, interact, and form relationships, and how these relationships and trust evolve (positively or negatively) through these interactions.

Other papers extend the vast legacy of researching parental choice and the drivers behind the steadily growing interest in private institutions. Like Kaščák and colleagues, who found that homeschooling parents feel solely responsible for raising and educating their children, in one way or another, all these papers touch upon how parents experience individual responsibility and the self-responsibilization imposed on them in the wake of the retreat of the state and austerity measures (Peters, 2016). In all cases, the image of under-resourced and declining quality state education has been a primary driver that prompts parents to seek alternative schooling options and increase their investment in their children's education, often by taking on extraordinary financial burdens.

Analyzing how parents justify their choice of leaving the state sector and opting for private alternatives, Ingvil Bjordal and Mette Nygård contend that privatization is a complex phenomenon that cannot be fully comprehended from an economic consumer perspective. In Norway, the education policy context has been characterized historically by the strong position and high valuation of public schools. The authors' interviews highlight that parents who opt for private schools comprise a diverse group with different opinions about school, values, and wishes stemming from diverse previous school experiences. Those who chose a private education from the start differ in crucial ways from 'transfer' parents. While members of the former group make informed and planned decisions about specific schools, members of the latter are generally less informed and knowledgeable and



typically motivated by resignation or necessity rather than choice. Furthermore, even though the profiles of the private schools play an important role, parental choice is often associated with the perception of a decrease in the quality of public schooling, extending to inadequate material, financial, and external conditions. Therefore, educational privatization and the steadily growing interest in private alternatives are closely associated with the growing mistrust in state schools as a pedagogical project prompted by centralization and deregulation, as well as the endogenous privatization of public education (the introduction of performance management and outcome- and competence-based curricula). The authors challenge the widely held view that privatization is a typical right-wing political phenomenon. The Norwegian case illustrates that social democratic politicians who oppose the privatization of education have often promoted privatization in education, and thus unintentionally contributed to fostering an educational environment that stimulates parental support for private alternatives.

Fanni Puskás's study reveals how marginalized Roma parents experience educational privatization in a small town. This research presents a new perspective on the impact of outsourcing public education to faith-based organizations in Hungary. Applying the lens of critical race theory and its focus on counter-storytelling to deficit positionings, the analysis amplifies the voices of Roma parents and explores how they have experienced and interpreted the impact of the churchification of the education system in a Hungarian town. Roma parents highlighted that declining state funding and the privatization of schools have created a context that has increased the material burden (extra travel costs and contributions, and correspondingly, the loss of community attachment to the local school) on them. Their choices were indeed constrained, and in the local setting, the 'loving' segregation offered by one of the church-run schools seemed the best, safest, and most viable choice. The churchification process also diverted resources from the public sector that would have ensured a safe, caring, and supportive institutional pedagogical environment. As boundaries based on private resources have been radically redrawn within the local school system, Roma parents have been subjected to sharpening 'deficit' positionings and racialization.

Finally, Boldizsár Szentgáli-Tóth and Orsolya Zita Ferencz explore privatized schooling from the perspective of constitutional case law and students' rights in private schools through a detailed exploration of the Pridwin judgment of the Constitutional Court of South Africa. The authors argue that the Pridwin judgment created a proper distinction between the rights and interests of the four main actors: students, private school management, parents of students, and state authorities. They contend that once private stakeholders take part in fulfilling constitutional tasks such as providing schooling, they should comply with the same constitutional standards as if state authority were involved, since no differentiation should exist between students based on the background of their service providers. The authors formulate recommendations concerning the prioritization of students' educational rights, provided that they are carefully balanced with the legitimate rights and interests of other relevant stakeholders, including private school management, parents, and state authorities.

This special issue explores how different modalities of the privatization of public services have reassembled societal relations and prompted the emergence of new subjectivities. The articles highlighted that privatized institutional choices are no longer a middle-class privilege, but rather markers of aspirations and investment in becoming or sustaining a

middle-class position. While we were originally interested in children's experiences, the manuscripts we received predominantly focused on the perspectives of providers and parents. This suggests that privatized childhood subjectivities are still an uncharted research area. Several authors concluded that the extraction of public funding from classical public services and the expansion of the market is supported by a dominant public discourse that stresses parental responsibilities and diminishes the state's role as a provider. Breaking down the force of such a responsabilization discourse will be essential to reimagining education and childcare as a collective good.

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THERESE BOJE MORTENSEN

Selective privatisation and changing civic spaces  
in India: The government takeover  
of an erstwhile NGO-run child helpline

Intersections. EEJSP

11(2): 8–25.

<https://doi.org/10.17356/ieejsp.v11i2.1358>

<https://intersections.tk.hu>

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### Abstract

Much scholarship has critiqued the fact that non-governmental organisations (NGOs), as a result of global neoliberalism and consequential state retreat, have become private service providers of children's protection rights. But how can we explain the situation when neoliberal states also undergo autocratisation and take back service provision from NGOs, while at the same time preserving the privatisation to for-profit companies? This tendency, I argue, can be conceptualised as 'selective privatisation'. To make this point, this article draws on ethnography and policy analysis and showcases how India's national helpline for children went from being an NGO-state partnership to a fully state-controlled service. When CHILDLINE was a NGO-state partnership, its employees experienced challenges such as limited job security and advocacy restrictions, but they still considered the partnership positive in terms of its ability to influence the state's child protection policies. In the new state-controlled set-up, however, civil society is diluted to 'volunteers' and 'communities' who, without formal organisation and funding, do not have the means to walk the difficult but useful tightrope between being implementers and advocates. Instead, they are *de facto* silenced. The article thus contributes to the literature on 'changing' civic spaces by concentrating on the roles of non-profit private service providers for children in neoliberal and autocratising India.

**Keywords:** Selective privatisation; NGOs; India; autocratisation; child protection; changing civic spaces

## 1 Introduction

In 1996, a group of social workers from Mumbai made available a 24-hour helpline for the megacity's street children in collaboration with local non-governmental organisations (NGOs) and the police. The goal was to fill a gap in child protection services for the city's most vulnerable children, namely those without a safety net who often needed help at night when other services were closed. Over the years, CHILDLINE became a large national partnership between NGOs, academia, and all levels of the state, catering to children from all over the country. Its inception coincided with the liberalisation of the

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Indian economy, and CHILDLINE became a prime example of a privately delivered child protection service financed by the state. In 2022, the Indian government proclaimed its intention to take over all operations of CHILDLINE so it would no longer be implemented by NGOs, but directly by the state.

The aim of this article is to unpack this sudden shift from an NGO-state partnership to a fully state-controlled child protection service. Much scholarship, including that focusing on India, has critiqued the fact that NGOs have become private service providers of children's welfare and protection rights, while the state has liberalised its economy and retreated (Kamat, 2004; Pradhan et al., 2023). At the same time, regulatory restrictions on international NGOs in India leave the country among a group of democracies experiencing a 'shrinking civic space' (Banerjee, 2025). 'Shrinking civic space' refers to 'attempts by governments to disrupt international funding flows to local civil society organizations (...) and further reduce their political voice through legal restrictions and other forms of repression' (Toepler et al., 2020, p. 649). Civic space in India, however, is not only 'shrinking' but also 'changing' more broadly. The term 'changing civic space' recognises that the state is not the only agentic actor, but that civil society responds and thus also shapes its own conditions (Biekart et al., 2023). 'Changing civic spaces' also encompasses the complexities when the same government that shrinks civic space for some NGOs supports others (Moldavanova et al., 2023; Banerjee, 2025). How does the case of CHILDLINE<sup>1</sup> – involving the state taking back services from a national NGO-state partnership – fit into these narratives? Through the case study of CHILDLINE, the present article sets out to add further nuance to the understanding of what kind of 'changing civic space' is at play in contemporary India.

In addition to 'shrinking' and 'changing' civic space, three concepts are key to this endeavour: 'autocratisation', 'hybrid regimes', and 'selective privatisation'. 'Autocratisation' is the gradual move from democracy to autocracy and can take place in several arenas, such as elections or civic freedoms (Grahn et al., 2022). This article focuses on when autocratisation takes place in the arena of freedom of association and expression, or, in other words, when governments gradually restrict the civic space within which associations operate. When a state is neither fully autocratic nor fully democratic, it is a 'hybrid regime', a regime type which Anderson and Gaventa (2023) have called the 'new normal'. Looking to India, it has been documented that 'stringent regulatory and financial restrictions' have been imposed on NGOs, including changes in foreign funding regulation, which leads to labelling many international NGOs 'foreign agents' and 'anti-national' (Banerjee, 2025). NGOs such as Greenpeace India, the Public Health Foundation of India, and the Lawyers Collective have had their Foreign Contribution Registration License withdrawn. Some international NGOs have experienced 'judicial bans, arbitrary interven-

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<sup>1</sup> CHILDLINE should not be seen as representative of the diverse Indian NGO sector, but it is a significant case because of its size – it catered to all of India's children and was a partnership of hundreds of NGOs – and uniqueness, as it was India's only child helpline, thus playing an important role in the country's child protection system. Many NGOs have rightly been critiqued for corruption or political co-optation, but CHILDLINE has, in previous research, generally been considered a successful partnership between state and civil society (Teron et al., 2021), and CHILDLINE's database of calls has been used widely as credible information about issues such as human trafficking (Sekhon, 2020), child marriage (Ghosh, 2022), and child abuse (Seth, 2015).

tions, restricted resources access, frozen bank accounts and other significant legal constraints undermining their work' (ibid., pp. 4; 7). If such restrictions happen simultaneously to the removal of state funding for implementing social services, such as child protection services, NGOs will, without access to funding, find it very difficult to continue their work. If we add the continuation of privatisation to for-profit companies to this mix, this is arguably a case of 'selective privatisation'. 'Selective privatisation' is thus proposed in this article as a term that describes the emerging trend when neoliberal and autocratising states continue privatising social services, making them for-profit providers, but simultaneously restrict this privatisation when it comes to not-for-profit organisations. As will be detailed below, for- and not-for-profit social services in India have undergone significant privatisation since the 1980s. What is new with the case of CHILDLINE is 'de-privatisation' in the not-for-profit sector specifically, and this is what the article will unpack by linking it to the changing civic space in India. The article documents how selective privatisation has taken place in India, but proposes the term for possible wider use.

After contextualising neoliberalism and autocratisation in the Indian context (section 2), the first empirical part of the article (section 3) is based on interviews and ethnographic material collected from different CHILDLINE branches in 2019-2020. I examine how the NGO-employed but state-paid child protection workers perceived the fact that the helpline was a privatised service. My material shows that they saw both advantages in being an NGO-run, state-sponsored helpline, such as being dedicated workers, having flexibility in their approaches, and being closer to beneficiaries, but also challenges, such as low salaries, insecure employment contracts, and difficulties in critiquing the state that funded them. But overall, the semi-governmental employees identified their public role in providing the state's helpline for children, thereby being an almost symbiotic part of the state apparatus. The second empirical part of the article (section 4) then considers the political changes imposed by the present autocratising government on NGOs. In particular, it discusses the state's takeover of CHILDLINE. It does so through an analysis of the two policy documents in which CHILDLINE is envisioned as a purely governmental service. This analysis finds that civil society input and partnership in the new setup is watered down to the involvement of 'communities' and 'volunteers', dismantling the NGO-based setup that was built over decades. The article suggests, in the discussion in section 5, that civic space in India is indeed changing – a trend perhaps also evident in similar 'hybrid' contexts (Toepler et al., 2020) – as service-providing organisations are also experiencing restrictions (as also made evident in Banerjee, 2025). Part of the changing civic space is also that the Indian state is only *selectively* retreating in favour of for-profit service providers. The paper thus challenges the view that reversing privatisation back to state-run services should merely be considered part of the embrace of a larger welfare state – it may also be an example of a changing civic space.

## 2 Neoliberalism and autocratisation in India

In this section, I introduce the political context of selective privatisation in India by locating it in relation to neoliberalism and autocratisation. In the Indian context, neoliberalism is commonly used to describe the period beginning in the late 1980s that broke from the



previous tradition of state-sponsored developmentalism and continues until today. Economic reforms opened up the economy to more foreign investment, and the list of policy spheres restricted to the public sector was reduced (Corbridge, 2010, p. 305).<sup>2</sup> Not only were previously state-owned companies in sectors such as oil, air travel, banking, and telecoms over the years privatised to for-profit companies (Naib, 2022), but also social services such as health (Hooda, 2020) and education (Deshpande, 2022; Bhattacharya, 2024).<sup>3</sup> The privatisation of social services to for-profit organisations has been argued to have economic advantages for the state, but also to bring with it social inequality (Thapliyal, 2016; Naib, 2022, p. 25). Privatisation to not-for-profit organisations, on the other hand, is usually legitimised using the language of NGOs' 'closeness to the poor' (Lewis, 2006, p. 184). Despite the fact that voluntary organisations have had a long history in India (Sen, 1992), neoliberalism has packaged their service provision as 'contractual partnerships' between state and civil society (Centre for Social Impact and Philanthropy, 2020; Mortensen, 2023b). And while for-profit and not-for-profit privatisation are different in many aspects, both processes have diminished the role of the state in public provisioning. Economic liberalisation has thus led to a broader neoliberal shift in Indian politics, which is still permeating society today (Kaul, 2017).

This neoliberal turn was, of course, not unique to India (Pradhan et al., 2023). Neither was the resulting 'NGO boom' when NGOs took over service provision and became part of a both rhetorical and practical shift in responsibility away from the public and towards the private sector (Schuller, 2017, p. 24). This is indeed a global trend which we have seen from Eastern Europe to Latin America (Bernal & Grewal, 2014). However, perhaps unlike some of its global counterparts, in India, the state's withdrawal from public provision curiously occurred at the same time as the recognition of new social and economic rights such as the rights to food and education (Nilsen, 2018). This 'rights revolution' (Das, 2013) in the early 2000s has, in large part, been attributed to the establishment of a National Advisory Council (Chandhoke, 2019, p. 52), whose members were indicative of an overlap between state and civil society. Grassroots citizens' movements have indeed had 'substantial influence over national policy making resulting in the successful passage of legal entitlements to welfare' (Madhok, 2021, pp. 102-103). Thus, while there are many critics of the neoliberal turn in India, the fact that neoliberalism coexisted with the adoption of new social rights is quite remarkable. One vehicle for such co-existence has been the numerous partnerships between state and civil society in social sectors, such as child protection, which I return to in the next section. As we will see below, the case of CHILDLINE India is an example of a civil society organisation closely knitted into the state's welfare architecture, and this is what is currently being dismantled when the state selectively privatises for-profit and de-privatises non-profit social services.

<sup>2</sup> These concrete economic reforms are often talked of as the 'liberalisation' of the Indian economy. With 'neoliberalisation,' I refer to the consequential propagation of a 'doctrine of market principles in all sectors of society' (Pradhan et al., 2023, p. 566).

<sup>3</sup> Primary education in India, even when delivered by the private sector, is not allowed to be for-profit. As such, registered trusts or societies (often NGOs) run many private schools. Some research has pointed to the fact that there is 'de facto' privatisation of primary education in India (Tooley & Dixon, 2006) and that low-fee private schools may also exacerbate inequality (Srivastava, 2013).

If neoliberalism has been a trend in India for decades, spanning governments from across the political spectrum, autocratisation, on the other hand, is primarily associated with the current market-oriented and Hindu nationalist government (Grahn et al., 2022, pp. 6-7). Grahn et al. (ibid., p. 5) define autocratisation as a process involving the move from democracy towards autocracy, regardless of where the starting point was. As such, autocratisation does not necessarily require an autocracy, but a state which is moving in that direction (even if it only moves from a 'liberal democracy' to 'electoral democracy'). Autocratisation can happen in the arenas of elections, political competition, governmental autonomy, civil liberties, and executive checks. Tudor (2023) has documented how the arena of civil liberties is especially under threat in India. International democracy and civic freedom indices, such as Freedom House, CIVICUS and V-Dem, also express worries about India's democracy and, in particular, civil liberties. For instance, CIVICUS redefined India's civic space from the category of 'obstructed' to 'repressed' in 2019, thus characterising it as a space where 'civil society members who criticise power holders risk surveillance, harassment, intimidation, imprisonment, injury and death'.<sup>4</sup> Tudor (2023, p. 126) argues that especially sedition laws and the Unlawful Activities Prevention Act are used to repress dissent. The increasing parliamentary mandate obtained by the Bharatiya Janata Party (BJP) since 2014 has (until the elections in 2024 when they lost seats but remained in government) thus led to rising hostility towards civil society organisations and a consequential chilling effect on freedom of expression and assembly (Chandhoke, 2019, pp. 40-41; Grahn et al., 2022, p. 8; Tudor, 2023). In other words, India exhibits certain autocratising traits, such as a shrinking civic space, and these are the focus of this article. It is not a straightforward authoritarianism that characterises the present Indian government, but a combination of 'strong leadership' (Sinha, 2021), authoritarian populism, neoliberalism, shrinking civic space, and developmentalism (Chacko, 2018) – thus becoming what democracy scholarship calls a 'hybrid' regime (Toepler et al., 2020; Tudor, 2023). Such a combination results in a selective expansion of the state (increasing control of civil society) and retreat (handing out welfare provision to 'liked' private actors, which are mostly for-profit, but also government-friendly NGOs). Joshi (2022, p. 25) explains this process as creating a state that allows 'some space for civil society associations to organize independently and occasionally critique the government but they also use an array of direct and indirect means to limit the political capacity of autonomous organizations', including 'going after foreign-funded non-government organizations' which is exactly what we see in the Indian context (Banerjee, 2023). It is thus clear that the rhetoric of 'partnership with civil society' that dominated in the 1990s and 2000s has now changed. The privatisation of social services to for-profit providers continues in fields such as higher education and health, but many NGOs that were earlier considered 'partners' are being targeted and de-funded (Mortensen, 2023b). This is what the empirical example below will focus on, first presenting fieldwork from before the government takeover of CHILDLINE and then a policy analysis from after the takeover.

<sup>4</sup> See <https://monitor.civicus.org/country/india/> and <https://monitor.civicus.org/about/how-it-works/ratings/> (accessed 17 March 2025).



### 3 ‘The halfway model is best’: India’s national child helpline 1996-2022

This section draws on a mix of traditional and multi-sited ethnographic fieldwork<sup>5</sup> conducted over four months from 2019-2020.<sup>6</sup> At the centre of the fieldwork was CHILDLINE. From its inception in the early 1990s – coinciding with the liberalisation of the Indian economy – to the government takeover in 2022, CHILDLINE was a helpline service for children defined as a ‘partnership’ between the state and civil society. It started as a small project for street children in Mumbai, but during the 1990s, its founders worked towards integrating the helpline into the central government’s child protection services. In 2000, the CHILDLINE service was written into India’s Juvenile Justice (Care and Protection of Children) Act, and in 2009, it became part of the national Integrated Child Protection Scheme (ICPS). Becoming part of a government scheme was a great achievement for CHILDLINE. My interview with CHILDLINE’s founder confirmed that CHILDLINE, as an ‘invited’ civil society partner, had been central in giving input to and formulating the ICPS (Interview with CHILDLINE’s founder, 20 September 2020). The ICPS overarched different public child protection services such as Child Welfare Committees, Juvenile Justice Boards, child care institutions, foster care, and the child helpline. Through their inclusion in this government scheme, the NGO CHILDLINE India Foundation had state-approved legitimacy for operating India’s national child helpline.

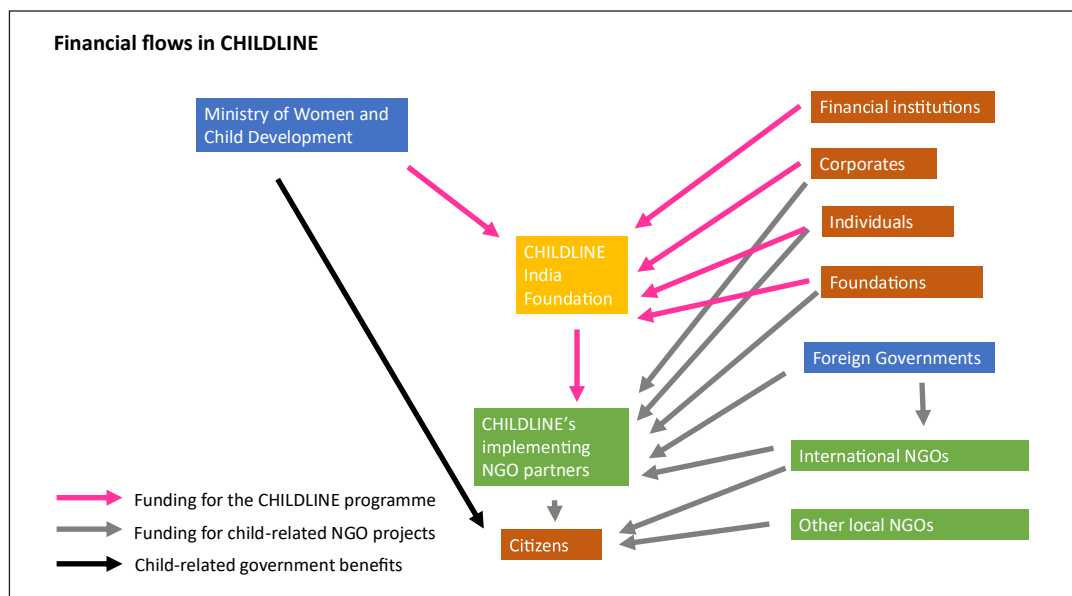


Figure 1 Financial flows in CHILDLINE (made by author)

<sup>5</sup> By ‘traditional fieldwork’, I refer to immersion into a physical place and practice (see e.g. Madden, 2017). With ‘multi-sited fieldwork’, I refer to a mobile ethnography that chases and tracks ideas and practices in several sites (Goodale, 2006).

<sup>6</sup> Parts of the findings presented in this section have been published in Mortensen (2023b).

During my fieldwork in 2019-2020, the bulk of the funding for CHILDLINE came from the Ministry of Women and Child Development, and the helpline was managed by the NGO CHILDLINE India Foundation in Mumbai, but funding also came (in much lesser amounts) directly and indirectly from elsewhere (see Figure 1 above). The calls which arrived on the free number 1098 went to regional call centres, which then transferred those calls that required intervention (as opposed to only counselling on the phone) to the closest of hundreds of small, local 'NGO partners' (see Figure 2 below).

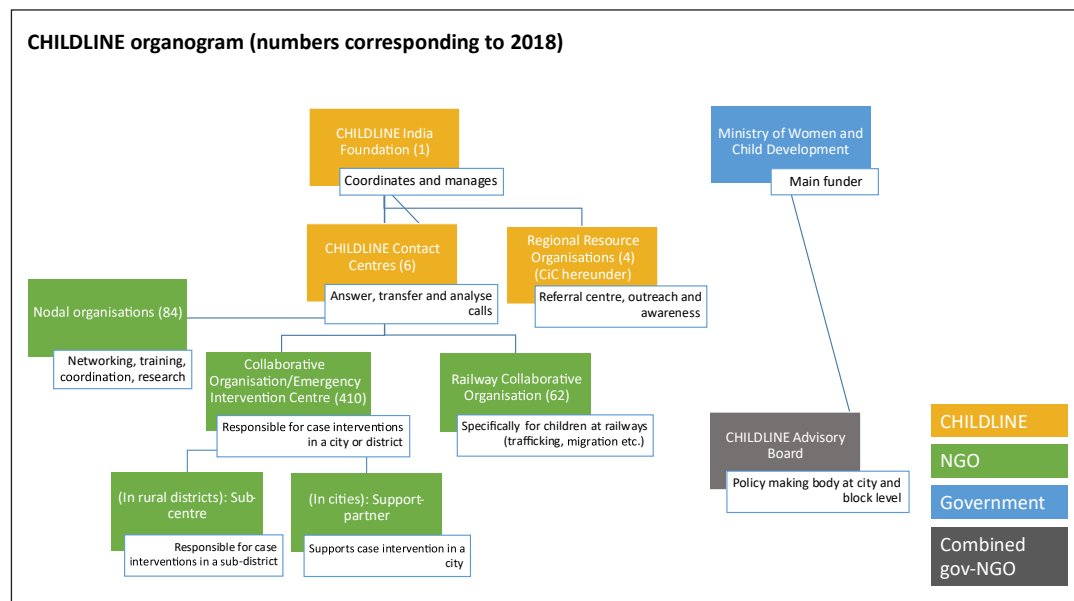


Figure 2 Simplified CHILDLINE organogram (made by author)

The NGOs would then visit the children whom the calls concerned within one hour, categorise the case (e.g. 'child marriage', 'child labour' or 'education') and take appropriate steps to counsel the children and connect them to the correct authorities. The NGO would continue to follow up with the child until the case was deemed closed (see Figure 3 below). CHILDLINE was thus an emergency child protection service that dealt with those children who had not been taken care of through 'the system'. Until 2022, CHILDLINE worked very much as a 'hybrid' operation (Brandsen et al., 2005), somewhere between a state-run and an NGO-run child protection service (Mortensen, 2023b).

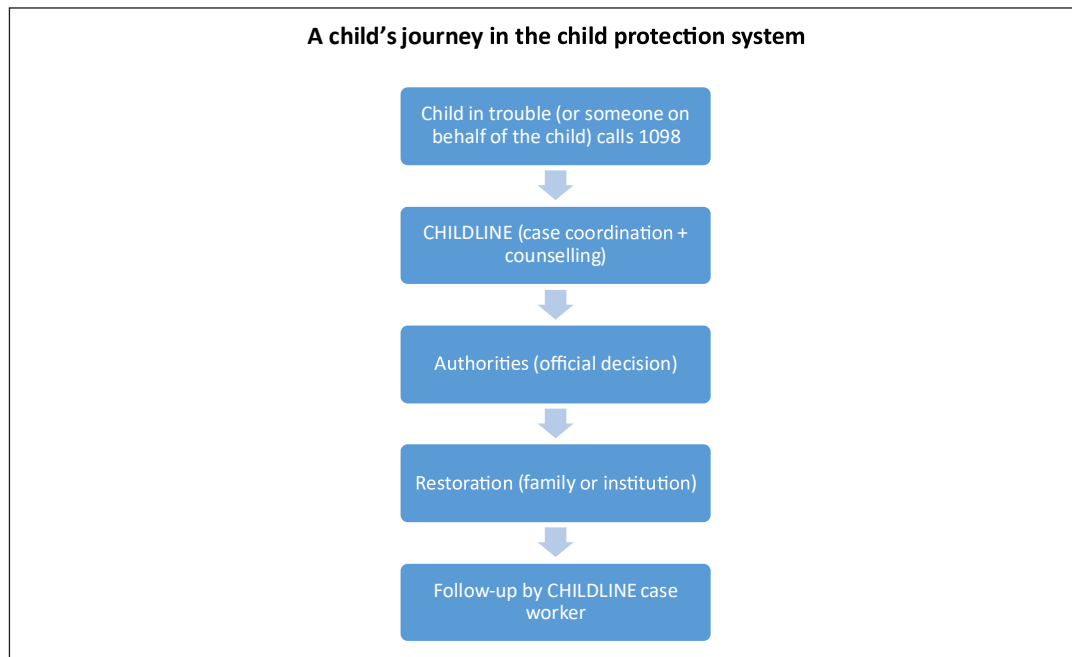


Figure 3 A child's journey in the child protection system (made by author)

My main field site was one of CHILDLINE's partner NGOs in the state of Madhya Pradesh, where I, for three months in 2019, conducted participant observation of routine job activities such as staff meetings, office work, field trips, phone calls etc., as I worked there as a volunteer six days a week. I also conducted ten individual interviews and two group interviews with staff members; a group interview with the local Child Welfare Committee; and a group interview with CHILDLINE's beneficiaries (women and children). Furthermore, I collected and analysed documents such as the NGO's promotional material and internal management documents. I visited several other CHILDLINE NGOs in three different states (Madhya Pradesh, Maharashtra and Tamil Nadu) where I conducted five individual interviews, interviewed the helpline's founders and senior staff (four individual interviews), and collected documents such as reports, promotional material, and government policies and laws where CHILDLINE was mentioned. Each interview was between 30 and 60 minutes long. Based on this, I now turn to illustrate how the workers who were employed by CHILDLINE's partner NGOs, but paid indirectly by the state, perceived the privatisation of social services to NGOs.

### 3.1 Benefits of NGO privatisation

The helpline's employees saw many benefits in being able to 'wear different hats' according to need (Interview with former senior CHILDLINE India Foundation employee, 31 March 2020). The 'NGO hat' helped them build people's trust in a way that, for instance, the state-

run District Child Protection Unit did not (Interview with Team Member of CHILDLINE-contracted NGO, 23 March 2019). Yet, the ‘government hat’ gave them authority. Consider this example of CHILDLINE employees coming back from a case visit where they had convinced parents to send their daughters to a school exam rather than to work in the fields:

‘How did you convince them?’ I asked. ‘We need to have attitude’, Radha said. I laughed, as it was hard to imagine sweet, smiling Radha with ‘attitude’. ‘But we do have attitude’, she continued, ‘because when someone comes from the government, people get scared and do what you say’. ‘So you are from the government?’ I asked. ‘Yes’, she said and proudly showed me her CHILDLINE-ID with the word ‘*sārkār*’ [government/state] on it. ‘But is this a government job?’ I continued, with a feeling of contradiction due to a conversation we had had earlier about her colleague, Aditya, looking for a government job because it was more stable than this. ‘No’, she said. ‘Is it an NGO job?’ ‘Yes, NGO job’. (Fieldnotes, 14 February 2019)

The way in which the helpline’s employees switched between representing a ‘tough’ government and a ‘softer’ NGO resonates with previous studies of ‘semi-governmental’ work in India where workers have been observed to strategically shift identities between a nongovernmental and a governmental one (Rai & Madhok, 2012; Rajaram & Zararia, 2009; Sharma, 2006). The common perception was that NGOs were more flexible, faster and dedicated in their approaches than the government, and therefore it was logical that NGOs were the on-the-ground implementers.

In addition to this identity shifting in small NGOs, the managing NGO, CHILDLINE India Foundation, also saw many benefits in close collaboration between NGOs and the state. Because they had goodwill from the government through their large-scale helpline implementation, they also had a ‘seat at the table’ when national child protection policies were being drafted (Interview with CHILDLINE’s founder, 20 September 2020). Furthermore, when children called CHILDLINE, a vast amount of ‘incredible data’ was generated (Interview with former senior CHILDLINE India Foundation employee, 1 April 2020): which issues children faced, where in India each issue was prevalent, the gender and age groups that were most affected, etc. According to one former senior employee, this data was what made CHILDLINE India Foundation a credible advocacy organisation – not doing the kind of advocacy that would threaten the state, but the kind that could be used to ask for more funds for service implementation: CHILDLINE ‘can literally present a watertight case, say, “when we have more money, this is what we are able to do”’ (ibid). The employees thus saw the importance of being implementers and advocates simultaneously.

### 3.2 Challenges with NGO privatisation

The helpline workers also identified challenges with NGO privatisation, namely the low salaries and lack of job security. Prashant, a CHILDLINE Team Member, expressed this well when asked why he thought the government had privatised services to NGOs: ‘Because the work will be done properly, with less money, on time, and there will be good results. They don’t have to give a permanent salary, just money to a project’ (Interview with Team Member of CHILDLINE-contracted NGO, 27 March 2019). Another challenge was the limited possibility for conducting activism and advocacy when one was a government

programme implementer. This was not a problem for less activism-focused NGOs, but some CHILDLINE NGO partners had more activist ambitions – for instance, a South Indian NGO which had roots in a Christian and Dalit [previously ‘untouchable’] movement. This organisation’s work with the state had, after becoming a CHILDLINE implementer, been limited to being more of a convener than a critic (Interview with NGO Director of CHILDLINE-contracted NGO, 23 March 2019).

### 3.3 Arguing for the ‘halfway model’ between state and NGO

Despite being able to identify both advantages and disadvantages of NGO privatisation, a common conclusion in all my interviews with CHILDLINE employees was that for children’s protection rights to be implemented most effectively, a ‘halfway’ model between state and NGOs was the best option in India. Julian, a CHILDLINE Team Member, answered silently when asked who would be best at securing children’s rights: he held up his hand, spread his fingers and pointed at them one by one with the other index finger, implying that only together could we secure children’s rights (Interview with Team Member of CHILDLINE-contracted NGO, 23 March 2019). Prashant, another CHILDLINE Team Member, when asked who would be most effective at ensuring the respect of children’s rights, said: ‘Government work through NGOs. It will be done fast through NGOs. (...) Governments do it in a “government” way. In NGOs, there is a force to do work’ (Interview with Team Member of CHILDLINE-contracted NGO, 27 March 2019). Or as a former senior CHILDLINE employee expressed it: ‘I do think that this halfway model is (...) better (...) than, you know, the full government one (...). This thing of ensuring the government meets its obligations while maintaining enough independence to be able to (...) play an advocacy role. I think that balance is ideal’ (Interview with former CHILDLINE India Foundation employee, 1 April 2020). Another argued that the CHILDLINE model worked because of the status it had built up during her years of activity on the helpline in the early 2000s:

We [civil society] are really looked at as implementers. And to *that* extent, I think CHILDLINE was different. CHILDLINE India Foundation was not looked at as an implementer, not in the initial years. Because the idea came from CHILDLINE India Foundation, the whole movement came from CHILDLINE India Foundation (...). They [the government] really looked at us as someone they could respect and as a potential partner, if not equal. (Interview with former CHILDLINE India Foundation employee, 31 March 2020)

In sum, while there are many disadvantages of NGO privatisation, my informants on the inside of such a model reported that the CHILDLINE model was the best possible option in India because it had become a symbiotic part of the state and yet had enough independence to draw on ‘NGO virtues’ and ‘state virtues’ when required. As one interviewee argued:

... on the one hand to be the face of the government and on the other hand to be the voice of its civil society partners. You know, you’re representing on one hand, and you’re critiquing state performance. It was a bit of a, you know, wearing all these hats, yes, [it] could be

confusing, but I think a lot of the team and the leadership at that point in time [thought] that the tension was good for us (Interview with former senior CHILDLINE India Foundation employee, 31 March 2020).

But this situation of ‘good tension’ between being ‘the face of the government’ and ‘the voice of its civil society partners’ was dismantled in 2022.

#### 4 The state takes over the operations of CHILDLINE

In 2022, the Integrated Child Protection Scheme that CHILDLINE was part of was replaced with a new policy, Mission Vatsalya. Mission Vatsalya is in many ways the same as the erstwhile ICPS – it still governs Child Protection Committees, Juvenile Justice Boards, alternative care, and other national child protection mechanisms. The most significant changes concern the share of funds (now tilted towards the central government rather than state governments) and, indeed, the setup of India’s child helpline. With Mission Vatsalya, CHILDLINE’s number (which thus far had been a separate phone number, 1098) was to be integrated with the state’s emergency number, 112, and the service handed over from NGOs to local state departments. While it is common for new governments to re-brand policies – the BJP government also did so with other social schemes such as Mission Shakti for girl empowerment and Jal Jeevan Mission for clean water during the same years – the dismantling of CHILDLINE was not something the hundreds of NGOs were prepared for or had even heard of prior to it being announced. Indeed, the announcement of this news, followed by the publication of the Mission Vatsalya Implementation Guidelines in July 2022, came as a shock to many NGOs that implemented the service. Child rights activists expressed uncertainty, critique and worry (Chandra, 2022; Mantri, 2022; Pandit, 2022). In a press release, the Ministry of Women and Child Development (2023b) saw the need to rebut the critiques and state that CHILDLINE India Foundation had endorsed the state takeover. In March 2023, the Ministry issued the Standard Operating Procedures (SOPs), Child Helpline, Mission Vatsalya Scheme (ibid., 2023a). The Mission Vatsalya Implementation Guidelines (ibid., 2022) and the SOPs (ibid., 2023a) represent policy articulations of ‘selective privatisation’ since they involve converting an erstwhile civil society-state partnership into a fully state-run service in a political context where civil liberties in general are restricted and privatisation to for-profit services continues (see section 2, above). The following section analyses these two policy documents, demonstrating how, in Mission Vatsalya, civil society is no longer considered a ‘partner’ in child protection, but is *de facto* silenced.

One of the biggest differences between ICPS and Mission Vatsalya is that ICPS was a civil society-government partnership (ibid., 2009, p. 6; 25), and Mission Vatsalya is exclusively a government scheme. In ICPS, civil society was described as having the role of implementers, partners (e.g. ibid., p. 23), watchdogs, and lobbyists (ibid., pp. 26-7). Civil society has not disappeared completely in Mission Vatsalya, but it is mentioned less frequently and only as a potential implementer, ‘volunteers’ or ‘communities’. For instance, volunteer groups are called upon to encourage public participation (ibid., 2022, p. 43).



Communities are encouraged to 'take ownership' (ibid., pp. 18, 41). This is a promotion of a service-based, neoliberal version of civil society that rhetorically outsources responsibilities to communities (Kaul, 2017; for similar conclusions in another context, see Nieuwenhuys, 2001). The promotion of a neoliberal version of a non-threatening civil society is not a new development in India, and it was clearly evident in CHILDLINE's earlier years as well (Mortensen, 2023b). What is striking now is that it is the only version of civil society left: before, CHILDLINE was able to manoeuvre by being simultaneously an implementer and an advocate. Now, since the helpline service has officially been transferred to the District Child Protection Units and the free number '1098' (that children could call to reach an NGO worker) is closing, CHILDLINE can no longer exist as a partnership between NGOs and the state, and civil society is diluted into unorganised 'communities'.

In the new set-up outlined in the Standard Operating Procedures, NGOs are not mentioned at all, not even in reference to the earlier set-up of the helpline, or as part of a guide to how to transition from a vast NGO system to a state system. The previous CHILDLINE setup with regional call centres and various levels of implementation, all managed by different types of NGOs with different types of grassroots bases and expertise, is now combined into the District Child Protection Unit (DCPU). There might be some benefits associated with this: it may ensure better convergence between different parts of Mission Vatsalya, and NGO workers will no longer need to spend time on writing letters and seeking access and permits through government offices, as they did before. Furthermore, the helpline's employees will be government employees and will receive better social security benefits than NGO workers (Ministry of Women and Child Development, 2023a, p. 15). However, the SOPs mention nothing about what will happen to existing CHILDLINE-implementing NGOs and do not take into account the NGO infrastructure which was built up over decades. The NGO system was necessary, as we saw above, because people trusted it. As the honorary director of CHILDLINE Pune expressed to the Times of India: 'If Childline's partner NGOs are linked with DCPUs, many children will hesitate to seek help. They and those wanting to help abused children trust NGOs. They avoid help from government machinery, fearing insensitive questioning and long-drawn[-out] procedures' (Times of India, 2022; see also 3.1 above). Furthermore, as CHILDLINE India Foundation is no longer the 'Mother NGO' overseeing the helpline, it is not only the actual service at the NGO level on the ground that is lost, but also core departments such as Research and Development, and Awareness and Advocacy. For CHILDLINE specifically, awareness and information about the existence of the helpline number were crucial.

The most alarming aspect of the policy change becomes apparent not simply by reading the related content, but by taking the content together with timing and context. The removal of NGOs from the scheme comes at a time when, as described above, many NGOs are being forcibly closed, raided, and having their Foreign Contribution Regulation Act (FCRA) license withdrawn (Banerjee, 2023; Tudor, 2023). Thus far, such treatment has been reserved for advocacy and rights-focused NGOs (Banerjee, 2025; Toepler et al., 2020, p. 651). CHILDLINE was rather a service-providing nonprofit of the kind that Toepler et al. argue receive support in hybrid regimes. The closing of the NGO part of CHILDLINE is concerning because it is evidence that even service-providing NGOs are considered threatening. Furthermore, while Mission Vatsalya is an example of a state takeover of a previously public-private partnership with NGOs, we have not seen similar state takeovers of

public-private partnerships from the for-profit sector. Indeed, Mission Vatsalya itself ‘encourage[s] private sector partnerships’ and calls for private sector support for augmenting resources (Ministry of Women and Child Development, 2022, p. 2). The next section will use the empirical case of CHILDLINE to expand on the article’s argument about selective privatisation in hybrid regimes.

## 5 The dangers of selective privatisation

This paper has conceived of ‘selective privatisation’ as a way for autocratising regimes to sustain a neoliberal market economy through privatisation to for-profit organisations, but at the same time roll back privatisation from not-for-profit organisations due to the perception of the potential threat from the latter. In this final section, I discuss why CHILDLINE is a prime example of selective privatisation and why this tendency is alarming. The empirical sections above have demonstrated that CHILDLINE’s employees argued that the ‘halfway model’ was a good way for NGOs to be integrated within state services and play simultaneous advocacy and implementation roles. The transposition of the halfway model into a fully state-controlled model indicates, at least at the level of intention, a state that takes responsibility for children’s protection rights. Whether such rights will be better ensured by the state setup is yet to be seen, but there are reasons to be sceptical about the dilution of civil society that the takeover of the helpline represents.

First of all, we should note that the exclusion of civil society from service provision is rarely a characteristic of democratic welfare states. Democracy includes civil liberties such as freedom of association, assembly, and expression, and once civil society organisations are formed, they can choose to engage in service provision and advocacy. Of course, just as with state-provided services, there may be problems with service-providing NGOs, such as the misuse of funds and political co-optation.<sup>7</sup> Neither state-provided nor NGO-provided services can avoid the phenomenon that corruption is a large problem in India.<sup>8</sup> That fact should not, however, entitle the state to limit civil society’s freedom to organise and express itself in general. Indeed, a vigilant civil society can also help put an end to corrupt or abusive practices, as CHILDLINE did in a case of abuse in a shelter home (Mortensen, 2023a). As shown with CHILDLINE, when NGOs receive state funding, it can lead to them becoming so closely knit within the state’s service provision mechanisms that they do not have the means or access to do advocacy without the funding and contacts that come from being the state’s service providers. Removing state funding from NGOs is in itself not a violation of civil liberties. But it should, I have argued, be analysed in light of the restrictions of the civil liberties of other NGOs. Together, the direct restrictions on government-critical NGOs and the indirect restrictions on service-providing

<sup>7</sup> A truly horrendous example of the misuse of state funds by NGOs in India is the rape case at the Muzaffarpur shelter home from 2018 (see <https://www.bbc.com/news/world-asia-india-51172513>, accessed 25 February 2025).

<sup>8</sup> According to Transparency International, 89% of Indians think that government corruption is a big problem (<https://www.transparency.org/en/countries/india>, accessed 21 February 2025). There is no data on NGO corruption.



NGOs such as CHILDLINE significantly diminish opportunities for civil society to receive funds from foreign and state sources, and thus to operate. A chilling effect is also likely to affect unfunded dissenting activities (Banerjee, 2025).

Another reason to be sceptical about the intentions behind the government takeover of CHILDLINE is the lack of similar initiatives aimed at rolling back privatisation from for-profit sectors. A key to understanding this argument is considering what types of services are profitable. Sectors like education and health are highly profitable when privatised. Even if education in India is not allowed to be for-profit, studies have shown that both primary (Tooley & Dixon, 2006) and higher (Gupta, 2022) education are often *de facto* profit-making. Child protection, on the other hand, is rarely a service that richer echelons of society will pay for (except for when it is for others through charity). CHILDLINE's work was aimed almost exclusively at supporting impoverished and marginalised children who had fallen through the cracks in existing systems and therefore needed emergency protection. This is not a type of service that lends itself to profit, and in a state like India, where NGOs are largely seen as potential threats, this is therefore a sector that is likely to be 'de-privatised' – as opposed to education or health. What we lose, therefore, is what one informant called the 'development sector', which, in his view, people have trust in:

Trust is a driver of the development sector, which neither the government [controls] fully nor the private sector [...] Therefore, it [is] a good intermediary to have in the country. I feel the development sector is a very important player in the market, particularly when you have issues where lots of groups don't access their rights. (Interview with former employee at CHILDLINE India Foundation)

A central point here is that reversing privatisation back to state-run services should not merely be seen as an embrace of the welfare state but can also be seen as part of a wider tendency to restrict civic space. CHILDLINE's employees highlighted positive aspects of NGO-state partnerships: that the threshold for people to approach a 'government' service was lower when it was implemented by NGOs; that children's rights in India were more secure with a network of watchdogs and service providers that try to supplement a reluctant state than without it; and that the NGOs they worked for were faster, more flexible, less bureaucratic and had more field experience than the civil servants working within the state's child protection agencies. It may be unsurprising that CHILDLINE's employees had positive views of their own organisation. Still, their views are worth keeping in mind, as they point to the fact that NGOs may be important upholders of rights, without whom many rights would effectively not be enjoyed. As my interviewees reminded us, it was the tension arising from being both implementers (thus legitimate in the eyes of the state) and advocates (able to keep the state in check) that made NGO privatisation fruitful concerning the fulfilment of children's protection rights. It should, of course, be noted that not all service-providing NGOs in India have undergone the same treatment as CHILDLINE. There are still many not-for-profit service-providing NGOs (Banerjee, 2025). But what happened to CHILDLINE is a warning of what more may come if the reelected BJP government continues on the road they have followed thus far. This is a road which, I have argued, represents a process of selective privatisation into for-profit service providers, and the selective de-privatisation of NGOs that are seen as potential critics of the state.

## 6 Conclusion

Through the empirical case of the Indian state's takeover of the operations of CHILDLINE, a nation-wide, large-scale state-civil society partnership, this paper has argued that de-privatisation of social services from NGOs to the state should not simply be considered an embrace of a larger welfare state but may represent an example of a changing civic space in an autocratising state. When civil society organisations in general are restricted, they are also likely to lose their service provision mandate from the state. Although being a state-funded service provider leads to difficult tightrope-walking between advocacy and implementation, as CHILDLINE's former employees formulated it, it ultimately gives NGOs legitimacy and the ability to be part of a vigilant civil society – which now risks being *de facto* silenced. The article proposes the term 'selective privatisation' to capture the trend when neoliberal and autocratising states restrict the privatisation of social services to non-profit organisations while sustaining privatisation for for-profit companies – a trend which may also be evident in other 'hybrid' contexts.

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## The marketization of family planning: the role of banks as policy actors in Hungarian reproductive policies

Intersections. EEJSP

11(2): 26–45.

<https://doi.org/10.17356/ieejsp.v11i2.1368>

<https://intersections.tk.hu>

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### Abstract

This study is part of a doctoral dissertation that deals with the marketization of family policy in Hungary. The current system simultaneously serves selective pronatalism, the growth of inequalities and the creation of ‘traditional’ families. Since 2010, the state has been motivating upper-middle class families to have children, for which it provides significant amounts of state-subsidized loans. These subsidies can be applied for through banks, so they do not function as a classic social policy tool. A full presentation of all state-subsidized loans is not possible within the scope of this article, so the study focuses only on the baby-expecting loan (*babaváró hitel*), introduced in 2019, as one of the tools of marketization. The article presents, based on 62 semi-structured interviews, the new situations that the marketization system confronts Hungarian families with. The interviews were conducted with people who were involved in the loan in some way (e. g.: successful borrowers, unsuccessful borrowers). The results show that, on the one hand, the general consequences of fiscalization (weakening of social rights, increasing individual responsibility, strengthening of market actors) are appearing, and on the other hand, there is a strong biopolitical pressure, which may even come from banks.

**Keywords:** state-subsidized loan, family policy, neoliberal social policy, selective pronatalism, marketization of social policy, baby-expecting loan

## 1 Introduction

Hungarian social policy, and within its family policy, has undergone significant changes since the change of government in 2010. The Fidesz-KDNP government, which came to power at that time and has been re-elected several times since then set itself the goal of halting population decline and restoring respect for ‘traditional’ values, which means conservative male-female roles and the large family model (with three or more children) (Szikra, 2018). It is trying to achieve all this based on the principle of selective pronatalism, i.e. the government wants to promote the adoption of children by better-off, ‘deserving’,

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‘working’ families through the tax system and state-subsidized loans. One of the main goals for these subsidized loans is having children. If the applicants meet this requirement, then they receive remarkable benefits, but if not, they may suffer significant financial losses. Another characteristic feature of these loans is that many of them were created for housing purposes. However, the state does not intend to provide an alternative for poor families (Czirfusz, 2024) but rather uses new housing policy elements as a population policy and as an economic stimulus tool (cf. Elek & Szikra, 2018).

Kovács (2023) defines the Hungarian (welfare) model that emerged after 2010 as one in which decommodification is not achieved through redistribution. The increase in dependence on the market can also be clearly observed through the new family support elements, of which the article focuses on the baby-expecting loan. This form of support was the first to simultaneously include the government’s traditional definition of family and support for those in work.

The marketization of Hungarian family policy and its subordination to demographic goals create a special situation in which the well-being of families often depends on the birth of a child or children. Since state-subsidized loans often require a promise of the child’s future birth, the privatization and marketization of childhood begins even before birth.

The study examines the baby-expecting loan, which was established in Hungary in 2019, to show how the marketization of social policy and the privatization of childbearing can affect the private lives and decisions of the affected families, as well as the new situations they face. The results of this study were achieved in the context of the doctoral thesis of the author of this paper and cannot be considered representative, but they may highlight systemic problems worthy of further research.

The article first summarizes the international literature on the marketization of social policy and loans, then briefly presents the main points of the Hungarian family support system, with some historical overview. After that the baby-expecting loan is presented as a family support tool. In the second half of the article, the results of 62 semi-structured interviews are explored through the personal narratives of the affected people.

## **2 Neoliberalization of social policy – the role of the market and loans**

This chapter aims to present what the marketization of social policy means, and to address one important element of marketization, which is the role of loans.

According to Balan (2023), market-oriented measures can be called neoliberal processes overall. Neoliberalization is most often mentioned in connection with the abolition of price controls, the deregulation of capital markets, the easing of trade restrictions, and the reduction of state involvement. The fiscalization of social policy can therefore rightly be called the neoliberal turn of social policy, which is present at the international level. The marketization of the social sector started to spread in the last thirty years across Western Europe. The change has already reached Sweden and Denmark, where some public services are increasingly moving towards market principles. This may threaten the universal Scandinavian welfare model (Petersen & Hjelmar, 2013).

Lavinas et al. (2023) analysed the relationship between social policy and financialization, examining how capitalism has transformed social policy. Based on their results, there has been a recommodification in welfare systems, based on which social services and benefits are increasingly market-based. The authors focused their research mainly on the global south but some of their findings may also be true for Hungary, so these aspects will also appear in the conclusion. A common element of the systems examined is that the state is increasingly present as a kind of intermediary, encouraging market actors to provide services. In addition, the aspect of financial return is gaining more and more space in social policy decisions. All this naturally leads to an increase in inequalities and a weakening of social rights. The latter means that an individual can access certain benefits and services based on their financial situation, rather than on their citizenship rights. Another significant problem is that financial risks are increasingly shifting to the individual, which may increase the vulnerability of families.

In the context of neoliberalization and marketization, it can certainly be stated that credit and debt play a significant role in developed countries, so their role cannot be neglected when examining welfare states.

The literature analyses both state-supported and 'normal' market loans. State-subsidized loans differ from market loans in that a portion of the market interest rate is paid by the state to the lender under certain conditions during the subsidy period. This means that the interest and monthly repayments actually paid by the debtor will be lower.<sup>1</sup>

Subsidized loans (mortgages), which are usually related to the construction and purchase of real estate, are not uncommon in other European countries. For instance, the Czech Republic provides interest subsidies for mortgage loans to those under the age of 36, and Lithuania also supports young people's access to real estate. Estonia, Israel, Luxembourg, Latvia and France have also taken steps to ensure that young people have access to suitable housing. Portugal already introduced a home loan subsidy very early on, in 1986, which could be used primarily by the poor (*Credito Bonificado*) and young people (*Credito Bonificado Jovem*). The United Kingdom can also be highlighted, where access to a first home is supported by the state (*Help to Buy*) for young people (Fellner et al., 2021).

In relation to loans and indebtedness, certain specialist literature has also examined the role of the reigning government. Countries with a higher level of redistribution are better able to moderate the turn to borrowing. In the latter, the political powers in office play a major role, as left-wing governments devote more resources to social spending. In countries where the right is in power, there are more measures to encourage credit (Ahlquist & Ansell, 2017).

From the point of view of borrowing, it is also important to mention risk-taking. Wiedemann (2021) found in his US study that borrowing forces poor groups, who are forced to take on debt to maintain their standard of living, to take significant risks. Atkinson (2019) confirms this when he argues that credit has become an essential part of the social safety net in the United States. Mertens (2017) takes a similar position but emphasizes that even the richest households can benefit from credit systems.

<sup>1</sup> The definition can be found on the *Pénzügyi Navigátor* page of the Hungarian National Bank. <https://www.mnb.hu/fogyasztovedelem/hitel-lizing/jelzalog-hitelek/ingatlan-celu-hitelek> Accessed: 01-30-2025



Laruffa (2022) interpreted the issue of borrowing in the context of the paradox of neoliberal social policy. The author points out that neoliberal policies often give priority to economic rather than social aspects, so economic return will also be the main goal in the field of social services. As a result, social policy measures do not always serve to increase social welfare but become economically optimized measures.

Lavinas (2018) draws attention to the fact that a 'debtfare state' is being created instead of a welfare state, where credit becomes a kind of necessity to maintain prosperity and social status. It is questionable whether credit-based prosperity can really provide economic security and rights to individuals, or whether it creates new types of dependency and social inequality.

Many aspects of the literature presented here are typical of the current Hungarian situation. Since 2010, the degree of central redistribution has been continuously decreasing (Ferge, 2017), while state-subsidized loans have gained an increasing role. Growing inequalities, weakening social rights, increased risk-taking and the mediating role of the state can all be observed in the new family policy measures. However, the neoliberalization of family policy in Hungary does not (only) strengthen market processes in the classical sense, but its explicit goal is to increase the population in certain social groups. However, this latter phenomenon is not new, several such programmes have been established in the country throughout history, which are briefly discussed in the next section.

### 3 Hungarian state-subsidised loans and demography in a historical perspective

The Hungarian family benefit system has included measures to encourage childbearing for decades, with the first family benefit schemes being established quite early, in the late 1800s and early 1900s. This is largely because public discourse has long been permeated by the fear of population decline, which has an impact on family policy measures (Darvas-Szikra, 2017). Low fertility and population decline have been thematised as problems since the 1880s and have been present almost continuously in political rhetoric and population policy discourses since the 1970s. (Dányi-Monigl, 1988).<sup>2</sup>

The first population policy programme took place between 1940 and 1944, which followed the principle of selective pronatalism, i.e. it aimed to encourage only certain families to have children. The National Fund for the Protection of the People and the Family (*Országos Nép- és Családvédelmi Alap* – ONCSA) was, in principle, aimed at helping the poor, large families and the agricultural classes. The ONCSA was quite special at the time, as it was the first comprehensive programme to help families rather than individuals, and thus also functioned as an element of family policy (Szikra, 2008).

The programme also reflected the ideas of a so-called productive social policy, which aimed at 'producing nationally worthy Hungarians', 'creating a Christian national labour system' and putting the poor to work rather than general welfare (Cora, 2014). In the case

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<sup>2</sup> Data from the Hungarian Central Statistical Office. [https://www.ksh.hu/stadat\\_files/nep/hu/nep0006.html](https://www.ksh.hu/stadat_files/nep/hu/nep0006.html) Accessed: 01-29-2025

of the ONCSA, productivity (i.e. participation in economic life) was primarily targeted at men, while women were responsible for reproductive and care work. The beneficiaries were poor peasant families with four or more children, but 'Hungarian origin', 'moral life' and 'willingness to work' were important (Szikra, 2008).

The ONCSA also offered the possibility of a marriage loan (*házasodási kölcsön*), which was closely linked to the exclusion of people of Jewish origin. The marriage loan was intended to help deserving couples to buy various items of home furnishings and was interest-free. On the birth of the first child, the repayment obligation was suspended for a year and 10 percent of the debt was forgiven by the state. The state waived an additional 20 percent for the second child, and for the third child 30 percent, and for the fourth child the remaining debt was waived (Pornói, 2017). The maximum age limit for applicants was 32 years, and the loan application was accompanied by several documents concerning the applicants' family and financial situation. Interestingly, the legislator also allowed the divorce of the parties, in which case the property purchased had to be divided equally.

Alongside demographic objectives, the ONCSA was intended to alleviate poverty among certain 'deserving' families. In addition, applicants had to comply with several rules, often involving the most intimate aspects of their private lives. Another important goal was for the applicants to have their own property so that they could build and expand it further (Article XXIII of Act of 1940 on the ONCSA).

The other major subsidy is a product of the 1970s and is the social policy subsidy (*szociálpolitikai támogatás*) known as the *szocpol*. The benefit served social policy, economic stimulus and demographic objectives at the same time (Misetics, 2017).

The *szocpol* started in 1971 and lasted until 2009, with many modifications over the years. It was a subsidized mortgage which supported families with three or more children. Only couples under the age of 40 were eligible for the latter. In principle, the aim was to buy/build property, but at certain times a rental subsidy could also be claimed under a sub-programme.

When the *szocpol* came under scrutiny, experts have made several criticisms, the most important of which was that it was more skewed towards reverse redistribution, i.e. better-off families were more likely to benefit from it. Families in a worse financial situation, on the other hand, found it difficult to raise an adequate deductible, so they mostly bought low-quality properties with subsidies in disadvantaged settlements. This often led to poverty traps (Czirfusz-Jelinek, 2021).

These two loans therefore had an important demographic target, mostly to encourage the formation of large families. However, for this, the applicants had to meet strict conditions, such as 'mandatorily' having children. Great emphasis was placed on the purchase or construction of one's own real estate, while in the meantime, permanent public rental housing construction was not established. State incentives for having children did not apply to everyone, as the ONCSA excluded Jews and different nationalities. Exclusion was less noticeable in the case of *szocpol*, but even here not everyone who needed it received support. All of this shows that housing policy measures primarily served demographic goals, not (only) solving housing problems.

The next section turns to the Hungarian family policy situation after 2010. As we will see, similarly to the ONCSA programme of the 1940s, productivity (permanent work) and reproductivity (raising many children) once again became the main conditions for merit.

#### 4 Workfare, traditional family and selective pronatalism – The Fidesz-KDNP government's family policy since 2010

In 2010, the new government clarified that the sole goal of family policy would be to increase the population, and it made a sharp distinction between 'working' families worthy of support, and 'non-working' families unworthy of support (Szikra, 2018). The prime minister emphasized this several times, for example, in a 2017 speech he gave in the European Parliament: *'We have created a workfare society, we are giving jobs instead of benefits to everyone who wants to work. Our aim is full employment.'*<sup>3</sup> This suggests that, according to the government, employment is simply a matter of will. Accordingly, in social policy (and family policy) the so-called principles of a work-based society are implemented, and selective pronatalism is strongly present.

As stated in the introduction, the government set as an important goal to 'save' the traditional family model, which was accompanied by several symbolic and concrete measures (Szikra, 2018).

From the perspective of the research, one of the most important is the new Fundamental Law of 2011 (formerly the Constitution), which states that Hungary protects marriage as a life partnership between a man and a woman. The law also states that the family is the basis for the survival of the nation. It also specifies that the basis of the family is marriage and the parent-child relationship. All this was supplemented in 2020 with the sentence that the mother is a woman, the father is a man (Art L (1) of the 2011 Fundamental Law of Hungary).

Based on the above, it is easy to define the range of those worthy of support. The ideal Hungarian citizen has a stable job, is married and has (preferably at least three) children. Family policy is also aligned with this principle, as universal benefits (some of which have existed for more than 100 years) have become almost completely worthless, while the value of wage-based benefits has increased year by year. Since 2015, more and more measures targeted at better-off citizens offer preferential loan schemes on the condition of having children. The two most popular are the family home-building benefit (*Családi Otthonteremtési Kedvezmény – CSOK*) and the baby-expecting loan (*babaváró hitel*). The former can only be claimed for the construction of or for the purchase or extension of a flat; while the latter is a free-use loan, but a significant number of claimants spend it on housing purposes, as the law even allows it to be used as own contribution when buying a home.<sup>4</sup>

In the following, the baby-expecting loan will be presented in more detail, as well as the main results of the related interviews.

<sup>3</sup> Prime Minister Viktor Orbán's speech in the European Parliament (in English) <https://2015-2019.kormany.hu/en/the-prime-minister/the-prime-minister-s-speeches/prime-minister-viktor-orban-s-speech-in-the-european-parliament20170426> Accessed: 02-05-2024

<sup>4</sup> The appendix contains the three most important state-subsidized loans related to having children, as well as other family benefits available in Hungary.

## 5 The baby-expecting loan

This loan was introduced as part of the government's Family Protection Action Plan (*Családvédelmi Akcióterv*). The scheme was introduced on 1st of July 2019, with an initial closing date on 31st of December 2022, but eventually it was extended until the end of 2024 in 2022. The loan is regulated by Government Decree 44/2019. (III. 12.), which has been amended several times. According to the regulation, only married couples can apply as joint applicants for a maximum of HUF 11 million ( $\approx$  EUR 27,300) interest-free, free-to-use loan. The interest is paid by the Hungarian state instead of the claimant if at least one child is born within five years, or if the foetus reaches the 12th week during this time. The loan can also be applied for after an adopted child.

Proof of continuous social security relationship is extremely important in the case of the baby-expecting loan. According to the decree, at least one of the parties must have three years of continuous social insurance relationship, and only one year of the legal relationship resulting from public work can be counted. This clearly shows that families with uncertain financial situations are not the target group for the loan.

In the event of the birth of a child, repayment can be suspended for three years. If a second child is born, *non-refundable child support* can be used for 30 percent of the outstanding debt. This means that 30 percent of the debt is paid by the state instead of the family. In addition, repayment can be suspended for another three years. In the event of the birth of the third child, the rest of the debt is paid by the state.

If no child is born within five years, or none of the claimants has a residential address in Hungary, the parties divorce, or neither claimant raises the child in their own household, then the interest subsidy will cease, and the parties must pay transaction interest (penalty interest) in a lump sum within 120 days. For the sake of fairness, a maximum of 24 monthly instalments is allowed, but in this case, the beneficiary must prove that the lump sum repayment would have a serious disadvantage. After all this, the baby-expecting loan becomes a market loan (44/2019. (III. 12.) Government decree about the baby-expecting loan).

However, there are cases when the beneficiaries cannot meet a condition through no fault of their own. If childbearing was not completed due to health reasons, or one of the parties died, or their ability to work changed, the married couple is exempted from the penalty interest repayment obligation.

Among the spouses, the wife is subject to restrictions based on her age. Until the end of 2023, this meant that the woman concerned had not yet turned 41 at the time of taking out the loan. However, from 2024, a significant tightening came into effect, according to which only those couples are eligible for the loan where the wife has not yet reached the age of 30. However, at the end of 2024, the age restriction was relaxed again, so the baby-expecting loan can be applied for until the wife is 35 years old. The frequent modifications are presumably due to budgetary and political reasons, which confirms Laruffa's (2022) claim that economic returns are increasingly playing a role in social policy.

While in 2020 the state budget expenditures for the baby-expecting loan amounted to HUF 38.65 billion ( $\approx$  EUR 96 million), in 2023 it was HUF 178.157 billion ( $\approx$  EUR 443 million). This is a significant increase, especially when compared to one of the oldest universal elements of the Hungarian family benefit system, which is the family allowance.

Expenditures on family allowance almost stagnated between 2020 and 2023 (2020: HUF 309.3 billion ( $\approx$  EUR 768.9 million); 2023: HUF 309.5 billion ( $\approx$  EUR 769.4 million)).

The Hungarian National Bank (*Magyar Nemzeti Bank* - MNB) conducted an online questionnaire survey among the borrowers of baby-expecting loans with the cooperation of commercial banks.<sup>5</sup> The results of which were made public in September 2020. The information provided here confirms the fact that the baby-expecting loan is mostly used by upper-middle-class families with a stable financial situation. Compared to the general population, these individuals have higher education and more income (Fellner et al., 2020).

Along with demographic goals, with the fiscalization of family policy, childbearing is also being marketized and privatized. In the case of the baby-expecting loan, the loan must be taken out before the child is born. Since the amount that can be borrowed is quite high, the financial security of families depends on whether the child is born on time. The opposite may also be true. Since there is no state rental housing system in Hungary, the child can serve as a kind of investment in the future, and the child will be the key to whether the family can acquire their own property. This is also supported by research conducted by the MNB. Although the baby-expecting loan is freely available, real estate purposes dominate when it is used (Fellner & Marosi, 2020).

## 6 Methods and data

This research aims to answer the question of what new challenges the marketized family policy and the privatization of childhood in Hungary confront the affected families with. To answer this question, a total of 62 semi-structured interviews were conducted between December 2021 and November 2023 by the author.

The initial goal of the research was to find people who had successfully taken out a baby-expecting loan or were planning to take one out. It was also important to interview people who, despite their intentions, were unable to take out a baby-expecting loan. In addition, the goal was to find those who were forced to pay penalty interest due to violating some condition. Interviewees repeatedly reported that in certain situations, such as when doing banking, the bank clerk started recommending the baby-expecting loan. But often family members and acquaintances also tried to motivate interviewees to take out the loan. Thus, the range of interviewees was expanded to include people who would have basically met the conditions of the loan but did not want to take advantage of the opportunity. This proved to be a useful step, as the results showed that these interviewees also experienced significant social pressure because of the baby-expecting loan.

Ultimately, 33 people were interviewed who successfully took out the loan; 5 were still in the process of applying at the time of the interview; 2 people were divorced, so they had to pay penalty interest; and 22 did not take out the loan. The interviewees were mostly women, and only 16 men agreeing to participate. Most had a higher education

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<sup>5</sup> Responses to the questionnaire were received between May 25 and June 15, 2020, 10 percent of debtors expecting a baby, 7,655 people, participated in the survey (Fellner et al., 2020).

(45 interviewees) or were in their first marriage (40 interviewees). Of those who took out the loan, 17 couples did not have children at the time of the interview. 6 of the 17 women were pregnant. At the time of the interview, 30 people lived in the capital, Budapest.

Since most interviewees were of good social status, there is naturally little information about families with a poorer financial situation. This is not surprising given that the baby-expecting loan is aimed at the upper-middle class. However, the paper is not suitable for presenting how people of different social statuses experienced taking out or being rejected from a baby-expecting loan. Several attempts were made during the research to contact these families, but with limited success. This suggests that other methods are needed to find those of lower social status. The interview covered a total of five themes, which were:

- Demographic data
- Family, marriage, childbearing
- Employment, career
- Family allowances, baby-expecting loan
- Vision for the future

The above topics contained a total of 23 questions, the order of which could be changed at will, and new sub-topics appeared from time to time. This was the case, for example, when some female interviewees recounted their birth experiences, which influenced their plans for further childbearing.

During the selection, an important aspect was that the interviewees had at least one child under the age of 14, were pregnant or had serious plans to have children. An important goal of the research was to reveal the feelings and motivations of the interviewees, which led them to take up or reject the baby-expecting loan. In their reports, the interviewees mostly revealed their own experiences and opinions, but sometimes the experiences of friends and family members were also mentioned, which had a great impact on their decisions.

The respondents were collected by the snowball method, and by announcing the research online in 15 selected Facebook groups whose topics were baby-expecting loan and childbearing. The latter achieved its goal less, since few people applied for the invitation, however, those who did, passed on the news of the research to their friends, thus managing to establish contact with new interviewees. The target group of this research is considered sensitive from the point of view that they shared their plans for having children, their financial situation and, where applicable, their political views. The snowball method was also supported by the fact that there is no database available on the debtors of the baby-expecting loan.

In terms of the question set, the 'Family allowances, baby-expecting loan' section is the most important in this paper. This part of the interview highlights the challenges that clearly point towards the marketization of family policy and, with it, childhood. Such challenges include the increase in discretion, the weakening of social rights; the increase in self-assertion and individual responsibility; the increase in risks and the new role of banks.



## 7 Discretionary and individual situations instead of social rights

Since the baby-expecting loan is a family support instrument provided by the state the question of social rights may arise. In short, we consider social rights as rights that are related to the protection of human dignity, such as the right to housing or education (Kovács, 2023). According to Juhász & Tausz (2012), these rights also facilitate the implementation of social policy.

The baby-expecting loan, although facilitated by the state, does not allow for the realisation of social rights. An example of this is the Hungarian family allowance (*családi pótlék*), which citizens can access under certain conditions that can be enforced by the state. A baby-expecting loan, however, is more of a hybrid benefit, subject to both state and banking rules. Within the framework of the relevant government decree, each bank acts according to its own terms and conditions, which vary from one institution to another. The state government decree therefore provides a framework which does not in itself guarantee that the applicant will be able to receive the baby-expecting loan. Several cases were reported by interviewees where the bank rules did not prove transparent, in some cases even to the bank clerk.

A 28-year-old urban woman with a university degree reported that she and her partner did not receive the full loan amount. However, the bank did not tell them the reason:

*'We went to two banks, at the first one they didn't want to give us the full amount. (...) The bank did not give reasons, and the administrator did not know why. Seven million forints were offered. We switched to another bank, there was nothing extra, we received the full amount within 48 hours. It was a completely different attitude.'*

As we can see in the quote, the interviewee did not receive an explanation for the first bank's decision. As a result, she could only guess what she had to change. However, the second bank gave the pair a much more favourable assessment, but we do not know the exact reasons here either. A 34-year-old man with a secondary education from the capital reported a similar case:

*'...there were so many problems that the first bank rejected the application without giving a reason, so we looked for another bank. (...) Moreover, the birth of the child was close, so it was urgent. We also asked the first time when we didn't receive it, but they said that they don't have to give a reason for this.'*

The two cases above clearly show that banks are not just intermediaries between the state and the applicants. Through their own rules, banks also influence who can receive the baby-expecting loan. This construction is therefore much more similar to a market loan than to a classic social policy or family policy support. In both cases, we see that a lot depends on the bank's risk assessment and on how informed or communicative the administrator is.

The differences between banks are well illustrated by the situation of a 37-year-old woman with a university degree from the capital:

*'We met all the conditions, but then it turned out that there were differences between the banks. There were several banks that ultimately did not give us the baby-expecting loan. The criteria are*

*very different. For example, we had to present the last three months' bank statements. (...) There were a few items that were classified as gambling (lottery tickets). That's where the whole thing fell through. (...) In the end, the assessment was different at the last bank, so we got the loan.'*

The above story shows that the baby-expecting loan was hindered by some previously purchased lottery tickets, as the banks did not consider the client trustworthy based on these. This procedure is not unusual for market loans, but it is nevertheless concerning in the case of a family benefit element. The fact that the interviewee finally found the right bank, where she received the loan, was solely due to her own advocacy skills.

Although the baby-expecting loan and its application method favour those with higher social status, even they may face situations that they find difficult to resolve. In these situations, the individual's aptitude, connections or even luck (e.g. the helpfulness of the administrator) can play a decisive role. Kovács (2023) highlights that since 2010 the government has been introducing subsidies that are not intended to guarantee social rights, but serve other purposes, such as stimulating the construction industry. The baby-expecting loan fits well into this scheme, as it does not guarantee any social rights, and in many cases the discretionary power is more in the hands of the banks.

## 7 Difficult transparency, administrative errors

Based on the results, it seems that the market-oriented social policy, in contrast to the classic benefits, can even cause a financial disadvantage. The reports of the interviewees revealed that sometimes the bank clerks themselves were not aware of the applicable rules. This caused misunderstandings at best and serious mistakes at worst. A 39-year-old man with a university degree from the capital said that he and his wife had problems with two banks. The first had too strict rules, so they were rejected. They received the loan from the second bank, but due to an administrative error, the transfer did not arrive on time. As a result, the couple could not start paying the instalments on time, so the bank obliged them to pay a penalty (HUF 10,000 ≈ EUR 26 per day). The penalty payment was ordered on 20<sup>th</sup> of October 2023, the interview was conducted on 24<sup>th</sup> of October 2023, so the financial loss was already significant at that time. A similar case was reported by a woman who divorced her husband after taking out a baby-expecting loan. Since they had no children, they had to pay penalty interest under the government decree, and the baby-expecting loan was subsequently converted into a market loan. A 29-year-old woman, from the capital, with a higher education, reported the follow:

*'We received the divorce and went to the bank. We told the administrator that, if we remember correctly, the interest subsidy must be repaid within 120 days. The administrator (..) said the repayment will be due in four-five years at the most, when it will be clear that there are no children. I told her we were divorced, so there definitely wouldn't be any child. We did not receive any information after that. (...) We paid the penalty interest. We then agreed with the bank that we would continue to pay the loan in a 50/50 ratio. Despite this, they have been demanding the full repayment from me for months. My ex-husband and I are in constant contact because of this.'*



The above two cases are certainly not unique, which is also proven by an article from the MNB. A short document was published at the end of 2023 discussing reconciliation cases related to baby-expecting loans. The author, a member of the financial reconciliation board within the MNB, also reports on several omissions and misunderstandings. The article reports that failure to pause repayment was a common problem due to tight deadlines and administrative errors. It often caused a problem that it had to be reported within 60 days after the birth of the child, and at the same time, the request to suspend the repayment and release the debt had to be submitted. In this regard, customers reported a lack of information and several administrative errors, due to which they missed the deadline and could not benefit from the above-mentioned discounts. Thus, the legislator later amended this provision to 180 days, which helped many clients during the procedure (Lakó, 2023).

Reading the above stories, we can see that extremely complicated situations can arise in connection with a baby-expecting loan. The cases of the two interviewees highlight that even highly qualified loan applicants have difficulty coping with these challenges. In this regard, a 35-year-old married woman from the capital with a higher education reported a rather bizarre situation. The interviewee's husband had taken out the baby-expecting loan with his ex-wife. Unfortunately, the woman had passed away. As a result, there was no need to pay penalty interest, but the loan amount was in the woman's bank account. According to the interviewee, the ex-wife had died more than two years ago, but her husband only managed to obtain the 10 million forints a few weeks before the interview. All this was very stressful not only for the husband, but also for the interviewee:

*'The system is not prepared for the fact that there can be so many different life paths. The administrators are not prepared and are not sensitive enough. They cannot handle these things. It is terrible how they could not handle it, my husband had to go back and forth. Now he has managed to get it registered in his name. His wife has been dead for more than two years.'*

Overall, the administration of the baby-expecting loan can be fraught with many errors, as evidenced by the interviews and the MNB cases. All of these can be considered problematic in the case of a market loan, but they can be particularly harmful in the case of a family support element. In this respect, the baby-expecting loan therefore strengthens dependence on the market much more than the protection of social rights. It is important to emphasize, however, that administrative errors can also occur in state bureaucracy, and based on the examples presented here, too many individual situations can arise that bank clerks cannot always handle properly. In these situations, individual responsibility on the part of clients matters a lot, which we could also see in the research of Lavinás et al. (2023).

## 8 Significant risks

The baby-expecting loan forces applicants, who are mostly well-off families, not poor ones, to take significant risks. Therefore, Wiedemann's (2021) claim regarding this loan does not prove to be entirely true, but it should be noted that a potential penalty interest would probably be a greater burden for a poorer household. However, since they have less access to this loan, the 'victims' will be more likely to be upper-middle-class families. It was stated

on several occasions during the interviews that the interviewees are aware of the dangers of the loan and several people also pointed out that they can count on their family and the money they have set aside in the event of a problem. All this means that paying a potential penalty interest would not necessarily cause a financial crisis for these families. However, the question rightly arises as to whether these families would have taken the risk if they had not felt that they had to seize the opportunity in a given situation. Due to the tightening of credit conditions and the lack of information, several respondents decided to take the risk, even though this was not their original plan. It has already been mentioned that at the end of 2023, the age limit for women was unexpectedly lowered from the previous 41 to 30 years. A 29-year-old interviewee from Budapest with a higher education degree and her husband decided so:

*‘Basically, we planned to use it (the baby-expecting loan), but only when the pregnancy is already established. Obviously, this has now been crossed out by the amendment, I will be 30 soon and we would no longer be able to take it. We have now accepted this risk; we were very hesitant because we do not want children for a few years. Now it [a child] must be produced within five years as we have accepted the risk.’*

A similar phenomenon was also observed at the end of 2022, when there was no official information about whether the baby-expecting loan would still be available. The scheme was originally announced until 31-12-2022, and there was no news about the extension for a long time (until 8<sup>th</sup> of December 2023). A 24-year-old woman with a secondary educational degree from Budapest reported that at the end of 2022 that they took out the loan with great difficulty, because there were suddenly a lot of applicants. The interviewee was already pregnant at the time of application, which is also a very important factor, since once the child is born, the loan can no longer be used. In addition, the interviewee reported rumours that the baby-expecting loan will be ‘different’ from 2023. The couple faced many difficulties, partly because they were not fully aware of the conditions of the loan. Due to that, several unnecessary measures were taken. However, they could not take out the loan in the capital because they did not get an appointment. The situation was finally resolved by the interviewee’s mother, who had banking connections in a rural town.

The story of a 29-year-old divorced woman with a university degree is also a good example of risk-taking. The interviewee was motivated to take risks by her family, especially her mother-in-law. The interviewee said that she had many concerns about the loan, but her family members always reassured her, so the interviewee finally agreed to take out the loan. According to her, she experienced the situation as if she were being treated like a child. The couple ultimately had no children, and the divorce was still in progress at the time of the interview. The interviewee stated that she would rather pay penalty interest than live in a bad marriage.

Overall, we see that family support provided through loans carries similar, but different, risks to market structures. While in the case of a market loan, the only thing to fear is that the person concerned will become insolvent, in the case of a baby-expected loan, significant biological factors also play a role. The three cases presented clearly reflect the uncertainties surrounding a baby-expecting loan: it is not known whether the desired child will be born or how long the current rules will be in place. That can make long-term planning particularly difficult for potential applicants.

The biopolitical nature of family policy, in this case, the baby-expecting loan, is perhaps most clearly seen here: The loan can force couples into life situations they did not originally want. This could mean paying penalty interest, marrying prematurely, or even participating in an IVF programme that the female member of the couple would not have undertaken without financial pressure.

## 9 'Pronatalist' banks?

During the research, several interviewees reported situations where the bank tried to motivate them to take out a baby-expecting loan or other state-supported, demographic-oriented loan. Since these are also banking products, it is understandable that financial institutions have an interest in acquiring as many customers as possible. They try to achieve this with various interest rate discounts and loans, which they actively advertise. However, based on what the interviewees said, these attempts can sometimes seriously violate privacy.

A 32-year-old woman living in a village with a secondary education degree reported that the bank tried to put pressure on her to take out as high an amount as possible and have another child (She was pregnant at the time of the loan.). At the time of the interview, the woman already had a child and did not plan more with her partner.

*'They told us to take CSOK for two children (...). I did not want to sign for two children. Then they told us to sign for three children, and to take the baby-expecting loan along with it. I think we were called four times in one week in relation to CSOK. (...).'*

In the end, the interviewee and her husband only took out the baby-expecting loan, but even at the time of signing the contract, the administrators tried to persuade them to take out the CSOK as well. The couple was quite outraged by this behaviour.

Similar experiences were shared by a 39-year-old woman from the capital, with a higher education degree, who did not want to use the baby-expecting loan but was at the bank for other matters.

*'Last year, when our daughter was born, we went to the bank for some reason, and when the clerk saw that I was carrying the little girl in a carrier, she immediately started recommending that I take out the baby-expecting loan and have a second child.'*

Banks are obviously not interested in demographic issues, but financial gain motivates them to interfere in customers' private lives such as having children. In an indirect way, the banks were interested in the birth of as many children as possible. This confirms the findings of Lavinás et al. (2023) that market participants (in this case banks) are incentivized by the state to provide services. However, this may lead customers to make important personal decisions that determine their future in the long term, not only in financial terms.

It is important to note that this chapter presented individual experiences, and the objectionable behaviour of bank clerks was not a typical element during the interviews. However, this highlights that marketization can also lead to situations that can be considered absurd, which should hardly be the case in a state system.

## 10 Conclusion

This study dealt with the marketization of family policy in Hungary, and the baby-expecting loan. The transformation of state social policy in the classical sense had antecedents earlier, but since 2010 the state has been gradually withdrawing from social policy and outsourcing more and more benefits to market actors, in this case the family benefit elements to banks. However, the marketization process in Hungary does not only serve to stimulate the economy and the freedom of market participants. The main goal is to encourage the upper-middle class to have children through state-subsidized loans.

Based on interviews with stakeholders of the baby-expecting loan, this research sought to answer what new situations the marketization of Hungarian family policy (and social policy) creates and how that influences the private lives and decisions of families.

The results of the research are in line with the findings of several items in the international literature, but at the same time certain 'individual characteristics' are also visible. If we take the considerations of Lavinás et al. (2023) as a basis, the following may be true for the Hungarian market-based system:

**The state as an intermediary:** The baby-expecting loan and other state-supported loans are regulated by government decree, but these only represent the basic conditions of the loans. Banks can move freely within the framework of the government decree. We could also see this in the interviews, when some banks rejected the applicants despite them complying with the regulations.

**Increasing inequalities, weakening social rights:** The baby-expecting loan fundamentally increases inequality, as only a narrow section of society has access to it. In addition, the different rules of the banks are also important in this regard, as it is possible that one bank is 'more lenient' and another is 'stricter'. Since the interviewees were not always given a reason for the rejection, they did not have the means to appeal. Access to a baby-expecting loan can easily depend on the individual's ability, or even luck.

Based on the results, it is also debatable how true Mertens' (2017) statement is for the current Hungarian situation, according to which households with good financial standing benefit from credit systems. Better-off families may be winners of the system in the sense that they can access large sums of money, but they can easily become losers if certain conditions are not met (no child is born). Overall, the social security of upper-middle-class families also decreases because of marketization, but they presumably have more means to solve unexpected problems than poor households.

**Appreciation of financial situation:** The credit-based subsidies introduced in Hungary after 2010 are linked to employment. In addition, banks decide based on their own risk analysis, e.g. how much income is sufficient for taking out a loan. Credit-based family subsidies are therefore not based on a citizen's right.

**The financial risks are borne by the individual:** In this respect, a baby-expecting loan works similarly to a market loan. Couples take it out and then repay it according to the rules (unless three children are born in the meantime). Based on the results of this article, in the Hungarian market-based family policy, the better-off are more likely to be forced to take risks. However, it is important to note that poor households also have much less chance of taking out a loan, so they are naturally less able to take risks in this area.

In addition to all this, however, the Hungarian market has strong biopolitical goals, so the individual is not only financially obligated, but also has a child-bearing obligation. This is all this extremely risky. According to the calculations of the MNB, of those who took out a baby-expecting loan in the second half of 2019, a quarter of the debtors had not yet had a child by mid-2023 (Aczél et al., 2024). The government announced on 8<sup>th</sup> of July 2024 that for those who took out the loan between July 1, 2019, and July 1, 2021, the deadline for the birth of the first child would be extended by two years. The new date is therefore July 1, 2026. Whether this will result in the birth of the children who were left behind could be a later direction of the research. In addition, the role of banks is also worth examining further, as they have become decisive players in family policy.

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## Appendix

Table 1 State-subsidized loans in Hungary

Name of the benefit	Date of introduction	Amounts in 2024
Baby-expecting loan ( <i>Babaváró hitel</i> )	2019	max. HUF 11 million (at one time) ≈ EUR 28.000
Family home-building benefit (and its subgroups) ( <i>Családok Otthonteremtési Kedvezménye – CSOK</i> )	2015 – CSOK 2019 – CSOK in small settlements 2024 – CSOK Plus	max HUF 50 million (at one time, depending on the number of children) ≈ EUR 128.000
Car purchase programme ( <i>Nagycsaládosok személygépkocsi-szerzési támogatása</i> )	2019	max. HUF 2,5 million (at one time) ≈ EUR 6.500

Table 2 Tax/loan discounts for families in Hungary

Name of the benefit	Date of introduction	Amounts in 2024
Lifetime income tax break for mothers of four (or more) children ( <i>Négy-vagy többgyermekes nők SZJA mentessége</i> )	2020	Personal income tax is 15%
Mortgage relief program for families with two or more children ( <i>Többgyermekes családok jelzáloghitel tartozásának csökkentése</i> )	2017	For two children: Releasing HUF 1 million ≈ EUR 2.500 For three children: Releasing HUF 4 million ≈ EUR 10.300 More children: Releasing HUF 1-1 million
Childbearing discount for women with student loans ( <i>Diákhiteles nők gyermektámogatási kedvezménye</i> )	2018	Up to 100% of the debt can be forgiven.
Tax relief for mothers under the age of 30 ( <i>30 év alatti anyák kedvezménye</i> )	2023	Personal income tax is 15%
Family tax benefit ( <i>családi adókedvezmény</i> )	1999	For one child: HUF 66.670/month ≈ EUR 171 For two children: HUF 133.330/month ≈ EUR 343 For three children: HUF 220.000/month ≈ EUR 565

**Table 3** Employment based benefits for families in Hungary

Childcare fee for working grandparents ( <i>nagyszülői GYED</i> )	2020	70% of the income, but max. HUF 373.520/month ≈ EUR 960
Childcare fee (and its subgroups) ( <i>GYED</i> ) – until the child is two years old	1985 – <i>GYED</i> 2014 – <i>GYED</i> extra	70% of the income, but max. HUF 373.520/month ≈ EUR 960
Infant care allowance ( <i>CSED</i> ) – only for mothers after birth max 24 weeks	It was established in 1891, since then it has changed a lot, and gained its current form in 2015.	100% of the income

**Table 4** Universal benefits for families in Hungary

Name of the benefit	Date of introduction	Amounts in 2024
Family allowance ( <i>családi pótlék</i> )	1912 – At that time, it was not yet available to all families.	For one child: HUF 12.200/month ≈ EUR 31 For two children: HUF 13.300/month ≈ EUR 34 More children: HUF 16.000/month ≈ EUR 41 (Single parents and chronically ill children receive slightly more.)
Childcare allowance ( <i>GYES</i> ) – until the child is three years old	1967	HUF 28.500/month ≈ EUR 73
Birth grant ( <i>anyasági támogatás</i> ) – only for mothers after birth	1953	HUF 64.125 (at one time) ≈ EUR 165
Child raising support ( <i>GYET</i> ) – only for parents with three of more children	1993	HUF 28.500/month ≈ EUR 733

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Intersections. EEJSP  
11(2): 46–63.  
<https://doi.org/10.17356/ieejsp.v11i2.1372>  
<https://intersections.tk.hu>

## Privatised ECEC in Sweden: Exploring the affective dimensions of 'market care' in local quasi-markets

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### Abstract

This article focuses on experiences of private preschool operators (with varying sizes and profiles) of the governance and organisation of ECEC delivery in Sweden. The aim is to analyse how these private providers relate to, interact with and perceive their relationships with municipal authorities. These private-public governing relationships are analysed by paying particular attention to their affective dimensions through the notion of 'market care'. The empirical data consists of interviews with 20 private preschool providers, which are analysed through a two-dimensional grid where predictability and conflict serve as analytical focal points. The findings highlight how experiences and perceptions are enabled, provoked and felt differently depending on their embeddedness in diverse local 'affective atmospheres'. Moreover, they show that interpersonal exchanges and relationships play important roles in the performance and experience of market care. The study contributes empirical insights into the role of local affective atmospheres and market care (or lack thereof) in local Swedish ECEC governance and delivery. It thereby illuminates central aspects of the governance of privatised ECEC that complements the predominantly national and state-focused literature on quasi-market organisation.

**Keywords:** market care, municipalities, private actors, preschool, affective atmospheres

## 1 Introduction

Privatisation in Early Childhood Education and Care (ECEC) has been implemented with varying purposes in countries with different policy legacies and histories, resulting in large variations across countries and systems in for instance how, why and under what conditions private actors can provide ECEC (Trætteberg et al., 2023; Roberts-Holmes & Moss, 2021; Penn, 2014). In the following, we will provide insights from the Swedish ECEC setting to contribute to a wider discussion on the role, functions and, also, affective dimension of private ECEC governance and delivery. Although Sweden has been characterised as having a 'social democratic welfare state regime' (Esping-Andersen, 1996), political changes in recent decades have resulted in a general transformation of Swedish welfare services that have opened opportunities for private actors to engage in welfare provision

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in various ways. The changes have included, among others, major reforms in the health care and municipal social service sectors, as well as in education (Blix & Jordahl, 2021). In compulsory and upper secondary education, the introduction of school choice via publicly funded vouchers in combination with liberal regulations for approving private providers, who are allowed to operate for profit, has had major impacts on the school sector. This distinctive regime, with full public funding for private (for-profit) actors, and no parental fees, has aroused both scholarly interest and political debate (cf. Magnússon, 2020; Fjellman et al., 2019; Dahlstedt & Fejes, 2019; Tyrefors Hinnerich & Vlachos, 2017; Sebhatu & Wennberg, 2017; Böhlmark, et al., 2015; Lundahl et al., 2013). However, the Swedish ECEC sector, which has been similarly transformed but at a different pace and with partly different regulation, has attracted far less research interest (for some exceptions, see Carlbaum et al., 2024; Forsberg et al., 2024; Westberg & Larsson, 2022). As a result, several central issues, not the least relating to the perceptions and experiences of private ECEC providers, remain to be explored.

Private providers have played an important part in the provision of ECEC in Sweden over the last fifty years (Larsson & Westberg, 2024). In the 1970s and 80s, an expansion of the sector took place, and a bill from the mid-1980s (Government Bill 1984/85:209) granted all Swedish children the right to attend preschool starting at the age of 18 months (now 12 months) and ensuring that this universal right is fulfilled is the responsibility of the municipalities. Preschool enrolment rates have increased gradually and are high by international standards at ca. 95 percent for children aged 3-5 years. The provision of ECEC is delegated from the Swedish state to the 290 municipalities, which can deliver ECEC themselves and/or use private providers to ensure provision. Through legislative reforms, ECEC provision through public finances have opened up a market for private actors. One important reform was the so-called right to free establishment for private preschool providers from 2006. By this decision, municipalities became obliged to grant permission and funding to private preschool providers as long as they met basic requirements. Today, about 20 percent of enrolled children in ECEC attend a privately operated preschool.

Private actors have a right to establish a preschool if they meet demands in the Education Act, and (as in the compulsory and upper secondary school sectors) to obtain public funding from the municipality for each child they enrol, through vouchers corresponding to the average cost of the municipal ECEC service per child. There are about 2800 private preschools in Sweden, about half of which are owned by limited liability companies and allowed to operate for profit (National Agency for Education, 2022). The private operators vary greatly in size, profile and scope, ranging from small units run for example by parents and cooperatives or associations to very large companies, operated in chains and/or corporate groups. However, large companies (with Swedish and/or international ownership) tend to acquire smaller private actors, resulting in general ownership concentration (cf. Rönnerberg et al., 2024).

Swedish parents are free to choose a private or municipally operated preschool for their child and the fees are the same in both cases. Parental fees are subject to a cap related to household income, and they are generally very low in international terms (about 120 Euro per month per child). Thus, public funding is extensive, making Sweden an interesting amalgamation (Alexiadou & Rönnerberg, 2019) of major public investment and general welfare traditions together with liberal regulations for private actors in welfare delivery,

including large private profit-making corporations. With this composite policy architecture, the Swedish case contributes additional dimensions to the discussion of ECEC privatisation. Thus, in this article we address the governance and organisation of private actor ECEC delivery in the Swedish context from the perspective private ECEC providers with varying sizes and profiles, with the aim to analyse how these private providers relate to, interact with and perceive their relationships with municipal authorities.

By using the concept of a quasi-market (see below), we want to emphasise how market-making activities in the public sector significantly differ from the traditional notion of a free ‘market’. (cf. Carlbaum et al., 2024; Lindgren et al., 2024; cf. Glennerster, 1991; Le Grand, 1991; Hartman, 2011). As such and furthermore, even if quasi-markets are ostensibly designed and established with motives to enhance quality and efficiency, they are also political and ideological constructs that are subject to problems and failure (Carey & Malbon, 2020; Lowery, 1998). The socially embedded activities within them involve ‘a mix of conflictual and co-operative behaviour’ (Hughes et al., 2012, p. 8) and complex relationships between actors, particularly municipal officials and representatives of providers (for-profit and non-profit) with various roles, interests, needs, values, and goals competing for resources (Blix & Jordal, 2021; Kastberg, 2008; Brandsen, 2004). We analyse these private-public governing relationships through the notion of ‘market care’ to probe largely neglected aspects of the workings of privatised ECEC and municipal ‘market stewardship’, by highlighting the complexities in the interactions between public and private actors in ECEC governance, organisation and delivery.

## 2 Conceptual framework, data and analysis

### 2.1 Exploring preschool quasi markets through the notion of ‘market care’

In Sweden, the 290 municipalities are key arenas in the public and private provision of ECEC. The municipalities must ensure that a preschool place is available for every child within their jurisdictions. They also have responsibilities for both managing and inspecting the premises and practices of private ECEC operators in their ‘local preschool quasi-markets’ (LPQs, Carlbaum et al., 2024), including the crucial tasks of approving new private preschools, by awarding or refusing to award starting permits. This positions municipalities as ‘market stewards’ within the overall nationally binding legislative framework of the ECEC sector (Carey et al., 2018; Contrafatto, 2014; Malbon & Carey, 2021), by for example providing information, monitoring, steering and encouraging best practice. We have previously shown that Swedish municipalities’ associated practices and strategies vary substantially (Carlbaum et al., 2024). Here we further explore this variation in local preschool quasi-market making, by analysing expressed views of private ECEC providers.

In the literature, focus has been directed towards for instance market shaping, referring to ‘agential efforts to influence both the formation and transformation of markets’ (Nenonen & Storbacka, 2021, p. 338), as well as market stewardship in quasi-markets. As emphasised initially, the term ‘quasi’ is considered important, as it highlights the politically steered nature of market-making in welfare services and there are substantial



differences between quasi and more traditional markets, which significantly influence quasi-markets' character (LeGrand, 1991). These include, for instance, the lack of a price mechanism, exemplified by the use of tax-funded vouchers, which level the playing field for both private and public providers. The municipal rights to issue permits and impose sanctions after inspection of private actors are further important aspects of the LPQs, as they enable municipalities to control market entry and apply sanctions to force exit (cf. Rönnerberg et al., 2024; c.f. Le Grand, 1991, Glennerster, 1991). Several studies have addressed 'market stewardship', i.e., the activities and roles of governing actors in quasi-market organisation in efforts to meet policy objectives for welfare state services (Dickinson et al., 2022; Malbon & Carey, 2021). As suggested by Carey et al. (2018), a regulative role is not sufficient in relation to ensuring a well-functioning quasi-market. Softer approaches, via stewardship activities, can buffer inequity in welfare services. Thus, these studies have addressed the need to pay attention to actions and activities beyond regulation in relation to quasi-markets. However at the same time, these studies have tended to focus on governmental (national level) actions and activities, although both non-governmental and local actors (in our case municipal actors) play crucial roles in designing and maintaining quasi-markets (Dickinson et al., 2022; Green et al., 2024, p. 1140; Malbon & Carey, 2021, p. 18). It is particularly important to extend analysis of market stewardship beyond (and below) the national level in settings such as the decentralised Swedish system, where local municipalities have extensive discretion and a history of self-governance. In addition, providers' perceptions, experiences and expressions of market stewardship and shaping activities have received little attention in prior literature.

In this study we seek to supplement and nuance this picture and to refine our understanding of market stewardship both in the Swedish ECEC setting and more generally. We do this by, firstly, acknowledging that municipalities (or, more specifically their LPQs) are sites of (local) market-making and stewardship, where both public and private ECEC operators interact, exchange and build relationships in order to provide ECEC welfare services to parents and children. We also, secondly, develop and use 'market care' as a bridging concept to facilitate analysis of relational aspects of the activities and interactions between stewards of the quasi-markets and those operating within them. The term is deliberately chosen by us to highlight the interactivity and exchanges associated with the practices under study. It can thus expand the notion of market stewardship to include fundamental experiences and interactions by placing the focus outside of both '(care) givers' (municipalities as stewards) and receivers (private actors) via 'market care'. In addition, and semantically, 'care' is intimately connected to the ECEC sector. Indeed, care is always inherently relational, as it is exercised in relation to someone and/or something. Thus, market care, in our definition, refers to processes in the LPQs that occur in the complex, multi-actor relational spaces between municipalities and private preschool providers, which have important affective dimensions as it can be experienced, lived, felt and expressed. Thus, we find it productive to connect the notion of market care to literature on affect.

In the following, affect is understood as both encompassing and exceeding individualised emotions, which may be mediated and circulated socially and culturally (Anderson, 2009; Stewart, 2007). Affect is 'attached to things, people, ideas, sensations, relations, activities, ambitions, institutions, and any number of other things, including other affects'

(Sedgwick, 2003, p. 19). Thus, affect may be manifested in individuals' minds or bodies, but it encompasses diverse relational phenomena that arise from myriads of forms of interaction (Anderson, 2013). We find Anderson's notion of affective atmospheres (2009, 2016) particularly useful in this context, as it provides an understanding of affect as something that may be diffused metaphorically 'in the air' or 'relational space', and is relationally contingent, acting as a collective force that shapes encounters and experiences in certain ways. Affect is thus related to actions and perceptions of actions, past, present and future, as experiences of previous actions influence perceptions of present action and how they are felt by the actors involved. As Wetherell (2012, p. 116) notes, affect can be 'deeply felt', as well as 'more obviously performed', and discerned in moral and normative assessments embedded in descriptions, accounts and judgements of selves and others. Against this backdrop, we use 'market care' as a broad concept that encompasses practices, expressions, norms and values (such as trust, reciprocity, and shared understanding) that foster cooperation that are embedding market stewardship in a particular 'affective atmosphere'. So, with the perceived shortcomings from the market stewardship literature and 'market care' as our starting points, we have elaborated a theoretical framework encompassing two main dimensions through which the empirical data has been analysed. We will expand on these dimensions after presenting the study and the collected data.

## 2.2 The empirical study and data

In this article we draw on a sub-study of a wider research project on privatisation in Swedish ECEC, particularly interviews with representatives of 20 private preschool providers of substantially varying sizes and legal ownership forms (Table 1). The providers represent three main groups in terms of size: large for-profit companies (N=6), medium-sized preschool providers operating two or more preschools (N=8), and small providers with only one preschool (N=6). The first group is dominated by for-profit companies, while the other two also include operators with other forms of organisation, such as non-profit parent and staff-run preschools, foundations and associations. Of the 20 selected private actors, eight were for-profit and eight had an explicitly stated profile. Although it was not a criterion for the initial sampling, the final selection of private providers operated in various geographical parts of Sweden. Some operated in just one municipality, but the medium and large actors operated in several municipalities so they could share experiences of operating in several different LPQs<sup>1</sup>. There was also substantial variation in their pedagogical profiles (Table 1).

<sup>1</sup> In the larger research project "Preschool as a Market" (financed by the Swedish Research Council 2020-2025), a previous sub-study focused on municipalities and how they shape and contribute to competition and freedom of choice in their LPQs. This study included interviews with municipal managers (N =35) from 30 of Sweden's 290 municipalities (c.f. Carlbaum et al., 2024). The 20 private actors that this study draws on did not necessarily operate in these 30 municipalities that were included in the first sub-study.

**Table 1** Selection of private preschool providers (N=20)

Private provider	No. of preschools	Ownership/mode of operation	Pedagogic Profile
L1	Appr. 100	Limited company	
L2	Appr. 15	Limited company	
L3	Appr. 40	Limited company	
L4	Appr. 30	Limited company	
L5	Appr. 10	Limited company	Reggio Emilia
L6	Appr. 10	Limited company	Outdoor
M1	3	Limited company	
M2	4	Foundation	Montessori
M3	4	Limited company	International
M4	4	Foundation	
M5	8	Association	
M6	4	Limited company	Reggio Emilia
M7	4	Association	Christian
M8	4	Limited company	
S1	1	Limited company	
S2	1	Economic association	
S3	1	Parental cooperative	
S4	1	Economic association	Montessori
S5	1	Staff cooperative	
S6	1	Foundation	Waldorf

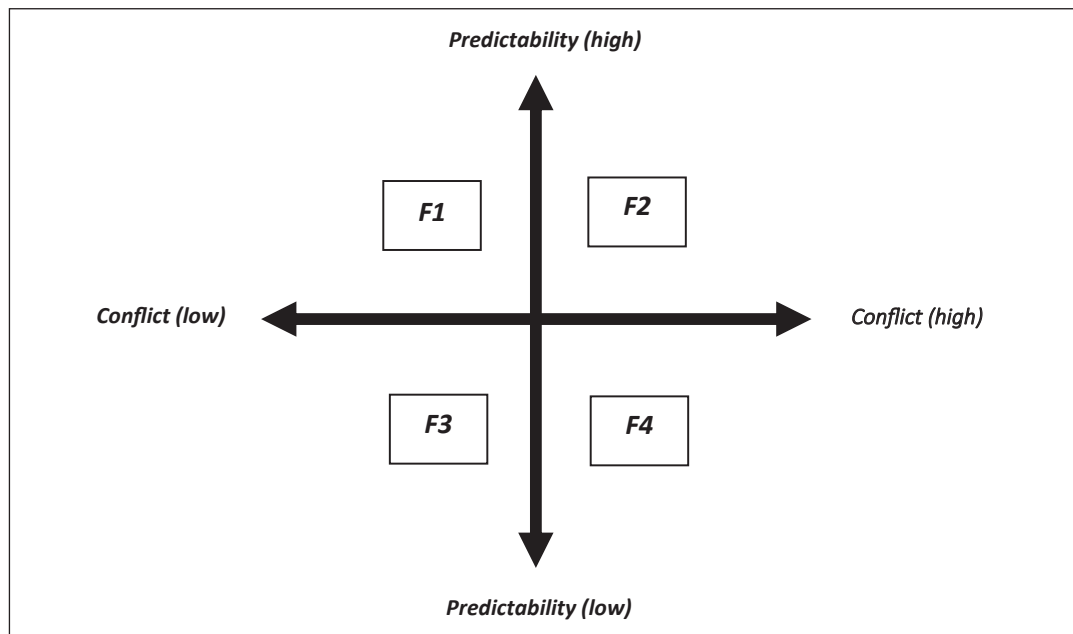
The interviews were conducted with a representative of the principal organiser (in Swedish *huvudmannen*), and, as a result, the interviews included diverse informants ranging from a CEO, or a head of a large company sub-division, to a preschool head teacher, who may be both owner and principal. The interview guide focused on several aspects including organisation, profile or pedagogical orientation, as well as motives and philosophies for running a preschool (or several preschools). It also included several questions intended to capture experiences of municipal collaboration, vouchers, inspection and so-called establishment control (through municipalities' power to accept or reject applications to start new preschools), as well as perceptions of associated interactions with municipality representatives, and possible changes or variations in them. Throughout the data collection process, ethical regulations from the Swedish Research Council (2017) have been carefully

followed, including, among other things, informed consent, informing interviewees on the right to withdraw, ensuring safe storage of data and information, as well as information on how data will be used and cited, etc. Informants were told that neither their personal names or the name of their organisation would be disclosed in the reporting of the data and that company or preschool names would not be used. However, they were also informed that some central contextual information on their organisation (such as size) would be needed to contextualise the findings. Here they are referred to by the letters L, M or S (indicating large, medium-sized and small operator, respectively) and a number. The interviews lasted from 40 minutes to over an hour and were transcribed verbatim. The informants were forthcoming, accessible, and willing to share their thoughts and ideas. In this manner the interviews provided detailed information on the views of diverse private ECEC providers regarding issues that have received little prior research attention, both generally and specifically in Swedish settings. More broadly, the data was able to illuminate experiences of important non-state actors in quasi-markets, thereby complementing the market stewardship literature, which has tended to focus on actors at the national government level.

### 2.3 Towards the analysis: A two-dimensional matrix

The acquired data were analysed in several steps. The first step included a thorough reading of the transcripts in search of accounts of experiences, judgements and expressions of how the private actors described their relationships with the municipality (or municipalities, if they operated preschools in more than one). This yielded extracts including various accounts of experiences of relationships with the municipalities, what these were built on, the contexts and forms of interactions, how they met and collaborated, and associated phenomena. The transcript extracts thus included descriptions of instances, practices and expressions of how the private providers assessed or ‘felt’ these practices. In this stage of the analysis we also attended to what the informants described as lacking, missing, or fruitful in these relationships.

This initial step showed that judgments and statements of the experienced relationships with the municipality seemed to be connected to the perceived degree of predictability. Moreover, positive and negative experiences of both low and high degrees of predictability were expressed. Appreciated elements of high predictability included (among others) transparent processes and clarity, while mentioned negative elements included rigidity and overly legalistic practices. Another finding from the initial analysis was that the accounts portrayed substantial variation in the affective embeddedness of the relationships, which apparently ranged from dysfunctional to synergistic and fruitful. We identified these extremes as two ends of a conflict dimension, noting that ‘high conflict’ could include strongly articulated disagreement, silencing, withdrawal from interactions, non-responses, and similar latent expressions of discontent. Using the two dimensions identified in this first analytical step we created the four-quadrant matrix shown in Figure 1. It should, of course, be noted that myriads of processes, practices and variables (past and present) affect LPQs, market stewardship, associated affective atmospheres, and hence both of these dimensions. Thus, in any LPQ some aspects may be highly predictable or synergistic, but not others.



**Figure 1** Analytical dimensions: A four-quadrant matrix to visualise perceived degrees of predictability and conflict

A finding from the first step was that experiences of the private providers varied in relation to various governance activities of the municipalities. To account for this, we applied conceptualisations of three types of such activities, namely regulative, inquisitive and meditative (Jacobsson (2010). Even if the concepts originally were developed in the context of Europeanisation, they offer a script to highlight various governing activities that are performed and experienced in a municipal governing context as well, when local actors enact various forms of quasi-market organisation in their LPQs (for a previous application in the context of national school inspection, c.f. Lindgren, 2015). Examples of regulative activities include setting and/or enforcing rules, standards and any practices that require some degree of compliance. Inquisitive activities encompass auditing, inspections, evaluations, rankings and assessments, while meditative activities include discussions, probing of ideas and sharing experiences (Jacobsson, 2010). In this analytical step we largely followed the principles of directed content analysis (Hsieh & Shannon, 2005), revisiting the extracts identified in the first step and relating views and experiences expressed in them to the two affective dimensions and the governing activities mentioned in the transcripts.

### 3 Findings

#### 3.1 An initial glance at the vertical and horizontal dimensions

The degree of predictability, the vertical dimension in our two-dimensional matrix, is perceived as important for the private providers, as high predictability provides a secure framework for joint expectations regarding the interactions. The interviewees clearly regarded high predictability as important for promoting some beneficial values, e.g., 'equivalence, transparency, and operating under the same conditions [as the municipal preschools]' (L1). However, low predictability could also be advantageous in some cases according to the providers, for instance by enabling 'flexibility', 'open mindedness', and willingness to negotiate to 'agree and find common middle ground' (L2). Moreover, high predictability was also associated with overly bureaucratic, formalistic and frustrating municipal exercises, and low predictability with arbitrary, unclear or even unfair treatment.

Turning to the conflict dimension, on the horizontal axis, most participants indicated that they had harmonious relationships with the municipalities, located towards the low conflict end of the matrix. However, high degrees of conflict were clearly present in some reported experiences. Examples included taking a municipality to court, 'We appealed [against a municipal decision to dismiss an application for a permit] and the court said we were right' (M8). In addition, more latent disagreements and resigned states were also reported, in cases where trust was broken and a private actor chose to disengage from the municipality as much as possible. It should be noted that the providers' affective experiences were also strongly affected by variations among the LPQs and in focal concerns of the interactions with the municipalities. Different governance activities thus seem to provoke different responses and relationships, the relationships are not static in terms of either dimension, and the associations between the responses and governance activities are complex (as discussed in the following section).

#### 3.2 Regulative activities

Regulative activities include to enforce rules but also to ensure standards are met, as well as activities based on more voluntary participation (Jacobsson, 2010). In the context of this study, such activities include, for instance, municipalities granting starting-up permits for new private preschools, and financial activities such as the calculation and distribution of funding vouchers and so called 'additional amounts' for children in need of special support. An important initial observation is that the municipalities tend to exercise discretion in interpreting and designing these governing activities, resulting in substantial variation, so the private providers need to navigate and respond appropriately (or effectively) to the local municipal practices.



A key necessity for any private provider is to receive municipal permission to start a preschool. There are different procedures and regulations that the municipalities have elaborated in this regard, even if the basic requirements that certain demands in the Education Act need to be assessed (by the municipality) as satisfactory. On the more positive side of the private actor experiences (left-hand quadrants of the matrix, F1 and F3), there are expressions of appreciation both when the municipalities have taken a more detailed and elaborated route, as well as routes more open to (at least some) degrees of flexibility. There are repeated notions in the data pointing to transparency (high predictability, low conflict in F1) and flexibility (low predictability, low conflict in F3). However, the accounts also include examples of low predictability resulting in feelings of discontent (F4), as explained by Medium sized actor 8:

[Municipality X] has a lot of made-up local rules making it difficult for us. (...) I get a stomach ache when the municipality calls because I never really know what it's about. I know we're not doing anything wrong. But I don't know what they think is wrong ... and the gut feeling is that you can't really trust the municipality. (M8)

Another example of negative experience associated with low predictability was expressed by small operator S1, who felt that at the time of their preschool's start-up the municipality did not have the proper procedures in place and thus lacked predictability: 'I felt that the municipal officials...[were]...very slow, they didn't have routines. I thought, it would be professional. Today it is, but then it wasn't. They kind of didn't know how...' (S1). At the same time, regulatory contexts characterised by 'high predictability' can also provoke negative experiences (F2), as voiced by a large private actor:

[Municipality X] has become more fixed in their mindset, and more like strict legalistic management, they interpret very literally and give exact numbers of children you are allowed to enrol so on. (...) But we'd like to have some flexibility that in some municipalities does not exist. (L4)

Other key tasks for the municipalities as market stewards include the calculation and distribution of resources, this is a contested space for both public and private actors, and nationally the preschool vouchers vary considerably, mirroring the average cost per child in municipal preschools, which ranged from ca. 12 000 to 20 000 EUR per child in 2018 (Rönnberg et al., 2024). The level of the vouchers is a recurrent topic in accounts of experiences situated in the 'high conflict' side of the matrix. Moreover, the variation in their value is a strategic factor considered when private actors (particularly large ones) choose locations to establish preschools, and an important determinant of even the possibility to establish one profitably, or at all. On the other hand, the voucher may be accompanied by various 'additional benefits' that the municipality is willing to share, and a relatively low value voucher could be compensated, in the eyes of some private actors by (for example) invitations to attend municipal in-service training programmes:

In [Municipality x] we have concerns because the voucher is relatively low compared to the amount per child in other municipalities. But in this municipality, as I said, we have opportunities to participate in different activities [relating to professional development]. When the municipality offers, for instance, in-service training for preschool staff, our employees are also invited to participate. (M5)

This extract illustrates that the value of vouchers is not the only important factor for private actors. It also contributes to a broader theme highlighting the importance of 'mar-

ket care', in terms of perceptions that stewards are open, receptive, and inclusive (by, for instance, inviting private preschool teachers to participate in municipal activities). We return to this issue later, but first we address findings regarding inquisitive governance activities.

### 3.3 Inquisitive activities

Inquisitive activities include (among others) inspections, evaluations, rankings and judgments (Jacobsson, 2010). Similarly to the regulative activities, both municipalities and private providers must (of course) meet all relevant national legislative requirements. However, the regulations also leave discretionary scope for municipalities to develop, design and implement local inquisitive practices, such as inspection procedures targeting private preschools (key inquisitive activities that strongly influences the structure and affective aspects of public-private relationships in the LPQs). Some experiences of these activities were assigned to the low conflict side of the matrix, including some associated with high predictability (in the F1 quadrant), as it fostered feelings of reassurance and trust, as expressed for instance by Medium-sized actor M8:

Yes, inspection is a regular occurrence (...) inspections are predictable, well they also do un-announced inspections, but they're still predictable, in the sense that I know what's going to happen (...) I always feel secure that their inspection decisions are correct. (M8)

In addition, some experiences of such activities with low apparent predictability were also situated in the low conflict side of the matrix, as exemplified by Small actor S2, who described the inspection activities as a bit of a give-and-take, but nevertheless built on trust:

And it's very constructive, a give and take. (...) you get a little check that you're on the right track (...) the municipal inspections are there to improve the preschool activities and that there's mutually shared interest. (S2)

A sense of security is crucial for positive experiences of the inquisitive activities, but there is also substantial variation in the reported experiences of them. On the 'high conflict' side these include feelings of being 'exposed', or even subject to harassment related to inspection activities (and thus in the high predictability, high conflict quadrant, F2), as expressed by Large private provider L1: 'It's more of a witch hunt. And that's the experience that we can have in some municipalities... 'You want to find errors because you don't want our business here' (L1).

In LPQs where inquisitive activities were experienced as having had low predictability and were associated with low conflict according to the interviewees (quadrant F3) inspection tends to be ad-hoc and inconsistent, with substantial variation due to individual municipal inspectors having high degrees of discretion and autonomy:

It highly depends on the inspector (...) there are different inspectors and we've noticed that the main questions they ask varies. So it seems to [be up to their] personal interest. Something that [this particular inspector] is stuck on, something that person always brings up. (L2)

Thus, inspections are not automatically considered objective or rule-following, but rather something being determined by the inspector. And interestingly, we can once again discern that low level of predictability is considered problematic in some cases (F3) but not in others (F4). Continuing at the intersection of predictability and the need for both stewards and private actors to be rule following, a situation in which both parties could potentially understand the other, when a shared interest for a focus on the children meet the legislated need to perform 'on paper', it can become a source of disagreement and even frustration:

She [the inspector] said "I see that the children are doing well here and you have a fantastic business, but you're not so good on paper". Yes, and that's exactly what I feel too (...) We focus on the children and in our opinion, it's the right thing to do. And that's where the big gap becomes, that they demand that... "We must have this on paper". And they want to be able to see how our business works by reading a paper. And I maintain that it's impossible. (S5)

### 3.4 Meditative activities

Examples of meditative activities include discussions, probing of ideas and sharing of experiences (Jacobsson, 2010), which in our case involve, for instance, how and in what ways the private ECEC providers are included in various activities in the municipal preschool setting, involving also how and in what ways sharing of experiences are organised (or not). Such activities could include, among others, the private ECEC providers' inclusion in various in-service and professional development initiatives arranged by the municipalities. Previous findings (Carlbaum et al., 2024) has shown how municipal actors frame their vocabulary in terms of for instance trust, stability and the importance of good relations with the private providers, this is by and large a reciprocal commitment and something they are also striving for. Some more than others. From the providers' side, they are also keen on developing and sustaining good relationships, as exemplified by Large actor 5:

I'd say that we put a lot of time and commitment into building good relations with the municipality, primarily with the civil servants but also with local politicians. We want them to know who we are, we want them to be curious about what we do in our preschools. And then, of course, we're keen to not only have a relationship with the municipality when things get complicated, or when they do their inspections, but to have an open communication and dialogue in other matters as well. (L5)

Maintaining an open dialogue is essential for relationships to develop and for both parties to protect and further their respective interests. However, accounts of our participants indicate that strong mutual interest in safeguarding and promoting the development of 'our children' pushes experiences of dialogues generally to the low conflict side of the matrix (quadrants F1 and F3) and fosters an affective atmosphere of shared meaning:

So I can call them [the municipality] and say, "How should we do this?", "How do you do it?" And then we do it the same way, we can have an open communication both ways. There's a view that our children are also the municipality's children. We must, like, collaborate (...) We feel that we're important for [municipality x] (...) I think they see us as professional and that we have, ...Silly, but that our heart is in the right place to run a preschool. It feels good. (M8)

In addition to municipalities and private providers generally sharing reciprocal desires to establish trustful, stable relationships in their LPQs, our participants recognized that deficiencies in such relationship-building clearly has negative affective consequences. Particularly, withdrawal of a service, invitation or activity that market stewards used to offer and/or provide for private actors causes annoyance and discontent, pushing experiences to the high end of the conflict dimension (quadrants F2 and F4). Several of our informants shared experiences related to this theme. The reasons for excluding private actors from meditative activities, such as in-service training, joint lectures and networking, that used to be offered to all providers (public and private) were important issues. Revoking these may be related to legal concerns, as exemplified by small provider S4:

They hold exclusive principal meetings in the municipality. It'd be fantastic to join them now and then, to network and share experiences, and learn from other principals [in municipal preschools] But the municipality legal body said no. We also asked about attending their training days and sending our staff, but no, we were not allowed [by the municipality lawyer]. (S4)

There is substantial variation in the degree that municipalities invite private providers to join in such activities, as noted by some representatives of companies that operate preschools in several municipalities, such as M5:

[Municipality X] is so incredibly large, so we don't really have any direct contact with the municipal officials except for inspections and voucher payment. More regulations are issued there all the time about various things, (...) but it wasn't much through dialogue, it's more through information (...). In the [small] municipality Y, they have continuous professional development for their preschool staff, and they usually invite the private preschools too, so we have much closer collaboration. As I said, it actually varies strongly between municipalities. (M5)

Bearing these experiences in mind, we move on to discuss the issue of market care (and the perceived lack thereof) and its affective dimensions more specifically.

## 4 Discussion

This study has explored how different activities in municipal market stewardship are perceived, expressed and felt by the private ECEC providers through a two-dimensional matrix in relation to regulative, inquisitive and meditative activities. The results showed how both high and low levels of predictability can be positively or negatively conceived, and this pattern could be discerned in all three governing activities. However, the private actors seem to prefer high degrees of predictability in financial steering through the voucher system and inquisitive activities. In addition, reduction or withdrawal of meditative activities in the LPQs seem to push the experiences towards the high conflict side of the matrix. These findings regarding the two dimensions and associated affective responses are illustrated in Figure 2.

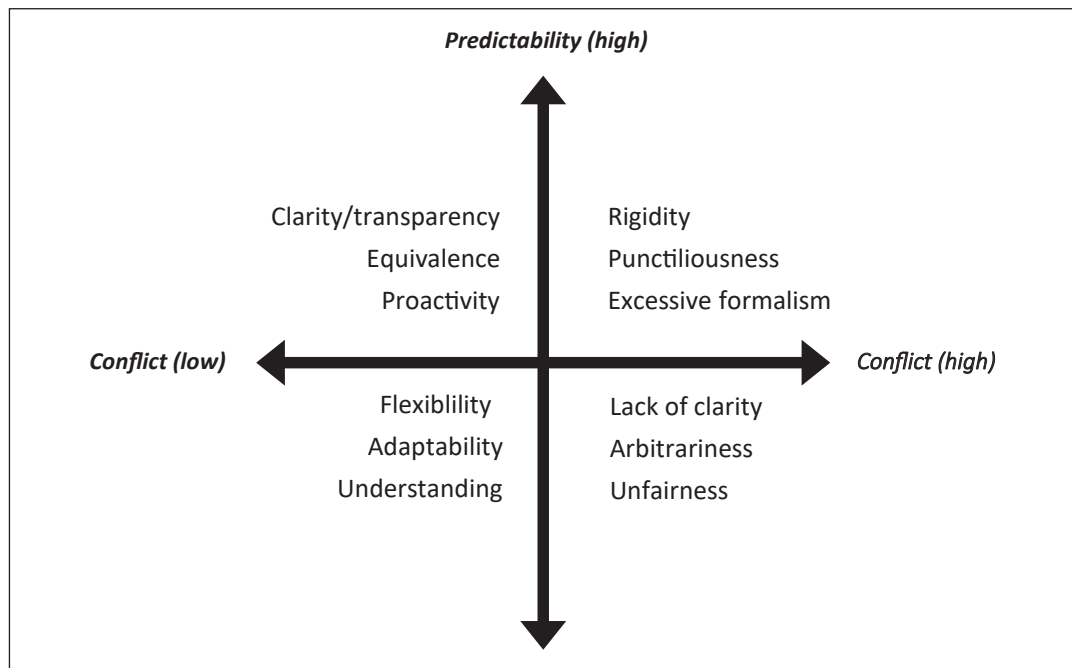


Figure 2 The two dimensions and associated responses

In the upper left quadrant, F1 (low conflict, high predictability), we find expressions indicating appreciation of transparency, equivalence and proactiveness. In contrast, expressions in the upper right quadrant, F2, at the high conflict side of the matrix, stewardship activities regarded as overly, excessively bureaucratic or formalistic may have strongly negative affective effects. Similarly, low predictability can be both positively received and experienced, by allowing mutuality, reciprocity, and flexibility (F3), but also, in the lower right corner, be perceived as unclear, unfair, and arbitrary (F4).

While all stakeholders expressed awareness of the importance of good interpersonal relationships, they seem to be conditionally based on the municipalities' activities as 'market stewards'. Indeed, the vertical dimension is in many ways in the hands of the market stewards, including to what extent and how municipal staff choose to work with and develop strategies and procedures to enhance predictability. Still and even so, a central finding from this study is that there are both positive and more negative experiences from either end of the predictability dimension. A potential interpretation of the variation in the vertical dimension would be to acknowledge how local affective atmospheres (c.f. Anderson, 2016) contribute to shape perceptions of, for instance, when, how and under what conditions high or low predictability is perceived either more positive or negative.

It is primarily when gravitating towards the low conflict side of the horizontal dimension in the matrix that we find activities relating to the notion of market care. Due to the reciprocal and contingent nature of relationships, and the affective atmospheres in which they are embedded, both stewards and private actors jointly contribute to 'moving'

the experiences towards the low or high end of the conflict spectrum, and thus play important roles in relationship-building and associated market care. In these processes, market care is central leverage, or 'currency', in this relationship-building. Focusing on the private actors, we can discern both reactive as well as proactive actions and strategies that are employed to 'push' experiences along the horizontal dimension. In either case, interpersonal exchanges and relationships influence how 'market care' is performed and experienced, and the private providers expressed perceptions that sometimes their relationship-building efforts are not reciprocated or warmly received. Hence, some described turning to other private providers or other organisations for strategies and support in addressing municipal demands or perceived injustices.

Given the reciprocal nature of market care, the ways in which the private actors approach the municipalities and the strategies they use can thus either intensify or reduce levels of perceived conflict, thereby contributing to the affective atmosphere in which market care is either enabled or constrained. In some cases, and more specifically in the case of large providers, situations at the high conflict end are turned into legal matters, as private providers claim their rights through court (c.f. Carlbaum et al., 2025). Far from being an isolated event, such an action will inevitably affect the affective climate for all actors in the LPQ, 'polluting the atmosphere' for all. All the private providers deploy various strategies to deal with (un)predictability and its emotional responses, but large actors in corporate preschool chains apply the widest range of strategies, and have the broadest professional and administrative competences for protecting their rights and interests if necessary. As these companies have expanded considerably, it seems highly likely that such (often legalistic) approaches will continue to affect municipal market care activities. As large providers are becoming increasingly central and important in governing actors, their extensive strategy repertoires contribute to making the market more conflictual.

Finally, our findings suggest that there is a need to continue to study local variations and local relationships, including their affective aspects, in LPQs more deeply. Although national regulations play crucial roles, they are inevitably enacted and interpreted locally by people that meet, interact and form relationships. In the literature on market stewardship, important insights on the need and function of (primarily national and regulatory) stewardship have been productively highlighted (Carey et al, 2018; Green et al, 2024; Malbon & Carey, 2021). However, local market stewards are also important, and we need to elucidate how relationships and trust evolve (positively or negatively) in these interactions. To do so we must acknowledge the key roles of various market care activities and wider affective atmosphere in the functions, organisation and governance of ECEC in times of privatisation. Thus, continued focus on the affective aspects of market care can provide insights into the governance of privatised ECEC, and potentially public-private relationships in other quasi-market settings.



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## Revisiting constitutional review over privatized schooling: the Pridwin case and the protection of constitutional right to education

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### Abstract

Our contribution aims to discuss the latest insights of the constitutional case law on the rights of students in private education. For this purpose, the Pridwin judgment of the Constitutional Court of South Africa was chosen, since this decision entailed considerable global resound and invigorated the discussion on the constitutional framework of private schools. Moreover, the Pridwin judgment provided a proper distinction between the rights and interests of the four main actors: students; private school management; parents of students and state authorities. Based on this analysis, we recommend prioritizing the educational rights of students. However, these should be carefully balanced with the legitimate rights and interests of other relevant stakeholders including private school management, parents of students, and state authorities. Although the fact that this topic has rarely been discussed in Central Europe, it will be demonstrated that the rise of private schooling might result in seeking similar constitutional remedies against private school managements in this region. Therefore, it would be worthwhile to integrate Central Europe into this strand of academic scholarship.

**Keywords:** rights of students; private education; constitutional law; horizontal effect of fundamental rights; due process; social rights

## 1 Introduction

On June 17 2020, the Constitutional Court of South Africa handed down a landmark ruling in the case of *AB and Another v Pridwin Preparatory School and Others* (Pridwin 2020), thoroughly examining the constitutional duties of private schools. The case concerned the dismissal of two students from their private school, and highlighted both the obligation of the school as a private entity to respect the main constitutional principles of fair proceedings during its operation, and also to take into account the involvement of the right to education in all of its conduct (Emerson & Lundy, 2013, p. 19). In its reasoning, the Constitutional Court also argued with the sociological background as the increasing role of private educational actors justifies the stricter constitutional scrutiny over them (Ally & Linde, 2021, pp. 277–279).

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This decision invigorated the global discourse on the constitutional aspects of emerging private education (White, 2023, p. 24). The recent crises including economic recession, public health concerns, armed conflicts, climate change and migration crisis required even more endeavors from private stakeholders involved in education to provide all essential services for students (Jørgensen et al., 2023), while the necessity of constitutional supervision was also strongly underlined.

The Pridwin case demonstrates the sensitivity of constitutional review as an indicator of the rapidly changing sociological landscape: the increased privatization of education (West & Nikolai, 2017) is still to be systematically contextualized with a constitutional focus, especially in Central Europe, where only the very first steps have been made in this direction. In our view, without sufficiently elaborated constitutional supervision, the greater role of private stakeholders in the field of education would constitute a significant risk factor.

Furthermore, the enforcement of constitutional rights in private legal relationships has been a dubious matter for decades (Barak, 1996). Thus, constitutional courts shall provide convincing justification, as to why the state is entitled to interfere for the protection of the rights of students and/or parents once private educational centres would be involved. Then, further clarification is still to be provided on how far states could go in reviewing private education on constitutional grounds. Our contribution extends this discourse with additional arguments based on the Pridwin judgment.

After the introductory part, the rising weight of private education will be briefly assessed; then, based on this context, in the next section, the Pridwin case will be detailed as well as the discussion surrounding it. Then, such balancing mechanism would be outlined, which could serve as a point of reference for constitutional/supreme courts hearing similar constitutional matters and which might reconsider the role of constitutional review as a potential tool of systematic state monitoring over private education (Kligman, 2014, p. 273). Constitutionally safeguarded fundamental rights of students will be understood as components of private legal relationships such as contracts between private schools and the parents of their students. Amongst these fundamental rights, the right to education will be highlighted (Lundy & Lynn, 2018, p. 261) with special regard to its socio-economic character (Farese, 2020, pp. 105-116) and its strong link with the rights of children, since most students, but not all of them fall under the category of child according to art. 1. of the UN Convention on the Rights of the Child. Our analysis would be attached to basic and secondary education, the arguments might vary considerably as regards private higher education, where universities might enjoy a broader space of maneuver (Rachman et al., 2017).

This experience might be worthy of discussion in Central Europe as well (de Groof, 2016, 13-24). One should keep in mind that the current weight of private education is comparable in this region to South Africa, moreover, as will be demonstrated in the following section, the number of students attending private education grows steadily. As a consequence, invigorated constitutional reflections might be expected once private schools will attract more students in our region. By that time we might be more prepared to tackle the relevant constitutional issues if we could also rely on those constitutional judgments that have already been handed down in the countries with well-elaborated private education systems.

Moreover, the protection of social rights plays a crucial role in safeguarding the right to education, as it creates an enabling environment for individuals to access quality educational opportunities. By ensuring that the social rights of students are upheld regardless of the management of their schools, states can mitigate these barriers, thereby fostering an inclusive educational landscape that empowers all individuals, particularly marginalized groups (Strydom 2019, p. 222). Such implications of the Pridwin ruling would also be paramount, especially for the Central European region, where the social rights of private school students have not been directly addressed by constitutional case law (Fabre 2005, pp. 15–28). These are the main inspirations for us to share this article in an academic journal with a Central European focus.

South Africa operates with a legal system combining the elements of continental- and common law (Fombad 2010, 1–21), however, its constitutional review concept follows mostly the German constitutional tradition similarly to Central European countries (Rautenbah & du Plessis 2013, pp. 1539–1546; Mavčič, 2018, pp. 30–32). Therefore, the forms of constitutional remedies as well as the arguments raised during their hearing show meaningful similarities, which underline the relevance of the Pridwin judgment in our region as well (Venter, 2013, pp. 1579–1589). Similarly to Central Europe, constitutional complaints against second instance judicial rulings; as well as requests of lower courts and individuals for reviewing the constitutionality of a law might be lodged to the South African Constitutional Court (Wolf & Wolf 1996, pp. 267–296). As has happened in South Africa, such remedies could easily bring private education to the forefront of the Central European constitutional discourse in the near future. As a recent concrete example, Russian students sought for remedy against their private school banning any class on Russian language in its curriculum, the controversy was brought before the Latvian Constitutional Court, and then, before the European Court of Human Rights (hereinafter: ECtHR) (Dzibuti, 2023).

## **2 The emerging social role of private education: the necessity of the constitutional reflections**

As for starters, the conceptual scope of private education should be determined. Private schools can be defined either based on their ownership, management or their primary source of funding. According to the definition that the OECD employs, which focuses on the management, the term private school refers to schools managed directly or indirectly by non-governmental organizations, such as churches, businesses or other private institutions. Within the private sector, we can differentiate between two types of private schools, based on their level of public funding. In this context, government-independent private schools and government-dependent private schools should be distinguished. The primary source of funding for government-independent private schools is constituted by student fees and other private contributions, for example donations. Although government-dependent private schools might also be managed by private actors, more than half of their funding comes from government-related sources (OECD, 2018).

In the United States of America, private schools are defined based on their primary sources of funding. According to this approach, private schools are those that are “not



supported primarily by public funds” (Broughman & Swaim, 2013), however, these private entities may also receive public funding for providing educational services (National Centre for Education Statistics, 1997).

The literature refers to private schools as educational institutions that are independently established, owned and managed, and fully dependent on their income. Private schools are either owned by people or organizations, including religious entities, corporations and individuals. (Härmä, 2015, 172)

Private schools can also be defined as „schools maintained by private individuals, a religious organization, or a corporation, not at public expense. Open only to pupils selected and admitted by the proprietors or to pupils of a certain religion or possessing certain qualifications.” (FindLaw).

A new strand of private education shall also be mentioned from the developing countries of Asia and Africa. A growing number of parents choose to educate their children in low cost private schools (hereinafter referred to as LCPS) (Tooley, 2009). Such schools typically target students from low-income families, which differentiates them from traditional elite schools (Verger et al., 2016, p. 90). Some definitions consider those private unaided schools low cost that are entirely funded by tuition fees, with the monthly tuition fee not exceeding the daily wage of a labourer (UNICEF, 2021). Tooley defines LCPs as private schools that a family on or below the poverty line can afford to send all its children without having to restrict their other essential spendings (Tooley, 2014, p. 7). These schools are becoming increasingly popular, due to the poor quality of public education in developing countries and the lack of trust in public educational institutions. Researchers also suggest, that the reason behind the growing popularity of LCPs can be attributed to the perception that they offer more competitive education compared to public schools with more committed teachers, students and administrative staff (Verger et al., 2016, p. 90). Although the fact that Pridwin does not focus on an LCPS, several conclusions drawn from this judgment might also concern this form of private schooling, as will be demonstrated later.

Notwithstanding the above, there has been a long-going debate among researchers about whether public or private education is more beneficial for students. An emerging number of parents and students are feeling let down by the poor quality of education provided by public schools, and the emergence of private schools within low-income communities has offered those who are willing to pay for education with a means of exit. Private schools are often promoted as a “highly efficient, higher-quality alternative to some ‘broken’ governments”. However, the vast majority of students all over the world still rely on the governmental education system (Härmä, 2015). Furthermore, proponents of private education claim that „thriving private schooling would help the state fulfill its duties in the field of social rights, including the constitutional right to basic education” (Languille, 2016, p. 528).

Those in favor of public schools claim that government-operated schools promote civic values, such as political tolerance and political participation, more effectively than schools in the private sector. Some researchers even argue, that the health of a democratic society depends directly on public schools. On the contrary, other authors opine that “private schooling empowers parents and students and underlines the importance of their own agency”, which makes them confident citizens, capable of self-governance (Shakeel et al., 2024). Arguments can be made for both positions, but the primary issue from a fun-

damental rights point of view shall be the prioritization of the right to education as an important social right and its proper balancing with other competing rights and interests, which can be achieved under either model.

As a result of the COVID-19 pandemic, in spring 2020, most countries closed down schools in order to prevent the further spread of the coronavirus (Schubert, 2022, p. 1817). Due to the closures, the learning of 1,7 billion students was disturbed all over the globe (Ullah & Ali, 2021). Data shows that this caused significant decrease in the public school enrollment rate by fall 2020. In some member states of the United States of America, for example in Michigan, the enrollment rate dropped by 3 percent. If one looks for the reasons behind this tendency, the disruption of the functioning of public schools changed the parental attitude towards public education, and made other alternatives, such as private schools more appealing (Musaddiq et al., 2022).

As a consequence, we have been experiencing the emerging social role of private education worldwide. According to statistics, as of fall 2021, 4.7 million students were enrolled in private schools across the United States of America. This takes up approximately 9 percent of public and private school pupils, combined. The growing significance of private education is backed up by the fact that the enrollment rate was 5 percent higher in fall 2021 than it was in fall 2011 (National Center for Education Statistics, 2024). In the case of India, the enrollment rate in private schools increased by 15 percent for secondary-level students from 1998 to 2021. Researchers have found evidence of stratification: high-achieving, male students and students from traditionally high-privileged castes tend to choose private schools over public education (Bagde et al., 2022). However, the emergence of LCPSs can significantly influence this trend.

With regard to the background of the Pridwin decision, some notes should be added from the South African context. Since South Africa has been profoundly influenced by the British educational approach, the country has an extensive system of private schools (Pretorius, 2019). Although the gradual growth of enrollment rates, the ratio of learning in the private sector has remained relatively low, with only about 5 percent of all students are enrolled in private schools. Private schools have traditionally been chosen mostly by families from the white middle class with higher incomes, for this reason, private schools have usually been better equipped than public schools until the recent rise of LCPSs. In spite of these facts, legal uncertainties reduce the attractiveness of South African private schools, judicial rulings like Pridwin derive from this uncertainty.

In comparison with South Africa, Central European private education could rely on fewer direct traditions, since only the political and economic transformation around 1990, also accompanied by educational changes led to the establishment of most private schools (Gawlicz & Starnawski, 2018). However, non-state education has only reached a limited share of students in the region, which has not changed during the public health emergency (Ondrejková 2024, p. 224). In Slovakia, the Czech Republic and Hungary, only around 5 percent of the students were enrolled in private schools (Filer & Munich 2003, pp. 196–197), while the Polish authorities have recently reported several concerns regarding the qualifications of private school teachers (AB Newswire, 2024). Across the whole Visegrád region, the private school enrollment rate was recently estimated to be around 4 percent (OECD/UNICEF, 2021). This rate not only correlates with the statistics of neighbouring EU member states such as Austria and Germany, but also approaches the rates found in South Africa (Filer & Munich, 2003, p. 197).

With the increased importance of private education, constitutional guarantees should be integrated into the regulatory framework of private schools, so that these privately owned, non-governmental entities should be obliged to provide the same protection for the educational rights of the students as state authorities. When students might easily be pushed into a vulnerable position, and need to be more educated and well informed than ever in order to keep up with the constantly changing world, additional safeguards shall be implemented for the protection of educational rights (McEvoy & Lundy, 2016, p. 495). This is the point, which leads us to the detailed analysis of the Pridwin case. Due to the aforementioned fact, that the South African model of constitutional review relies on the German tradition similarly to the Central European countries, this analysis has a direct relevance for our region.

### **3 New impulse from South Africa: the main arguments and the significance of the Pridwin case**

The Pridwin judgment concerned the dismissal of two students from a private school, after the father of the children breached the parent contract with the school (Fawole, 2022, p. 129). The main issue before the Constitutional Court was whether the school's termination clause should be constrained by the rights of the two students, who as a result of the termination and through no fault of their own, would be excluded from the school (Ally & Linde, 2021). The ruling brought to the forefront the uncertainties around the constitutional coverage of private schools with special regard to the right to education of private school students.

The Pridwin Preparatory School is well-known as an elite and prestigious boys' school, in one of the wealthiest neighborhoods of Johannesburg. With its high tuition fees, the affordability falls well beyond the reach of the great majority of South Africans, where an extreme range of social differences are experienced (Pridwin, 2020, p. 6; Kirsten et al., 2023). The school's legal relationship with its students and their parents is regulated by a private contract, negotiated after the admission, but prior to entry into Pridwin. The two children of the applicants, two boys were students at Pridwin. Although the boys were outstanding students, their situation in the school has deteriorated significantly, after their father regularly insulted, harassed and threatened the school staff. At first, the father complained about the alleged bullying and social isolation of the elder son, then, he criticized the staff during sports activities, as he believed, the natural sporting talent of his son was not nurtured and supported sufficiently. After another parent at the school complained about the adverse effects the applicant's behavior caused on her son, the father and the principal agreed, that he would refrain from such behavior. However, the agreement did not last long, and incidents continued. As a result, on 30 June 2016 the school terminated the contract with the parents. This led to the dismissal of the two students with a term notice (Pridwin, 2020, pp. 11-30). According to the parents, by terminating the contract, the school violated the students' right for basic education (Lowenthal, 2020).

After the termination of the contract, the parents sought judicial remedy on an urgent basis. The applicants argued that by canceling the contract, their sons' right to education was infringed. According to their submission, Pridwin had a negative obligation to not

diminish that right or act unreasonably. The parents claimed that as a private educational institution, Pridwin was performing a constitutional function and had a duty to not impair the student's access to education (Smit, 2024, p. 213).

According to the South Gauteng High Court, with the parent contract, the school was primarily engaged in a private contract, and the clause of free termination was concluded between the two private parties. Furthermore, the High Court found that right to equal education and right to attend schools shall not apply to students admitted to private education. The Court also highlighted that – opposed to what the applicants claimed – Pridwin had no duty to not impair the student's right to education (Smit, 2024, p. 214). Thus, the High Court held that the decision of Pridwin to terminate the parent contract was acceptable and constitutional, and found in favor of the respondents (Laubscher, 2020, p. 436).

The applicants were granted leave to approach the Supreme Court of Appeal, which upheld the decision of the High Court, concluding that private schools have no constitutional duty to hold a hearing in these circumstances. The Court found that Pridwin had no positive duty to provide basic education, nor did it have any obligation to admit students into the school. The Supreme Court highlighted that providing basic education should be the duty of state authorities rather than private institutions (Pridwin 2020, pp. 38–42).

The case eventually reached the Constitutional Court in 2019, which refocused the attention on the students (Fawole, 2022, p. 129). The Constitutional Court highlighted that the contract between the applicants and the school was not merely a commercial contract, since it directly governed students' fundamental right to basic education (Smit, 2024, p. 215). The Court claimed that such contracts are “of different species” (Pridwin, 2020, p. 63). Therefore, the main issue was not the cancellation of the contract, but rather the effects that the enforcement of the cancellation clause had on the students. So the main task of the Constitutional Court was to determine whether Pridwin had a constitutional duty (Smit, 2024, p. 215). Therefore, the Court disagreed with the arguments of the lower courts, as such precedent would mean that “private schools are not bound by the right to basic education in relation to the students who attend those schools, and that a private school can terminate parent contracts without having prioritized educational rights what would result in the exclusion of certain students” (Ally & Linde, 2021, p. 6).

A) Regarding the rights of students, the Constitutional Court has noted that section 29 of the South African Constitution must be thoroughly examined in order to determine whether it provides educational rights for those children attending private schools and the constitutional obligations these independent schools are bound to (Pridwin 2020, 73–75). Once a private entity takes on providing educational services, “it has a negative obligation not to interfere with such education, which includes the right to be heard before discontinuing the education. Additionally, once a child receives private education, the school cannot take away or diminish the right without proper justification.” (Smit, 2024, p. 216).

The Constitutional Court also defined the content of the right to education. The term “basic education” refers primarily to the content of the right to education. On this understanding of the term, children attending private schools are undoubtedly receiving and enjoying a basic education regardless of the fact that the level of private education might exceed significantly that of the public education.

(Pridwin 2020, 64). Although the termination of the contract was unconstitutional, it was also acknowledged, that not only the educational rights of the dismissed students, but also the similar reasonable points of the other pupils should be taken into account when the cancellation of the contract is considered (Pridwin, 2020, p. 93).

Also related to the priority of students' right to education, a few years earlier, the Durban High Court heard a case of a student, whose parents were unable to pay the tuition fees for the private school, therefore, the student was deregistered by the school and was prevented from taking his examinations. The Durban High Court pointed out that private schools could exclude students from education, however just as a final resort, and such a decision should be subject to due process safeguards: prior warning should be conveyed, and reasonable time should be left for parents to find an alternative school for their child. As a result, the rigid refusal of renegotiating the payment schedule of tuition fees meant an unreasonable step on behalf of the private school, therefore, right to education was infringed (*Mhlongo v. John Wesley School*, 2016).

The Supreme Court of India also relies to a remarkable extent on the German traditions of constitutional review (Brunello & Lehrman, 1991, pp. 267–272) and reached similar conclusions regarding the duties of public and private schools to secure the right to education. A judgment of the Supreme Court of India imposed the same duty on public and private schools to admit at least 25% of their students from marginalized social groups. Only such exceptions were provided, where the rights of minorities should outweigh the fight against segregation and the right of students to be educated in an integrated surrounding (*Society For Un-Aided P.School Of Raj v. U.O.I & Anr.*, 2012). This case clearly has an intersectional dimension with the involvement of several fundamental rights, however, the detailed analysis of this aspect would fall beyond the scope of the present study. Similarly, the Supreme Court of India held that public and private schools should provide the same toilet facilities, drinking water, educational equipment and teacher staff to properly fulfill the basic educational needs of students (*Environmental & Consumer Protection Foundation v Delhi Administration & Others*, 2012).

- B) Parents are also strongly affected by the right to basic education regarding their children. The reasoning of Pridwin reached the conclusion that private schools shall not diminish the right to basic education and shall act in the best interests of the child, in most cases, this also entails alerting the parents involved in the proposed termination and also providing a hearing to the parents (Pridwin 2020, 93). The concurring opinions also underlined the rights of parents to be heard for the sake of their children's best interest (Pridwin 2020, 209).
- C) Regarding the private school management, the Constitutional Court of South Africa held that no private entity can be forced to maintain a private school, however, if they voluntarily decide to do so, they will inevitably be bound to constitutional obligations declared in section 29(3). Pridwin has been providing education since 1923, therefore it bears the aforementioned obligations. However, the Court highlighted that these obligations are not necessarily positive obligations. While the state has both positive and negative constitutional duties, those of the private institutions are rather negative obligations to not diminish the rights of students (Pridwin, 2020, pp. 85–86).



Either the majority judgment (Pridwin 2020, p. 62), and the concurring opinion signed by two judges found that the clause of free cancellation was unconstitutional and unenforceable, because it was contrary to public policy (Pridwin 2020, pp. 213–219). However, in essence, both the majority and the concurring opinion held that private schools have a negative obligation to not interfere with the student's right to basic education. Furthermore, they concurred that both procedural and substantive fairness must be applied when a student would be dismissed from a private school (Fawole, 2022). This means, that private school management shall be seen as an entity covered by the right to conduct a business under contractual freedom, however, the compliance with public policy as a restriction on this freedom requires the special protection of fundamental rights in these legal relationships (Pridwin, 2020, p. 61).

This has also been confirmed by the Juma Musjid decision of the South African Constitutional Court which showed the emerging social and legal interest to prevent with constitutional means private stakeholders from neglecting the educational rights of students in their major decisions. In this case, in 2011, an eviction order was provided against a public school established on a private land, threatening the basic learning needs of hundreds of South African students. The Constitutional Court argued that the constitutional right of students for basic education shall outweigh the legitimate financial claim of the private landowner, consequently, private stakeholders should take into account the basic educational needs of students during the implementation of their contracts (Juma Musjid Primary School v Essay, 2011).

D) Although the fact, that Pridwin has not detailed the obligations of state authorities safeguarding the right to education in private schools, the attitude of the Constitutional Court and the outcome of the controversy represent themselves clear examples of state supervision over private education. The ECtHR also confirmed in one of its earlier judgments the special responsibility of state authorities to protect the rights of students in both public and private schools (Costello Roberts v the United Kingdom, 1993). In this regard, the case of Dzibuti v. Latvia heard by the ECtHR should also be mentioned, which confirmed similarly to Pridwin, that private schools shall be seen as part of the basic educational structure (Dzibuti, 2023).

One can state that the South African Constitutional Court took a student's right approach in its judgment (Fawole, 2022). It was also specified, how private schools shall consider the Constitution and the most important fundamental rights of the students. However, Ally and Linde held that the Constitutional Court missed a great opportunity to outline exact standards for the interpretation of constitutional rights among private stakeholders such as the private schools and the parents especially with the direct involvement of the students, therefore, significant legal uncertainty would remain around the constitutional framework of private schools. It was also argued, that although the paramountcy of educational rights, fair process shall also be seen as a determining factor in the Pridwin case (Ally & Linde, 2021, p. 7). Smit concludes that private schools are obliged to uphold certain standards and not act in a manner that undermines a child's right to education. If the state is of the opinion that private schools should have positive obligations, it can enforce such responsibilities through legislation. Therefore, private schools, despite being private entities, shall comply with public policies, including the protection of fundamental rights and the requirement for a fair procedure when making key decisions (Smit, 2024).



#### 4 New insights to constitutional review as a tool of monitoring private schools

If one aims to revisit the role of constitutional review over private education, the dynamics of these legal relationships should be understood more deeply, as the paramount constitutional arguments are attached to the specific structure of these forms of collaboration. The rise of private education not only establishes a sociological phenomenon, which requires numerous actions securing the equal chances for those who come from public and from private education (Coomans, 2009, 219), but also a matter of legal and constitutional concern, which should take into account the four actors participating in these mechanisms. On the ground of the arguments raised by the Pridwin case, the relationships of the four actors as well as the protection of their fundamental rights should be revisited.

- A) Firstly, the most important stakeholders are the students themselves, who are entitled to special constitutional protection. From their perspective, it does not matter, whether the provider of the education is organized as a public – or as a private entity (Chetty & Govindjee 2014, pp. 33–34). From a constitutional perspective, students – most of whom also belong to the group of children constitute a marginalized social group that should be protected by additional state measures as safeguards of their proper physical and mental well-being and development (Lundy et al., 2016). As Pridwin underlines, the educational rights of students and their involvement should enjoy special weight during the balancing mechanism, private stakeholders should acknowledge the specificities of a group under strengthened constitutional protection, when they are engaged in providing services for such a community as a target audience (Lundy, 2006, p. 339). Nevertheless, this duty shall not overstep the safeguarding of equal social and educational rights for each student regardless of the management structure of the school providing the educational services. As Pridwin also mentions, since most students of private schools traditionally represent privileged social groups, and most private schools provide educational services that far exceed the required minimum standards, awarding disproportionate constitutional benefits to these students could exacerbate social inequalities, and further decrease the competitiveness and attractiveness of public education. The rise of LCPSs experienced since Pridwin might significantly reconsider the social context of this concern, however, this risk factor is still valid.
- B) Secondly, should be their kids admitted, the parents of the students conclude private contracts with the maintainer of the schools, therefore, the parties have certain margin of movement under contractual freedom to negotiate the details of such agreements (Cornell & Limber, 2015, p. 338). However, Pridwin highlights the restrictions of this freedom, since education amounts to a public task, private entities should comply with strict conditions when they would like to provide such services. State authorities, particularly courts have certain competences to amend or cancel private contracts if these are severely incompatible with mandatory legal requirements, however, such interferences should remain extraordinary and should not be performed unless no less restrictive alternative could remedy the essential violation of fundamental rights caused by the contract. As a consequence, on the one hand, parents have a claim towards the state to refrain from

restricting their contractual freedom except in strongly justified cases. On the other hand, parents expect private school management to fulfill the social rights and educational needs of their children properly, and if the school management fails to do so, state authorities should redress the situation.

- C) The management of a private school as a third actor would highlight business considerations and the aspect of profitability covered by the constitutional right to conduct a business, students would be admitted based on private contracts agreed upon with the parents. Moreover, constitutional clauses may describe the autonomy of private schools to determine their educational framework (Thompson, 2022, pp. 85–86). If public educational institutions were to be attacked before the judiciary, state authorities would have undoubtable competence to interfere in a legal relationship established between a public entity and a private individual. However, in the case of private education, additional justification would be needed since the horizontal effect of constitutional rights has been discussed in the academic literature and legal practice several times without being able to build broad consent (Haupt, 2024). What is sure, that private school management could argue for the right to conduct a business, contractual freedom and the autonomy of private education in these controversies; meanwhile the parents of students would invoke the strong connection between private schooling with right to education (Tampio, 2021). The balancing mechanism may vary significantly when the private school has a clear religious affiliation: in these cases, business rights would receive less weight. By contrast, freedom of religion should be considered with additional carefulness either on behalf of students, parents and the school management in order to strike a proper balance between the collective and individual aspects of freedom of religion, as well as the right to basic education.
- D) Finally, state authorities lay down the rules for involving private stakeholders in fulfilling public tasks such as education. This may reduce the social costs of these sectors, and increase the flexibility of determining the framework of such services due to the autonomy granted for these private stakeholders (Priyadarshani, 2020). This could expand the parents' choices to select from multiple options for their kids the educational environment most compatible with their individual expectations. As a consequence, state authorities should carefully consider all the circumstances when the contractual will of the parties would be replaced by the orders issued by public bodies. Compelling reasons, such as the conflict with public policy, or the protection of fundamental rights, would be necessary. Thus, state authorities could operate only in a very narrow circle with direct instructions towards private education. Beyond this circle, only such mechanisms might be established, which might be able to identify and remedy the violation of fundamental rights caused by the unlawful conduct of private participants. Constitutional review could be an effective tool to further this ambition, however, either actor of these legal relationships has rarely used this instrument strategically so far.

From the Pridwin case, one may conclude that state authorities could vest private stakeholders with educational competences, but the final responsibility of respecting constitutional standards would still remain on the state, therefore, in the light of the rising social weight of private education, those tools might be exploited more effectively to secure the compliance in these institutions with all the constitutional requirements.

This might also overlap with the recent strand of the academic literature demanding a more robust protection of social rights through constitutional review (King, 2012). The private stakeholders such as the parents and school managements could contribute to the effectiveness of the monitoring mechanism by approaching courts or constitutional courts with reasonable claims, while courts and constitutional courts have the task of elaborating standards that can guide parents and school managements on how to tackle their conflicts without violating constitutional rights. Based on the Pridwin case, the following points might be provided for courts and constitutional courts hearing similar claims in the context of private education. Obviously, the validity of these considerations might depend on the country-specific circumstances, however, in our sense, wherever they are invoked, these would have at least some relevance.

- A) First, fulfilling the educational needs of students should be the primary consideration, the arguments of all other stakeholders should be seen in the light of this premise. All private contracts for educational services should be interpreted primarily as special frameworks for education as a public task, rather than contracts concluded between private parties under contractual freedom.
- B) Nevertheless, second, the first assumption shall not mean that the basic educational needs of students enjoy automatic and absolute supremacy over other competing rights and interests in these controversies. Instead of this, the constitutional rights and interests of students as a group under distinguished constitutional protection; should be properly balanced in these rulings with the rights and responsibilities of parents, school management and state authorities respectively. The vulnerable situation of students should be reflected in these reasonings, especially when LCPSs are concerned with numerous students coming from underprivileged social layers. However, this should not eliminate per se the well-founded arguments of other stakeholders from the analysis.
- C) Third, the autonomy of private schools should not be undermined. This model of education plays a crucial role in ensuring the flexibility and diversity of the educational system, as well as the autonomous, but controlled participation of private stakeholders in this public task which significance cannot be overestimated (Dieude, 2024, pp. 1–3). All forms of private education also fills with real content the freedom of choice for parents to decide from the education of their children. Therefore, private school managements should be made aware of the constitutional implications of their daily operations, however, undue and disproportionate expectations should not be imposed on them.
- D) Lastly, constitutional remedies should be made easily accessible for parents with special weight of those contracted with LCPSs, without introducing unnecessary barriers. However, parents should use these initiatives responsibly as a final instance, when other available means of conflict resolution have been exhausted, or there would not be a chance to settle the controversy through other mechanisms. Then, constitutional remedies will remain as a final resort in the hands of the competent judicial bodies to enforce fundamental rights in the field of private education.

## 5 Conclusions

Our contribution aims to provide a contextual analysis of the Pridwin ruling of the South African constitutional court including the conceptualization of the concrete case, the review of the follow-up discussion; and the perspectives on lodging further constitutional remedies against the alleged misconduct of private schools. Our main thesis assumes that once private stakeholders take part in fulfilling constitutional tasks such as schooling, the same constitutional standards should be complied with by these actors if state authority were to be concerned, since no differentiation could exist between students based on the background of their service providers. We conclude from this that private schools should prioritize students' right to education in their work, while also duly considering the competing rights and interests of other stakeholders such as parents, private school management and state authorities. This stricter constitutional review should be limited to the most serious fundamental rights restrictions, so that it does not lead to further undermining of public education by disproportionately safeguarding its potential alternatives. At the same time, the essential content of fundamental rights must be ensured equally for all students.

The present contribution used the Pridwin judgment as a starting point, and aimed to revisit the role of constitutional review in safeguarding the right to education in the context of rapidly evolving private schooling. We are far from providing final answers to the unresolved questions raised by these complex legal relationships, however, the growing social weight of private education requires from us extensive analysis from the perspective of various disciplines to elaborate well-founded and feasible concepts.

This article focuses on the added value of constitutional law to this process, however, the constitutional discussion on these matters should not be isolated from the considerations of other scientific fields. These arguments should be read in the light of a broader discourse with the involvement of sociology, childcare, psychology, educational, management, and economic studies (Owens, 2002, p. 717). Constitutional arguments have rarely been discussed until now, especially in the Central European region (Poniatowski, 2021).

Nevertheless, in our view, the constantly evolving and highly internationalized educational landscape with increased plurality might lead to similar controversies in our region in the foreseeable future as well. For this reason, in our view, the analysis of Pridwin and the potential adaptation of its premises to the Central European specificities might have significant perspectives.

Referring to the Pridwin case as a starting point does not mean, that it is considered the most important constitutional ruling on private education in the recent years worldwide. This decision just invigorated the global discussion on the constitutional framework of private education, and our contribution aims at integrating Central Europe to this strand of the academic scholarship. We do not intend to provide definitive answers to the issues raised, but rather present some arguments stimulate further professional dialogue on private education and particularly its constitutional framework. As lots of students complete their education in private institutions, outlining with more exact terms the rights and responsibilities of each actor would contribute considerably to the transparency and the accountability of these forms of education (McTighe, 2004, 53). By publishing this contribution, we hope to have taken some small steps in this direction.

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Intersections. EEJSP

11(2): 82–100.

<https://doi.org/10.17356/ieejsp.v11i2.1366>

<https://intersections.tk.hu>

## Privatisation in the form of homeschooling in the Czech Republic and the Slovak Republic

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### Abstract

This study ties in with the debate that exists between the representatives of critical theory in education (Apple, Lubienski, Brewer) and sociologists of education (Aurini, Davies) about the place and significance of homeschooling within the framework of the neoliberal governance of education. While the first group sees homeschooling as a direct tool of neoliberal governance, the second group finds the position of homeschooling within the framework of neoliberal governance unconvincing. Both types of arguments are examined in relation to the situation, forms and reasons for homeschooling in the Czech Republic and the Slovak Republic, where interviews were conducted with groups of homeschooling parents. The arguments about the development of homeschooling as a privatised but not necessarily neoliberalised form of education are particularly valid in the context of the Czech Republic. They are also valid in the case of a significant segment of homeschoolers in the Slovak Republic, where, however, the arguments of critical theorists of education are also valid, but for a different segment of parents – parents who adopt a religious privatist stance demonstrate a degree of affinity with the neoliberal educational ethos.

**Keywords:** homeschooling, neoliberalism, privatisation, Czechia, Slovakia

## 1 Introduction – The Controversy

The COVID-19 pandemic has precipitated a new phase of privatisation in the field of education. This is evidenced by data from the USA (Hoffman, 2023) and Australia (English, 2021), which demonstrate a notable shift in the student population from public to private educational institutions, including homeschooling. In comparison to the preceding years of privatisation in the field of education, the practice of homeschooling is currently in a more favourable position than before. Indeed, it has become the fastest growing segment of private education in the United States, for example. This fact gives rise to new questions as the practice of homeschooling expands not only in terms of the countries in which it is legalised, but also in terms of the demographic profile of those who choose to engage in it.

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The spread of homeschooling has led to a re-emergence of the controversy that has accompanied it since the 2000s. At that time, proponents of critical theory in education began to highlight it as part of neoliberal policies of late capitalism that undermined the public interest and the public function of education, promoting elitism and social inequality in the education system.

In this light, homeschooling may very well be the closest embodiment of neoliberalism as it likely represents the closest form of education that relies on self-regulation, decentralization, and elevation of the individual/private over the collective/public. (Brewer & Lubienski, 2017, p. 33)

Conversely, there are those who argue that linking homeschooling with neoliberal policies and their consequences is not an adequate approach. They contend that homeschooling is a form of privatism that has no impact on education market competition, other forms of education or students.

It is therefore misleading to reason that since homeschooling is growing in a neoliberal context, it must therefore embody a neoliberal ethos. Instead, beyond a legitimating role, neoliberal politics and economic pressures are only loosely coupled to this educational trend. (Aurini & Davies, 2005, p. 468)

It is crucial to address this question, as the motives and behaviours of parents who opt for homeschooling can have a significant impact on the educational market, influencing its position and social effects. If homeschooling were to truly operate in accordance with a neoliberal ethos, as critical pedagogy representatives have argued for the US, it would directly or indirectly pose a threat to education as a public service. This is particularly pertinent in a context where the status of homeschooling is being reinforced.

This is also the case in countries where homeschooling is a relatively recent phenomenon. In these countries, the debate that has been ongoing in the USA for approximately 25 years can inform the development of education policies in question. The Czech Republic and Slovakia are two countries where the history of homeschooling is less than 15 years old. We were interested in learning whether the parental discourse on reasons for homeschooling fit more with the neoliberal ethos, or whether other reasons for choosing homeschooling emerge in this discourse and what they are. The objective of this research was to verify the validity of the arguments presented in the aforementioned controversy within the current context of homeschooling in the Czech Republic and Slovakia.

The principal research question is as follows:

Do the reasons for opting for homeschooling correspond with the neoliberal ethos?

The partial research questions elaborate on the main research question by examining the components of the neoliberal ethos, specifically:

What form of privatisation and privatism is present in parents' discourse?

Is homeschooling thematized as a consequence of responsabilisation?

How do parents perceive the educational market and how do they thematize their behaviour within it?

Can elements of competition, economisation and effectivisation be identified in the homeschooling parents' discourse?

Is some form of anti-institutionalism present in parents' discourse?

To address these questions, we must first decompose the concept of neoliberal governance and ethos into its constituent parts and then undertake a theoretical and empirical analysis of these in relation to the national realities of homeschooling.

## 2 Neoliberal governance and ethos in education

In order to provide a comprehensive understanding of neoliberal governance and ethos, it is essential to examine it at three distinct levels. The initial level comprises the mechanisms that underpin it. These may be defined as privatisation and marketisation (Verger et al., 2016; Rizvi, 2016). The second level comprises the basic rationalities that underpin neoliberal governance. These are economisation, effectivisation, consumerisation and competition (Peters, 2017; Clarke, 2012). The third level is constituted by the inherent attitudes that underpin neoliberal governance. These are the responsabilisation and anti-institutionalism (Peters, 2017; Baltodano, 2012).

Neoliberal governmentality is a pragmatic, evolving form of post-welfare state politics in which the state systematically downscales its responsibilities, outsourcing 'well-being' and 'social security' to its citizen-subjects in the market, at the same time emphasising the concept of 'choice'. The subject, according to neoliberalism, is theorised as a rational, autonomous individual in all its behaviour – *Homo economicus* ('economic man') – that is expected to 'look after herself' modelled on assumptions of individuality, rationality, and self-interest. (Peters, 2017, p. 140–141)

In addition to the marketisation aspect, which represents a mechanism of neoliberal governance, Peters' definition also encompasses the underlying rationality of marketisation. This is an economised rationality that privileges individuality, individual responsibility and choice. This rationality not only serves as the foundation for the mechanisms of neoliberal governance; it also gives rise to a distinct set of values, an ethos, or even moral imperatives that are inextricably linked to that rationality. The mechanism and imperatives are both based on the concept of responsabilisation.

Responsibilisation refers to modern forms of self-government that require individuals to make choices about lifestyles, their bodies, their education, and their health at critical points in the life cycle, such as giving birth, starting school, going to university, taking a first job, getting married, and retiring. 'Choice' assumes a much wider role under neoliberalism: it is not simply 'consumer sovereignty' but, rather, a moralisation and responsabilisation, a regulated transfer of choice-making responsibility from the state to the individual in the social market. (Peters, 2017, p. 142)

This leads us to the issue of privatisation as a key aspect of neoliberal governance. It can be defined as 'a process through which private organizations and individuals participate increasingly and actively in a range of education activities and responsibilities that traditionally have been the remit of the state' (Verger et al., 2016, p. 7). Homeschooling can thus be considered a privatised form of education. Privatisation processes under neoliberal governance can take several forms – delegation, divestment and displacement. Homeschooling represents the most radical form – displacement, 'where the people themselves decide to move away from their reliance on government services' (Rizvi, 2016, p. 6).



Nevertheless, in the context of the home as a space of education, the concept of privatisation must be considered in conjunction with two other interrelated phenomena: privacy and privatism.

Whereas privacy refers to immunity from surveillance, and privatism refers to increasing social exclusivity and withdrawal from collective life, privatisation refers simply to change of ownership relations. The growth of privatisation thus entails a shift in the rights of use, benefit, control and disposal from a collectivity (normally the state) to the individual. (Saunders & Williams, 1988, p. 90).

In the next two sections we will consider the arguments about whether homeschooling is part of neoliberal governmentality.

### 3 Homeschooling and privatisation

Representatives of critical pedagogy, such as Apple (2000, p. 66), have situated homeschooling within the context of wider social-privatisation changes:

Home schooling mirrors the growth of privatized consciousness in other areas of society. It is an extension of the 'suburbanization' of everyday life that is so evident all around us. In essence, it is the equivalent of gated communities and of the privatization of neighbourhoods, recreation, parks, and so many other things. It provides a 'security zone' both physically and ideologically.

Homeschooling mirrors the atomising, individualising, and personalising tendencies of contemporary society through the individualised nature of this mode of education, but it also works with the logic of a risk or threat being associated with shared public spaces. It is thus a way of closing oneself off within the safe space of the private sphere. Apple (2000, p. 67) refers to this phenomenon as 'cocooning', which creates 'a world free of conflict, uncertainty, the voice and culture of the Other'.

Lubienski and Brewer (2015, p. 144) state that privatised education in the form of homeschooling 'is inherently structured to reproduce the family in terms of ideologies, class positions, world views and so forth'. As a specific form of educational 'cocooning' it is thus self-referential. Brewer and Lubienski (2017, p. 33) argue that the closed environment in which the family is self-reproduced leads to 'elevating the individual over the collective good'. The privatisation of education through homeschooling is therefore not just an alternative form of education without further social consequences. As the 'direct rejection of engagement in public education' (Lubienski & Brewer, 2015, p. 136), they argue that it powerfully undermines the public mission and authority of schools. This mission, however, is, in their view, vital to ensuring social cohesion and the productive management of social diversity. Homeschooling, by contrast, is characterised by 'limiting a child's exposure to both diversity and diverse ways of living and thinking' (Lubienski & Brewer, 2015, p. 143). The two authors link the fate of pluralist democracies to the fulfilment of the public school mission and are therefore highly critical of homeschooling.

As an extreme form of privatizing the purpose of education, home schooling denies democratic accountability and disenfranchises the community from its legitimate interest in education. This denial of the public interest does not only affect the education of home schoolers, but it also erodes the ability of the community to express its interest in the education of those remaining in the public schools as well. (Lubienski, 2000, p. 229)

Homeschooling is supposedly responsible for a significant portion of student departures from public schools, which means that it takes social resources for student learning away from public schools. Lubienski (2000) therefore argues that homeschooling is not a response to the quality of public education, as is often argued, but is instead a significant factor contributing to the decreasing quality and decline of public schools. In his view, it is therefore a unique form of privatisation of education.

By focusing only on the benefits for one's own children, home schooling represents a very radical form of privatization of a public good. Home schooling is both a more benign and more destructive form of privatization: benign because it does not put a claim on public resources (as do for-profit charter schools, for instance), and destructive in that it is a more fundamental form of privatization. It privatizes the means, control, and purpose of education and fragments the production of the common good not simply to the level of a locality or ethnic group, but to the atomized level of the nuclear family. (Lubienski, 2000, p. 215)

According to him, privatisation processes are associated with anti-institutionalism: 'There is an anti-institutional element to the home-education movement, where parents believe that institutions can be destructive, or think that they can do a better job than an impersonal bureaucracy' (Lubienski, 2003, p. 176). This privatisation logic can result in a rejection of solidarity with the public school system – something that can be observed, for example, in the United States in the context of the so-called anti-tax movement (Apple, 1996). Apple (2000, p. 68) has therefore noted that 'it is not possible to understand the growth of homeschooling unless we connect it to the history of the attack on the public sphere in general and on the government (the state) in particular'. In this outlook, public education, and public schools in particular, are presented as failing, as posing a risk to, or even as harmful to some children. This attitude is then presented as the reason for parents switching to homeschooling.

#### 4 Homeschooling and marketisation

The marketising elements of homeschooling are seen in connection to 'global phenomenon of withdrawing from common enterprises, commodifying public goods and consumerising citizens' (Lubienski, 2003, p. 168). Brewer and Lubienski argue that homeschooling is part of a broader pedagogical movement for freedom of school choice, built on an educational market that is based on individual client demands and thereby supports competition and generates pressure to improve all the elements in that market: '... it could be argued that the threat of losing students to homeschooling represents an incentive for public schools to improve – it does embody the market ideology...' (Brewer & Lubienski, 2017, p. 33).

... it is accepted that the choice of a school or, in the case of home educators to educate outside of the country's schooling system, is undertaken in a market for education. A market for education is understood to operate as a neo-liberal choice making exercise. Under these conditions, no choice is 'neutral', and all have a value in the market... As such, all schools, regardless of their affiliation, are competing in a market for students where the decision of a student (or that student's family) to attend a particular school is a zero-sum game, in that the money that student attracts is taken out of one school and taken to a different school, or not taken to any school as is the case with the home education cohort. (English, 2021, p. 80)

Aurini and Davies (2005) take the opposite view, though they begin their study by showing how a new market for homeschooling materials has formed and grown, accelerated by the spread of this form of education into the mainstream population. This new market mainly serves the needs of 'tailor-made pedagogy' (p. 464). In this sense then homeschooling currently operates according to the logic of consumerism. The authors do not in principle dispute that homeschooling today functions according to the general neoliberal rationality of free choice and that it thus has an affinity with market theories. They argue, however, that this does not mean that by choosing homeschooling, parents are following a neoliberal rationality or that they identify with a neoliberal ethos. The key argument is that the proponents of homeschooling reject the economic rationalism behind market principles in education – the rationalism that the market will result in the maximisation of competition and in the efficiency of different forms of education with the aim of improving the performance of children and their greater employability or competitiveness in the labour market.

The authors argue that we will not find most parents who homeschool approaching their children's education from the perspective of an economic calculation or in terms of a competitive advantage, and we will not find the values of competition, accountability, or pressure to perform as their motives. The concept of human capital that forms the basis of the neoliberal ideology is, in their view, not a concept that is observed among those who practise homeschooling. On the contrary, 'rather than seek instrumental advantages, many of its practitioners aim to remove children from market (and bureaucratic) settings, reasoning that they are too precious to be entrusted to the care of others' (Aurini & Davies, 2005, p. 469). Privatisation in the form of homeschooling, they argue, is mainly a reflection of protection from vulnerability. It is a means of fulfilling individual (sometimes special) needs, away from the pressure of competition and the impersonal environment of the school.

Homeschooling thus represents a choice without markets. Homeschoolers strongly assert their right to choose yet do not espouse a market ideology, since for many both bureaucracies and markets can potentially threaten the sanctity of their families. Rather than championing educational competition and rigor, many desire a kinder and gentler form of schooling that allows them to evade anonymous bureaucracies or consumer markets. They strongly voice the language of choice without adopting other components of neo-liberal doctrines... (Aurini & Davies, 2005, p. 471–472)

## 5 Homeschooling in the Czech Republic and the Slovak Republic

In both countries, the term ‘homeschooling’ is the common colloquial term in use, but the legislation refers to ‘individual education’. Students are for the majority of the time taught in the home environment and their primary educators are their own parents or persons appointed by them (so-called educators). The conditions that govern the authorisation and the course and discontinuation of individual education at the primary and lower secondary levels of education, including the assessment of homeschooled students, are set out in Section 41 of the *Education Act* in the Czech Republic and in Section 24 of the *Education Act* in Slovakia.

The approaches applied in Slovakia and the Czech Republic differ in terms of the level of education required of home educators. In Slovakia, home educators must have the MA level qualifications required of a teacher who teaches at the particular grade of primary school the child is in. This means that a university degree is required, together with a teaching qualification. In the Czech Republic, a minimum of secondary-school education with the school-leaving exam is required, and if the student is in the second stage of primary school (lower secondary education), the educator must have university education. In the Czech Republic, therefore, the level of education of the educator to teach at the primary level is two levels lower than in Slovakia, and no teaching qualification is required at any level of education.

Individual education at the primary and lower secondary levels can be facilitated by any school based on the decision of the school director in response to an application by a legal guardian. In Slovak legislation, the school with which a child is registered for home education is referred to as an ‘anchor’ school. In both Slovakia and the Czech Republic, each homeschooled student takes examinations each term in the relevant curriculum, and these exams are taken at the school at which the child was admitted for the purpose of fulfilling compulsory school attendance. In accordance with the *Czech Education Act*, these are regular examinations administered by the director of the school or teacher of the relevant subject at the school, while the *Slovak Education Act* requires that the examinations always be administered by an exam board.

Students in home education in both countries must fulfil the learning objectives set out in the official national curriculum for the given level of education the student is studying. This means that in both countries the state remains in control of the outcomes of home education, which is not defined as the sole responsibility of parents. For example, the anchor school is responsible for providing parents with methodological and organisational assistance in the education process. The director of the school also has the right to revoke permission for homeschooling if the necessary educational conditions are not met, most notably material conditions and educator qualifications and conditions relating to the student’s health. The *Slovak Education Act* even explicitly states that the child’s legal representative is if necessary obliged to allow an authorised school inspector and an authorised employee of the anchor school to enter and carry out an inspection of the homeschooling environment.

The Czech and Slovak homeschooling frameworks are terminologically and systematically very similar, with some small differences relating the required qualifications of educators and the monitoring of homeschooling progress by the school. In the light of these slight differences, the Slovak homeschooling framework emerges as stricter and more prescriptive.

In 2024/2025, the share of home-schooled pupils in Slovakia was only 0.3% of the total number of primary school pupils (DŠ, 2024), in Czechia it was 0.66% for the 2023/2024 school year (ČSÚ, 2024).

## 6 Sample and methodology

Given the focus of the research, purposive sampling was chosen to ensure that the data collected was rich and directly relevant to the objectives of the study. The main criterion for inclusion in the research was that the participant was a (grand)parent of at least one child who was receiving compulsory education in the form of individual education (homeschooling), regardless of the age of the participant, the age of the child, the characteristics of the family, the characteristics of the child, and regardless of whether or not the child had previous experience of schooling. As homeschooling families are generally considered to be a very hard-to-reach group, finding participants was a challenge. Participants were recruited through a series of advertisements on social media, the departmental websites, personal networks and through university students. Interviews were conducted between November 2021 and November 2023. The size of the research sample was determined in stages to achieve theoretical saturation (Strauss & Corbin, 1990). The final purposive research sample consisted of a total 21 participants from the Czech Republic, all of them women (20 mothers and 1 grandmother), and 16 participants from the Slovak Republic, again almost all of them women, with one interview attended by both parents. In the Czech sample, 16 of the mothers had a university education, and in the Slovak sample 14 mothers did. As in other educational contexts (English, 2021), in the Czech and Slovak educational environment, education is seen as predominantly a women's issue – that is, a mother's issue. Only women responded to our call for participants.

Data were collected through semi-structured in-depth interviews. The interviews were conducted online using the Zoom platform or in person. Each interview lasted between 30 and 50 minutes and was audio-recorded with the consent of the participant. Each interview was then transcribed and then deleted for privacy reasons. The guided semi-structured interview included an initial identification section, designed to obtain basic information about the family and the child, and a core content section that covered three thematic areas: (1) the parents' motivations for choosing home education, (2) the period in which the decision to homeschool was reached, and (3) the advantages and disadvantages of this mode of education in the eyes of the parents. Data analysis was carried out using thematic analysis (Braun and Clarke 2006), which is based on reading the data to identify and analyse certain patterns and recurring themes. As recommended by Braun and Clarke (2006), the analysis was carried out in six stages: (1) transcribing and re-reading the data with annotations; (2) generating initial codes; (3) searching for themes; (4) reviewing themes; (5) defining and naming themes; and (6) writing a report. The themes

that emerged from the data analysis process were then structured into super-themes. The interviews were conducted and transcribed by the investigators of both research projects (VEGA and GAČR) of which the present study is an output.

## 7 Research results

Criticism of schools and state-centrism in education appeared as a super-theme in our thematic analysis, as it emerged not just in reference to education. Sub-themes connected to criticism of traditional schooling can be divided into internalised and externalised topics. The internalised ones relate to negative personal experiences with school (personal frustration, negative emotions, bullying), while the externalised ones have more to do with critical views of systemic characteristics of school (evaluation, competitiveness, collectivisation, authority).

A second super-theme was the specific value set of a family as representing a specific community with its own culture and as a life space. A common feature was the belief that education is a private family matter. Although one sub-theme in this case is Christian-conservative values (especially among Slovak families), another (more common) sub-theme consists of secular value frameworks (living together, living in harmony with nature, etc.).

### 7.1 Criticism of schools and state-centrism

As noted above, in the Czech Republic and Slovakia the state has not withdrawn from regulating homeschooling, and the regulation is stricter in Slovakia. This state regulation, expressed in legislation, is one of the major aspects of homeschooling that parents criticise. Choosing and communicating with a potential anchor school are where the first clash occurs with the state:

*The first [anchor school] took it as a personal insult that I wasn't placing my child in the school and was educating him at home. They then made up more conditions than the law requires. For example, they wanted a special guarantor for religion and English. We got out of there. (SVK B)*<sup>1</sup>

Another aspect is control over the content of learning, learning outcomes, and reporting to the anchor school:

*I can't understand why the state is constantly dictating what we are to pass on to our children and how, whatever it is. We are tested, monitored, and burdened with paperwork and an overall lack of support for us – the homeschooling families (SVK C)*

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<sup>1</sup> We use two identifying characteristics for the interview transcriptions: 1. an abbreviation for the country in which the homeschooling took place (SVK- Slovak Republic, CZ – Czech Republic); 2. a letter that was assigned to each interview in each country. The letters were assigned in alphabetical order without using any other identifying criteria.



To participating parents the homeschooling framework seems to attest to the state's distrust of families and to an unnecessary state paternalism:

*I see the legislative framework as an expression of distrust towards parents being the primary persons responsible for their children's education. This distrust can be felt in the need for a guarantor as well as in the financing of this type of education. (SVK CH)*

This statement contains an element that is typical of the argumentation used by homeschooling parents; a rejection of the state's responsibility for education and a perception that parents are the ones who are solely responsible not only for raising their child but also for their child's education. It reveals a perception that the state and family have separate responsibilities as social entities. This means that even if parents feel sole responsibility, they do not feel responsabilised by the state/ministry. On the contrary, they thematise tensions and contestation over competences and reveal a situation incompatible with neoliberal governance. From the perspective of the state, however, homeschooling represents a means of responsabilisation and neoliberal governance – it systemically expands the possibilities of shifting responsibility for education to families. At the same time (in the Czech Republic and Slovakia) it maintains continuity in the goals and content of education. This turns out to be something that many homeschooling parents disagree with and they call for complete freedom and privatisation of education. The expectations of a significant number of parents are thus more towards unschooling, a more radical form of educational privatisation (Morrison, 2007).

However, it is not just indirectly through the legislative conditions governing homeschooling that the state is attacked.

*On the whole I see problems in the system, and I am becoming less and less willing to send my children into it. (CZ S)*

In the case of the mother cited just above, the main purpose of compulsory education is 'to tame the population, put people off whatever possible, teach obedience, learn to sit for hours at a stretch'. Criticism is directed at the overall normative nature of the state that is embodied in the public school system. As one Slovak mother said:

*Well, I guess the basic goal of compulsory education is to learn the essential skills that the state or someone has determined are essential, so that's the basic goal of compulsory [education]. That is an education that we did not come up with. (SVK F)*

The strongest criticism, however, is directed at public schools and at the idea that homeschooling parents have and share about public schools. Parents point to the elements of public schools that they see as problematic and that they believe homeschooling overcomes. This sub-theme is thus related to the *externalised reasons for school criticism*.

*Uhm, it really helps me to have that freedom, the freedom of not being stressed out that your child is going to come home from school with a bad grade. There's no frustration. At school it's a gamble as to what you're going to get. At school ... well, um, it's just stressful. I mean, you have no control over what you learn at school ... like in fact ... yeah, they're always forcing parents at a normal school to do something – like do your homework, this and that page, exercises, learn this and that for a paper, and exactly according to the textbooks – even though a lot of things aren't up to date. (SVK D)*

The participants' statements mostly criticise the characteristics of the public school system as a social organisation for mass education. An opening statement in one interview revealed one major theme within this super-theme: the normative nature and coerciveness of school assessments.

*Because I fundamentally disagree with the Czech education system the way it is set up, and especially with the way children are assessed over the course of their education at school. I think that the main reason is the way children are assessed at regular schools, which I find altogether unacceptable. (CZ G)*

According to parents, assessment is based on finding mistakes and it therefore fails to have a formative effect.

*It seems to me that traditional schools are very much focused on errors and correcting what I don't know. (CZ H)*

According to parents, formal assessments and the assigning of marks give rise to competitiveness, which they reject as an immanent value of public schools.

*... it's like the competing, collecting good marks without remembering or being able to grasp the learning material. (CZ G)*

*There it's always so much about who comes top and who's basically the best. (CZ B)*

Public schools are deemed to be a performance-oriented social organisation and their mission, according to homeschooling parents, is reductive.

*And they're still, like, really into performance, you know. Where, again, it might seem great from the outside that these kids are getting, like, good results, they're getting into good schools, they're getting into the secondary grammar schools, but it's at the expense of, like... at the expense of the kids' relationships with each other, you know. (CZ L)*

Pressure for results as a means of effectivisation and economizing education that maximizes social returns and benefits is not paramount for parents; on the contrary, they criticize it. Thus, they do not implicitly perceive the child as a form of human capital or 'homo-economicus'. Rejection of the competitive atmosphere and of the pressure to perform that public education promotes through marks and grading is a prominent theme in the discourse of homeschooling parents. While they commonly reject the neoliberal ethos, that does not mean that parents do not emphasise the privatised aspect of the decision to homeschool.

*... so my kids don't encounter that, how to put it, that school pathology, let's say. The bullying, but also other unpleasant things at schools, being compared to others, the competition and all that. (CZ M)*

In this statement we find together in one place a rejection of the principle of competition combined with an example of what Apple (2000) called 'cocooning', which is it say, a form of protective privatism aimed at avoiding external dangers, which in the case of education means the 'school pathology'.

An emphasis is placed not just on the isolated and sheltered nature of the homeschooling environment, but also on the difference in the physical and social environment of homeschooling. This forms the basis for criticism of the normative nature of the public space of the school.

*Children need to grow up in nature, not on a school bench. They should receive their values from their parents, not from adult strangers and immature children. (SVK C)*

Negatively tuned labels such as “stranger” or “immature” represent a demarcation against external, disturbing factors and danger.

There was a personal element to the parents’ criticism of public schools, an element of their own personal memories, which we referred to as *the internalised reasons for criticising public schools*. These reasons for criticism are often linked to the phenomena mentioned above – marking, testing – but at the same time they have a connection to strong personal experiences.

*I remember this enormous frustration, and I also remember that when I learned everything, I got A and B grades, but I don’t remember anything else from that school. And it dawned on me that I don’t want that for my children. (CZ H)*

Consequently, for some parents, the decision to homeschool was not solely based on rational considerations. The decision was informed by a combination of emotional factors and personal experiences with the school system.

*So, because I had experience with in-class education from my childhood and the entire time I realised that it isn’t good, because I can’t remember any of it ... it struck me that this is very ineffective and at the same time I remember how much fear I experienced during examinations. (SVK F)*

## 7.2 Private value frameworks

The privatisation of education in the form of homeschooling was built either on a strong value framework that the family consciously operated with or on the belief that education should be a private affair that better enables children to develop their individual potential and holds the family community together. Often it was a combination of both.

*So that family life can be organised according to the needs of the family’s members, not according to when the school bell rings. This is an undeniable advantage. Also, because we are actually accompanying our children through the education process, both my husband and I are widening our own horizons, and we enjoy it. It’s actually a real bonding activity. (CZ C)*

According to our participants, the intention behind homeschooling and its effect are to build and maintain close relationships within the family. Universalist values are not usually part of the homeschoolers’ discourse. This sub-theme is concerned with the promotion of *secular family values* as a close(d) community.

*Also, the family functions because we are really together a lot. So the family definitely functions better. The relationships between child and parent are certainly better. I definitely think that the bond between the siblings is becoming stronger and more relaxed. (CZ B)*

Homeschooling is presented as an additional resource for fostering emotional bonds and social relationships in a close-knit, 'cocooned' community.

*Mainly in the sense that we're together a lot, we're together more, we can build our relationships, and that's probably primarily what we were interested in with this. We wanted to spend the best quality time with our children. (CZ N)*

Parents again tend to construct the need for privatised and individualised education by establishing a contrast with public schools.

*And I don't really know anything about a large part of their lives, I'm not a part of it, and that bothered me so much here about that school, that I had no idea what was going on there. (CZ Q)*

Furthermore, this statement illustrates the necessity for a more substantial degree of private control and involvement.

This aspect is observed to be even more pronounced in the case of parents who espouse a specific, usually religious, value system, which, by choosing homeschooling, they seek to maintain (often in defiance of the state). This sub-theme elucidates the role of *religious value frameworks* as a determinant of homeschooling practices. We did not find such cases in the Czech environment, where the value frameworks behind deciding to homeschool usually involved the values of togetherness or seeing the family as a unique community. In Slovakia, however, these sub-themes were present, and homeschooling was used as a means to maintain parental control over the ideological focus of education – for example, in the case of homeschooling parents who follow the 'traditional Catholic education system' (SVK CH):

*We had several reasons: ... Homeschooling allows us to retain an influence over our children and build a stronger relationship with them. We have control over what our children learn. (SVK CH)*

For another family with this value system, the aim of homeschooling was:

*...to get enough opportunities to guide our children towards the values that we consider important for their lives, to draw them naturally into our experience of life, to give them the opportunity to see the world and meet people we value, to give them a solid anchor in life. (SVK A)*

The statement 'solid anchor in life' means a strong foundation in the values that align with the family's traditions. In the case of the families cited above, these are the conservative values that form the basis of a traditional family. As they say, this means the kind of education that 'reinforces ... the natural roles of father, mother, brother, sister' (SVK A) and thus works with the concept of tradition and what is deemed 'natural behaviour'.

This does not, however, mean that these types of families are mainly focused on imparting a worldview to their children and do not have educational goals. On the contrary, what they call a 'classical Catholic education' is an elite, highly cognitively oriented form of education that is concerned with a child's intellectual performance. One mother (SVK CH) referred to her key educational resource as a book titled *The Well-Trained Mind: A Guide to Classical Education at Home*. This is a book providing a guide to academically rigorous, comprehensive education based on the classical model of education – the trivium. Another mother (SVK A) mentioned the importance that she ascribed in the home

education she provided to independence, to the opportunity to 'go in depth' and 'to study more than what is in the textbook'. What we have here then is a fundamentally different, demanding, and performance-based approach to homeschooling. This discourse posits that homeschooling represents both a competitive advantage and a conscious investment in a child's future.

We also recorded one case in Slovakia where homeschooling was used as a way to ensure protection against the 'official' or majority version of the Christian faith. It therefore served as a means of privatising a marginalised value and religious framework espoused by a particular family:

*A pandering to violence in textbooks, one-sided views such as in the third-grade social science textbook and even the fourth-grade one. The story of Fatima and Omar, it's so badly written, it's also so denigrating towards the Turks, the Turkish nation, and many others. And religion should not be mixed with education. But what basically bothers me is that we live in an officially Christian country and the textbooks are written explicitly along those lines, and children from families of other religions and beliefs, countries, and traditions are forgotten. For example, my husband ... is from another country [Palestine] and the textbooks explicitly teach Christian holidays. But our family is of a different religion, and we don't want our children to learn these things. (SVK E)*

In this case we can see strong criticism being directed towards official educational policies and the existing state curriculum in Slovakia. However, once again we do not find that this criticism leads to the children's instruction in an alternative religious and value framework at the expense of their education. On the contrary, we observe rather that the parents benchmark their children's progress against performance criteria abroad and work intensively, for example, on developing their children's foreign language skills.

The only examples of homeschooling for religious ideological reasons we encountered were in the Slovak Republic. In these cases, the homeschooling typically involved a focus on religious conservatism combined with a demanding and performance-oriented form of education. The criticisms in these discourses made no mention of school assessment, comparisons, grading, or competition. It can therefore be concluded that religious conservatism, as a rationale for the privatisation of values through homeschooling, is more aligned with the neoliberal ethos.

## 8 Discussion

The primary research question pertained to the alignment between parents' perspectives and the neoliberal ethos. Subsequent refinement of this research question was achieved through the formulation of the following specific subquestions. What form of privatisation and privatism is present in parents' discourse?

Homeschooling in the Czech Republic and Slovakia serves as a privatisation mechanism, but it is one that is under some control by the state, which can also in individual homeschooling cases abolish the individual education. In the context of homeschooling in the United States, the privatisation is manifested as 'displacement' (Rizvi, 2016). Such a change does not occur in the context of the Czech Republic and Slovakia, primarily due to

the influence of state control and the legislative framework governing homeschooling. This is also a topic explored in interviews with parents who do not feel they have complete ownership of their children's education. Rather, the state or school has the authority to regulate the market. Parents' attitudes are not towards privatisation but towards what Saunders and Williams (1988) refer to as privacy and privatism. This can be defined as the desire to avoid control, to withdraw into privacy, and to disengage from collective life. This type of privatism in the Czech-Slovak case also resembles what Apple (2000) refers to as 'cocooning'. The data demonstrate two distinct forms of privatism. One group of parents exhibits an emotionally or experientially tinged form of privatism, which is characterised by secular motives and is frequently associated with perceptions of risk and the necessity to protect the child. A second group of parents exhibits a form of privatism rooted in the religious enclosure of the community. This variant is characterised by an emphasis on the acceleration of individual learning and the construction of educational added value.

Is homeschooling thematized as a consequence of responsabilisation? According to Peters (2017, p. 142), the concept of responsabilisation originates from "modern forms of self-government", which foster a sense of individual responsibility among citizens. This responsibility is being emphasized by the homeschooling parents. These parents feel solely responsible not only for raising their children but also for their education and they criticise any external control. The reason for this is the claim that they know their child best and they want to be with their child during critical moments of childhood. They portray their child's childhood as the most essential and precious time, and they do not want to miss out by being absent. They stress the unity of the family as a unique social group. However, there is no extensive "transfer of choice-making responsibility from the state to the individual in the social market" (Peters, 2017, p. 142). In the case of homeschooling, parents do not feel responsabilised enough, describe this transfer as incomplete, interfering with their choices and limiting their options.

This also relates to another specific subquestion: How do parents perceive the educational market and how do they thematize their behaviour within it? Parents are not explicitly guided by a market logic that would lead them to compete with public services or other home schools. As initial analyses in the critical theory of education have shown, this logic of competition can instead be seen in the position that is sometimes taken by public schools. This is illustrated by one Slovak example, where some public schools refuse to be 'anchor' schools for homeschoolers or they erect obstacles to homeschooling or apply restrictions.

However, we did observe differences in competitiveness as an individual value. It was part of the sub-question: Can elements of competition, economisation and effectivisation be identified in the homeschooling parents' discourse?

In the event of parents adopting a secular privatist perspective, comparison and competition among children are criticised as relics of the public school system. This situation is similar with the rationality of economisation and effectivisation. Measures aimed at economisation and effectivisation are criticised and held up as features typical of public schools, such as massification, the absence of individuality, and the assigning of marks and grades. The free approach to learning timeframes and to the organisation of time



in homeschooling along with the expense of it and its time-demanding nature set this practice at odds with the principles of economisation and effectivisation. In the event of parents adopting a religious privatist perspective, the conventional structure of schooling and the competitiveness of grading were not subject to criticism. Instead, these elements were characterised as not competitive enough or insufficiently challenging.

Anti-institutionalism (referring to the subquestion “Is some form of anti-institutionalism present in parents’ discourse?”) is probably the strongest and common element in the discourse of Czech-Slovak homeschoolers. The majority of objections raised pertain to the institutionalisation of home education by the state, whereby it is integrated into the official school structures and the national curriculum, thereby rendering it dependent on these external systems.

To this point we could agree with Aurini and Davies (2005) and say that the Czech-Slovak example also shows that homeschooling is a ‘choice without markets’ with a dominant privatism logic, a very limited market logic, and lacking certain elements of the specific neoliberal ethos such as economisation, effectivisation, and competition. This would actually be our answer to the main research question.

The fact that complicates Aurini and Davies’s statement is the representation of families that have strong ideological reasons for homeschooling, which primarily derive from the family’s religiosity and its religious culture. This point brings us to Apple (2000) stating that the strong privatism, separatism, and anti-institutionalism of these families is tied to the protection and reproduction of family values. These often go hand in hand with traditional (perceived by critics as stereotypical) values that reject the declared progressivism at public schools. Apple (2000, p. 63) argues that such families are part of ‘a new hegemonic bloc’ that is made up of neoliberals, neo-conservatives, and authoritarian populists. This bloc, although heterogeneous, is growing stronger today (Brown, 2006; Brown, 2021). When we observe the wave of rising anti-institutionalism, nationalism, conservatism, and populism globally and in contemporary Central and Eastern Europe, it is impossible to ignore that, in such a climate, support for homeschooling will, for the reasons outlined above, not diminish. However, we cannot claim that homeschooling in Czechia and Slovakia is having a significant impact on the school system, as it has had in the USA, where ‘homeschoolers operate in a robust civil infrastructure that parallels the public school system’ (Brown, 2021, p. 1).

Our research shows that religious-conservative homeschooling parents have a different ideological perspective than other groups of homeschoolers, including a different perspective on education. They express this in an explicitly elitist way through intensive cognitive development that contains elements of competitiveness and through the traditional structuring of educational content (that also forms the basis of education in public schools). What is important for them, however, is the intensity and the depth of the education. They thus correspond more to the neoliberal ethos than other groups of homeschoolers do.

## 9 Conclusion

While Aurini and Davies (2005) observed around the turn of the millennium a change in the atmosphere surrounding homeschooling, and the pandemic created new conditions for widespread participation in homeschooling (English, 2021), we cannot wholly confirm that homeschooling has broken out of the context of neoliberal governance. Traditional homeschooling themes emerged in our research sample.

Also, our research shows that homeschooling still consists of two primary groups of parents. Van Galen (1988) referred to one as Ideologues (in our case, parents employing religious privatism) and the other as Pedagogues (parents employing secular privatism). But Van Galen's interpretation is that the Ideologues focus mainly on the ideological rather than the educational link, and therefore, for example, simply reproduce the culture of the traditional school in the home environment. Rather, our data show that 'ideologues' are more grounded in a competitive view on education, focusing on educational efficiency and attainment, and thus correlating intensively with the neoliberal ethos. Their reasons are therefore not only ideological but also pedagogical. They do everything they can to give their child a competitive advantage through home education. It turns out that there is a strong convergence between neoliberal governance and conservatism precisely in the homeschooling sector (Oliveira & Barbosa, 2017) and that it is religious reasons that lead respective parents to use the resources of neoliberal educational governance (Hanson Thiem, 2007). Such cases have been particularly prevalent in Slovakia. The statements of Aurini and Davies about reduced neoliberalization of homeschooling are therefore essentially valid in the case of Czech homeschooling, but they are only partially valid in the case of Slovak homeschooling and are related to the current diversification of the sector.

Another specific feature is the stricter state regulation of the Slovak homeschooling sector. To some degrees this amplifies the anti-institutionalist stance of homeschooling parents there. Something similar was observed by Proboeuf (2022) in France, where strict regulation of homeschooling led parents to adopt more extreme attitudes towards the state and public education. Although anti-institutionalism is present in both the Czech Republic and Slovakia, and it thus forms a standard part of the critical rhetoric of homeschoolers (Neuman 2019), the privatism is more extreme in the case of Slovakia.

It is important to acknowledge that the findings of this study should be interpreted in light of the inherent limitations of the research design employed. It is important to note that this is an exploratory qualitative study based on the opinions of volunteers who were willing to participate in the research and share their stories. However, it does not include the opinions of parents who, for various reasons, were either unwilling or unable to participate in the research. Consequently, it is not sufficient to assert that there are no homeschoolers in the Czech context who are grounded in conservative religious beliefs or reasons.

## Acknowledgments

This work was supported by VEGA Agency under Grant 1/0303/22 and by GAČR Agency (Czech Science Foundation) under Grant no. [21-21743S].

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INGVIL BJORDAL\* & METTE NYGÅRD\*\*

## The process of going private – parental choice and mistrust of the public school system in Norway

Intersections. EEJSP

11(2): 101–118.

<https://doi.org/10.17356/ieejsp.v11i2.1365>

<https://intersections.tk.hu>

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### Abstract

This article examines the issue of school choice in a Norwegian educational context. Based on a qualitative study examining parents choosing private schools, the objective is to shed light on how privatisation processes take place within a national context where the public schools command a strong position. Inspired by sociological perspectives on how the ‘context of practice’ is important for parents’ orientation on the school market, the following research question is investigated: How are parents’ choices of private schools in Norway related to the educational context in which the choices are made? Drawing on a broad concept of privatisation the study illuminates how different privatisation processes are interrelated and how privatisation of education, manifested through growth in private schools and increased support for private alternatives, is related to the governance of and regulations for the public school and particularly policies related to privatisation in public education.

**Keywords:** parental choice, privatisation, public school, Norwegian education

## 1 Introduction

One key feature of the Nordic education model is the emphasis on public education as a tool for promoting the social democratic ideals of social integration and equity (Imsen & Volckmar, 2014). Within this context, Norway is among the most restrictive Nordic countries when it comes to facilitating private providers, resulting in a small private school sector (Volckmar, 2010; Dovemark et al., 2018). In contrast to Sweden and Denmark, private schools can only obtain approval if they represent a supplement to public education. This means they must provide alternative education that does not compete with the public system. To avoid segregation and commercialisation, school fees are kept at a low level through public funding, and it is prohibited to make a profit from providing education (Sivesind et al., 2022). During the last decade, however, the number of private schools at compulsory level and pupils attending them have increased significantly. Between 2011 and 2021, the number of private schools rose by 60 percent, and the proportion of students

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attending these schools increased by 75 percent (Skrede, 2023, p. 15). Today, private schools make up 10 percent of primary and lower secondary schools, while 5 percent of all pupils at this level attend a private school (Ekren, 2024, p. 5). While this development is closely related to conservative governments' efforts over the past 20 years to liberalise private school legislation, official reports and research indicate that the increase in support for and the choice of private schools must be viewed in a broader political context. On this point, decentralisation policies devolving economic responsibility from the state to the municipal level have been important features when public schools have been replaced by private schools in financially disadvantaged municipalities (Volckmar, 2012). Moreover, New Public Management (NPM) reforms promoting performance management, choice and competition, as well as accountability policies, have restructured the public education sector in ways that have changed both the educational landscape and the position of parents in the school market (Bjordal & Haugen, 2021; Sivesind et al., 2022). What is evident is that privatisation policies are found to have a social bias, with parents' socio-economic background becoming increasingly significant for pupils' academic performance and school affiliation (Ekren et al., 2024; Hansen, 2017). Even though decentralisation policies and market-led reforms have been introduced alongside policies strengthening the provision of private education (Bjordal & Haugen, 2021; Dovemark et al., 2018; Imsen & Volckmar, 2014), there is limited research evidence that shows how the different policies interact and whether the greater support for private alternatives is related to how public schools have developed. This article illuminates the relationship between different forms of privatisation through a qualitative study of parents who choose private schools for their children in primary and lower secondary education. The research question addressed is: How are parents' choices of private schools in Norway related to the educational context in which the choices are made? Drawing on sociological perspectives on how choice making is related to the 'context of practice' (Bowe et al., 1994), parents' choices of private schools are analysed in relation to the educational context and what Ball et al. (2012) refer to as school-specific contextual dimensions. The analysis here points out that parents' choices of a private school are often the result of a complex process where multiple factors are in play and where different aspects of privatisation are interrelated. In contrast to political discourses framing choice of private schools as a 'conditioning of needs' (Bowe et al., 1994, p. 65), the analysis highlights how 'needs' in education are socially constructed and highly related to the educational context in which they take place. Here this is evident as the decision to go private is closely linked to what is perceived as unsatisfactory educational conditions in the public school. While the Norwegian society is known for placing high trust in public institutions and its public welfare system (Ljunggren & Andersen, 2021), the public services are vulnerable when underfunded and organised in ways that undermine the quality and effects of the service provided. Highlighting the factors and mechanisms in play when parents lose faith in the public school, this paper argues that the growing support for private alternatives is not only a matter of private provision but something that must be seen in relation to reforms in public education, particularly the effects of New Public Management (NPM). In line with this, the paper concludes that the interrelatedness between different forms of privatisation policies challenges the political discourses on the impetus behind privatisation from both sides of the political spectrum and points to a more balanced understanding rather than merely seeing the framing of privatisation as a conservative phenomenon.



## 2 Theoretical background: Privatisation, choice and the ‘context of practice’

According to Ball & Youdell (2008), privatisation can be understood as a complex phenomenon including ‘exogenous’ privatisation or privatisation of public education, where “public sector activities are outsourced to private firms or non-profit organisations”, and ‘endogenous’ privatisation or privatisation in public education, including “the importing of ideas, techniques and practices from the private sector in order to make the public sector more like businesses and more business-like” (Ball & Youdell, 2008, pp. 9-10). Whereas Ball & Youdell’s (2008) conceptualization of privatisation as a multidimensional phenomenon is important for understanding how it may have various and sometimes hidden forms, it also highlights how different privatisation processes are interrelated and sometimes mutually reinforcing. These perspectives are of particular relevance when exploring how privatisation processes occur in Norway, where the public school commands a strong position, not least when taking into account Ball & Youdell’s claim that “exogenous privatization in well-established state education systems is often made possible by prior endogenous reforms” (Ball & Youdell, 2008, p. 15).

While the growth in private schools and the number of pupils attending them has increased during a period when the Norwegian education system has been restructured in line with NPM, we know little about how the different policies are interrelated and how and why parents’ support for private alternatives is related to the situation in public schools, or to a changed educational landscape. Research on school choice in Norway does indicate, however, that parents’ orientation in the school market is not solely dependent on the private market provision but also related to a broader social and political context in which the distribution of material and cultural capital (Bowe et al., 1994, p. 76), as well as deregulation policies and market-led reforms in education, are important (Dovemark et al., 2018). In line with international research evidence, Norwegian researchers have documented that school choice in Norway has a social class dimension (Ekren et al., 2024; Hansen, 2005, 2017; Lauglo, 2010), and that such situated factors as school district and pupil composition are important for parents’ school choices (Bjordal & Haugen, 2021; Sivesind et al., 2022). In 2022 private schools had a lower proportion of immigrant pupils and a higher proportion of pupils with highly educated parents, and higher household incomes, compared to public schools. The social composition and income differences between private and public schools were, however, greater in urban areas than in the districts (Ekren et al., 2024, p. 4). The latter is related to that the largest private schools were in and around the major cities of Oslo, Bergen, and Trondheim (UDIR, 2022) and that parents in Norwegian rural areas have been found to support private schools as a protest against centralisation and the closure of public schools (Volckmar & Wiborg, 2014). Research also points to private schooling as an alternative when parents are dissatisfied with the public school (Helgesen, 2003; Sivesind et al., 2022). While these studies identify social and political issues of relevance to school choice, they are not concerned with the focus of this study, that is what Bowe et al. (1994) refer to as the ‘choice-making’ process and questions exploring why particular factors are emphasised and how parents make their choices.

Our focus on the decision-making process has been inspired by the theoretical underpinnings informing the work of Bowe, Gewirtz & Ball (1994) on how school choice is a complex phenomenon closely related to political and economic change. This includes their

argument for the importance of taking context into account to avoid being ‘captured by the discourse’ of choice as a personal matter and as a question of the conditioning of given needs. Rather than accepting and reproducing the official discourse of parental choice as an issue of consumer power and a measure enabling parents to choose education that fits their individual needs, they argue that: “Needs are [...] not solely objective or rational, they are relational, contextual and ‘imaginary’” (Bowe et al., 1994, p. 65). In other words, according to them, educational and individual needs are not something given but something socially constructed and closely related to a broader social and political context. Influenced by this perspective and research illuminating how neoliberal reforms in education can stimulate support for private alternatives (Ball & Youdell, 2008), the focus in this article is on what Bowe et al. (1994, p. 64) refer to as the ‘context of practice’ and how parents’ choice-making is related to the educational context in which the choices are made. Educational context is here defined in relation to what Ball et al. (2012) refer to as different contextual dimensions or school-specific factors, such as the situated contexts (location, admission, school history), material contexts (physical aspects: staffing, budgets, buildings, infrastructure), the professional culture (values, teacher commitment, management) and external contexts (external regulations and expectations and legal requirements and responsibilities). Whereas the educational context typology has been developed by Ball et al. (2012) in their study on policy enactment in secondary schools with a focus on ‘how schools do policy’, we find the contextual dimensions to be relevant for exploring how ‘parents do policy’ and navigating the educational landscape they are part of and situated in. By contextualising the choice-making processes, our aim is not only to break ‘out of the [political] discourse of choice’ (Bowe et al. 1994, p. 76), but also to consider how the restructuring of the public education system is significant in the privatisation process. We would argue that this is crucial to avoid being ‘captured by a discourse’ of privatisation as exclusively a political right-wing phenomenon. In Norway, this is important, as will be elaborated on in the next section, as social democratic governments have opposed what Ball and Youdell (2008) refer to as exogenous privatisation or privatisation of the education sector, while they have supported and contributed to endogenous privatisation or privatisation in the public education sector (Volckmar, 2010).

### 3 Privatisation in and of Norwegian education

As mentioned in the introduction, Norway is one of the most restrictive Nordic countries when it comes to privatising the education sector, opening for private providers and introducing market-led reforms (Volckmar, 2010; Dovemark et al., 2018). In line with what has been described as the ‘Nordic Model in Education’, the development of a parallel private school system has been viewed as a threat to the social democratic ideal of the public school as an arena for social integration (Telhaug et al., 2006). In contrast to liberal welfare states that to a greater extent have allowed a parallel private education sector (Esping-Andersen, 1990), the Scandinavian strategy has been “based on construction of a publicly funded comprehensive school system without selecting, tracking or streaming students during their basic education until the age of 16” (Lie, Linnakylä, 2003, p. 8 referred to in

Antikainen, 2006, p. 231). In Norway, “a national comprehensive school system based on the goals of equity and participation” (Antikainen, 2006, p. 232) has been politically defined and manifested through the principle of the ‘Enhetsskolen’, a comprehensive ‘school for all’ model. Developed as part of the postwar school reform in Norway, this model has been based on four characteristics of significance for the development of the Norwegian school (Thuen & Volckmar, 2020). The first is equitable distribution of educational resources between municipalities. The second refers to the social dimension and the principle that schools should facilitate social interaction between all groups of children. The third then refers to the principle that social mobility and unity can be promoted through a nationally defined curriculum. The fourth characteristic “concerns a respect for diversity and an idea that equity in education is dependent on the pupil’s right to get an education suited to their individual needs” (Imsen & Volckmar, 2014, p. 36).

While the ‘school for all’ model has laid the groundwork for today’s school and still exists as a political ideal, neoliberal ideas have challenged its cornerstones (Volckmar, 2010). In the 1990s, decentralisation policies giving municipalities more independent responsibility for the distribution of state funding introduced a competitive funding model where the school sector was forced to compete for funding with the municipal social and health sectors. This was done in parallel with the downsizing and restructuring of municipal school administration bodies (Imsen & Volckmar, 2014). At the start of the millennium, PISA (Programme for International Student Assessment) test results showing average performance at the OECD level and a link between pupil performance and parental background were viewed as examples of evidence that the ‘school for all’ model had failed to provide quality and ensure social mobility (Volckmar, 2010). Bearing this in mind, there was political consensus on the need to restructure the education system in line with international trends and New Public Management. As a result, the Knowledge Promotion Reform that was implemented in 2006 by the left-wing so called red-green Parliamentary coalition introduced performance management, a competence-based curriculum, standardised tests and decentralised governance, in addition to accountability systems (Imsen & Volckmar, 2014; Møller & Skedsmo, 2013). Parallel to the introduction of market-led principles in public education, the then conservative government revised the Private School Act in 2003 in accordance with the ideal of Swedish legislation, with the ambition of making it easier for private providers to establish and offer education at the primary and lower secondary levels (Thuen & Tveit, 2013). Whereas the political consensus on the Knowledge Promotion Reform led to only a minor revision of the reform in 2020, there has been more conflict regarding legislation governing private schools. Between 2003 and 2024, the Private School Act was revised four times by the various political coalitions. In this regard, the political left has argued that a liberalised private school legislation may threaten the comprehensive ‘school for all’ project, whereas the political right has emphasised the need to strengthen freedom of choice by allowing private alternatives (Thuen & Volckmar, 2020). While the left’s resistance has contributed to maintaining restrictive legislation and a relatively small private school sector compared to Sweden and Denmark, the right’s initiatives to liberalise legislation have contributed to significant growth in the number of private schools (Skrede, 2023, p. 15).

#### 4 Methodology: Investigating privatisation and parental choice in the Norwegian school

The study of parental choice in education is part of a larger research project on privatisation in and of Norwegian education. Within this project, questions related to NPM and the introduction of choice, competition and deregulation in the Norwegian school are being investigated empirically. Positioned within a critical policy tradition, the overall aim of the project is to examine the intentions behind the policies, but also the policy-making process and the 'politics in action' (Taylor et al., 1997, p. 20). This is based on an understanding of policy as both text and process, and not something just 'done to people' (Ball, 1997, p. 270), but something received and enacted in local settings (Ball et al., 2012). In line with this perspective parents' engagement in and negotiation of policies in local settings are assessed as relevant for exploring 'policies in practice' (Taylor et al., 1997, p. 5).

With this position and the aim to illuminate the choice-making process in relation to 'the context of practice' as the point of departure, sixty-one families in one of Norway's largest cities were interviewed about the process of choosing private alternatives. All in all, the families were represented by 64 parents, 45 mothers and 19 fathers. The parents were recruited from private schools approved in accordance with the Private School Act (§ 2-1), which means they have children attending schools that provide primary and lower secondary education on a special basis (religious, pedagogical, international, specific academic profile) and that are subsidised by the government, covering 85% of pupil expenditures (UDIR, 2022). The private schools are required to follow the national regulations under the Education Act but have autonomy when it comes to choice of curriculum and whether to follow the national curriculum that applies to public schools or an alternative curriculum that in some way or another ensure that pupils receive an equitable education (UDIR, 2023). This means public and private schools may have different curricula and different assessment systems. The private schools also have autonomy over the enrolment of pupils and the authority to adjust the admission of pupils according to the school's capacity and budget. Having different regulations in private and public schools means they operate under distinct material and pedagogical conditions, and that they are positioned differently when it comes to external expectations and pressure. As a consequence, the private schools are entitled to oppose the outcome- and competence-based curriculum that the public schools are obliged to follow, and they may adapt national reforms like the Six-Year Reform to the ideology or profile of the school.

To explore experiences from different private school contexts, the parents in the study were recruited from six different schools. The material is thus based on interviews with families attending two religious schools (Christian), two pedagogical alternatives (Steiner and Montessori), one international school and one school with a distinct profile (sports profile). Even though the parents share some social characteristics and reflect statistics when it comes to social background<sup>1</sup>, they constitute a diverse group where 50 per

<sup>1</sup> Of the 64 interviewees, 57 had higher education (Master's or PhD degree), 5 had undergraduate education (Bachelor's or equivalent), and 2 had no education beyond upper secondary education.

cent of the families had chosen a private school from the outset, and the other half had moved their children to a private alternative after attending a public school. Even though these two groups are far from homogeneous, we will continue to refer to them as two distinct groups, 'private choosers' and 'transfers', as they share some experiences related to the time of decision making that are of relevance for understanding the choice process. In this way we also illuminate varieties and contradictions in the material. The parents were recruited through a registration form<sup>2</sup> distributed by the school management, whereby the parents signed up for participation directly with the researchers. While there is risk of bias in using an open recruitment of parents who have chosen private alternatives, we found this approach necessary if we were to illuminate different experiences of the school system. The decision to interview parents in private rather than public schools nevertheless limits the study to retrospective descriptions and does not necessarily capture the variation that exists in public-school experiences. However, our goal has not been to map variation in school experiences in general, but to look at school experiences significant for parents' decisions to go private.

The interviews, conducted between 2020 and 2022, lasted approximately one hour each. They were semi-structured and centred on how and why the parents had gone private, and what informed or was crucial to their choice. When analysing the interviews, we followed the steps of thematic analysis (Braun & Clarke, 2006). First, we identified themes in the data using the NVIVO programme. After coding the data corpus broadly, we identified patterns whereby parents related their school choice in different ways to various social, material and political conditions. We then used this to begin categorising the themes in relation to the contextual dimensions described by Ball et al. (2012). This process made it possible to maintain an abductive approach (Alvesson & Sköldberg, 2013), where our assumptions about the role of context and theoretical perspectives structured our analysis, while the empirical material informed us as to how the contextual dimensions were relevant to the Norwegian school.

While the analysis reveals differences in parents' orientation along the various school types, our focus has been on issues raised across different school contexts. Below we will thus present what is highlighted by the two categories of parents across the various school types as important for their decision and process of going private and why and how these issues have been decisive. Our analysis shows that the highlighted issues are the result of different conditions, and in the presentation of the findings we illuminate the relation between them, and how local considerations relate to a wider educational context. Extracted statements are presented to illustrate recurring themes in the material. For the sake of anonymity, we only state which group the parents belong to and not the type of school their children attend. Thus, the schools are referred to by number and not profile.

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<sup>2</sup> The registration form is *Nettskjema*.

## 5 Findings

### 5.1 The issue of school and class size

Since the beginning of the millennium the deregulation of national class-size standards, the closure of small public schools and merging of schools into larger educational entities have been justified under the umbrella of flexibility and efficiency (Reiling, 2023). As a result, the trend is to have fewer, but larger, public schools, often built as open-plan schools that allow for large groups to be gathered in a common area (Skrede, 2023, p. 17; UDIR, 2024; Nørstad, 2019). In contrast private schools are smaller and have fewer children per class than the public schools (Ekren et al., 2024). In the city where the study was conducted, local neighbourhood schools have been merged into larger entities and the municipality is reported to have the highest group size in schools compared to other large municipalities. As a consequence, pupils in some parts of the city are enrolled in large and sometimes oversubscribed schools and classes (Skjesol, 2015). While national policies on school and class size have been underpinned by research claiming few beneficial effects of class-size reduction (Leuven & Løkken, 2017), our analysis shows that parents' concern about the negative consequences of assigning pupils to large educational entities is important for their decision to go private. While the 'private choosers' base their concerns on information from their networks, visits to public schools, and rumours and media reports on how large classes negatively impact the social environment and relationships in public schools, the 'transfers' base their concerns on their experiences of local schools.

When my son was about to start, we lived on [the south side], and he was going to attend a class with 90 pupils in an open classroom. We were introduced to this at an information meeting at the [neighbourhood school] and that was the nail in the coffin for the public school. [...] (Private chooser, private school 1).

I have a child who has struggled a bit with school refusal and [...] It wasn't entirely fortunate for him to go to public school; there were too many children. Too few adults, too unsafe, quite simply. So he wanted to go to the private school he now attends (Transfer, private school 1).

One of the main concerns relating to school and class size is that organising children into large educational entities affects the social relations in the school. The 'transfers' relate this to experiences of how class and school size affect the communication between the different stakeholders in the school, and how the school and teachers have to organise and streamline some of their work to be able to handle large pupil groups. One aspect highlighted is that large educational entities often lead to the organisation of pupils into smaller, flexible groups, which requires children to continuously adapt to new social constellations and to engage with different teachers. For some, this organisation of pupils and the teaching is described as disjointed and stressful, finding the school then to be an insecure social arena. The parents also describe how the organisation of pupils into large classes means more pupils per teacher and less contact with the individual child. As teachers with large pupil groups have limited time for each child, they must prioritise those who are struggling at the cost of those who appear to be managing. This allocation of



teachers' time and presence is described as negatively affecting the children's relationship with the teacher and their sense of being 'seen'. Some describe how they feel that their children are 'disappearing in the crowd' or are 'invisible' to the teacher.

Interviewer: But what made you choose the [private] school [...]?

Dad: [...] when [daughter] started at [the neighbourhood school], she came home and cried quite often, the whole first grade, because none of the adults spoke to her. They didn't say good morning, and they didn't say goodbye. She hadn't exchanged any words with an adult all day. And we had the impression that there were so many people making noise in the classroom, demanding attention and then getting it, that they forgot to talk to everyone. Then we visited the [private] school, and the teacher seemed very orderly. I noticed that the teacher in the first-year class knew the names of absolutely all the children in the schoolyard. (Transfer, private school 5)

In addition to limited teacher-pupil contact, large schools and classes are described as affecting the school-home collaboration and the school as a social arena in the community. In contrast to the Norwegian Education Act's provision concerning the value of collaboration and the school's obligation to collaborate with parents and the home (The Norwegian Education Act, 1998, § 1.1), the parents experience that contact and communication with the school are at a minimum and standardised level when teachers have large groups to deal with. Large schools and classes that are frequently reorganised as new groups and social entities also affect parents' circumstances and motivation to build social relations with the school and other parents. In contrast to descriptions of how the conditions in smaller private schools contribute to a participatory, inclusive and 'family oriented' social environment, the parents describe the material conditions as a limiting factor for the sense of belonging to the local school.

That's a big reason why I chose [the private school], socially it's [...] very good to be there, for parent and child. I don't think that about [neighbourhood school], not as a parent and not as a child. It was so big and confusing. You never got to know the other parents. [...] I felt it was very different. This was a big reason why I chose the [name of private] school. Smaller and straightforward. (Transfer, private school 5)

In addition to concern about how material conditions negatively affect the social environment, material conditions have a direct impact on the learning environment and, according to the parents, the public schools' ability to provide adapted and special needs education.

## 5.2 Adapted education and special needs education

While access to the same economic, material and human resources has been one of the key principles behind the comprehensive school model and for the provision of inclusive education, competitive funding models have led to a "situation whereby differences between the allocations of funds to schools continued to grow" between the municipalities

(Imsen & Volckmar, 2014, p. 45), resulting in underfunding of schools in some municipalities. According to the parents, pupils with special needs become particularly vulnerable within a school system with inadequate material resources. In addition to large educational groups representing a challenging learning environment for pupils with special needs, the underfunding of schools means that these pupils do not necessarily get the special education to which they are entitled (Bergesen, 2021; Barka, 2023). The parents see this as being related to the lack of supply teachers covering for teachers on sick leave and the disjointedness that comes with high turnover, as well as the fact that special needs education is reduced and de-prioritised when resources are limited. For some parents, the absence of special needs education results in a deteriorating situation in which they feel there is no other option than to leave the public school.

We opted out of public school for both our children because [...] [daughter] with her cognitive challenges wasn't getting the help she needed; it was never in place. She was always in a small [segregated] group. She was always the one [de-prioritised] when you needed a supply teacher, there was always an excuse for her not getting the follow-up she needed. [...] eventually we gave up the fight. [...] It's the big question of money that stops everything. But for us, it wasn't an option to continue any longer, it was a matter of life and health. (Transfer, private school 3)

While the underfunding of public schools has severe consequences for pupils with special needs (Bergesen 2021; Barka, 2023), it also affects the learning environment of all children as it limits teachers' opportunities to adapt the education programme. According to the parents, the scarcity of time and resources not only affects teachers' ability to follow up on individual pupils, it also limits their opportunities and capacity to provide varied and differentiated teaching. Here, the parents refer to how a lack of resources constrains learning materials, and the possibility of using alternative learning environments outside the classroom or initiating alternative projects. In contrast to the duty schools have to provide adapted education, the parents describe a more standardised learning environment. They are also concerned that public schools, dealing with constrained budgets and a shortage and high turnover of teachers and school heads, are struggling to build an inclusive social environment and to address the issues associated with diverse pupil groups. While schools are obliged "to act to ensure pupils a good psychosocial school environment" (The Norwegian Education Act, 1998, § 9 A-4), limited resources mean that teachers do not have the time or capacity to work on the social environment or to prevent or deal with bullying and difficult situations that occur, or to follow up children who need extra care.

We chose to change schools in the end because of the bullying there. [...] repeated attempts to sort it out, which didn't lead anywhere, so nothing happened and finally we put our foot down as parents and said: now we have to do something because the alternative is that she doesn't go to school at all (Transfer, private school 3)

There are three reasons [for changing to a private school], so the third is about my experience as a school employee myself, in the municipality, where I have experienced the lack of resources, [...] that a supply teacher isn't brought in, that as a teacher you can end up having a class of 60-70 pupils almost on your own for a whole day, and then you're fighting fires all day, so I thought a smaller school with a different budget might be nice too. (Transfer, private school 2)

According to the ‘transfer parents’, one result is that much of the schools’ work and time must be spent on ‘fire-fighting’ rather than prevention. On this point, they particularly describe schools located in low-income areas as those most vulnerable and exposed to this situation. Some parents have experienced that conflicts in these schools were escalating and that the schools had limited resources to stop or reverse this development. For some, the limited opportunities to provide adapted education and a good psychosocial school environment are the main reason for seeking a private alternative.

### 5.3 Pedagogical orientation: narrowing of the curriculum and early intervention

In addition to concerns that inadequate material conditions might have detrimental effects on the learning environment, the parents express mistrust of the pedagogical orientation of the public school. This is particularly related to what Ball et al. (2012) refer to as external contextual conditions and the introduction and consequences of the Knowledge Promotion Reform implemented in 2006 and the Six-Year Reform introduced in 1997, lowering the school-start age for children from seven to six years. While the outcome- and competence-based curricula were introduced as part of the Knowledge Promotion Reform to promote a new ‘culture for learning’ and improve the academic performance of Norwegian pupils (Møller & Skedsmo, 2013), the parents state that the focus on basic skills and subjects has contributed to a ‘poorer’ academic school with a narrower view on knowledge and the curriculum. In this context parents who describe themselves as strong supporters of the public school find the private schools attractive because they have the autonomy to resist new and shifting political initiatives and to hold onto pedagogical ideas and values that are not in line with those introduced in public schools.

There are many political parties pulling in all directions. All in all, this has resulted in the school system we have now. It’s clear that the PISA survey, to see what it’s like...the type of management by objectives that is so narrow...it makes the teachers, it becomes a performance culture, which is only about that. (Private chooser, private school 5)

In this regard the parents concerned about practical-aesthetic subjects and the education of ‘the whole human being’ experience that ‘they have lost too much of their place in the public school’ (Transfer, private school 2), and that they have to go private to ensure the quantity and quality of the teaching of these subjects from a broader perspective.

There were [...] too few practical aesthetic subjects [in the public school], little woodwork and crafts, little music. They sang once a year at the end of the school year. [...] The Knowledge Promotion Reform isn’t wrong in itself, but what do you mean by knowledge? Knowledge in public schools is only what they can “measure, weigh, count” and the PISA surveys and all that stuff they focus on. I think it’s really sad, it makes me sad when I look at public schools, especially at the early years. There’s simply too little room for the whole person. [...] that’s something that’s very important at [the private] schools, where a person is more than just an intellect. (Transfer, private school 5)

There are several reasons why that choice [of a private school] was made. We have a fairly active family [...] I think perhaps the public primary school is very inactive. There is a lot of sitting still but children are made to be in motion, [...] so that’s part of the reason why we wanted, or he wanted, a more active school day. (Transfer, private school 4)

While the private schools' pedagogy is most frequently emphasised by the 'private choosers' who want to give their children an education based on specific values or profiles, the 'transfers' are more concerned about how the public schools' pedagogy has affected their children. One aspect highlighted by the parents is the experience of how the Six-Year Reform and the Knowledge Promotion Reform have increased the academic pressure in the early years at school. In this context the parents describe the choice of private schools who oppose this and provide a more child-centred and flexible learning environment as a strategy for avoiding over-academisation of the early years at school.

I think the [private] school in general has a much better programme, especially for first graders, than they have at [the neighbourhood school]. I don't have a bad word to say about [the neighbourhood school], but they started extremely early with [...] a lot of homework. So, in both first and second grade she sat for a very long time, every single day, with homework, and had a negative response to it, and cried about the homework. And that's completely unnecessary. Making a 6–7-year-old do homework for over an hour every day is completely unnecessary. By the time you get to university or college, you should still have some desire to learn. (Transfer, private school 5)

Bearing in mind how material conditions influence teachers' work, the parents are concerned about how performance management and outcome-based education influence the professional culture. One highlighted aspect relates to how a competence-based, narrowed curriculum also increases the risk of failing academically, falling behind at an early stage or developing school-related stress. Here parents describe experiences of what some refer to as a 'diagnostic culture' within which children who do not keep up are diagnosed more easily and constructed as a 'problem'. Within this context the parents express that they have more confidence in the professional discretion and 'gaze' of teachers working in private schools anchored in specific values and pedagogical ideals and who have the autonomy to resist the demands and pressure put on teachers in the public school. In line with this, they describe private schools as more predictable and trustworthy than public schools characterised by frequent reforms introducing shifting ideals.

## 6 Discussion: mistrust of public schools and private schools as a substitute

In Norway the regulation and definition of private schools has constituted one of the most hotly debated topics between the political left and right (Thuen & Volckmar, 2020). Within this political landscape the privatisation of the education sector, with an extensive increase in the number of private schools over the last decade, has been framed as a result of the conservative governments' liberalisation of private school legislation (Ellingsen, 2020; Frifagbevegelse, 2020). However, while conservative policies have undoubtedly changed the educational landscape, the study of parents' process of choosing a private school alternative and 'the context of practice' has illuminated privatisation as a complex phenomenon that cannot solely be reduced to the regulations and provisions of the private market. The analysis found two key issues. The first is that parents' choice of private schools is far more complex than the premise of classic economic theory whereby parents are defined

according to ‘the discourse of consumption’, pursuing happiness without the slightest hesitation, and preferring “objects which provide [...] maximum satisfaction” (Baudrillard, 1990, p. 37 referred in Bowe et al., 1994, p. 65). In contrast to the economic consumer perspective, the study points out that private school parents are not a homogenous but rather a diverse group with different opinions about school, values, wishes and school experiences. This is evident when they choose schools with different profiles for their children and when they describe what is important for them in education. Variation between the parents is also manifested through the process of choice, where the ‘private choosers’ often make an informed and planned choice of a specific school, while the ‘transfers’ are generally less informed and knowledgeable about the different private schools available and more often describe their decision as an act of resignation or necessity rather than choice. For them, the decision to go private is often a result of an unplanned and sometimes ambivalent and conflicted process where they imagine the private school to be a solution to their problems and a necessary exit option to ensure satisfactory educational provision for their children. The latter is related to the second issue, where the analysis shows that although the profile of the private school is important, the choice of private school is closely, and sometimes mainly, linked to conditions and regulations in the public school. Analysed in relation to Ball et al.’s (2012) typology of different contextual dimensions, the study finds that parents’ concern about what are perceived or experienced as inadequate material and external conditions is of great importance for their decision on going private. This is particularly related to how national policies on centralisation and deregulation have facilitated a situation where public schools and classes are merged and oversubscribed, and that the underbudgeting of public schools affects their ability to fulfil statutory duties, such as providing adapted and special needs education. Furthermore, the Six-Year Reform and the Knowledge Promotion Reform, introducing performance management and an outcome- and competence-based curriculum with focus on basic skills and early intervention, seem to have led to mistrust in the public school as a pedagogical project. Even though these dimensions explicitly stand out, they are also interrelated and important for parents’ level of faith in the public school’s professional culture, manifested as mistrust in teachers’ discretion and engagement, and for parents’ perception of situated factors, such as the pupil composition in the catchment area. The latter refers to how the scarcity of material conditions in public schools contributes to mistrust in their ability to address individual needs, and in their ability to be a ‘school for all’. While there is a risk of bias when interviewing parents who have actively chosen a private school, the contextual dimensions highlighted by the parents correspond to concerns raised by educational authorities, trade unions, researchers and school leaders. This is particularly related to how the restructuring of public education in line with NPM principles has contributed to a narrowing of the curriculum (NOU, 2023:1), development of a performance-oriented professional culture (Eide, 2021; Mausethagen, 2013) and a pedagogical culture exacerbating school-related stress among children (Eriksen, 2017; Lunde & Brodal, 2022). Moreover, research also points to the negative effect on the schools’ ability to provide for and promote inclusion and social integration (Arnesen & Lundahl, 2006; Bjordal & Haugen, 2021). It also corresponds with international research on how middle-class parents’ school choice strategies are related to promoting their children’s social-emotional and physical wellbeing and well-rounded development (Slámová & Simonová, 2024; Debs et al., 2023).

The relationship between national policies regulating public schools and parents' decisions on private alternatives illustrates how policies might construct educational needs and preferences for private alternatives (Bowe et al., 1994). When the needs that are constructed, as highlighted in this article, are related to the restructuring of the public school in line with NPM, this confirms the relationship between what Ball and Youdell (2008) refer to as endogenous and exogenous privatisation, or privatisation in education and privatisation of education. A characteristic of the Norwegian case is the fact that the interrelatedness between the different policies contributes to a situation where private schools that are politically regulated and defined as representing a supplement to public education rather seem to represent a substitute for what is perceived and experienced as inadequate public education. In this context private schools outperform public schools, not because they offer an alternative education, but because they provide basic educational conditions that the public schools are meant, but unable, to provide. While the relationship points to the mechanism of privatisation and the relation between different types of privatisation, it also challenges discourses of privatisation as an exclusively political right-wing phenomenon. In a Norwegian context this is a relevant point as social democratic politicians who oppose privatisation of education and argue for universal public welfare services have been promoting privatisation in education and thus have contributed to fostering an educational environment that stimulates parental support for private alternatives and where public schools are outcompeted by private schools (Imsen & Volckmar, 2014; Sivesind et al., 2022; Volckmar & Wiborg, 2014).

## 7 Concluding remarks

The complexity of the privatisation process highlighted in this article challenges the ideological basis and rationale for the political right's exogenous privatisation and school-choice policies. The one-sided political explanation particularly voiced by the political left (Ellingsen, 2020; FriFagbevegelse, 2020), stating that support for private alternatives is due to the political right's liberalisation of private school legislation, is also called into question. While the focus of this article has been on the privatisation process and how its mechanisms play out within a context in which the public school has traditionally held a strong position, the findings make it relevant to ask what the consequences will be if citizens lose faith in the public school. This is a pertinent question as equal public services of high quality are important for reducing 'social inequality' and "considered crucial for the legitimacy of a system of welfare services funded by taxpayers" (Sivesind & Saglie, 2017).



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## Privatisation and its racialised others: Roma voices on segregated education and blame in Hungary

Intersections. EEJSP

11(2): 119–135.

<https://doi.org/10.17356/ieejsp.v11i2.1364>

<https://intersections.tk.hu>

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### Abstract

This article explores how increasingly privatised primary education is experienced by Roma parents in a Hungarian small town, Akácos. Through the investigation of the town's primary schooling system, this piece opens up space for an inquiry into the ways the boundaries of public and private are being redrawn by local and national education policy. As these rearrangements occur, the meanings of 'deficits' and racialisation shift, cementing education segregation into the social fabric of the town. Applying the lens of critical race theory and its focus on counter-storytelling in relation to deficit positionings, a fourfold local interpretation of the effects of privatisation arises in the context of education. Roma parents experience declining educational resources and the privatisation of schools into church-run institutions as additional material burdens, 'loving' segregation, the privatisation of pedagogic added value and the privatisation of blame, materialising in racial othering. Through this, the article sheds light on the complex interplay between the social production of deficits and processes of educational privatisation through the voices of Roma parents in a specific locality.

**Keywords:** privatisation, Roma, inclusive education, deficit, segregation

## 1 Introduction

'You know, it was all me. They [the majority municipality] screwed me over with the benefits, and this was my revenge. I set the Gypsy children upon them'.

Ferenc, Roma Self-Government Representative

This quote refers to the primary school desegregation program conducted in Akácos, a mid-size town on the Great Hungarian Plain, which eventually led to the closure of one of the two segregated Roma schools, momentarily disturbing the local schooling status

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quo. The closure of the state-run ‘ghetto’ school,<sup>1</sup> Nárcisz, was the result of a strategic litigation process carried out by a human rights NGO targeting several highly segregated primary schools across the country. However, the way Ferenc, the local Roma self-government representative, frames his agency, referring to a report he made on the school segregation situation in Akácos a while ago, can shed some light on the local discourses around structural racism that perpetuate the educational system and the deficit positionings of Roma children. In his narrative, the Roma students of Nárcisz appear as a threat to the other schools that are obliged to enroll them. He is referring to the fact that in the context of an underfunded education system, caught between the structures of local race<sup>2</sup>-based hierarchies, Roma children increasingly appear in educational contexts as ‘problems’ (Neumann, 2022). As such, their containment within the walls of the two segregated schools in Akácos becomes a self-evident process in the midst of the privatisation of education, exacerbated by the closure of Nárcisz.

The Hungarian education system is so highly selective that by 2000, 18.1 per cent of Roma students attended classes that only other Roma were attending (Havas & Liskó, 2005). After a short decrease in the intensity of this phenomenon due to the desegregation policies of the late 2000s, the proportion further increased over the last decade (Ercse, 2018), as did the segregation index of disadvantaged children (Hajdu et al, 2024). This process is enmeshed with the social position of Roma that limits their access to education, housing, health care and the labour market, which processes showcase that being a Hungarian Roma involves having a unique racialised class position (Kovai & Puskás, 2023), which is especially visible in rural areas where local, national and structural social processes of marginalisation have created an advanced level of housing segregation. Local Roma often reside on the margins of towns or small villages with less developed infrastructure (Virág, 2017; Keller & Virág, 2019). This article presents this marginal social position and the individualisation of poverty and how they are perpetuated by local education institutions.

Based on months of ethnographic fieldwork in Akácos in 2022 and 2023, this article presents how the complex interplay of national and local processes of privatisation constructs the discourses around education segregation and deficit positionings, as experienced and interpreted by my Roma informants. Using the case of the school closure as a lens on the lives of Roma parents in the midst of the diversion of resources from public education, this article presents four systemic effects of privatisation. First, material, in the form of the small contributions of money required for field trips, transportation, or material resources such as printing paper or soap that became more prominent with the closure of Nárcisz. Second, the ‘religious privatisation’ of the local schooling system, which cemented racial segregation while also easing the burdens of material privatisation for Roma parents. Third, as the privatisation of institutional care due to severe teacher short-

<sup>1</sup> Literature on Roma inclusive education (Fejes and Szűcs, 2018) calls schools with a Roma ratio between 30 and 50 percent as segregating schools and schools with a Roma ratio of more than 50 percent as ‘ghetto’ schools based on the seminal works of Havas and Liskó (2005) on school segregation. I use quotation marks on this matter, as ghettos are historically and socially constructed spaces of specific configurations.

<sup>2</sup> Even though I am aware of the conceptual differences, in this article, I am using race, racialisation and ethnicity interchangeably as it falls outside of the scope of this paper to address these.



ages that Roma parents have no means of compensating for, which became apparent from the experiences in ethnically mixed schools. And last, as the privatisation of blame for educational underachievement and marginalisation materialising in racial othering. Through this, I show how education policy, in redrawing the boundaries of private and public and negotiated by local actors, becomes an engine for the deficit positionings of Roma children and curtails the possibility of integrated education. Furthermore, this paper sheds light on the lived experience of segregation and deficit positionings by amplifying the voices of Roma parents amidst these processes to create counter-narratives to the individualisation of poverty and the privatisation of education and structural racism.

The structure of this article is as follows: I situate my empirical research within critical race theory's insights about deficit positionings and counter-narratives and the literature on education policy in Hungary to create a frame for understanding the complex process of racialisation and privatisation that shapes the experiences of Roma children within the Hungarian educational system. After presenting the methodology of the study, I introduce my field location, Akácos, and the local schooling situation of Roma children by focusing on the closure of Nárcisz, which collided with the exacerbating local experiences of privatisation. The discussion concentrates on my findings about how Roma parents make sense of the structural racism that is perpetuated in the Hungarian education system and how the privatisation of education is experienced by them in four major ways.

## 2 Education and Racialisation in Hungary

To explore how the individualisation of poverty is experienced by Roma parents in the context of schooling, it is essential to understand how education as a social institution is engaged with the reproduction of racial hierarchies. Critical race theory's focus on cultural deficit (Smit, 2012; Ercse, 2020; Kende, 2000; Solorzano & Yosso, 2001) and counter-storytelling (Solorzano & Yosso, 2002) can shed light on how race as a social construct acts as a force that excludes certain groups of people from collective educational resources, consequently contesting their citizenship claims and marginalising them in the labour market. The creation of cultural deficits represents racially othered children as lacking abilities and good behaviour due to their cultural differences and marginalisation. Schools are often tools for nation-building (Neumann, 2023) and engines of the production of these cultural 'deficits' through constructing unrealistic majoritarian standards of attainment, which are not achievable by everyone.

Roma students in Eastern Europe are often targeted by 'deficit discourses' that posit them as lacking, or lagging behind as a collective, juxtaposing them with 'ideal' students. The most extreme case of this is the pathologisation of cultural differences, which materialises in the severe overrepresentation of Roma in special needs education and mild mental retardation diagnoses. According to Kegye and Kende, the proportion of socioeconomically disadvantaged children in remedial schools in Hungary is 18 percent greater than in mainstream schools (2024, p. 42). Amongst them, Roma are severely overrepresented (Kegye & Kende, 2024), which phenomenon is a detrimental abuse of human rights as it harms the dignity, access to education and safety from ethnic discrimination of the students affected by this practice. Furthermore, deficit positionings also often entail lowered

expectations for culturally different children, who might struggle with national curriculums constructed around majoritarian cultural codes that exclude multicultural elements such as art, literature or histories that could build a more inclusive educational environment. Racial othering is also a characteristic of deficit positioning that often materialises in personal interactions through drawing a line between 'us' and 'the racially other'. It entails the dehumanisation, stereotyping and exclusion of Roma youth that normalises racial hierarchies in different localities within Eastern Europe (Creţan et al, 2021; Feischmidt, 2014; Lambrev et al., 2018).

Deficit positionings that perpetuate educational systems are often the driving force behind education segregation. As shown by various authors (Neumann, 2017; Szalai, 2010; Szombati, 2018), schools, especially those in more peripheral rural localities, are always embedded into the local systems of relations. In the midst of welfare state retrenchment in the aftermath of the transition period, this has led to a dual welfare regime and the sharp symbolic divide between the 'deserving' and 'undeserving' poor (Szalai, 2010) often expressed in racialised discourses. Schools have become the very zone of demarcation of this symbolic divide, legitimising the subaltern position of Roma by translating marginality into educational attainment through the process of segregation. Segregated schools often lack resources, directly affecting the quality of education that can be accessed within these institutions. Furthermore, segregated schools also deprive racialised minorities of social capital, which is often the only way of acquiring a stable job in a rural area.

These processes, however, take place in an education policy context that has been characterised by the religious privatisation of schools (Ercse, 2018; Ercse & Radó, 2019; Neumann, 2024), with 17.5 percent of primary schools being church-run in 2022 (Hajdu et al., 2024). Churches have also taken over non-Roma, ethnically mixed and segregated schools (see the precedent in Kegye, 2018) in Hungary. As a consequence, their influence on education segregation is becoming increasingly prominent (Neumann, 2024). Their policy on Roma entails 'loving' segregation – segregation with the purpose of catching-up and civilising, curtailing the possibility of inclusive education in Hungary (Neumann, 2024). Neumann and Mészáros call this a neoconservative turn with étatist and neoliberal elements within the Hungarian education system (2019). This education policy has degraded the quality of public education (Hajdu et al., 2024) and increased financialisation (Geva, 2021) for the upper strata of society who use expensive private schools or extremely competitive elite state schools benefitting those who can afford a shadow education. Those who cannot afford to access such institutions may benefit from the churchification (religious privatisation) of state schools (Fodor, 2022) into institutions that are free to select – even amongst six-year-olds – and receive more funding to attract teachers amidst a staffing shortage (Ercse, 2018). Furthermore, 'church-run institutions operate according to more abundant and reliable infrastructural conditions, and in contrast to state-run schools, they do not risk government disinvestment and austerity measures' (Neumann, 2024).

Both of these processes, however, incentivise parents to fill in the gaps of social reproduction by private means by becoming responsible, involved parents who spend time, energy and money on developing and cultivating their children (Szőke & Kovai, 2022). Thus, privatisation in this neoconservative and neoliberal education policy era entails both the outsourcing of educational institutions to private churches and making the

responsibility for pedagogical added value the private sphere of families. Consequently, education increasingly appears as a site for the reproduction of racialised class positions in the Hungarian context, which some authors would call a 'caste-like' system of relations (Zolnay, 2018). In this way, education translates the complex and intertwined process of marginalisation into individual or cultural failure. As a result, it contributes to the outsourcing – privatisation – of structural social issues into the private sphere of families and individual students.

### 3 Methodology

This article is the product of months of mixed methods ethnographic research I conducted as an MA student, and then its continuation as a junior researcher. I used four different data sources. I analysed strategic local documents and statistics about Akácos to fully understand local relations and their embeddedness in broader structures. These documents were the Local Equal Opportunity Plan, the School Desegregation Program, development plans, the municipality website and labour statistics. I conducted nine interviews with the principals of the most affected schools, the Roma minority self-government representative, the mayor, and the activists initiating the desegregation litigation process. Based on these interviews, I developed a case study on the school closure and its embeddedness in the local school system and institutional setup. Furthermore, I conducted semi-structured interviews at the Roma settlement with 15 Roma mothers, sometimes involving their children and spouses. Last, I carried out participant observation, involving informal conversations or spontaneous interviews in the streets. Some took place in majoritarian spaces, such as the local spa and café, but most in the small shop at the edge of the Roma settlement, in the streets, people's homes and the local Roma after-school centre at Nárcisz Primary School.

I used an area-based sampling method to approach the parents living in the district of the closing school in the eastern Roma settlement. I knocked on doors and, in some cases, used snowball sampling. Only a few participants allowed me to do voice recording; I used AI to transcribe the tapes in these cases and used my notes in unrecorded interviews. I also wrote field notes. These texts were then coded and analysed. My approach followed the principles of counter-storytelling (Solórzano & Yosso, 2002), which entails enlarging the voices of marginalised people to challenge dominant narratives around deficit positioning within education through exploring their struggles and narratives around systemic racism. However, I am aware of the limitations – namely, that the viewpoints of non-Roma actors locally – apart from the principals – only appear as they are experienced by my informants. Thus, the dominant local narratives on Roma in this paper stem from the reflections of Roma parents, who might have less agency in shaping these.

It is important to note that local Roma cannot be seen as a homogeneous group as many of them have already moved out of the segregated residential area or got into 'better' schools, thus the gates of social mobility might have opened to some of them (Kovai & Szőke, 2021). However, in my approach, I chose to speak to those locked into the marginal space of the settlement in Akácos most affected by the social policies of education segregation. My interviewees were all women aged between 22 and 48. Five of them lived in the

few streets in the core of the eastern settlement, and ten were in the surrounding streets, which are considered less stigmatised but still part of the settlement. The financial situations and levels of marginalisation of these women varied based on the level of labour market participation of their households. Only two had no other income apart from the public works scheme or state subsidies. Their educational level was low; only three of them had finished secondary education. However, all these women shared a common attribute: they all wanted the best possible education in a safe environment and a better life for their children.

#### 4 Akácos

Akácos is a mid-sized town on the Great Plain of Hungary. It is experiencing a stable and constant population decline, mainly due to low birth rates, high mortality, and outmigration. According to the Local Equal Opportunity Program (LEOP, 2020), the whole region is suffering from a shortage of capital investment due to low levels of infrastructural development. Thus, agricultural production is significantly higher than the national average in the region. Due to the low rate of capital investment, Akácos is struggling with relatively high levels of unemployment and low wages, signalled by the relatively high rate of participants enrolled in the public works scheme (many participants in the program are Roma, according to the LEOP).

Akácos has three historical Roma settlements on the margins of town. In this article, I only discuss the two major zones, the eastern and the western ones, located on opposite sides of town, both with their own segregated schools situated in the neighbourhood. Whereas Nárcisz, the school associated with the eastern settlement, was phased out from 2018 onwards and closed in 2023 due to the human rights abuses the schooling system imposed on Roma children through their unlawful segregation, Hóvirág, the school connected to the western settlement, was given to a small church in 2010 to save it from closing and to divert more resources towards the students in line with the paradigm of 'loving' segregation. Newly enrolling children from Nárcisz school's catchment area were diverted to the state-run Jácint or Tulipán schools or went to the church-run Hóvirág from 2018 onwards, while the upper four grades from Nárcisz were transferred to Jácint, the closest school to the eastern settlement. Local actors had been careful to try to distribute the children equally amongst Jácint and Tulipán; however, due to the distance of Tulipán from the settlement, transportation became a problem for many, and some transferred to Hóvirág. However, due to the high level of church privatisation, the school district's ability to implement school desegregation through catchment areas was significantly limited.

Akácos' schooling politics fit with the national trends of churchification (see details in Table 1). With the closure of Nárcisz, of the five primary schools, only two remained state-run, struggling with teacher shortages, overwork and institutional constraints. Thus, Akácos' primary schooling system shows a high level of privatisation under church ownership and simultaneously, exceedingly high levels of ethnic segregation. Principals of church-run institutions have a vast amount of discretionary power over school enrolments, and consequently, may construct their school's composition to pacify local classification struggles related to eroded middle class reproduction (Szőke et al., 2024). For instance, according to their operational documents, Nefelejcs and Százzszorszép are not

obliged to accept any special needs children and can very easily deter Roma parents, as they often do, according to my informants. The fact that the proportion of Roma in these schools aligns with their ranking on standardised competence tests showcases how segregation and the production of educational deficits go hand in hand locally.

**Table 1** Introduction to the primary schools in Akácos

Name of School	Type of School, Year of Transfer from State	School Roma Proportion in 2019 (%) <sup>a</sup>	Number of Students 2022 <sup>b</sup> (rounded)	Ranking <sup>c</sup> (Nat avg.: 1475)
Nefelejcs Primary School	church, 1996	0*	420	1. (1544.5)
Százszorszép Primary School	church, 2015	15*	370	2. (1483)
Tulipán Primary School	State	less than 20*	210	3. (1396)
Jácint Primary School	State	between 30 and 50*	220	4. (1324)
Hóvirág Primary School	church, 2010	more than 95	270	5. (1275)
Nárcisz Primary School	State	more than 95	n.d.	6. (n.d.)

Source: LEOP, DAP, Work Plans, NABC. Made by: Fanni Puskás

<sup>a</sup> As ethnic data is rather scarce in the DAP document, data marked with a star is the number of severely disadvantaged (HHH) children, which in Akácos correlates strongly with ethnic background, though the actual number of Roma in the schools might be higher.

<sup>b</sup> Based on data from the schools' Work Plan 2021/22

<sup>c</sup> Based on the data of the National Assessment of Basic Competences, 8th grade values of the mean of math and literacy skills, calculated by the author accessed from the FIT reports of 2022. More on how 'objective' measuring systems called standardized testing can drive education segregation can be read in Knoester and Au (2017).

According to projections, the closure of Nárcisz is not likely to affect the between-school segregation level in Akácos, as two church-run 'elite' primary schools can very easily select and deter 'problem' students from joining, and the better-performing state school is relatively far away from the settlement. Therefore, students from Nárcisz are very likely to go to either Hóvirág, the other Roma settlement's church-run 'ghetto' school, or Jácint, the other state-run school, which is at risk of segregation.<sup>3</sup> According to experts, the closure of Nárcisz was endorsed by local elites because it is unlikely to change the local schooling status quo (segregation, that is), and due to the declining number of school-aged children,

<sup>3</sup> The proportion of Roma is between 30 and 50 percent.

having this many primary schools became unnecessary and costly. However, due to demographic decline and outmigration, some ‘striving’ Roma (Eredics, 2022) students got into non-Roma institutions locally (mostly Százszorszép, or Tulipán) – these were typically those from better-off families; for instance, the Catholic church-run Százszorszép has a share of Roma of 15 percent, as prescribed by the Desegregation Action Plan. Nevertheless, ‘problem students’ – deemed thus according to the logic of local education – rarely get into these schools for various reasons related to privatisation, as interpreted by my informants from the eastern settlement.

## 5 Findings: Privatisation and Deficits

### 5.1 The privatisation of material burdens

With or without strategic litigation, the closure of Nárcisz Primary was inevitable as both educational resources and the number of school-aged children drastically decreased in Akácos over the last decade, colliding with when the religious privatisation of three of the six schools occurred (by 2015). Nárcisz was already struggling to fill its classes as everyone who could had fled the school already as it became fully segregated due to the religious privatisation of schools in the town. However, why exactly it was this school, with the most deprived catchment area, that had to be closed was contested by my informants in many ways. ‘What will happen with all our pictures on the walls? And what about our memories? I feel like they want to erase us’. ‘Why do they have to close our school? We were happy with it. They should close one of the Hungarian schools’. My informants were very reflexive about the stigma around Nárcisz primary. Thus, some of them felt that the school closure was a punishment for being a ‘bad school’, in a ‘bad neighbourhood’, and their being ‘bad Gypsies’. Irén said ‘When I was a kid, you know it wasn’t so bad. No police, no ambulance coming to school regularly’. Painfully reflecting on the decline of Nárcisz, the school she had avoided sending her children to as it had become fully segregated. As Irén narrated it, ‘...but I went to Nárcisz, I felt very happy with Nárcisz. I loved my teachers so much, we were like family in Nárcisz, you know. I grew up in a bad family situation, you know, so for me it was like home. I really liked going to school. But when I had to stay home, I felt awful’.

From their narratives of their childhood memories connected to Nárcisz primary, it appears that the school used to be of intrinsic value to the local community. The respondents remembered the teachers as prominent figures in their lives who wanted to help them, as school was a safe environment to engage with things from outside of the Roma settlement: art, music, literature, and even interactions with non-Roma students. However, most of them were aware of the stigma attached to the school and around the whole neighbourhood as it had become fully segregated by the 2010s. People who had successfully escaped Nárcisz through changing addresses in bureaucratic ways to register in a different catchment area told horror stories about Nárcisz, referring to it as a ‘zoo’, a container of ‘cannibals’ and drug addicts, where visits by police and ambulances were a daily nuisance. However, parents who stayed because they had to due to a lack of social, cultural and financial capital (someone who would share their address within a different catchment,



means of transportation, acceptable clothing for children, money for class trips, being able to succeed in entrance exams) did their best to create value out of their constraints. ‘I mean, how bad can it be? XY [an internationally famous Roma professional] also graduated from here! And now they want to close it?’

In reality, the closure to most parents at Nárcisz caused time-management, financial and emotional burdens as it was not complemented by local initiatives to help with the transfer or create inclusive schools for Roma children. First, the students were now directed towards schools that are hard to reach on foot. As the settlement is located on the margins of town and lacks the infrastructure to provide frequent and cheap local public transport, getting children to school and then home every day became an issue, especially during wintertime when it is unsafe for children to ride bikes. Many parents had to rearrange their time schedules, making the dual-earner household norm almost impossible, as they had to juggle paid employment and childcare. Furthermore, from their perspective, non-Roma schools demand a lot of financial contributions from the parents in a context of declining educational resources. In state-run schools, this included providing toilet paper, soap and printing paper. In church-run schools, it involved paying for school trips and such. ‘How am I supposed to buy a sanitary pack for the school when I struggle to buy these for my own home?’ – cried Erzsi, a mother of three, referring to the inflation crisis beginning in 2022 that hit the Roma settlement especially hard. ‘I have to choose between heating my house or feeding my kids in the winter. I have no money for toilet paper at school’. Even though Nárcisz also expected some contributions, they put more effort into applying for funds and teachers were very understanding if someone failed to contribute. Last, adapting to a new environment in a majoritarian school setting after attending a school where teachers and administration were familiar with the specific life conditions that marginalisation creates can take its emotional toll on both students and parents.

## 5.2 Religious privatisation and ‘loving’ segregation

As inclusive education literature stresses (Rapos et al., 2011; Mészáros & Neumann, 2021), it should be schools that adapt to the different needs of students and not students of marginalised backgrounds who should have to put in extra effort to reach the same standards as middle-class white students. However, this takes significant resources. As Nárcisz could not accept any new students from 2018 on, parents who could not escape Nárcisz were suddenly faced with ‘free’ school choice, a privilege only the local middle classes had access to before. They either had to follow the desegregation program and go to the state-funded Jácint (or the far-away Tulipán) or enroll into the other settlement’s ghetto school, Hóvirág, run by a small Catholic order. Many parents choose the segregated school because, as a church-run institution, it has significantly more resources than the state-run ones to build an adaptive school that can operate in difference-conscious ways, in contrast to the state-run integrated schools that struggle with teacher shortages and centralised curricula, bound to a difference-blind approach.

In contrast, Hóvirág’s educational programme is built around the most progressive tenets of inclusive education. One of the most prominent values of their pedagogical programme is seeing children as part of the social environments that they come from.

As Hóvirág's principal put it, '... so that we not only teach [Roma students] but in reality give them a fair and equal education based on their needs,' thereby trying to reengineer the welfare state by allocating more resources towards the needy. Run by a Catholic order, they have the means to channel extra resources towards helping the marginalised poor. For instance, they have connections with charities and food banks so they can give away food, clothes and cleaning supplies to families. They put significant effort into applying for funds to finance school trips, cleaning supplies, and other things to unburden Roma families. Their after-school talent programme accommodates many Roma youth who can receive scholarships for participation. Most importantly, as stressed by the principal, in contrast to all the other schools within the region, they are the only ones who do not struggle with a teacher shortage because of the better labour conditions they can offer. The school is dynamically growing, as more and more Roma parents want to enroll their children in Hóvirág. Accordingly, they have made additions to the school building: a new wing with five new classrooms and a completely new schoolyard and gym room. A teaching assistant supervises the transportation of the children from the eastern settlement to and from school; furthermore, children are entitled to free season tickets for the bus.

However, resources are only one part of the inclusivity programme. They also put significant effort into community engagement with Roma parents. Apart from constructing a Roma minority program where children can learn about their own culture in a positive, non-stigmatising way, the brothers of the order frequently make home visits and arrange communal cooking sessions. Teachers are very much aware of the importance of parent-school engagement in the case of marginalised families, so they make an extra effort to ensure good communication with parents so that they feel that they are equal partners in this relation – something that my informants said had been lacking in the non-segregated schools. The feeling of 'being able to discuss issues', as one of the parents put it, was also apparent in the closed Nárcisz. As it was only Roma children who went there, teachers were very familiar with the potential issues they might have, such as limited childcare capacity during times of seasonal agricultural work, housing poverty, menstruation poverty, and so on. Parents felt heard and accommodated in both segregated institutions, but in the state-run Nárcisz, in limited ways.

However, in the local context of Akácos, these two schools' adaptation to marginalised families' needs comes at a dire cost. Transforming the schools into inclusive spaces for Roma in a town where ethnic boundary-making is so prominent exacerbates segregation. The case of Nárcisz, which lacks the extra resources to address marginalisation, left the school as an emptying space, a space even 'striving' Roma families wanted to avoid. It became branded the vessel for 'bad Gypsies', one of the lowest performing schools in terms of national standardised testing. On the other hand, Hóvirág appeared as the 'elite Gypsy school', the vessel for the 'needy' who need to be developed and civilised. Even though the latter is making significant effort to attract non-Roma children too, their efforts to adapt to the needs of marginalised children made them visible as a space for Roma only locally, curtailing the possibility that the school will ever become an integrated one; a safe environment for the local middle-classes.

### 5.3 The privatisation of institutional care

For a surprisingly high number of Roma women I talked to, schooling had become a safety-related issue, especially for children in state-run institutions. They were constantly worried about them being hurt by other children because, in their experience, they were often left unsupervised. A mother I talked to shared a story about when her son had suffered an eye injury during playtime, and it took the school several hours to let her know about the incident. Several other women shared fears of exposure to cigarettes and drug abuse, referring to Nárcisz as a space where children normalised such things and ‘rummage around freely’. The recurring phrase ‘police, ambulance, every day’ when referring to Nárcisz seems to echo these fears. A narrative that appears as the vilification of Roma children from the outside, however, is interpreted by most Roma parents as the lack of adequate supervision and parental engagement. Teachers’ narratives also matched this diagnosis. As the principal of Nárcisz reflected, the shortage of teachers is a pressing issue in the state-funded schools in Akácos, which entails a significant amount of extra work for those who remain. Under these circumstances, the quality of education in these institutions can significantly suffer, producing overwhelmed and frustrated teachers with no time left for conflict resolution and community building, let alone providing good quality teaching.

In Nárcisz, this meant limited means for addressing the fact that marginalised children often need more educational resources to meet universalised educational standards that are not tailored to them. Parents in Nárcisz felt that their children were not performing well, even if they managed to get average grades. ‘[Getting] a grade B in Nárcisz means nothing in Jácint,’ said Éva, mother of three. ‘This is a weak school. A Gypsy school’. Furthermore, reflections on the quality of teaching also appeared in reference to the state-run integrated schools, such as Jácint or Tulipán, where the local narratives were centred around the notion of ‘young’ teachers. ‘Everyone says it [Tulipán] is a good school, well, I don’t think so. The headteacher is very young. She is not so patient’. In reality, the teaching body locally is increasingly ageing, in line with the national trend. Thus, the presence of young teachers usually means prosperity in the context of schools. However, in Roma parents’ narratives, the presence of youth represents a form of scarcity, a shortage of empathy, communication, and experience to deal with marginalised children. Something more due to the shortage of teachers than their age.

For many of my informants, the COVID-19 pandemic and resulting lockdowns had made the role of family in educational attainment rather apparent. As mothers narrated this period, ‘Oh, it was horrible. Studying at home, because I could not help them properly as they needed it. Mathematics, she said her brother helped her. Brr... It was terrible, of course, and the homework did not work out either. It is good for the kid to sit in class and hear the teacher explain. My daughter got a grade two [D] from history, and now she has a four [B]. Ever since there has been no virus and she can go to school,’ said Mária. Anna said: ‘I tried to help her [with studying], but I was too stupid to do maths. I can’t even write essays, no one in Jácint helped us’. Aware of the fact that marginalisation and educational underachievement have accumulated over generations is something that most schools cannot deal with in extreme circumstances of decreasing pedagogic added value.

At the same time, they were also aware that when childcare becomes privatised (within the family sphere), their children do not have a fighting chance at succeeding in education.

#### 5.4 The privatisation of blame

In non-Roma schools, apart from the issue that the schools adapt to the needs of students instead of the other way around, Roma parents' narratives on education also focused on the stigma and bullying their children had to endure. Many Roma in Akácos shared the experience of being unwanted in majoritarian spaces. For instance, the nightclubs, restaurants, the centre of the town, and even the 'elite' schools located in the centre are a clear contrast with the Roma settlements on the town's peripheries. 'They don't like the Gypsies there. They are racists'. was something that I heard from many people I talked to in the eastern settlement. 'Gypsies don't feel nice [good] at that school' said one of my informants when I asked her why she did not even consider applying to the Catholic-run 'elite school' in town. 'I don't know, like I said, last time I was talking to my friend and she told me this story about the math teacher literally calling the whole family stupid in front of the kid. [...] He was explaining something in class. The teacher said "Come," somehow he scratched his head, and [added], "son, it must be your mother being this stupid. Like that. Or maybe you learned it from your mother because all of you are stupid at home"' said Mária, 27, a mother of two, perfectly aware that local 'elite' schools often put ('privatise') the blame for underachievement on parents and family resources.

The fear of stigmatising whole families, thus the individualisation of poverty, was apparent with parents who succeeded in getting their children into 'elite' schools, only to end up moving them to Hóvirág after they were bullied and severely underperforming. Their stories are cautionary tales for other parents who would try their luck in the 'elite' majoritarian schools. In local narratives, they appear as double failures because they have failed their 'community' by trying to advance in individualised ways. However, they have also failed because their new environments rejected them despite all their efforts to fit in. But what do you need to succeed at a local 'elite' school as a Roma child? A story told by one of the principals lingered in my mind for a long time after I left my field location. One of the Roma parents tried to enrol her daughter in Nefelejcs. However, it is a well-known fact that they do not accept Roma. Even the vice-principal stated this proudly before our interview. 'I don't understand why you would want to interview me. We do not have disadvantaged children here'. One Roma mother, however, did not accept this. Understanding the mechanisms of discrimination well, she hired non-Roma 'parents' to take her daughter to pre-admission and admission sessions. She only appeared as her real parent at the official enrolment event, where she legally needed to represent her, waving the acceptance letter. According to the anecdotes, her daughter did not last long there.

Whether the story is true or not, the narratives around this show that to succeed in the local educational context, you need non-Roma parents, the ability to pass as non-Roma, and knowledge about how the system works. Many Roma parents reflected on racial markers as the factor delimiting their children's access to education. 'Well, maybe she would get along with the chameleon [lower-class] Hungarians. She has a pretty white face. I don't know. But maybe they would take one good look at her and beat her up' – said Ágnes, a mother of four, referring to one of her daughters. Bullying was one of the most apparent

and talked about fears of Roma parents in the context of integrated schools. Other kids talking down to their children, humiliating them because of their clothes, ways of speaking, and their racial markers were the most common reasons why some parents chose segregated schools. In Hóvirág or Nárcisz, children can be ‘...amongst their own, relatives, cousins. They will not hurt one another’, said Ferenc. Even though – as reflected by Ildi, a mother of two – in majoritarian schools, her children would get to have non-Roma friends (and this is probably the only way to land a stable job locally), she was having doubts about enrolling them into the ‘elite’ school. In her narrative, Hóvirág appeared as a safe space, ‘...where children go around looking like you [pointing towards me]. With a wide smile on their faces, not having to worry about a thing. Here [at Százszorszép Primary], there is more intrigue between the students, parents and even teachers’.

## 6 Conclusion

The article sheds light on how education segregation is embedded into local and national processes of privatisation that create the ‘problem student’ (Neumann, 2022) – in the context of Akácos, marginalised Roma students. Roma parents, well aware of the fact that their children are being labelled problematic, instead of the privatisation of education, perceived four main ways in which the education system was redrawing the boundaries of private and public and severely limiting their citizenship rights. This became rather apparent with the closure of Nárcisz, as now three out of five of the primary schools in Akácos are run by churches, the school closure posed additional burdens for families in the eastern settlement, and the closure of the school suddenly made these students visible, and ‘problems’ to be erased. Thus, first, the closure of Nárcisz burdened them with additional travel costs and the requirement of financially contributing to the other schools, as well as a loss of community within the school. Second, privatisation appeared in their lives in the form of the church-run Hóvirág. As they were suddenly faced with the option of ‘free’ school choice, they were ‘free’ to choose between ‘loving’ segregation and a difference-blind state-run integrated school with a teacher shortage on the path to becoming segregated. Third, they experienced the privatisation of institutional care stemming from teacher shortages in the form of declining school safety and the academic achievement of their children. And last, they were also aware of the privatisation of blame related to all of these factors, materialising in racial othering and discrimination.

Thus, through amplifying the voice of Roma parents affected by segregation with the method of counter-storytelling, this article has shown how deficit positionings – the driving force behind segregation – are deeply embedded into the various forms of privatisation locally. Following insights from critical race theory, I have showcased how ‘deficits’ are not inherent but in fact are produced by institutional change that has redrawn the boundaries of private and public embedded into local and national policy making. However, the local types of privatisation also create tension, which is especially visible in the case of Hóvirág. The school could ease the load on Roma families in terms of material resources and institutional care, taking on burdens from the private sphere, but it could only do so in a church-run institutional context in a segregated environment, decreasing the life chances of the children attending it. In contrast, attending a state-run school – involving following the desegregation program – imposes additional burdens (material, pedagogical and emotional), to be compensated by private means. One constant factor is the

privatisation of blame that is apparent in the long-lasting perception of Roma as deficient in the context of education. Thus, the parallel processes of church privatisation and the privatisation of institutional care set a high price for integrated education for Roma parents – and of this, they are painfully aware.

As childcare and education become increasingly privatised in a town like Akácos, it may lead to the cementing of social inequalities as boundaries based on private resources are being drawn more sharply. On the other hand, for marginalised Roma parents, demands for accessible, inclusive and safe schools also arose, but only for their children to be incorporated into the local schooling status quo: segregated education. However, as structural processes lead to emptying in many localities, social mobility for Roma through the channels of education may have opened up to many ‘striving’ families (Kovai & Szőke, 2021). As local elite schools struggle to fill their seats with non-Roma students, they might be more open to accepting students with a Roma background who show potential in local educational contexts. How religious privatisation and the decline of educational resources will affect their educational chances remains a question that requires investigation.

## Acknowledgments

This work was supported by the Hungarian National Research, Development and Innovation Office under Grant FK 138 422 and Central European University’s MA Research Grant 2022.

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ESZTER BERÉNYI

## "It's about setting priorities" – why parents choose private schools in Hungary

Intersections. EEJSP

11(2): 136–154.

<https://doi.org/10.17356/ieejsp.v11i2.1470>

<https://intersections.tk.hu>

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### Abstract

This article examines the motivations and narratives of middle-class parents who opt for private primary schools in Hungary. Drawing on 30 in-depth interviews with parents from various localities, the aim is to shed light on how parents are driven towards fee-paying education in this formerly free education system. The findings reveal that the shift towards non-state, fee-paying schools is deeply embedded in the ideology of intensive parenting. The latter places the responsibility for securing a good education mainly on parents, who view the importance of choosing a school for their children as extremely high. The foundation for school choice is laid during the early years of child-rearing by organizing the child's schedule around various activities. As a result, although their accounts of their child-rearing clearly demonstrate the early use of cultural, social, and economic capital to secure their children's educational futures, parents tend to interpret their children's enrolment in private schools not as an outcome of their privilege, but rather as a deserved reward for parental care and sacrifice.

**Keywords:** educational privatization, intensive parenting, school choice, Hungary, parents

## 1 Introduction

A growing body of research highlights the global spread of educational privatization and marketization. Verger and colleagues (2016), while presenting evidence of various forms of educational privatization around the world, note that some regions remain under-researched in this regard, identifying Eastern Europe as one such region (Verger et al., 2016, p. 198). The aim of this article is to contribute to the existing body of knowledge on the processes of educational privatization and marketization in Eastern Europe. To this end, it presents findings from qualitative research on private school choice in different local contexts in Hungary. The research scrutinized how instances of intensive parenting and the projectification of child-rearing appear in the stories of parents who recently chose private schools in Hungary, and how different forms of cultural, social, and economic capital are used and thought of by the latter in the context of school choice.

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The theoretical framework for this study draws on Bourdieu-inspired approaches to school choice and on scholarship that uses intensive parenting as a conceptual lens on childrearing and education. After outlining the framework, the article provides an overview of the Hungarian school landscape, followed by a description of the research design, including methods and sampling. The results section examines how intensive parenting is present in childrearing prior to the schoolchoice juncture and then scrutinizes how these early practices lay the groundwork for selecting a private school through the accumulation and mobilization of cultural, social, and economic capital.

## 2 Theoretical framework

The article explores educational privatization by looking at private school choice patterns and their role in reproducing social inequalities. Parental accounts of school choice and broader child-rearing practices will be interpreted in connection with practices of intensive parenthood. Integrating the perspectives of the Bourdieusian school choice research and that of intensive parenthood reveals how intensive parenting practices amplify efforts to accumulate cultural and social capital during childrearing and, in turn, reinforce and extend the advantages produced through processes of capital conversion. While the Bourdieusian lens on the reproduction of inequalities helps to reveal what parents do and how they do it, the concept of intensive parenting offers insight into how they make sense of their choices amid the growing trend of educational privatization and declining public welfare provision.

Privatization in education primarily refers to the diminishing role of the state and the increasing involvement of non-state actors in schooling. This process can involve changes in ownership; however, it also includes the growing influence of market actors in shaping educational goals and practices. The growing presence of educational providers other than the state is a global phenomenon (Verger et al., 2016); however, privatization also encompasses the broader trend of market logics increasingly guiding education policy and provision.

Verger et al. (2016) identify at least six different "pathways to educational privatization" – from state policy reforms to the extension of public-private partnerships and parental freedom of school choice. Education has traditionally been regarded as a public good – or at least as an institution with a public good component (Locatelli, 2018). However, regarding the connection between privatization and school choice, Lubienski argues that education is a special kind of good since it can simultaneously provide public benefits and serve private purposes (Lubienski, 2006), and he argues that the way education is delivered can influence whether it functions more as a public or a private good. Notably, school choice tends to position education more as a private commodity, pursued competitively by individuals (Lubienski, 2006). This article supports Lubienski's argument, considering school choice as a mechanism that can strengthen the privatized aspects of education.

The sociological literature on school choice provides evidence that the pursuit of individual educational goals through school choice may work against crucial public roles of education, such as ensuring equal access and social cohesion. First of all, school choice contributes to the reproduction of social inequalities (Burgess et al., 2019; Yoon & Lubienski,

2017). An undisputed and often recurring research finding is the extent to which the middle class is clearly in a privileged position in this process (Seghers et al., 2019). A substantial body of literature that relies on the Bourdieusian concepts of habitus delivers many illustrations of how this privilege is enacted and how middle-class parents act as “skilled choosers” (Gewirtz et al., 1995, p. 25), and how these “skilled choosers” navigate better in the quasi-market of schools. Beyond research on classed school choice in the British context, further studies have pointed out similar patterns in other European contexts (Butler & van Zanten, 2006; Kosunen & Seppänen, 2015).

Also, many pieces of research deliver evidence on how certain forms of cultural capital, especially language immersion programs, or programs for gifted children, are viewed as more valuable than others by middle class parents, and when it comes to choosing a school they tend to opt for “value added school options” – schools that provide curricular and/or extracurricular enrichment in language, music, arts, sports, and/or support for giftedness (Yoon, 2020, p. 5), thus further widening the social gap between mainstream schools and specialized schools.

Ball and Vincent’s (1998) groundbreaking study highlights the crucial role of social networks in accessing “hot” and “cold” knowledge about schools. Most of the above-cited Bourdieusian research on school choice focuses on contexts where education is fee-free. While the role of economic capital in enabling access to private education – and in creating barriers to equal access – is arguably self-evident, this research scrutinizes how cultural and social capital are also mobilized by families who opt for fee-paying schools.

All these different kinds of privileges enter into play and produce stratified school systems, but, at the same time, research also emphasizes that the school choice process places a considerable emotional burden on families, and middle-class families experience anxiety, emotional distress, and sometimes moral dilemmas throughout the school choice process (Roda & Wells, 2013).

Anxiety is a key feature, according to Vincent (2017), who says that neoliberal ideology shapes how parenting is thought of, and how “parenting becomes a source of risk and anxiety as what happens is viewed as the product of individual, autonomous choices” (Vincent, 2017, p. 545). Individual responsibility is a key aspect of the norm of intensive parenting (Hays, 1998). According to this norm, being a good mother requires devoting extensive time and energy to child rearing, especially when choosing a school (Brown, 2021). This can lead to specific child-rearing styles that may be of strategic importance regarding schooling, like “concerted cultivation” (Lareau, 2011). This term was developed by Annette Lareau in her research in the American context to refer to a middle-class child-rearing style in which parents actively foster their children’s talents and skills through organized activities; also, family life in such families is organized, to a great extent, around the extracurricular activities of the child. This approach can equip children with advantages in institutional settings that can contribute to their educational success.

Although Lareau herself does not refer to the notion of “intensive parenting,” research exploring this latter phenomenon also talks about how family life – especially that of mothers – revolves around child-rearing, and emphasizes stress, anxiety, and feelings of uncertainty as dominant components of twenty-first-century parenthood. The concept of intensive mothering originates from Anglocentric societies, where studies have shown, for example, that navigating between work and motherhood is made more difficult by the lack of social policies that help with work-family balance and overcome parental anxiety



(Collins, 2019). Such research shows that the emergence of intensive parentification is tightly connected to the neoliberal policy context and the outsourcing and privatization of formerly state-provided welfare services.

Moreover, public policies embedded in the neoliberal discourse also reinforce the norm of intensive parenting by putting growing pressure on parents who feel that child-rearing is a private matter and their own individual responsibility; this can lead to parents' feelings of isolation in their roles and adverse feelings toward service providers (Fargion, 2021).

An emerging literature explores how intensive parenting plays out in the Hungarian setting (Szőke, 2022). Among the few studies that scrutinize intensive parenting in connection to education, Szőke and colleagues (2024) found that even among lower-middle-class parents, schooling emerges as by far the most important dimension of parenting in the context of an authoritarian political regime (Szőke et al., 2024).

Using insights from the Bourdieusian school choice literature and the intensive parenting framework, this paper aims to scrutinize how instances of intensive parenting and the "projectification of childrearing" appear in the stories of parents who recently chose private schools for their children in Hungary, and how the different forms of cultural, social, and economic capitals are used by them in the context of choosing a fee-paying school.

### 3 Policy context

Several elements of the patterns identified by Verger et al. (2016), such as privatization through state reform and the dismantling of the welfare state, or "scaling up" existing privatization patterns, can be observed in the Hungarian context. However, the political and policy context of educational privatization in Hungary differs from that of other European Union countries.

Free school choice was introduced as early as 1985, when the private sector was not yet present. According to regulations, state schools were strictly zoned, but families had the right to apply to any school they wished to, and schools could accept applications depending on the places they had left after district applications.

Besides the liberty of school choice, right after the fall of communism in 1989, the funding of schools by providers other than the state became possible. However, the majority of pupils (95%) still attended municipality-operated primary schools, but, thanks to free school choice, many opted for non-district ones.

This opportunity for free choice within the state sector has created inequalities, not only between settlements but also within them. In fact, according to many studies, inequalities generated by school choice are among the largest in Europe (Zolnay, 2006; Kertesi & Kézdi, 2014; Berényi, 2018).

The government that came to power in 2010 introduced a series of legal and budgetary measures that led to an increase in the privatization of the sector in terms of educational providers. So, like in many other European societies, certain forms of educational privatization have been initiated by governmental decisions. However, in contrast to Western European patterns, throughout the last 15 years, governmental privatization has been accompanied by the centralization of the state school system with a decrease in the

role of local governments, a radical decrease in school autonomy, and a return to centrally issued curricula and single, centrally published textbooks (Radó, 2019).

As a consequence, the share of state-maintained schools at the primary level decreased from 95% to 77% in a short period of time. Religious organizations emerged as the second-largest providers of primary education, primarily because governmental measures prioritized church schools in various ways, both over state schools and other types of non-state schools (Neumann, 2023). In the meantime, and as a result, among urban middle-class families, there has been a growing distrust of the state (Kopasz & Boda, 2018), leading to a new demand for private schools, which resulted in an almost threefold increase in the number of students attending this school type between 2010 and 2023. Before 2010, the small primary private school sector was dominated by schools maintained by foundations using so-called “alternative” or “reform” (e.g., Steinerian) pedagogies. Unlike many Western European and Anglocentric education systems, only a small proportion of privately maintained schools offered elite options, like international schools, which are attended only by a few Hungarian students.

According to the latest statistics, the distribution of private maintainers and pupils attending private schools is very unequal across the country: whereas it is almost 10 percent in the capital, Budapest, the national average is 4%, and the private sector is almost absent in smaller towns.<sup>1</sup> Due to a reduction in state subsidies for schools maintained by private entities, the proportion of private schools’ budgets covered by state subsidies has declined. This has typically led to an increase in the fees charged by these schools. While the profile of private schools continues to be dominated by institutions offering “alternative” pedagogies, this is becoming less prominent. Some newly established schools place less emphasis on progressive pedagogies and instead promote themselves using explicitly elitist language and with reference to “value-added” programs, such as bilingual education. At the same time, demand is also growing for alternative schools that explicitly welcome children with special educational needs.<sup>2</sup>

Whereas most state-maintained primary schools officially cannot select their pupils, both church and private schools can. Besides the growing demand, this contributes to the social composition gap between the different types of maintainers. The most reliable quantitative data regarding the social intake of schools is provided by the yearly National Assessment of Basic Competences, which entails a survey filled out by school principals. According to these data, the average proportion of university-degree-holding parents of children in private schools is 50%, while in state-maintained schools it is 17%. Given the concentration of private schools in big cities and the capital, it is worth noting that the disparities remain similar in the capital city, Budapest: here, the proportion of university degree holders is 65% for private schools, and 34% for state-maintained schools.<sup>3</sup>

<sup>1</sup> Data provided by the Educational Authority, source: [https://dari.oktatas.hu/download/kozerdeku/kir\\_stat2023\\_a04t18\\_gyermekek\\_tanulok.xlsx](https://dari.oktatas.hu/download/kozerdeku/kir_stat2023_a04t18_gyermekek_tanulok.xlsx)

<sup>2</sup> The number of Hungarian students attending international schools remains low, but is growing. However, since most international schools demand fees only affordable to a narrow segment of Hungarians, and these schools do not offer the Hungarian general school-leaving certificate, parents from these schools were not included in our sample.

<sup>3</sup> The data for the assessment were provided by the Educational Authority, and the calculations were carried out by the author.

## 4 Methods and sample

To help scrutinize the main narratives on private school choice, we planned to conduct interviews with parents whose children attend privately maintained primary schools. We decided to include interviews from different localities in the analysis to capture the effect of contextual differences – most importantly, variations in the size and diversity of the local education market (which is far greater in the capital than elsewhere), as well as the differing social composition of families across regions. Interviews were carried out in one district of the capital, Budapest, where the educational market is the biggest and the social composition of the residents is also much more favorable than in the rest of the country; in a relatively big county capital ("County capital") and its suburban area, a town ("Middletown") in the Central-Northern area of Hungary, and in a smaller town ("Smalltown") in the Eastern part of the country.

The exact locations in towns were chosen based on having good access to schools and parents due to our earlier research or social connections. Once the fields were chosen, interviewees were recruited by purposive sampling from local social media sites for parents, combined with snowball sampling. In the cases of "County capital" and "Smalltown," some interviewees were recruited through the school. Although special care was taken to ensure neutrality in these cases, this approach may have produced bias in the interviews, especially when parents discussed their experiences with their school.

The recruitment criteria were that parents should have at least one child attending a private school in the third to sixth grade at the time of the interview. This criterion was specified with the intention that the period during which school choices were made should not have been too long ago, but that the interviewees should already have substantive experience of the school. However, the timeframe between the school choice and the interview may limit certain aspects of the analysis, as interviewees were more likely to justify or support their decision retrospectively.

Of the 30 interviews, twenty were conducted in Budapest, and ten in other smaller towns; at least two interviews were conducted in each of these smaller localities. Except for two fathers, all other interviewees were mothers. The Budapest interviewees, with one exception, all had higher education degrees. Among the other interviewees in the County Capital and Middletown, the majority also held higher education degrees, but some did not. Of the two interviewees in Smalltown, one had completed a degree.

The interviewees were engaged in a wide range of occupations, but economists or other financial professionals and engineers were clearly overrepresented, and the majority were working in the private sector, either in "big companies" or in family firms as entrepreneurs.

The interview guide focused on how and why parents ended up choosing a fee-paying school instead of a free, state-maintained, or usually also free church-maintained primary school. In line with the conceptual foundations of the research, the guideline also contained blocks about earlier child-rearing experiences and practices. The interviews also contained questions about how parents viewed schools as social institutions and what they thought about the role of the state in education.

The length of the interviews varied between 55 and 115 minutes, with an average of 80 minutes. All were typed verbatim. Thematic analysis was then conducted, following the logic of the interview guide and the research questions.

## 5 Results

### 5.1 The intensive project of child-rearing

Our first research question concerned how intensive parenting is present in the early child-rearing process of parents who later chose a private school for their child. Preparation for child-rearing began for many of our interviewees either before the child was conceived or at the moment of conception. This included, for instance, reading specialized literature on child-rearing or developmental psychology, usually from the moment they decided to become parents. Some parents consulted with child psychologists – without requiring solutions to any specific problems, and prior to giving birth –, because, as one of our interviewees stated:

“For me, it has always been very important not only to think about it personally, but to hear the opinion of a professional.” (Middletown, A School, Parent 2)

When asked about their child-rearing practices during early childhood, such parents had clear visions about the kinds of activities they considered useful. A large share of the interviewed parents used references to psychological, or even neuroscientific, professional vocabulary, such as a father who talked about extracurricular activities during kindergarten:

“I considered motion to be primary, so let’s not approach things from the cognitive side and overload the child with things they might not necessarily need at a given stage. However, I know that motion affects everything: the basic wiring, the oxygen supply, everything, so it plays a central role.” (County capital, B school, Parent 1)

Such parents, drawing somewhat on the model of “skilled chooser” parents (Gewirtz et al., 1995), can be referred to as “professional” parents in the sense that they regard parenting as something that requires professionalization and specific expertise. For them, the organization of activities is embedded in the “development” project of their children. Parents receive impulses related to becoming professionalized and good parents even in kindergarten:

“There were always activities like this in the kindergarten, so we didn’t need to go somewhere else for them. These are the big hits [popular activities] for children of my generation, you know, these skills- and abilities develop[ing techniques]; these are magic words – as if, if we don’t do these, they’ll [the children will] lag behind in learning and development, and their specific skills won’t develop properly.” (Budapest, T school, Parent 2)

The lives of these parents revolve entirely around the “child-project”: attending various activities for small children or even babies is a practice that most parents engage in during early childhood. A good example of how these can have a direct effect on the later school choice process is the “English-speaking nursery afternoons” for toddlers, which were a decisive experience for a mother who later took her kids to a regular English-language afternoon class during kindergarten, and then to a private school with an English immersion program. As she narrated, she “happened to meet an English mother,” which shows how privileged social networks facilitate the privatized school trajectory, even during very early childhood:

"When my child was one year old, we happened to meet a mother in [the name of the town] who was English. She started an English group right there, locally. It was set up so that there was one morning a week where we would go, and it was like being in kindergarten together with our children. I already considered this to be very important, even before the children were born, that it should be this way." (Middletown, A School, Parent 1)

Such interviews suggest that elements of "concerted cultivation" (Lareau, 2011) significantly influence how interviewees raise their children, even before the latter enter school. These practices, especially the early structuring of the child's schedule and participation in various organized activities, are undertaken because parents believe that "good parenting" necessarily involves such activities. There are, however, differences among the parents regarding the content of these extracurricular activities: they are oriented toward activities that are seen as more productive in relation to the later school career, and have more "value-added" (like English programs for toddlers) for many parents who later sent their children to more elite-oriented schools.

For others, it is rather the organization of the child's schedule through various activities and the subordination of the parents' life to these activities that is seen as a natural part of parenting and family life. Such a phenomenon is illustrated by our interviewee without a higher education degree from a small town in the eastern part of the country. Their life also revolves around their child, but the actual content of the scheduled activities is less "elite-oriented" and does not seem to be of central importance to the parents:

"– And what do you do in your free time?"

"Well, mostly things with the kid. I take her everywhere. ... So now we're [we were] just starting to feel like we might have a little more free time, but then that's [that was] taken up by her activities. She's been riding horses since she was three years old, and now with school, there's so much going on – majorette classes, folk dancing – she wants to do everything. So, our time is spent picking her up and taking her to these activities every day. That's how our free time goes." (Smalltown, Parent 1)

## 5.2 Choosing the school

One of the goals of our research was to understand the connection between early intensive parenting and concerted cultivation in the decision to choose a private school. The careful choice of a school for children is, without exception, considered one of the most important parental responsibilities for the parents we interviewed. For most, the process, in fact, had already started, as described above, by taking early childhood activities very seriously, and by carefully choosing and competing for a good kindergarten. In localities with larger educational markets, the latter usually means, in our sample, a private maintainer or at least a kindergarten that, despite being state-maintained, has the best reputation according to the "hot knowledge" (Ball, S. J., & Vincent, C., 1998) of fellow parents. Private kindergartens appeared on the horizon for parents, not necessarily because they wanted to distance themselves from state-maintained educational institutions; this choice was often considered rather a necessity. For example, parents expected some kind of flexibility, such as not attending every day, that public kindergartens could not offer.

Some private school maintainers – both alternative and elite-oriented – also operate kindergartens or organize preparatory classes for six-year-olds. The interviewees who attended such institutions quite naturally continued on to the related school, thus their child's place was already secured at the time of choosing the kindergarten. Moreover, parents in other private kindergartens were often guided toward private schools by their network of fellow kindergarten parents.

Early engagement with extracurricular activities can also pave the way to private schooling, as illustrated by the case of the mother who sent her child to the 'English for Toddlers' club.

For other parents who could not directly convert their early child-rearing activities into school choices, the school choice process was one of the most crucial aspects of their child-rearing practices. For some, not having paid enough attention to kindergarten choice is, retrospectively, considered a mistake, which made them more attentive when it came to school choice.

One of the primary objectives of parents during the school choice process is to get to know the schools as well as possible. Beyond various information-gathering practices (such as collecting information and attending open days), they describe their school-searching process as intensive and meticulous. They referred to the school finding process as an "exhausting" one; they described the task as one of "research work," a "struggle" full of fears and anxiety, involving severe risks – especially the risk that their children would be "lost in the crowd."

"Finding a school was a very, very long and exhausting process. I really struggled because, of course, I wanted the best for my child, the best we could offer. I also knew that everything needed to be done... So I wanted the best that could be found in the vicinity. I visited all the foundation schools in the neighborhood, went to public schools as well, and even checked out schools outside the district, including private institutions." (Budapest, T school, Parent 2)

"And when we saw that we had really made a mistake with this kindergarten, even though we had put a lot of thought into it, then came the question of what school they should attend, and we were very afraid." (Budapest, R school, Parent 2)

Since the parents made such significant efforts, it is not surprising that they tried to make sense of this meticulous research process and formulated quite clearly what they seek in a school.

Many parents among those whose children attend schools that offer "alternative/progressive" pedagogies or reform pedagogies described what they like or dislike about schools in reference to the pedagogical practices and methodological terminology. It is, of course, not possible to clearly assert whether these were the original concepts they used when they started to look for a school, or if their present narratives are influenced by their school experience, or even by the self-promotion activities of the schools. However, in the interviews, they tended to criticize the "traditional" subject-specific approach to knowledge; furthermore, they fundamentally disapproved of education based solely on factual knowledge. This pedagogical vocabulary is embedded in a broader understanding of how modern/today's schools should operate: providing factual knowledge is seen as the educational practice of the past; parents emphasized that schools should prepare pupils for the



insecurities and risks of the future. Many criticisms were articulated regarding the abrupt kindergarten-school transition and the overly rapid traditional teaching of basic skills in mainstream state-maintained schools.

What I disliked the most [about a regular public elementary school] is that when a preschooler starts school, they are immediately treated as a schoolchild and are given a demerit if they can't stay quiet for 45 minutes. But before that [in kindergarten], they weren't required to do anything like that... And, for example, this horrified me: that they would restrain the child, shove them [behind] a desk, and expect them to stay silent there. (Budapest, R school, Parent 1, speaking about state-maintained schools)

Formulating clear opinions about what kind of pedagogy they like or disapprove of is very illustrative of the professionalization process of parenthood – parents use a vocabulary full of pedagogical notions.

This vocabulary may be shaped not only by the narrative promoted by the chosen school but also by the ongoing public debate about education. Within these debates, liberal and left-leaning educational experts often highlight – among other issues – the overly theoretical and conservative character of current general education. In their accounts of pedagogy and schooling, many parents of children attending alternative schools explicitly criticized the government's neoconservative educational policies.

Classroom communication is also closely linked to pedagogical principles and methods, as evident in the interview excerpt that follows, where discipline, order, and silence are presented as traditional school values that the parent experienced during a visit to the district school. These could be contrasted with the values of a friendly atmosphere and group work in the private school that was eventually chosen:

Well, it wasn't that exciting [the open day at the local district school]; the children were sitting there very nicely, raising their hands properly, and we felt like it was just like it was 30 years ago in our time – silent, orderly, disciplined. Meanwhile, at the other school, for example, everyone was shouting out during the open day, and the teacher listened to everyone. Yes, they addressed each other informally, and there was a very friendly atmosphere. Here [at the state school], it felt very traditional, very Prussian – the teacher stood at the front, explained, wrote things down, delivered the material, and the children either absorbed it or didn't. There, it was more of a collaborative effort. (Budapest, R school, Parent 2)

Expectations regarding child-centeredness are often mentioned in our interviews. Generally, parents mean by this that the school should adapt to the children, rather than the other way around. As one mother in Smalltown expressed several times, what she appreciated about their foundational school was the possibility of "getting attuned" – both in terms of the school adapting to the children's pace of learning, and by providing time and space for the children to adjust to the school environment.

As previously discussed, the small Hungarian private school landscape has traditionally been dominated by foundational schools offering alternative or reform pedagogies, which are seen as child-centered. In contrast, high-quality education has typically been associated with the elite segment of state-maintained schools. Consequently, in Hungary, parents tend to perceive child-centeredness and high-quality education as two mutually exclusive categories (Szőke et al., 2024).

Some parents seem to agree this dichotomy when they describe reputable state schools as “too much” for their child – citing this as a reason for choosing a private school instead.

However, due to growing distrust and dissatisfaction with recent changes in educational policy (Kopasz & Boda, 2018), in our interviews, child-centeredness was not only contrasted with “high-quality education,” but the state, as a school maintainer, was also frequently portrayed as incapable of providing a child-centered environment.

Experiences during visits to district schools or references to specific school conditions – such as underpaid teachers, large class sizes (both directly linked to budget constraints), or the rigidity of the national curriculum – were cited by some parents as reasons why they perceive the public sector as inherently unfriendly to children. Their turn toward the private sector, therefore, is not necessarily driven by a desire to avoid “overly high expectations,” nor by the search for alternative pedagogy, but by a perceived lack of child-centeredness in state schools.

This is probably the reason why our interviewees repeatedly tried to reconcile the potential tension between “child-centeredness,” which they feel they have found in their private school, and quality education. Sometimes, this is communicated through the way they refer to “stress,” usually mentioned as something that parents experienced during their own education (obviously, in a state-maintained school), and to which they do not want their children to be exposed. These parents sometimes refer to highly esteemed state schools as institutions that might provide good factual knowledge, but are full of stress and rigidity.

Eventually, several parents attempted to reconcile the tension between “child-centeredness” and high-quality education by considering education as a “package” that ideally offers practice-oriented pedagogy, flexibility, open communication, and a relaxed environment. Thus, child-centeredness and a relaxed school atmosphere are not viewed as indicators of low quality, nor are they valued solely because they can prolong childhood and make the kindergarten-school transition smoother and more comfortable. On the contrary, a lack of stress is considered to provide a solid ground for skill building, too, as illustrated in the following parental narrative:

I always heard that the foundations need to be solid, that development should happen properly, so that they can handle the pressure, that their nervous system should be strong, and we shouldn't stress them out too early. And if their foundational system is stable, then we're basically preparing them for greater pressure – for high school. At that point, it's like being a coach: I'm preparing them, making sure the child is in good shape for the future, so they'll be able to withstand the challenges that await them. (County Capital, B school, Parent 1)

The above quote is also a good illustration of how intensive parenting leads to thinking “professionally” and using scientific references about education; these approaches, in turn, help parents reassure themselves that their present child-centered approach represents a good investment that will lead to future high achievements.

Although the preference for child-centeredness was the common denominator among the parents we interviewed, the meanings attributed to “child-centeredness” were not necessarily identical.

Some parents openly expressed disagreement with what they perceived as the "excessive" child-centeredness and liberalism of alternative schools – such as the mother who compared both school "R" and, more generally, Steiner (Waldorf) schools to the one they eventually chose.

[R school] was too liberal for me, in the sense that I had never seen such dirt [and] mess as there. [Like], I don't know, the kid comes downstairs, takes his jacket and his shoes, and kicks them off and leaves them in the middle of the auditorium. I understand that you can do anything, but to just feel that there was no regulation at that level was a little bit of the other extreme of acceptance for me. For me, it was important that it was very child-centered, but that it [involved] a framework, in the sense that there were rules to be followed. [.....] I wanted a school that fit in with the Hungarian curriculum to some extent, but at the same time, that [it should be] child-centered. The Waldorf [Steiner approach], it was very far from our approach." (Budapest, T School, Parent 1)

This mother represents the type of parent who turned to the private sector in search of individual care and child-centeredness – qualities she felt were lacking in state schools – while also trying not to move too far away from mainstream schooling.

In fact, the notion of child-centeredness is no longer exclusive to private schools; it has also become a prominent part of how many primary state schools present themselves in their promotional narratives. However, most of the parents in our interviews appeared to have overlooked this type of information. In fact, what stands out is the contrast in how parents interpreted the information they receive from state-maintained versus private schools. Parents typically value the quality of teacher–parent communication in private schools and recalled being able to gather a significant amount of useful information before making their decision. In contrast, they tended to distrust the reliability of information provided by state schools.

The [state school] didn't really come up as a serious option. I felt it was too much of a gamble – like, okay, I go to one parent-teacher meeting, and I spend an hour or however long talking with the teacher... or actually, not even talking with the teacher, because they're the only one talking the whole time. They just go on about what the school is like, what they're going to do, who they are, what they've done, how long they've been teaching, and so on – the usual dry statistical stuff. But I wouldn't really have gotten much real information about the school itself, about what daily life, everyday routines are like there. (Budapest, B School, Parent3)

The contrast between the distrust and discontent with state schools and the appreciation of the open communication of the private schools is best illustrated by the following quote from a parent that describes the experience in a state school (excerpt a) and then the interactions with the prestigious private school (excerpt b):

a. "They [the children] don't get meaningful tasks there [the state school], and the material they're given to learn is terrible. The textbooks are full of mistakes. And then I always had to add: 'Darling, this is not how it is, this is nonsense. Learn it this way because this is what they'll ask on the test, but know that what's written here is wrong,' and I had to explain why. So I constantly had to be there alongside the school. For me, this was an enormous burden." (Budapest, A school, parent)

b. "This A school [the private school] is different, because there they actually asked me what expectations I had of the school, and whether they could respond to them. That kind of question... I seriously felt a lump in my throat, I almost cried, that my needs were acknowledged at all. And I told them that what I expect is to be able to be a mother at home. I don't want to be the teacher. I'm perfectly fine with my own work and my own life. I don't want to teach at home." (Budapest, A school, parent)

This comparison also illustrates how entry into the private sector reassures the parent that she will not have to be as involved, which she feels is unavoidable with a child in a state school. This might mean that for some, private schooling provides not only a more relaxed atmosphere for the children but also reduces the pressure on the parents as well.

## 5.2 Parental capital and the acceptance of social selection

Our interviews illustrate various ways in which concerted cultivation involves the strategic use of parental capital in order to secure what is perceived as a child-centered and, at the same time, future-oriented childhood. The capitals accumulated through these early childhood experiences are seen as valuable assets later to be converted into schooling. Early forms of concerted cultivation evidently require the use of economic capital, as these activities often come at a financial cost.

Paying for a private kindergarten is an especially noteworthy phenomenon, since in the Hungarian context – unlike in several other European countries – kindergarten attendance is mandatory from the age of three. Nevertheless, some parents are willing to pay for what they perceive as value-added options or institutional flexibility even at the kindergarten level. Economic and social capitals are especially intertwined in these cases: by participating in early childhood activities or enrolling their children in private kindergartens, parents become embedded in social networks where more information circulates about the private education sector.

A particularly noteworthy form of parental capital is the strong confidence middle-class parents express in their own cultural capital – capital they believe they can, if necessary, mobilize as a substitute for high-quality subject-based schooling in the future. As one parent explained, while advocating for a child-centered school and expressing little concern about whether the school would provide a strong subject-based education in the early years:

"I was thinking that with x number of degrees behind us, I'd just step in if something [some subject knowledge] was missing. So, regarding what they teach – if it's not enough, I'll make up for it." (Budapest, A school, Parent 1)

As for economic capital, although there are differences in the tuition fees parents have to pay, as well as in how burdensome they find these payments, there is a general consensus among them that it is worth it. Some of them directly link this to what they see as the state's declining willingness to pay its teachers enough:

"On one hand, it's more expensive for me, that's for sure – I have to pay more. But because of this, I would say that the teaching staff is also more balanced. And I think this is the biggest advantage of private schools." (County capital, B School, Parent 2)

Many parents tend to rationalize the role tuition fees play in creating social selection in education by talking about the money their fellow parents (in state schools) also spend on educational needs and shadow education. Some parents even deny that financial capital creates gaps between families; instead, they argue that they simply allocate their money differently than others in order to afford the tuition fees:

I don't know if there is any alternative pedagogy where you don't have to pay – maybe not. But people assume that just because I pay tuition for my child, I must be living well. Which isn't true. For example, I don't spend money the way my colleague, who earns the same, does. I don't order food deliveries every day, [but] that's fine if someone does. It's just that we manage our money differently. So it's not that I have more money because I send my child to a fee-paying school – the emphasis is simply on something else. (Budapest, W School, Parent 2)

Otherwise, we are not in a very, very [advantageous] financial position; we live well, but we don't go on, I don't know, exotic vacations every break. We spend a lot of money on the children's education, and we consider it important that they study in a place that is good for them. (Middletown, A school, Parent 1)

My approach to it is that it is an investment. I want the same thing as someone who buys kitchen furniture to make their home nicer, I invest in something to make things better, it is just not as tangible as kitchen furniture. By the way, we've lived here for 13 years now, and I wanted to replace the kitchen furniture, and I haven't done it. It's about setting priorities. (County capital, B School, Parent 1)

These arguments demonstrate how financial capital is converted into cultural capital through selective schooling. They also show how parents attempt to justify their privileges and regard the choices made possible by their habitus as generally expected by implying that others could also afford tuition if they prioritized education as much as fee-paying parents do.

Other parents acknowledge that having the necessary financial capital creates educational advantages for them, but accept this situation by assuming that there is nothing that can be done about financial inequalities, like the following mother who reflects on the absence of Roma pupils in their child's school:

"Here everyone has to pay tuition. There aren't any Roma kids either. I think it's for financial reasons. And also, I don't think it even reaches them, it just doesn't spread that way." (Budapest, R school, Parent1).

Although some parents express that, in an ideal world, they would be happy to send their children to a school where they could meet peers from diverse social backgrounds, even the mother who initially enrolled her child in state education – believing that this would allow him to experience how society works – later referred to this as her "delusion," which she felt she had to give up for the sake of the individual interests of her child.

Most parents did not mention social cohesion or diversity as important social functions of schooling; this may be linked to the long-recognized social selectiveness of the Hungarian education system, which persisted even during the period when the overwhelming majority of children attended state schools.

Moreover, the acknowledgment of the role played by financial capital in schooling is overshadowed by narratives about how parents appreciate their fellow parents' attitude to

childrearing: they are described as caring, future-oriented and conscious: for instance, they continue the childrearing project after school in the afternoon, because they are aware that this has to be done in order to secure a good future for their children:

Let's say upper-middle or upper-class [families send their kids here] from a financial point of view. We're more in the poorer half of the school, but what I like about the other families is that they're really conscious about raising kids. At least to the extent that they've chosen a good school. So, it's not like, okay, school day is over, let's head to McDonald's, then go home to watch TV. Instead, it's, I don't know, recreational programs, hiking, sports, or whatever – cooking at home, or going to healthy restaurants, things like that. (Budapest, B School, Parent 3)

For everyone, the child and education, invest[ing] in the future, is the absolute priority. That is, it's important for everyone to make the whole thing work, to view teachers as partners – or at least [that] most do. Even if there's a problem, it's not about blaming each other, but about solving it. (Budapest, T School, Parent 1)

When parents talk about their fellow parents as “caring parents,” this usually encompasses things that are inherent to a middle-class habitus (e.g., spending active recreational time together) and/or necessitate at least some financial capital (like going to healthy restaurants, etc.). Again, just like the belief that affording the tuition fee can be seen as a matter of “prioritizing,” this conceals the connection between social status and “good schooling”.

## 6 Conclusion

Our interviews in Hungary led to results that align with earlier Western European and American findings (Vincent, 2017; Brown, 2021), which emphasize that the school choice process is inextricably tied to the intensive project of child-rearing, and that early child-rearing experiences and practices play a role in how school choice is enacted later. A major finding of our research is that elements of concerted cultivation (Lareau, 2011) are, in the Hungarian case, already present before the start of formal schooling in the case of many of our interviewees; hence, this kind of child-rearing not only helps children through their school years, but it can play an important role even preceding the school choice process. Many parents we interviewed, especially those who later sent their children to elite-oriented private schools, are specifically seeking value-added activities that they believe will enhance their child's future opportunities. An underlying reason for this kind of early concerted cultivation may be heightened parental anxiety that it is never too early to start securing one's child's future. This also shows that the stakes, even related to the choice of primary school, are perceived to be very high in Hungary. This can be attributed to the fact that, in the past 40 years, and as a consequence of free school choice, the Hungarian primary school landscape has become even more stratified than existing socio-geographical differences would suggest, and the shared understanding that even primary schools are not equal further raises the stakes involved in choosing a good education. Seeking and providing various structured activities during the early years involves investments of cultural, social, and financial capital, which are deeply intertwined and help pave the way to privileged schooling.



Intensive parenting can be identified in how parents talk about the period of school choice: it is described by many parents as a time of "heavy research," and as a very tiresome period; however, their early practice of concerted cultivation facilitates this process for them.

Also, parents feel that looking for a good school requires not only investing time and energy, but that they need to become schooling experts: identifying a good place of education involves meticulous research into the pedagogical practices of schools or formulating opinions on the pedagogical methodologies used in schools.

Intensive parenting culminates in this period in gathering all kinds of "hot" and "cold" knowledge about schools. In this research, parents are much more suspicious about the information that comes from schools maintained by the state, whereas they trust privately maintained schools much more, seeing them as more transparent and more willing to openly communicate with parents.

Mistrust of the state is further strengthened by references to recent policy changes, especially budgetary cuts, which parents interpret as inevitably leading to a decrease in the provision of suitable infrastructural and professional assistance in state schools. In the Hungarian case, distrust is also frequently intertwined with a direct political stance: some parents turn away from state schools and seek alternative private schools because they are opposed to the ruling government's educational policy. Intensive parentification, hence, stems not only from the belief of having been left alone (by the state) but also from thinking about schooling along pedagogical-professional lines and trying to make sense of whether it is worth turning to alternative pedagogies.

Self-confidence in their own cultural and economic capital can help parents reconcile their choice of "alternative" private education and the possible gaps in quality education that are usually thought to go together with alternative education.

However, whereas many "alternative schoolers" think about child-centeredness as an all-encompassing pedagogical philosophy, others who refer to this term rather think of it as a guarantee of flexibility and the consideration of the individual needs of the child.

Strategies intended to avoid state schools that deploy mainstream teacher-centered pedagogies and the emphasis on the individuality of the child are two sides of the same coin, and they both motivate parents to dig deep through their school research in order not to fail in their parental responsibility. Our findings align with Lubienski's argument that school choice is a mechanism that strengthens the privatized aspect of education: parents do not trust mainstream education on the one hand, and they feel that finding a good school is their most important parental project and responsibility, and not fulfilling this responsibility can ruin the future of their children. Probably due to the stratified feature of the Hungarian educational landscape even before 2010, social inequalities among institutions are widely accepted as an inherent feature of the system. In agreement, in our interviews, while some interviewees expressed their regret that only those from privileged social backgrounds can attend the school their child attends, concerns about the consequences of exclusionary education rarely arose. On the other hand, growing social inequalities within the educational system are legitimized by downplaying or justifying the exclusionary effects of tuition fees. This is reflected in the vocabulary of the parents when they speak in terms of investment, prioritization, or responsible parenting, by which they imply that it is not financial capital that creates social differences in schooling. More-

over, they underestimate the role played by their financial capital in the reproduction of their educational privileges when they speak of themselves as among the least wealthy families in the school, or see being wealthy as the least important of their characteristics. They also normalize their privileges by perceiving their fellow parents not primarily as people who can afford private education, but as committed, caring, and responsible parents who have made the right choice and necessary sacrifice of paying for education for the sake of their children. Moreover, although their accounts of their child-rearing clearly demonstrate the early use of cultural, social, and economic capital to secure their children's educational futures, parents tend to interpret their children's enrolment in private schools not as an outcome of their privilege, but instead as a deserved reward for their parental care and sacrifice.

## Acknowledgements

This article is based on data collection and field work made possible by the FK135215 research project funded by the Hungarian National Research, Development and Innovation Office. The author would like to thank the anonymous reviewers for their helpful comments and suggestions, which have helped improve the text.

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## BOOK REVIEW

Walford, G. (ed.) *Privatisation, Education and Social Justice* (2015). Routledge, Oxford, New York

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<https://doi.org/10.17356/ieejsp.v1i2.1484>

### People before profit?

#### Can privatisation of education lead to equity?

This volume was born twice: initially as a special issue of the *Oxford Review of Education* (Volume 39, Issue 4) in 2013, and then as a book in 2015 (not to mention its third incarnation as a paperback a year later).<sup>1</sup> This particular genesis may indicate its significance, as it has served since then as a frequently quoted reference in educational privatisation research.

While time has passed since then, its topic and chapters are more relevant than ever, as the marketisation of schooling has become a global phenomenon and privatisation policies are becoming increasingly widespread (Cone, L., K. Brøgger, 2020; Santos, M., & Neto-Mendes, A., 2022), even in the strongholds of the welfare state (Cone, L., & Moos, L., 2022). This tendency can be explained by various reasons, including the pandemic (Williamson, Ben & Hogan, Anna, 2020), the rise of neoliberal governance (Capano, G., Zito, A. R., Toth, F., & Rayner, J., 2022), and the rise of right-wing religious populism (Neumann, E., 2024). A recent study that reviewed 18 French-speaking countries from Haiti to Senegal also points to the “rapid growth of the private sector” in education (Lange, M-F., 2021), almost regardless of the local political-ideological context. Most authors suggest that the churchification of schools is also a privatisation process (Neumann, E., 2024); in both France and Hungary, most private schools are run by various churches, primarily the Catholic Church (Ercse, K., & Radó, P., 2019; Pellet, S., 2012). In the case of France, Chloé Tavan shows that, in terms of sector equity or the ability to reduce socially based inequalities, the results can be contrasted. While recruitment does reproduce social inequalities (but less so in areas where the private sector’s weight in local school supply is high), the private sector does seem to display smaller differences in school success by social milieu, thus reducing inequalities in social mobility for those who make it into those schools (Tavan, C., 2004). Others argue that inequalities are fostered by privatisation (Verger, A., 2023).

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<sup>1</sup> The page numbers referenced in my article correspond to the version of “Privatisation, Education and Social Justice” as published in the *Oxford Review of Education*.

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The volume's greatest accomplishment is probably its diverse yet coherent approach. It does not oversimplify the concept of privatisation but rather shows its multifaceted nature. Not only is the functioning of private schools very diverse from one educational system to another, but the private sector can also play roles beyond running the schools, such as providing school food, equipment, etc. As a paper with somewhat similar aims states: this "complex phenomenon should not be oversimplified [...]. The results, drawn from a European-wide survey, portray a nuanced pattern of privatization at this regional level in which public funding and ownership remain important, but schools are commonly adopting a wide range of 'private-like' practices" (Winchip, E., Stevenson, H., & Milner, A., 2018, p. 81.). This is what the authors of this volume also do, including references to intersectionality (gender differences within given social classes) in order to grasp the complexity of the phenomenon. The only major criticism we may express is that a more systematic state of the art is missing, as partial reviews in each of the individual articles or chapters cannot replace a comprehensive literature review.

In the first chapter of the volume (that I present in more detail because it is the most ambitious and comprehensive one), Susan Robertson and Roger Dale explore both the privatisation and globalisation of education. They argue that a traditional Rawlsian view of social justice is limited: critical theory of justice would thus be equipped to evaluate a plurality of social structures and not only the distributional alternatives they circumscribe; that's what they call a "social connection model". Whatever the theoretical framework, the authors present a varied set of examples of policies mitigating the excesses of privatisation, for example, in India, with 25% of places in private schools (including elite private schools) going to the very poor (see in details below), or limits on the fees schools might charge so that they do not act as a mechanism of selection and stigmatisation. Also, governments can, at least in theory, design Public Private Partnership (PPP) contracts and regulate them to bind the contractor into delivering to that specification. But the authors also show the empirical limits of privatisation with regard to inequalities, as well as the intersectional implications: "a growing body of empirical work has found that these schools do not include the very poor [...] and when family incomes are limited, it is more likely to be the boy child who is chosen above the girl child [...]. From here we could argue those promoting low-fee places in private schools not only exploit the aspirations of the poor, whilst the entrepreneur makes a profit from a social group least able to afford to pay, but that such practices reinforce gendered divisions of labour." (p. 431.) Charter schools and education vouchers are defined as PPPs, promoted in developing countries too by the World Bank; while Charter Schools in the United States – when demographic data (social class, race, gender) are taken into account – actually perform less well than public schools. Hence, while the results are contrasting, to conclude, the authors seem to subscribe to Ball's negative view of privatisation, based on his British findings: "The »reform« of the public service sector is a massive new profit opportunity for business ... the outsourcing of education services is worth at least £1.5 billion a year". They insist on this point further: "markets alone, being inherently competitive [...] are incapable of providing socially-just outcomes, or even outputs." (p. 440.) The theoretical developments of the chapter are less convincing than the empirical ones, since they demonstrate the negative impact of educational privatisation without demonstrating that Rawls' theory of social justice cannot grasp this phenomenon, rather the contrary.



The following chapter by James Tooley uses the example of low-fee private schools to question definitions and realities of social justice. He shows that low-fee private schools are greatly expanding in poor areas of sub-Saharan Africa, South Asia and elsewhere, and that they are serving many poor and even very poor families. Hence this paper contradicts Robertson and Dale in a very inspiring way, showing the heterogeneity of local contexts, including the opportunities offered (or refused) by private education institutions.

Sally Power and Chris Taylor's chapter challenges the neat representation of the public and the private spheres being aligned on either side of a battle between left and right, the state and the market, and where social justice is commonly seen as the prerogative of the public sphere. It shows how the language of what counts as public and private in education is historically specific, culturally contingent and ideologically loaded. They also argue that, just as the public and private spheres are multi-faceted, so too is social justice. Drawing on the work of Nancy Fraser, they distinguish between the three dimensions of social injustice – economic, cultural and political – and their respective politics of redistribution, recognition and representation. They argue that while the state may be able to promote social justice along some dimensions, it may exacerbate social injustice along others. For example, in some contexts, recognition of minorities is lacking in public education, hence "In the USA, it was black Democrat activists that lobbied for the introduction of vouchers in order to break the public sector control of education which they saw penalising black children."

This is followed by a chapter by Mark Bray, who in the last decade has become the most significant researcher into private supplementary tutoring, or "shadow schooling". While international organisations state that everyone has the right to education and that education should be free, at least in the elementary and fundamental stages (at primary school-age), the volumes of private supplementary tutoring increase around the globe. In some societies, investment in tutoring has in effect become obligatory for families with visions of even modest social advance. (Robertson and Dale's chapter above shows that shadow schooling, i.e. fee-paying tutoring in academic subjects has become a major enterprise in several EU Member States, attaining approximately 17% and 20% in Cyprus and Greece respectively of the government expenditure on primary and secondary education; similarly, in Asia – from China to Bangladesh –, private tutoring represents a major family investment in education.)

Christopher Lubienski's focus is on American Charter Schools. Over the last two decades, US policymakers have advocated this particular form of independently managed school in the hopes of fostering more equitable access to quality educational options, particularly for disadvantaged children, through increased market competition. The chapter first discusses the ways in which charter schools can and cannot be seen as privatisation. While critics see charter schools as a form of privatisation, proponents argue that they are public schools because of government funding and accountability procedures. The chapter reviews the empirical evidence on charter schools and shows that the marketised environment that they are intended to nurture serves as a route for profit-seeking strategies; over time, the competitive conditions cause many schools – including those established with a social justice ethos – to adopt practices that limit access for disadvantaged students.

The chapter by Henry M. Levin, Ilja Cornelisz and Barbara Hanisch-Cerda provides a framework for analysing quasi-markets in education and for considering the potential

effects of privatisation. It then applies this framework to the Netherlands, a school system where two thirds of the schools are privately sponsored. Results show that the socioeconomic achievement gap in the Netherlands is comparable to those of other industrialised countries. A notable difference is that the deleterious effect of socioeconomic status (SES) on achievement is initially low for lower levels of SES, which is positive, but on the other hand, while “Non-Western immigrant students [...] perform relatively well in primary education, but fall behind their international peers in the tracked secondary system [...] a system of early tracking is likely to increase the socioeconomic achievement gap [...] The Netherlands sponsors a school system that is among the most ethnically and socioeconomically stratified in Europe, particularly at the tracked secondary level [...]. Such segregation has generally been attributed to a combination of residential sorting and universal school choice by parents [...]. We believe that privatisation and choice enhance these differences [...]”. (pp. 525-526).

The contribution by Geoffrey Walford compares two schemes designed to help the poor in very different countries. The Indian Right of Children to Free and Compulsory Education Act, adopted in 2009 enforces the reservation of 25% of the entry-level seats in all private schools for students from economically and socially disadvantaged families. The Indian government pays schools a per child fee. There are many similarities between this scheme and the Assisted Places Schemes that ran in Great Britain from 1980 until 1997. It examines the similarities and differences between the two schemes and draws conclusions about the potential effects of the Indian scheme on social justice based on the evaluations of the British scheme: “The government schools will thus lose some students who come from these supportive homes and who have some understanding of schooling. It is thus likely that the differences between the government sector and the private sector will increase and social justice worsen.” (p. 544.)

The final chapter from Joanna Härmä examines schooling in Lagos, Nigeria, which is home to over 12,000 private schools catering to families from the ultra-rich to the relatively poor, with many schools targeting those of lower socio-economic status. Government schools were intended to provide a just and equitable option for all; however, they have not kept pace with demand in terms of both capacity and quality, causing concerned parents to look elsewhere. Parents living in slums are prepared to pay a high proportion of their incomes to access fee-paying primary education for their children. Härmä discusses the equity implications of this situation. The chapter shows that parents choose private schools because government schools are perceived to be failing, but that these parents have higher expectations than what can be met by private schools run on incredibly tight budgets with often untrained teachers. It is thus highly questionable that under such circumstances social justice can be served through this scenario.

Two mainstream understandings of the role of the private sector in education have coexisted for decades. One –the conservative and neoliberal view – argues that a meritocratic system can and should be achieved through privatisation, as the market is more efficient than the state in supporting talents. On the other hand, proponents of social justice argue that privatisation reinforces disparities, early selection, and thus inequalities.

This book defends a third point of view. While subscribing to the fundamental value of social justice and criticising a number of cases where privatisation leads to increased inequalities, it also highlights some good practices in privatisation, such as the privatised

primary schools in the Netherlands, where immigrant children perform well. In fact, privatisation can be successful as long as it respects several conditions: being available to all, avoiding tracking and especially early selection, maintaining affordable fees, and being compatible with state-run schools, among others. However, while we can commend the authors' openness to out-of-the-box thinking and their lack of prejudice towards private schools, only a few empirical findings support this theory, unless we consider that cultural recognition of minorities, like in many charter schools in the US, is a form of social justice.

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## BOOK REVIEW

Hogan, A., & Thompson, G. (2020). *Privatisation and Commercialisation in Public Education: How the Public Nature of Schooling is Changing*. Routledge

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<https://doi.org/10.17356/ieejsp.v1i2.1505>

Something fundamental is shifting in the world of education. Public schooling – long understood as a public good, a cornerstone of democratic societies (McNeil, 2002) – is increasingly permeated by private interests and market logics. This is not a new trend, although its intensification characterises the current global landscape. From charter schools in the United States to free schools in the United Kingdom and independent public schools in Australia, the traditional boundary between public and private is increasingly blurred, reconfiguring what it means for education to be “public”. Even in Finland – a country globally celebrated for its comprehensive public education system – signs of marketisation have emerged. Helsinki hosted the inaugural OECD Global Education Industry Summit in 2015, and its message was clear: governments and private actors should jointly foster an “innovation ecosystem” in education (OECD, 2015).

This changing phenomenon forms the core concern of *Privatisation and Commercialisation in Public Education: How the Public Nature of Schooling is Changing*, edited by Anna Hogan and Greg Thompson. Anna Hogan is a senior lecturer at the University of Queensland, and Greg Thompson is a professor at the Queensland University of Technology. Both are prominent Australian education researchers whose work critically examines the privatisation and commercialisation of public schooling, highlighting how market logics and corporate actors increasingly shape educational policy and practice both nationally and internationally. Through a rich and diverse collection of case studies, the volume investigates the multiple and intersecting processes of privatisation, marketisation and commercialisation in contemporary education systems. A key strength of the book lies in its insistence on conceptual clarity, with the editors offering nuanced distinctions that highlight their respective logics and implications. Although these processes are interconnected, they are not synonymous, and the book’s analytical rigour enables readers to grasp the specificities of each phenomenon. The volume moves beyond the Anglophone world; it brings in perspectives from countries in the Global South, such as India, Chile, and Liberia, as well as from Northern European nations like Finland and Sweden. This transnational scope underscores the complex interplay between global policy trends and localised educational contexts, offering insights into how privatisation and market logics take root in distinct sociopolitical and economic terrains. The central question threading

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through the volume is crucial regarding social institutions, democratic functioning, and social inequalities as well: What does “public” education mean when the boundaries between state and market, public and private are increasingly blurred?

Following the book’s analytical structure, this review will explore its main arguments and contributions by tracing the contours of these shifting definitions: marketisation, privatisation, commercialisation, and finally what “public” means in these new circumstances.

The book’s first major conceptual thread – marketisation – is defined as the creation of policy logics that seek to establish quasi-markets in education. Ball (1994) characterizes marketisation as the introduction of market forces into schooling, while Whitty and Power (2000) describe quasi-markets as the confluence of parental choice, school autonomy, and varying degrees of government regulation and public accountability. In this model, schools are not simply service providers but actors competing in an education marketplace, often with parents positioned as consumers making informed choices about their children’s education. Marketisation thus introduces a competitive logic into education, transforming how success is measured and how educational relationships are framed. Two processes can bring market logic into education: privatisation and commercialisation.

Closely intertwined with marketisation is privatisation, which the volume frames as “the development of quasi-markets through institutional and policy structures that privilege parental choice, school autonomy, and venture philanthropy, often with the state regulating for public accountability. It happens *to* schools.” (Introduction, p. 4) These structures often retain close cooperation with national government and state oversight, particularly in the form of accountability measures, but shift core educational functions into the hands of private actors.

The first five chapters of the book explore the incursion of private actors into public education, beginning with the emergence of new philanthropic movements in the United States. (Chapter 1) Christopher Lubienski explores the activity of “edu-philanthropies”, typically driven by wealthy individuals or foundations with corporate backgrounds. They bring with them a managerial ethos rooted in efficiency, competition, and quantifiable outcomes. Charter schools, teacher incentive schemes, and programmes like Teach For America exemplify this trend. Rather than emphasising collective outcomes such as equity or democratic engagement, edu-philanthropists tend to prioritise individual success metrics, such as employability and test scores. Similar trends are observed in New Zealand, where charitable entities play significant roles in shaping educational reforms through public-private partnerships (PPPs).

The volume links these developments to a broader transformation in educational governance. As O’Neill and Powell note (Chapter 2), the rise of private actors in education signals a shift towards a “partnering state”, a more fluid and networked governance form where governments cooperate with private actors to compensate for perceived shortcomings in public service provision. PPPs in education typically involve private organisations operating or managing publicly funded schools, often through vouchers or contractual agreements. This arrangement aims to harness private-sector efficiency and innovation to improve public services yet also introduces new forms of inequality and democratic deficit. The presence of private management in public systems can create disparities in access, curriculum design, and accountability structures.



The comparative breadth of the volume becomes especially evident in its analysis of Liberia and India. The chapter by Radhika Gorur and Ben Arnold (Chapter 4) focuses on the 2009 Right to Education Act, which mandates that private schools reserve 25% of their seats for disadvantaged students in India. While this policy sought to integrate private providers into a broader public education framework, it created a hybrid model of delivering comprehensive education. The chapter reveals that the implementation of the model has been marred by bureaucratic obstacles, resistance from private schools, and unintended exclusionary effects, resulting in the reproduction of existing social inequalities in a new system.

The volume's exploration of commercialisation sheds light on a different yet related dimension of education reform. Commercialisation refers to "the creation, marketing, and sale of education goods and services for commercial gain. It happens *in* schools." (Introduction, p. 5) This includes everything from textbooks and learning platforms to school management software and standardised testing services. In some cases, commercialisation manifests as a full-scale "edu-business" industry that reimagines education as a global commodity. These practices change the internal culture of schools and redefine how educational success is achieved and measured. Chapters 6–9 explore different trends in the commercialisation of schooling.

The Finnish example (Chapter 6) is particularly illuminating. Despite its strong tradition of state-funded, comprehensive schooling, Finland is witnessing increasing involvement from actors such as Microsoft and education start-ups. These entities often frame Finnish education as outdated and in need of digital modernisation, effectively commodifying their products or services tested on the "PISA-branded" Finnish education system for export. Piia Seppänen and her co-authors describe the trend as "edu-ecosystems", a complex network of private companies, investors, and state actors. In contrast, Sweden offers a more explicit case of market-driven education reform. With a long-standing acceptance of private schooling and voucher systems, Sweden has embraced a highly liberalised education model that allows for significant private sector involvement. (Chapter 8) This divergence from Finland illustrates how different policy traditions and societal values shape the trajectories of educational reform. In Sweden, the idea of choice is embedded deeply within the educational system, making it more vulnerable to market fluctuations and corporate interests.

The chapter by Lluís Parcerisa and his co-authors focuses on Chile, where high-stakes accountability systems have created a market for Educational Technical Assistance (ATE) services. (Chapter 7) These services are used by both public and private schools to improve standardized test performance. However, while private schools express greater satisfaction with ATEs, public schools often critique their efficacy and lack of contextual fit. The rise of ATEs reveals how accountability policies can indirectly bolster commercial interests, often at the expense of holistic education. Teachers, in particular, express deep concerns about the commercialisation of education, highlighting the loss of pedagogical autonomy, the commodification of student data, and the erosion of state support. Similar results are shown in the chapter by Greg Thompson and his co-authors (Chapter 9), which is the only chapter in the book that tries to explore the perspective of internal actors: the teachers in New Zealand. It reveals that teachers express generally high levels of concern regarding commercialisation. They report that schools are being forced to operate like businesses, where success is measured through metrics and data collection rather than

meaningful learning. Teachers especially worry about student privacy, particularly regarding the sale and usage of digital data by commercial providers and are much less concerned about private tutoring and the quality of commercial products than about other aspects.

The final parts (Chapters 10–12) of the volume turn to the conceptual implications of these developments. The contributors argue for a more nuanced understanding of “publicness” in education. Rather than adhering to a rigid public/private binary, Nicole Mockler and her co-authors propose a typology that considers multiple dimensions – such as control, access, funding, and curriculum – across different contexts. (Chapter 12) This framework enables a richer analysis of how education systems are structured and governed in practice. It also challenges researchers and policymakers to rethink the language used to describe education systems.

*Privatisation and Commercialisation in Public Education: How the Public Nature of Schooling is Changing* is an essential contribution to ongoing debates about the future of schooling. It provides a comprehensive, empirically grounded, and theoretically sophisticated account of how private and market forces are reshaping education across the globe. It does not offer a nostalgic defence of the public system but instead invites readers to critically reimagine what a public education system might look like under marketising contemporary conditions. In doing so, it calls for renewed attention to the emergence of educational inequalities within nations and globally, the imperative to redefine public services in the competitive state model, and the new forms of governance in an increasingly marketised education system.

As promised, the volume attempts to look beyond the Anglophone context, but the core material is still largely drawn from case studies in those countries. I missed inquiries into the inner functioning of schools, the perspectives of teachers, students, and parents, and research into the everyday life of different types of educational institutions. I believe that micro- and meso-level analyses would greatly enrich the conceptual rethinking of publicness. Additionally, studies on how the marketisation of education affects social inequalities and the fabric of society in the long term were also absent from the volume. Although concerns about these issues are often expressed, such research could also open up new perspectives for further investigation on educational privatisation, marketisation and commercialisation.

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Intersections. EEJSP  
11(2): 165–182.  
<https://doi.org/10.17356/ieejsp.v11i2.1183>  
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## Populism, compliance, and social norm enforcement during the COVID-19 pandemic in five European countries

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### Abstract

In order to reduce the spread of COVID-19, citizens have been cooperating with their governments by complying with protective measures for almost two years. However, compliance with these COVID-19 measures can be imposed not only by the state, but also by citizens' own reactions to each other's protective behavior. More specifically, by reacting negatively toward others' transgression of COVID-19 measures, one can enforce social norms. Social norm enforcement can support the general level of compliance and enhance the effectiveness of COVID-19-related measures. In this paper we examine self-reported compliance and social norm enforcement related to COVID-19 measures in five European countries during the first wave of the COVID-19 pandemic. In addition to socio-demographic characteristics, we include politics-related variables, in particular populist attitudes, and measure these in light of a latent variable analysis. We found that populist attitudes—contrary to our expectations—increase compliance with COVID-19 measures, but there was no significant relation between populist attitudes and social norm enforcement. These results can establish future research on how populist attitudes and COVID-19 behaviors interrelate.

**Keywords:** compliance, social norm enforcement, COVID-19 measures, populist attitudes, structural equation modeling

## 1 Introduction

The COVID-19 pandemic represents a huge policy challenge to governments around the globe. Part of this challenge is how to convince people about the necessity of policy measures, even if those are uncomfortable (like wearing a mask) or costly (like lockdowns) and solicit their cooperation and compliance. This is of paramount importance, since the effectiveness of public policies depends, among other factors, on people's allegiance to government policies. If people are willing to accept governmental decisions as legitimate and justifiable, this will strengthen their cooperation with authorities and increase their voluntary compliance with regulations and that, obviously, increases the effectiveness of implementation (Levi et al., 2009; Tyler, 2010; Wallner, 2008). Regulations seen as legitimate may become social norms, which, by definition, are enforced by way of social sanctions, instead of the force of the law (Nolan, 2017, p. 148).

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This paper focuses on the role of populist attitudes in predicting self-reported compliance and social norm enforcement with COVID-19-related measures.<sup>1</sup> The choice of examining populist attitudes in relation to COVID-19 behaviors is justified by two considerations. First, as Mudde (2004) stated, we live in a populist era: populism both as a general attitudinal predisposition and as a political movement has been growing stronger in the past two decades (Hawkins et al., 2019). Second, populism generally thrives in times of crisis, therefore one could assume that the pandemic would also provide a fertile ground for populist ideas (Bobba & Hubé, 2021). Especially, because populism is, by definition, anti-elitist and prone to cultivate conspiracy thinking—the leading role of medical experts in fighting the pandemic on one hand, and the uncertainties surrounding the origins as well as the possible cures, including vaccination of the disease, on the other, have the potential to spur both kinds of attitudes. If health measures aimed at fighting the pandemic clash with populist sentiments, this could represent a specific policy challenge to deal with.

Not much is known about the influence of politics-related variables, including populist attitudes on why people comply with COVID-19 related government measures. Because people tend to adjust their opinions about public issues to the preferred party's issue positions (see, e.g., Druckman et al., 2015), we may assume that compliance decisions are not independent of people's political attitudes and preferences. Previous studies about COVID-19 and political attitudes focused on one special country case (e.g. Nivette et al., 2021; Asnakew et al., 2020, Schmelz, 2021) maybe two (Kopasz et al., 2025), and so there has been a lack of comparative analysis in this field. One of the few exceptions is the study by Abadi and colleagues (2021), which examined specifically the role of populism and various emotions in complying with pandemic-related measures. They found that anxiety related to COVID-19 positively correlates with compliance with COVID-19-related measures, and these are positively predicted by populist attitudes.

We present the analysis of a dataset collected in five European countries (Abadi et al., 2021) at the outset of the COVID-19 pandemic, also including data of one more country (Hungary). However, our research focus is different than that of Abadi and his colleagues. Namely, while Abadi et al. (2021) focused on the role of emotions, we put a special emphasis on populist attitudes in predicting compliance with COVID-19 measures. The models of Abadi et al. (2021) demonstrated that emotions like anxiety and anger predict compliance behavior, but they showed no effect of the populist attitudes. The authors suggest that this is explained by the fact that people with populist attitudes are more anxious—that is, the effect of populism may be mediated by the emotions. We use different models with an emphasis on political attitudes and examine the possible role of populist attitudes in that context. Also, instead of using hierarchical regression analysis as Abadi et al. (2021) did, we conduct SEM analysis (see below and the methodology section), on a partly different sample than Abadi et al. (2021), adding one more country, namely Hungary, to the pool, as the most polarized in COVID-19 narratives and with the least collaborative government among the investigated countries (Kopasz et al., 2025). Moreover, the scrutiny of social norm enforcement in line with populism is also novel in our research.

<sup>1</sup> Note that we use survey data. Although the questionnaire asked the respondents on their actual behavior, we cannot know whether the answers reflect reality. Therefore, we interpret those answers as self-reported compliance and social norm enforcement.

Even if compliance is high in a country, there will always be parts of the population who are reluctant to comply with the regulations and this may undermine the effectiveness of health measures. We examine whether individuals with strong populist attitudes are more likely to publicly enforce social norms and to comply with pandemic-related measures in order to protect themselves. The role of social norm enforcement has not been the focus of pandemic-related policy studies to date, nor has it been examined in light of populist attitudes of individuals.

## 2 Populism, compliance, social norm enforcement, and the pandemic

Legitimacy and justifiability of policies have both procedural and substantive conditions (Wallner, 2008). The former refers to the procedures of policy formulation, decision making and implementation in terms of debates, participation, and transparency; and the extent to which policy making is in conformity with the norms of procedural fairness (Tyler, 2010). On the other hand, “(i)n substantive terms, policy content should align with the dominant attitudes of the affected stakeholders and, ideally, the broader public” (Wallner, 2008, p. 422). In this light, understanding compliance with COVID-19 related government restriction requires the analysis of how specific socio-political attitudes predict the allegiance to those measures. Knowledge on self-reported compliance and their roots may help governments to better target their policies and communication activities.

Studies on compliance with COVID-19 measures have focused mostly on the role of socio-demographic variables. Research has shown that women, older and more educated people, living in urban areas, are more likely to comply with COVID-19 measures (Abadi et al., 2021; Buyukkececi, 2021; Clark et al., 2020; Qeadan et al., 2020). However, related studies are inconclusive. For instance, both Barceló and Sheen (2020) as well as Nivette et al., (2021) found a negative correlation between education and compliance, suggesting that higher education means less compliance. In addition, COVID-19 related factors also seem to be significant predictors. Citizens who had been infected with COVID-19 or who were concerned about becoming infected were also more willing to comply with restriction measures (Barceló & Sheen, 2020; Harper et al., 2020; Qeadan et al., 2020; Raude et al., 2020).

Populism is defined in multiple ways and from different angles, but we employ the ideational approach advocated by Cas Mudde: populism is a kind of ideology, but a “thin” one, lacking a substantive ideological core, which makes it prone to manifest itself at both the left and the right of the political spectrum (Mudde, 2004). As an ideological construct, it builds on the ideas of anti-elitism, people-centrism, and a Manichaeian outlook in which the corrupt elite (and its allies) is antagonistically contrasted to the “good” people. The ideational approach constitutes a dominant paradigm in populism research (see Chrysogelos et al. 2024; Hawkins & Rowira Kaltwasser, 2019). One of its strengths is that it is easily applicable to individual attitudes: researchers have developed scales measuring those attitudes, which reflect anti-elitism, people centrism and Manichaeian outlook. These scales have been empirically validated throughout a series of analyses proving their distinctiveness from other, related measures of political attitudes (see Akkermann et al., 2014; Castanho Silva et al., 2020; Geurkink et al., 2020; Hawkins et al., 2019).



A plausible assumption is that, first, the pandemic as a major crisis has spurred populist discourses and activated populist sentiments, and second, that these attitudes acted against strict pandemic-related measures. First, we assume that because of the uncertainty on the effectiveness of the measures and their proper level, measures may seem too strict, e.g., they may have negative socio-economic consequences, or too lax, because they cannot stop the pandemic. Either way, public discontent may rise, and political elites are an easy target of criticism. Since anti-elitism is the essence of populism, we can expect both people with populist attitudes and populist political actors to criticize the government. Populist political actors have indeed tried to capitalize on the COVID-19 crisis and criticized their governments either for being too permissive or implementing unnecessarily strict measures (Bobba & Hubé 2021). Although there are examples for the former, the typical populist reaction to the pandemic-related measures was the latter: populist actors questioned both the risks of the pandemic and the necessity of strict measures (Brubaker, 2021). Populist governments, on the other hand, downplayed the severity of the pandemic and implemented relatively lax measures compared to other countries (Bayerlein et al., 2021, Kopasz et al., 2025). The explanation might be that populist governments posited international experts and the WHO as “elites” to be criticized on behalf of the “people” (Kopasz et al., 2025). Therefore, we expect that people with populist attitudes who probably sympathize with their populist government, also then downplay the severity of the risk and the necessity of any anti-pandemic measures. Second, COVID-19 has unclear origins and speculations that have circulated in the media, including conspiracy theories about the Chinese government and its secret military program, or, inversely, about the US government releasing the virus with the aim of incriminating China (Bolsen et al., 2020). The fast development of vaccines further evoked fears and uncertainty and gave a new impetus to anti-vaccine conspiracy theories and movements. Eberl and his colleagues (2020) found a statistically significant positive association between faith in COVID-19 conspiracy theories and populist attitudes, which is, again, justified by the anti-elitist stance of populism. Also, one in three people say they have seen or heard messages discouraging the public from getting a COVID-19 vaccine.<sup>2</sup> These messages certainly influence the behavior of people and contribute to the uncertainties and hesitations concerning vaccines (Stecula & Pickup, 2021). Therefore, whereas Michel (2020) found that populist voters, while being more critical and distrustful toward the government, show similar levels of compliance toward health measures to the rest of the population, we argue that there is a strong theoretical case to expect populist sentiments to predict weaker compliance.

For the contextualization of our research cases, we would like to briefly highlight some important and relevant characteristics of the countries under investigations, as well as patterns regarding the political position of populist parties (whether they are in government or not), and how they could influence the current political and media discourse on the coronavirus and the pandemic. Let us highlight that even though our research design does not strictly follow a Most Different System Design (MDSD), it uses a diverse case selection strategy to capture variation on theoretically relevant dimensions, namely, populist parties and attitudes, the number of people infected with COVID-19 and related government regulations.

<sup>2</sup> Ipsos (2021) Attitudes to COVID-19 vaccines. Available at <https://www.ipsos.com/en/attitudes-covid-19-vaccines> (accessed 30 September 2021)



First of all, the country cases (Germany, Spain, the Netherlands, the United Kingdom, and Hungary) represent different socio-economic compositions, political cultures, as well as different political measures and communication strategies of governments regarding the coronavirus pandemic, different numbers in infections and deaths, and therefore appropriately diverse cases for the current comparative analysis (i.e., whether populist attitudes in general lead to more compliance with COVID-19 rules and related social norm enforcement or not). The countries also differ in terms of the extent of populism on the macro level and whether populist parties are in government or in opposition. The position of populist actors profoundly shapes both the narrative around COVID-19 and the public's response to regulations. When in government, populist leaders can shape crisis communication, downplay expert advice, or use the pandemic to consolidate authority. When in opposition, populist rhetoric may focus on delegitimizing government measures, promoting distrust, or framing regulations as elite overreach. Including both scenarios allows the study to differentiate between top-down and bottom-up dynamics of populism. While the five countries differ in political systems, media environments, and pandemic trajectories, they are comparable in that each has experienced significant populist mobilization.

While in Hungary and in the United Kingdom populist parties were in government at the time of the research (and the Hungarian government is considered as one of the most populist political forces in Europe, which was actually not hit politically by the COVID-19 crisis (Ádám & Csaba, 2022), in Germany, Spain and the Netherlands populist political groups had parliamentary representation but did not govern in the country. As Bobba and Hubé (2021) highlight, the impact of COVID-19 was also different in these countries; while the number of reported deaths was especially high in Spain and in the UK, Germany and Hungary belong to the “medium” category in this regard (however, in Hungary, vaccination rates were also way below the EU average (Ádám & Hajnal, 2022). While COVID-19 related rules were less strict in the Netherlands or the UK, Hungarian and German governments were more coercive about social distancing or lockdowns. Populist parties in opposition positions mostly blamed the government measures for being too harsh and restrictive for citizens, which could have implied less compliance and enforcement of their electorate, too. Furthermore, COVID-19 related conspiracy theories were often articulated and integrated to the related discourse by populist parties, like the UKIP or the AfD.

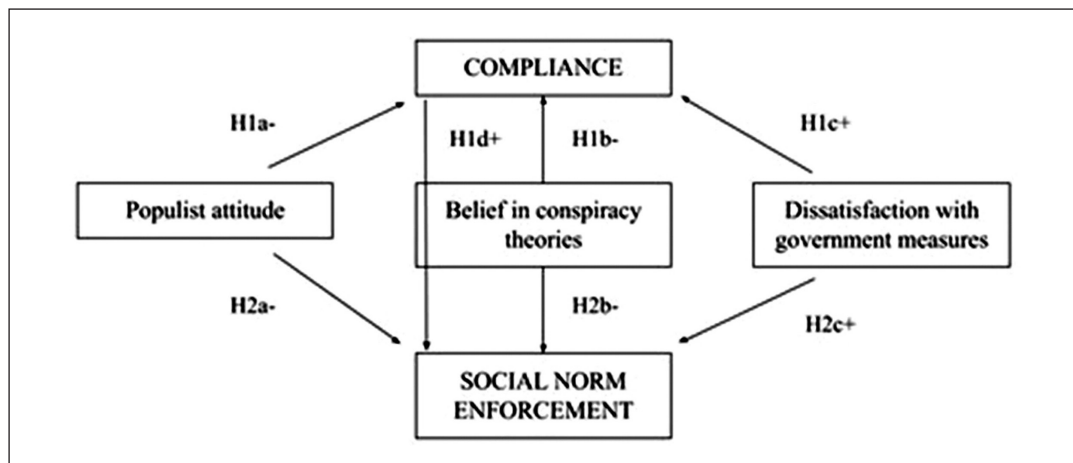
As for the other dependent variable of our analysis, while compliance have been investigated in several social science research about the coronavirus, less is known about the enforcement of COVID-19-related measures as social norms. Social norms might be crucial in keeping COVID-19 measures (Martínez et al., 2021), and we can easily recall social situations when citizens, more or less kindly and politely, reminded each other of keeping to various expected social norms.

Consequently, the question is what facilitates social norm enforcement with regard to COVID-19 rules? Only a handful of studies raised this question and none of them focused on political attitudes. Schunk and Wagner (2021) found that women agree less than men to punish norm violation, while they did not find significant differences between younger and older people. Clark and her colleagues (2020) clearly pointed out in their comparative study that people who enforce social norms are more likely to comply with them first. People's sanctioning behavior was shown to be contingent on the beliefs about the prevalence of norm violations in the population as well: we can expect people to enforce

social norms more eagerly if non-compliance is a relatively rare phenomenon (Traxler & Winter, 2012). Finally, although compliance with COVID-19 related rules shows a certain relation to government measures and the face-to-face enforcement of these rules regard rather as a question of social relations and psychology, citizens' willingness to enforce norms is also dependent on the perceived effectiveness of legal sanctions. Namely, the legal and the social enforcement systems are complementary: social enforcement is activated if legal enforcement is seen to be weak (Kube & Traxler, 2011).

Given the positive association of social norm enforcement to compliance as well as its trade-off with legal enforcement, we hypothesize that populist attitude predicts weak social norm enforcement, namely, people with populist attitude will be less willing to impose COVID-19-related social norms on other citizens. First, because, as shown above, we assume that populist sentiments are associated with weak self-reported compliance to government-set rules; and second, because we assume that populist sentiments predict a distrust toward governmental regulations which, therefore, should not be enforced by social action either.

To investigate our research questions, we apply Structural Equation Modeling (SEM) and construct latent variables to capture the main endogenous and exogenous variables of research interest. Figure 1 illustrates the latent variables and related expectations: negative and positive signs refer to the assumed relationships between latent variables. Accordingly, we expect weaker compliance along with stronger populist attitudes (H1a) and beliefs in conspiracy theories (H1b). We also assume that people who think that their government does not perform well in terms of managing the epidemic will be more likely to comply with COVID-related rules to protect themselves, so we expect stronger compliance in the case of dissatisfaction with the stringency of anti-COVID government measures (H1c). We expect that populist attitudes (H2a) and belief in conspiracy theories (H2b) decrease the likelihood of social norm enforcement, whereas dissatisfaction with the stringency of government policies will increase it (H2c). Finally, we expect that stronger self-reported compliance increase the willingness to enforce the COVID-related norms (H1d).



1. Figure Exogenous and endogenous variables of Structural Equation Models and the hypotheses of the research.

### 3 Data and Methods

As introduced previously, we conducted online surveys in five European countries: Germany, Spain, the Netherlands, the United Kingdom, and Hungary. The N=2539 sample (that included approximately 500 individuals per country) is representative for age, gender, and geographical region according to the current UN-census data, and it was administered with a global research platform, Cint.<sup>3</sup> This is a new analysis of this dataset, extended with the Hungarian case, following the research of Abadi and his colleagues (2021). However, this new dataset required the creation of some new scales to ensure high coherence and measurement invariance across the five countries (see Appendix 1).

The data was collected during the first wave of the pandemic, which has several implications on the expectations and interpretations of the results. This was the time of the initial shock after the outbreak and worldwide spread of the coronavirus. Scientists and citizens had limited information about the nature of the coronavirus, restrictive government measures changed rapidly and often inconsistently. Still, we can assume that people with populist attitudes reacted to COVID-19 related measures differently than individuals who do not identify with these values from the beginning of the pandemic, because of the highly politicized context of these measures in citizens' perceptions.

For answering our research questions, we applied Structural Equation Modeling (SEM) and included latent variables both as endogenous and exogenous variables.<sup>4</sup> The use of SEM is justified by the two endogenous variables (i.e. self-reported compliance and social norm enforcement). Latent variables enable researchers to construct complex attitude variables, whereas the SEM method provides a tool for detecting covariation between these variables. In order to differentiate between general interrelations and to get an overview across countries as well, we interpret two SEM models: one that is valid for the whole sample, and another one that investigates the results grouped by countries.

Our models include two endogenous variables, one referring to the *self-reported compliance* with COVID-19 regulations, the other to the *self-reported enforcement of social distancing rules*. For the variables measuring self-reported compliance, respondents had to indicate how often they take various COVID-19-related measures. The latent variable referred to the self-reported enforcement measures how respondents would react if they saw someone not keeping COVID-19 regulations on social distancing (e.g., how angry they would be).

As exogenous variables, three latent variables, socio-demographic characteristics and COVID-19 infection were distinguished in the models. The exogenous latent variables were the following (for the exact wording of survey questions see Appendix 1): (1) The operationalization of populist attitudes follows the well-established findings of Akkerman, Mudde and Zaslove (2014), and includes indicators of people-centrism, anti-elitism, and the sharp divide between ingroup and outgroups. (2) Belief in conspiracy theories indicates the agreement with secret organizations, secret activities and monitoring of citizens.

<sup>3</sup> cint.com

<sup>4</sup> For the analysis we used the lavaan and semTools packages in R (Rosseel, 2012).

(3) The evaluation of the government's performance; whether the government reacted fast enough to the challenges, whether they were satisfied with related government measures, and how much they trusted the way the government handled the coronavirus crisis. Dissatisfaction with government measures is captured in terms of thinking that the government did not react fast/strictly enough to the coronavirus, and not that the measures would have gone too far. Since populist attitudes might vary in terms of ideological positions, we included a variable that records the position on the political left-right scale of individuals. The distribution of the variable fits the traditional assumptions in political science, that many people (in this case 37 percent of respondents) place themselves in the middle of the scale. Moreover, variables were included that measure the primary relation to COVID-19, namely whether the respondent was infected with the coronavirus or knows anyone who was infected, and how much they are concerned about the consequences of the coronavirus. Last, we included relevant socio-demographic variables, too, referring to the gender, age, level of education, and subjective economic position of respondents. To explore possible differences between countries in our models, we ran multigroup SEM models, which present results by countries.

For latent variables, we use the same scales as Abadi et al., (2021) except for the compliance scale. Although our latent variable for compliance includes less variables, the comparison of the two factors with an ANOVA test showed that our parsimonious scale counts as a significantly better solution to measuring compliance with the COVID-19 restrictions in the countries of the analysis. As highlighted previously, this calculation was necessary because of the inclusion of a fifth country, Hungary in the sample.

## 4 Results

The results of the SEM analysis that is valid for the whole sample are presented in Table 1, the multi-group SEM models are presented in Table 2. The fit indexes of the models are beyond the critical cutoff criteria (Schreiber et al., 2006), with CFI=0.999, RMSEA=0.075 (with the 90% confidence interval [0.073-0.077], and SRMR=0.080 for the first, and CFI=0.644, RMSEA=0.081 (with the 90% confidence interval [0.079-0.082] and SRMR=0.096 for the second model). Since fit indexes are appropriate, we accepted the models that test every theoretical expectation of our analysis.

**Table 1** Regression coefficients of Structural Equation Models Regression coefficients of Structural Equation Models

	Estimate (Std. Err.)
<b>Compliance ~</b>	
Female	0.257*** (0.037)
Age	0.118*** (0.015)
Subjective wealth	0.018 (0.010)
Left-right	-0.036*** (0.008)
Education	0.014 (0.012)
Infected	-0.556*** (0.095)
Knows_infected	0.111** (0.043)
Populism	0.527*** (0.082)
Conspiracy	-0.153*** (0.046)
CovidRisk	0.147*** (0.021)
GovDissat	-0.072*** (0.018)
<b>Enforcement ~</b>	
Female	-0.230*** (0.054)
Age	-0.045* (0.021)
Subjective wealth	0.096*** (0.015)
Left-right	0.027* (0.012)
Education	-0.010 (0.017)
Infected	0.624*** (0.139)
Knows_infected	0.131* (0.063)
Populism	0.076 (0.116)
Conspiracy	-0.020 (0.066)
CovidRisk	0.093*** (0.030)
GovDissat	0.136*** (0.026)
Compliance	0.064 (0.180)

\*\*\*p&lt;0.001, \*\*0.001&lt;p&lt;0.01, \*0.01&lt;p&lt;0.05

Table 2 Regression coefficients of Structural Equation Models by countries

	Germany	Spain	Netherlands	UK	Hungary
	Estimation (Std. Err.)	Estimation (Std. Err.)	Estimation (Std. Err.)	Estimation (Std. Err.)	Estimation (Std. Err.)
<b>Compliance ~</b>					
Female	0.293*** (0.079)	0.128* (0.054)	0.074 (0.067)	0.168* (0.072)	0.563*** (0.106)
Age	0.145*** (0.032)	0.038 (0.022)	0.122*** (0.029)	0.028 (0.026)	0.178*** (0.040)
Subjective wealth	0.057*** (0.022)	-0.032 (0.018)	0.008 (0.019)	-0.001 (0.018)	0.060* (0.030)
Left-right	-0.049** (0.020)	-0.022* (0.011)	-0.026 (0.016)	-0.044* (0.018)	0.018 (0.024)
Education	-0.009 (0.030)	0.044* (0.019)	-0.045 (0.024)	-0.022 (0.022)	0.064* (0.032)
Infected	-0.568** (0.205)	-0.035 (0.146)	-0.581*** (0.161)	-0.599*** (0.176)	0.330 (0.405)
Knows_infected	0.041 (0.116)	0.005 (0.053)	0.254*** (0.076)	0.117 (0.086)	-0.194 (0.210)
Populism	0.744*** (0.193)	0.196 (0.133)	0.470 (0.250)	0.486*** (0.123)	0.284*** (0.067)
Conspiracy	-0.263** (0.094)	0.009 (0.079)	-0.039 (0.087)	-0.131 (0.071)	-0.084 (0.076)
CovidRisk	0.057 (0.074)	0.040 (0.050)	0.086 (0.041)	0.220*** (0.064)	0.681 (0.440)
GovDissat	-0.099 (0.049)	-0.016 (0.026)	-0.100** (0.040)	-0.046 (0.034)	0.023 (0.041)
<b>Enforcement ~</b>					
Female	-0.202* (0.102)	-0.421** (0.160)	-0.165* (0.066)	-0.389*** (0.148)	-0.015 (0.127)
Age	-0.066 (0.041)	0.013 (0.066)	-0.010 (0.024)	-0.113* (0.054)	0.007 (0.047)
Subjective wealth	0.123*** (0.030)	0.047 (0.052)	0.024 (0.018)	0.179*** (0.038)	0.102*** (0.036)
Left-right	0.055* (0.026)	0.003 (0.032)	0.020 (0.014)	0.035 (0.037)	0.091*** (0.028)
Education	-0.055 (0.039)	0.027 (0.056)	0.049* (0.023)	-0.087 (0.045)	-0.054 (0.037)
Infected	0.571* (0.265)	0.866* (0.442)	0.204 (0.140)	0.687 (0.362)	0.920 (0.475)
Knows_infected	0.200 (0.149)	0.167 (0.159)	0.142* (0.068)	0.269 (0.176)	0.173 (0.245)
Populism	0.153 (0.223)	0.064 (0.395)	-0.073 (0.212)	0.565* (0.254)	-0.129 (0.081)
Conspiracy	-0.140 (0.119)	-0.084 (0.237)	0.099 (0.080)	-0.190 (0.146)	-0.001 (0.088)
CovidRisk	0.101 (0.095)	-0.074 (0.150)	-0.009 (0.037)	-0.062 (0.122)	-0.025 (0.332)
GovDissat	0.245*** (0.067)	0.096 (0.078)	0.114*** (0.039)	0.159* (0.069)	0.182*** (0.049)
Compliance	0.220 (0.078)	0.065 (0.194)	-0.237*** (0.076)	-0.144 (0.192)	0.225*** (0.080)

\*\*\*p&lt;0.001, \*\*0.001&lt;p&lt;0.01, \*0.01&lt;p&lt;0.05



Several of our expectations are corroborated by the analysis, though we have some unexpected results, especially related to the hypotheses regarding the populist attitude of individuals. In contrast to our expectations (H1a), the general effect of populist attitudes on compliance is positive. Country data show that the positive effect is present on the German, British and Hungarian samples. The direction of the effect is positive in Spain and the Netherlands as well, without, however, statistical significance. An explanation could be that since we controlled on conspiracy thinking which is, by definition, an anti-elitist attitude, the positive effect of the populist scale is provided by the people-centeredness items. However, when we ran the models without the conspiracy item, the effects remained the same. Country-specific circumstances may have played some role, as during the survey populists were in power both in Hungary and the UK so the positive attitudes of both Hungarian and British people high on the populist scale to compliance could be a sign of allegiance that they gave to the government they supported. Still, we tend to believe the data: that, contrary to our expectation, if populist attitudes had any effect on compliance, it was positive and country-specific circumstances probably played only minor role. Brubaker (2021) seems to be right in arguing that the pandemic posed a challenge to populism and therefore it could not generate a wide-spread, coherent populist response. In many countries, for instance, in France or the Netherlands, especially at the beginning of the pandemic, populist politicians actually criticized their governments for not being strict enough and not taking experts' warning seriously enough (Boda, 2021). Apparently, the pandemic created a 'rally around the flag' effect rather than spurring anti-elitist attitudes (Schraff, 2020).

Interestingly, there is no effect of populist attitudes on norm enforcement either (H2a). Among the countries populist attitudes influenced the enforcement of COVID-19 rules only in the United Kingdom and the effect is, again, contrary to our expectations, positive. There are no significant statistical results in the other four countries and even the direction of the effect shows variation: it is positive in Germany and Spain, while being negative in Hungary and the Netherlands. We struggle with the interpretation of these findings, as it is difficult to point to a clear pattern behind them. For instance, while it may make sense that in Hungary where the government consists of populist parties, people with similar attitudes support compliance and do not support social norm enforcement (that being the job of the government), the UK data do not reflect the same pattern. Because of the lack of a better explanation, we refer to Brubaker's (2021) ideas on how the pandemic created a certain kind of confusion and incoherence among populists due to the very nature of the crisis. Corroborating our hypothesis (H1b), people who tend to believe in conspiracy theories are less likely to comply with COVID-19-related measures in Germany, while the variable is not significant in the other investigated countries. Contrary to our expectations, respondents who are more dissatisfied with the way their government manages the COVID-19 crisis are less likely to comply in general (H1c), but on the country level this interrelation remains significant in case of the Netherlands only. Those who know infected people and who are concerned about the consequences of the coronavirus express stronger compliance in the Netherlands only. Also interesting is that people having been infected with COVID-19 are less likely to comply in Germany, the Netherlands and the UK – possibly because they considered themselves immunized against the disease.

Self-reported enforcement attitudes are stronger for those who were infected in Germany and Spain or those who know infected people in the Netherlands. Dissatisfaction with the stringency of government measures is associated with stronger social norm enforcement in all countries except for Spain, too (H2c). However, willingness to comply with COVID-related measures (H1d) and belief in conspiracy theories (H2b) have no statistically significant effect on social norm enforcement.

Right-wing people seem to comply less in general (and in particular in Germany, Spain and the UK), but to enforce COVID-19 related rules more (significant effects found in Spain and Hungary among the country cases). The coefficients of most socio-demographic exogenous variables show the expected results: women, and older people are more likely to comply; men and wealthier people are more likely to enforce COVID-19 rules. Interestingly, higher educated people comply more with COVID-19 rules, but the level of education does not interrelate with their self-reported social norm enforcement. These results tally with the contradictory findings of previous research (see Qeadan et al., 2020; Nivette et al., 2021).

## 5 Discussion and conclusion

Our study demonstrates that politics-related attitudes in general, and populist attitudes in particular, influence people's self-reported compliance with COVID-related measures as well as the enforcement of those measures through social pressures. People on the left are more likely to comply with COVID-related measures, while those on the right are more likely to voluntarily enforce them, which is in line with the theoretical expectations of the left relying more on governmental action and the right on civic duty. Similarly, it is hardly surprising that women have stronger compliant attitudes while men excel in voluntary enforcement of social norms. Women are generally more compliant with norms (Torgler & Schneider, 2007), while enforcement behavior necessitates a certain level of assertiveness, or even arrogance, which is more typical for men. Consistent with previous studies is the finding that belief in conspiracy theories decreases the likelihood of compliant behavior. However, it has no effect on enforcement attitudes and this finding is consistent across countries. We believe this is a surprising finding, as people embracing conspiracy theories generally downplayed the severity of the pandemic, so one would expect them to be less keen on voluntarily enforcing COVID-related measures, but apparently this is not the case. This puzzle raises further questions concerning the relationship between compliant and norm enforcing behavior: while we expected a strong statistical association between the two variables, apparently, this is not the case: the other variables have a much stronger effect on enforcement attitudes. Dissatisfaction with the stringency of government measures predicts stronger enforcement attitudes which is in line with our expectations: social norm enforcement is a substitute for governmental action. Dissatisfaction with government measures decreases the likelihood of compliance behavior although the effect size is very small and looking at the country cases the effect is significant only in the Netherlands.

More specifically, the analysis focused on populist attitudes because, first, populism is a widespread political and social phenomenon nowadays, and second, the pandemic allegedly fueled populist sentiments. We assumed that populism would have a negative effect on both self-reported compliance and social norm enforcement. Data from the five-country online survey showed that populist sentiments have a positive effect on self-reported compliance, and they are not interrelated with social norm enforcement in relation with COVID-19 measures. These findings are especially surprising because country-specific circumstances seem to play a rather minor role in them. While populist parties were in government in some of the countries in our sample, the effect of populist attitudes on compliance is generally positive, while on enforcement it is practically non-existent (a weak positive association was found only in UK).

Although populist sentiments are generally associated with citizens' dissatisfaction and critical attitudes toward the government, our results suggest that under certain circumstances they are not incompatible with a stronger willingness to comply with measures also propagated by the government. Apparently, the pandemic created those circumstances. We assume that the nature of the crisis, being an external, quasi-natural phenomenon, tempered anti-elitist sentiments and strengthened the feeling of connectedness between the people and the elite through the 'rally-around-the-flag' phenomenon. It is a question for further research to what extent can these findings be generalized to other types of crises—for instance, ones created by the populist governments, like the economic turmoil triggered by the drastic tariff-raising policies of Donald Trump. Moreover, the people-centrism element of the populist scale might provide a possible explanation for these results. Individuals with populist attitudes believe in the superiority of the people over the elites, and the concern for the public well-being might have encouraged them to comply with COVID-19 related rules, despite the high level of skepticism in terms of the political elites. However, further research is needed to clarify the conditions under which populist sentiments strengthen self-reported compliance—by examining other policy areas or crisis situations for example, where immediate and strict government rules are introduced and enforced. The fact that our survey was conducted in the first phase of the pandemic may also have had an effect on the results. Further research, maybe in form of a meta-analysis, should compare survey data not only from different countries, but from different time periods as well. Such research could shed light on the generalizability of our findings.

Our models show that while populist sentiments predict stronger compliance, they have no effect on the willingness to enforce the very same norms, although we expected a negative relationship between these two variables. If we consider social norm enforcement as a form of collective action, this finding is consistent with the results of Zaslove and his colleagues, who also showed no relationship between populist attitudes and political protest or vote (2021). Apparently, even if people with populist attitudes are critical toward the political elites, this does not lead to being more active publicly. These findings are certainly worth further investigations as they shed light on the possible behavioral consequences of populist attitudes.

## Acknowledgments

The authors report that there are no competing interests to declare.

This paper has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 822590. Any dissemination of results here presented reflects only the authors' view. The Agency is not responsible for any use that may be made of the information it contains.

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## Appendix

### Appendix 1 The scales that latent variables include in the analysis

#### 1. Compliance scale

*What measures do you take yourself? (1 – never ... 7 – always)*

- 1.1. Hand washing for 20 seconds more than 5 times a day.
- 1.2. Staying home when you are sick or when you have a cold.
- 1.3. Keeping 1.5 meters distance when you are outside your home.

#### 2. Social norm enforcement scale

*When you see people, who disobey the social distancing rules during the current Coronavirus crisis, how would you react toward such people? (1 – never ... 7 – always)*

- 2.1. I would confront them with the rules.
- 2.2. I would yell at them.
- 2.3. I would report this to the police.

#### 3. Populist attitude scale (1 – strongly disagree ... 7 – strongly agree)

- 3.1. Politicians should always listen closely to the problems of the people.
- 3.2. Politicians have to spend time among ordinary people to do a good job
- 3.3. The will of the people should be the highest principle of a country's politics.
- 3.4. Government officials use their power to improve the quality of peoples' lives.
- 3.5. You can tell if a person is good or bad if you know their political views.
- 3.6. People whose political views are different than mine are misguided.
- 3.7. The political and economic elites have failed to protect our cultural identity.
- 3.8. People who are born in our country should be given priority over immigrants in the employment and housing market.
- 3.9. People who have immigrated to our country should adjust to our habits, values and traditions here and give up their own culture.

#### 4. Dissatisfaction with COVID-19-related government measures

*(1 – strongly disagree ... 7 – strongly agree)*

- 4.1. I think that our government can be blamed for not reacting fast enough to the outbreak of the Coronavirus.
- 4.2. I am angry at our government for not having taken more far reaching measures to contain the Coronavirus.
- 4.3. I think the measures taken by the government to drastically reduce social contact are inadequate.
- 4.4. I do not trust my government in the way they handle the Coronavirus crisis.

5. **Belief in conspiracy theories** (*1 – strongly disagree ... 7 – strongly agree*)

- 5.1. I think that the public is never informed about many of the very important things happening in the world.
- 5.2. I think that politicians don't usually reveal the true motives behind their decisions.
- 5.3. I think that government agencies closely monitor all citizens.
- 5.4. I think that events, which superficially seem to lack a connection, are often the result of secret activities.
- 5.5. I think there are secret organizations that greatly influence political decisions.
- 5.6. Jews or Zionists have engineered the Coronavirus as a biological weapon, in order to dominate the world.

**Appendix 2** Cronbach-alpha values of latent variables

Latent variables	Cronbach-alpha
Compliance	0.67
Social norm enforcement	0.70
Populist Attitude	0.71
Belief in Conspiracy Theories	0.82
Dissatisfaction with Government Measures	0.83

## Demographic changes – are they the reason for increasing inequality?

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### Abstract

A high degree of equality has for a long time been a central feature of the Nordic welfare states – Denmark, Finland, Norway, and Sweden. This article shows that the overall increasing levels of inequality only to a limited degree can be explained by changes in demographic factors such as more elderly people, more living alone, an increasing share participating in longer-term education, and rising levels of assortative mating. There thus seems to be a small impact of demographic changes. Therefore, one also needs to be aware of the impact of political decisions when explaining development in inequality though a large part of inequality development is still unexplained. There are differences in the impact on inequality between the Nordic countries, although the countries belong to the same welfare regime cluster, which implies that even if demographic changes have an impact one needs to look into other factors as well in order to explain observed changes in all countries included in the analysis.

**Keywords:** inequality, demography, Nordic welfare states, re-centered influence functions, decomposition

## 1 Introduction

Since Esping-Andersen's path-breaking work (Esping-Andersen, 1990), the Nordic countries have been seen as a particular cluster of countries within welfare regimes labelled the Nordic welfare states (Arts & Gelissen, 2002; Powell & Barrientos, 2004; Kangas & Kvist, 2019; Powell & Barrientos, 2011). One of the core aspects of this model has been argued to ensure a high degree of economic equality, but also high gender equality, an ambition of achieving full employment through active labour market policy, generous social security benefits, and finally, an increasingly stronger focus on social services. Here we focus on economic inequality in four Nordic countries (Denmark, Finland, Norway, and Sweden) and whether there are demographic reasons for the change herein, i.e. we don't focus on the reasons behind the demographic changes. Existing analysis of the impact of demographic changes on economic inequality has been one reason for choosing the four selected demographic elements studied here. But there is also an inspiration from the

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Second Demographic Transition (SDT) (Zaidi & Morgan, 2017) since it also focuses on the impact of ageing, “less stability in partnerships, more complex households and high levels of poverty or exclusion among certain household types (e.g. single person of all ages and lone mothers” (Lesthaeghe, 2014, p. 18112).

This focus is also warranted since inequality has increased in recent years in nearly all world regions, which include an increase in the share of income of the top-income earners (Alvarado, 2018), partly due to top incomes growing comparatively faster in low and middle-income countries (Hammar & Waldenström, 2017). The analysis of change in economic inequality is usually explained only by changes in taxes and duties, changes in levels of income transfers, and that capital income is often more unevenly distributed than other types of incomes (Aaberge et al., 2018). However, changes in inequality might also have other explanations such as those related to changes in different demographic aspects (Hasell et al., 2019; Grotti, 2020). Already in 2009 OECD (OECD, 2011; Burtless, 2009) pointed towards change in household structure, including more single households, higher labour market participation rates for women, and assortative mating as possible elements that could explain rising inequality. Looking into demographic factors, including women’s participation on the labour market, has thus for some time been part of the analysis explaining why many countries have witnessed change in the degree of economic inequality (OECD, 2011, p. 199).

The rising employment rate of women reduces household inequalities, whereas assortative mating increases it (Chen et al., 2013). This is confirmed for household inequality in other studies (Caminada et al., 2019). Still, there is not a uniform agreement about the drivers of economic inequality in different welfare regimes (Nolan et al., 2019).

Overall, based upon the literature mentioned above, one part of the reason (besides policy decisions) for the increase in inequality has to do with change in age structure, labour market participation, types of cohabitation (rich with rich, poor with poor), and change in the number of singles (Aaberge et al., 2018; Søgaaard, 2018; Pareliussen & Robling, 2018). Globalisation is also argued to be a cause of increasing inequality (Tridico, 2018), however in a Nordic context this might be mitigated by generous social security benefits (Nam, 2019) – these have been weakened in recent years implying that the change in inequality can still be due to change in the level of benefits (Barth et al., 2021). Thus, across the EU-countries, reducing inequality through change in benefits during the financial crisis was generally not successful, however it was important in the Nordic countries (Amate-Fortes et al., 2017), which hints towards the need for analysing other factors, such as change in demography, to try to explain changes in the degree of economic inequality. Other research has pointed out that “Demographic and societal change – more single and single-parent households, more people with a partner in the same earnings group – also played a role for increasing inequality, but much less than sometimes assumed” (Cohen & Ladaïque, 2018, p. 39). Change towards a higher degree of assortative mating might also increase inequality given that there has been a squeezing of the middle class (OECD, 2019; Förster & Tóth, 2015). Ageing is expected to increase inequality, whereas upskilling due to more in education has an ambiguous effect (Dolls et al., 2019). Ageing’s impact on inequality is caused by elderly people leaving the labour market implying lower income as they are often dependent on income transfers from the state. There is a connection between development on the labour market and these varied elements, including that the level of

education also influences, through labour market participation and wages, the level of inequality. Therefore, at the outset one could theoretically expect that a growing level of educational attainment would increase inequality.

Based upon these theoretically different causes for possible change in economic inequality, this article adds to the literature by disentangling more precisely whether factors related to a number of demographic elements (change in age structure, single households, and in assortative mating behaviour) and change in educational attainment level have impacted inequality development in the Nordic countries, and also whether the development has been the same in the countries within the Nordic welfare regime. Further, the article fills a gap in the knowledge of the recent development given that the applied data are more up-to date compared to other studies estimating distributional development in the Nordic countries – current literature having used data for Denmark, Finland, and Norway until 2013 and Sweden only up until 2005 (Pareliussen & Robling, 2018), not to mention that OECD (2011) using LIS-data covering the period from mid-1980s to mid-2000s (2004) – the Luxembourg Income Study (LIS) is an income, etc., database of harmonised microdata collected from fifty-three countries in Europe, North America, Latin America, Africa, Asia, and Australasia spanning five decades (LIS, 2024). The article further informs about whether there have been the same or different reasons for the witnessed change in inequality in the countries – Sweden, Norway, and Finland have had a strong increase in inequality until the mid-2000s whereas the Danish case experienced a growth in inequality at a later stage. Recent years have again seen an inequality increase in Sweden and Denmark, see Section 2. Given the higher growth in inequality in at least Denmark and Sweden than in countries in other welfare state regimes it is timely to look into whether part of this can be explained by factors that are not influenced by the policy makers. Thus, this article fills a gap related to the impact of demographic changes, and connected thereto, the impact of an increase in educational attainment on economic inequality in the Nordic welfare states, as well as comparing the development across four countries often seen as homogenous, e.g. belonging to the same welfare regime.

Based hereupon the hypotheses to be looked into here are that the following elements have implied a change in the level of inequality:

- 1) Change in the age structure, i.e. more elderly,
- 2) Increase in the length of education and the educational attainment level,
- 3) The increase in single person families, and
- 4) Change in mating towards more partners with similar earnings living together.

In relation to measuring economic inequality there is a central discussion about whether to look at the individual or household level (Hasell et al., 2019). In order to reduce the possible impact of this issue, income will here be corrected by looking at equivalised disposable income, e.g., the household is the economic unit. The article also takes into account that the demographic development in itself has resulted in a higher number of people living alone because women live longer than men. Since we are looking at inequality based on households, we assume equal sharing within households although this is often not the case (Daly, 2018). We are aware that the choice of how to equivalise income is important and we have here followed the tradition of OECD, which is the standard used in the analysis of economical distributional issues in developed nations.

Length of education is included since increasing educational attainment levels typically give better access to jobs and often results in higher wage levels, and, therefore have an impact on inequality not only during study-time (Piketty & Cantante, 2018), but also during the years on the labour market. Mating like-with-like in households would therefore also imply higher levels of inequality. Higher educational attainment typically implies a higher income, and therefore when more persons with (nearly) the same level of education live together, measured income inequality increases. Education and inequality are clearly related to each other, see for example (Corak, 2013; Blanden & Macmillan, 2016). There is thus a risk that educational attainment level overlaps with (i.e. also represents) other factors, however, given the change towards more people pursuing longer education in recent years it seems reasonable to include it as a specific variable.

There are, as always, a few limitations, also in our study. We have not looked into the gender divide. However, we have single-households included and as there is a larger number of women in single-households (among other things due to the longer life-expectancy) this will, albeit indirectly, imply an indication of the gender divide. There are a number of variations in understandings of inequality, including horizontal/vertical, health/death, and existential/material inequality (Therborn, 2012), which are not included and the same is true regarding Sen's discussion on inequality related to capabilities (Nussbaum, 2005; Robayna, 2006). Lack of inclusion of these elements is primarily due to unavailability of data.

The article is structured such that the next Section gives a descriptive account of the development in inequality in the Nordic countries since the beginning of the century, while methodological considerations are presented in Section 3. Section 4 then consists of the empirical analysis and discussion, and finally, in Section 5 we make concluding remarks.

## 2 Development in inequality

In this section, aggregate distributional data is analysed in relation to the four demographic elements that are in focus: Change in the age structure; Increase in the length of education and the educational attainment level; Increase in single person families; Change in mating towards more partners with similar earnings living together. A snapshot of the long-term development in inequality using the Gini coefficient as the inequality measure is presented. In Table 1 we show the Gini coefficient (applied as this shows the distribution of income in a solid way) of equivalised disposable income since 2001 for selected years. Given the often rather slow changes in the coefficient this selection of years seems reasonable for presentational purposes of how the development has been, but in the calculations more detailed information is naturally presented.

The table indicates that the development has been different from a standstill in the EU on average (albeit data was only available from 2010), to an increase in Sweden and Denmark, and a decline for Finland if starting in 2001, but a standstill since 2005, thus showing contrasting developments. Norway, especially compared to Denmark and Sweden, has had a different development with a Gini decline of close to three points since 2005. For an analysis of variations (albeit applying data mainly only until 2013), see (Barth et al., 2021). Looking into whether there has been an impact from the four demographic



elements (as depicted in Section 1) can inform about at least part of the reasons for the change in the Gini level. Given that the focus here is on other possible types of specific explanation for the change in the level of inequality using post-government income seems to be a reasonable choice, also because counting for changes on the labour market is outside the scope of the analysis.

**Table 1** Gini coefficient of equivalised disposable income for the Nordic countries and the EU

	2001	2005	2010	2012	2014	2016	2018	2019
EU28			30.5	30.5	31.0	30.8	30.8	30.7
Denmark	22.0	23.9	26.9	26.5	27.7	27.7	27.8	27.5
Finland	27.0	26.0	25.4	25.9	25.6	25.4	25.9	26.2
Norway		28.2	23.6	22.5	23.5	25.0	24.8	25.4
Sweden	24.0	23.4	25.5	26.0	26.9	27.6	27.0	27.6

*Note:* The EU28 figures are population weighted averages of national figures (which will be different from the actual Gini coefficient for EU28).

*Source:* EUROSTAT, ilc\_di12.

Change in the tax-system and benefits have had an impact on inequality in the Nordic countries, see (Kangas & Kvist, 2019; Nolan et al., 2019). Thus, for example, an analysis from a Think Tank shows that 15 years of tax reforms (since 2001) in Denmark has been most beneficial for the 1 % and 10 % richest of the population, with close to 8 percent increase in disposable income for the 10 % richest and around 1 % increase for those with the lowest income<sup>1</sup>. Besides these direct impacts, there is in Denmark (as in other countries) a negative impact on distribution from fiscal welfare (Barrios et al., 2020; Avram, 2018; Sinfield, 2019).

Given that inequality is not only the outcome of the changes in earnings inequality on the labour market we have used the income level after taxes and income transfers. Thus, the obtained income level is the consequence of both market and welfare state impacts. Nevertheless, it is still so that “welfare systems play a major role in levelling inequalities” (Eurofound, 2019, p. 16). Studies also indicates that this is the case (such as from 2006–2017) for Finland, which out of the four Nordic countries analysed here had the most redistributive approach reducing both inequality and the risk of poverty (Palviainen, 2019), although Finland in general has a weaker redistribution (Aaberge et al., 2018). We will also in the empirical analysis, cf. Section 4, present information on the changes in disposable income distributions as a way of indicating how distribution from 2004–2018 has changed, and, how this thus can be used for the analysis of inequality changes.

<sup>1</sup> See <https://www.ae.dk/analyser/15-aars-skattereformer-har-tilgodeset-de-rigeste>

The Lorenz curve is used for illustration of inequalities as it is in general argued to be a robust graphical representation of inequality (see Wagle, 2023). Actually, the Gini coefficient can be derived from that curve since it is double the area between the diagonal (line of hypothetical equality) and the Lorenze curve.

### 3 Methodological considerations

This section informs on the choice of methodology split into why we apply a case study, which inequality measurement to use, the decomposition of inequality, and the choice and operationalization of data.

#### 3.1. Case study

This study is a case based study (Seawright & Gerring, 2008) using a group of countries which in the welfare state literature is considered to belong to the same regime (the Nordic) (Kangas & Kvist, 2019; van Gerven, 2022), and therefore the aim is not only to look into the four hypothesis as presented in the introduction, but also to look into whether there are differences across countries within the same welfare regime since there is an uneven historical development in inequality and because the financial crisis impacted the countries differently with Denmark and Finland less affected than Sweden (Ólafsson et al., 2019). Also, as discussed in Section 2, there is a cross-country time variation in when the most significant changes have taken place.

#### 3.2. Inequality measures

We have chosen to use the Gini coefficient as the measure of inequality, which is the most frequently used measure in studies of inequality (Ou-Yang, 2019). This is not a perfect measure of inequality given its non-additive properties, but it is one with more available published data for a number of years and it is extensively applied across countries. Other measures such as the decile ratio P90/P10 and the percentile range P80-P20 are applied in the analyses for triangulation. For  $P\alpha$  and income  $Y$ , we have that  $P(Y \leq P\alpha) = \alpha/100 = \alpha\%$  (like, for instance  $P(Y \leq P90) = 0.9 = 90\%$ , e.g. 90 % of incomes are less than or equal to the 90<sup>th</sup> percentile P90).

#### 3.3. Inequality decomposition

Decomposition of an inequality index in one dimension at a time has been in the literature for long and covers different inequality indices, incl. the widely applied Gini coefficient. The theory behind the inequality decomposition by population subgroups was developed by (Shorrocks, 1983), and numerous empirical analyses of dimensions like gender, age, education, and ethnicity has been done for some time since then, see (Ceriani & Verme, 2015; Schneider, 2013; Deding et al., 2010; Zürcher, 2004; Zandvakili, 1994). The decomposition of different income sources' effect on income inequality was carried out early (Shorrocks, 1982), but this is not the focus here. These descriptive methods either quantify

the contribution of individual income elements to the observed inequality or measure inequality within and between population subgroups to find out what sources of incomes or subgroups account for inequality but falls short of measuring the contributions of individual determinants to income inequality.

Decomposing the contributions from several variables simultaneously has been approached via regression-based methodologies (Fields, 2003; Morduch & Sicular, 2002). As the name suggests, inequality drivers are identified through income regressions that are then used to estimate the inequality effect of the right-hand side (explanatory) variables that can be of various types including discrete and continuous variables. Empirical analyses of this type are found for instance for Ireland, Japan, and USA (O'Donoghue et al., 2018; Aizawa et al., 2017).

A more direct way of quantifying the influence of various factors on the income distribution is by estimating (re-centred) influence functions (RIF) for a given inequality measure. The methodology was developed by (Firpo et al., 2018; Firpo et al., 2009) and enables quantification of the marginal effect of any variable on the unconditional quantile of the welfare metric (income), which can be transformed into the marginal effect on the inequality measure of interest. For illustration, if the aggregate measure of interest is the mean (of income), the influence of an observation is the level of income itself (the income level of the individual), and the average over all (individual) influences is the (total) average. In the case of the Gini coefficient the influence of a given observation is more complex, but still such that the average of (individual) Gini coefficient influences ends up being the (aggregate) Gini coefficient. In this application we apply the RIF procedure developed by (Rios-Avila, 2019). The estimated RIF in year  $t$ ,  $I^t$ , is ( $X_j^t$  are household characteristics and  $b_j^t$  are estimated parameters, e.g., marginal effects of the characteristics,  $k$  is the number of characteristics included in the analysis, and  $j=1,...,k$ ):

$$(1) \quad I^t = b_0^t + b_1^t X_1^t + \dots + b_k^t X_k^t.$$

Utilizing the estimated RIF for each household in equation (1), we next decompose the change in inequality from year  $s$  to year  $t$  ( $I^t - I^s = \Delta I$ ) to see the contributions from demographic variables using the Oaxaca-Blinder decomposition (Kitagawa, 1955; Oaxaca, 1973; Blinder, 1973):

$$(2) \quad \Delta I = (b_1^t \Delta \bar{X}_1 + \dots + b_k^t \Delta \bar{X}_k) + (\Delta b_0 + X_1^s \Delta b_1 + \dots + X_k^s \Delta b_k)$$

where  $\Delta \bar{X}_j$  represents the change in the average of characteristic  $j$ . The contribution of characteristic  $j$  to the total change in inequality is  $b_j^t \Delta \bar{X}_j$ , and thus  $100 \times b_j^t \Delta \bar{X}_j / \Delta I$  is characteristic  $j$ 's percentage contribution to the inequality change from year  $s$  to year  $t$ . The first parenthesis in equation (2) represents the explained part of the inequality change while the second parenthesis represents the unexplained part of the change, and together the sum of the two parentheses accounts for the total observed inequality change.

We consider three inequality measures in order to detect the robustness of the results. This includes the Gini coefficient, the decile ratio, and the percentile range, where the first two indices are based on equivalised disposable income, while the last one is based on the natural logarithm of equivalised disposable income.

### 3.4. Data

It is important to equivalise income as this implies comparing like with like, and thus avoiding the problem with the different sizes and compositions of households. OECD's modified equivalence scale (ES) is used since many studies applying the same data also use this scale, and also because the scale has been widely applied, tested, and validated. ES is defined as:

$$(3) \quad ES = 1 + 0.5 \times (\text{Number of Adults} - 1) + 0.3 \times (\text{Number of Children}).$$

EU-SILC data from Eurostat/Euromod is used as they can in a comparative way show change over time and with systematized information on development in key data and structure of the welfare states. The analysis covers the years 2004 (=s) and 2018 (=t). Specifically, we are using the user database (UDB) files version 04, for instance including the csv-file UDB\_cDK04D. With these data, we are exactly able to replicate Eurostat's published Gini coefficients, except for Finland and Sweden for 2004 that are marginally underestimated with a mere 0.2 Gini coefficient points discrepancy, which could be due to different UDB versions being used. In the following analysis we exclude 102 households who have either negative or zero incomes, which slightly affects the Gini coefficients, but still nearly preserves the change in the Gini coefficients from 2004 to 2018. For the Nordic countries one could have used detailed administrative registers that presumably better cover top-incomes. On the other hand, survey data (ideally) cover any informal incomes. Also, administrative data are not harmonized across countries.

### 3.5. Operationalization of variables

In addition to the dependent variable (equivalised disposable income) that is used to calculate inequality measures, we also have explanatory variables related to the four hypotheses stated above. All of these variables are measured at the household level since the economic unit is the household. The right-hand side variables are: the age of the household head ( $X_1$ ); whether the household consists of a single (parent) or a couple (outcome denoted 1 respectively 0) ( $X_2$ ) – being single thus means either never married, separated, widowed, or divorced, while couple means married (though a sizable fraction of couples are unmarried in the analysed countries); highest educational level among household members measured in years ( $X_3$ ). Both  $X_1$  and  $X_3$  (age groups and educational level groups) are included as dummies for each year in the regressions that are the basis for the decompositions, i.e. no linearity is enforced.

Assortative mating is operationalized by calculating the absolute percentage difference between income of the two persons in a couple ( $X_4$ ). The percentage is relative to the average income of the couple's two members. This variable is transformed into five categories going from 0 to 100% (denoted 1-5), e.g. the relative difference is 0%, 0.01–25%, 25.01–50%, 50.01–99.99%, or 100%. Earnings within a couple can be different, inter alia, because: One spouse is earning and the other is not; Intra-couple productivities differ, i.e. human capital differs due to age, experience, education, gender, industry, sector, etc.; The two couple

members are in different phases of their life-cycles, like, gender-biased caring for the family and children is still present – even in gender egalitarian Nordic countries; Preferences regarding quantity of labour supplied. Although, labour market participation might thus be correlated with our measure of assortative mating, several other reasons might be behind the couple members' earnings difference – in fact in this case, the correlation between assortative mating and a measure of labour market participation chances is rather weak. The variable is thus an indicator of assortative mating. The assortative mating measure is undefined for singles, which is why it is set to a value of 1 for this variable (0 %) for singles in order to have a correct regression specification.

Summary statistics for variables are displayed in Table 2.

Table 2 Summary statistics. (Unweighted).

	2004				2018			
	Mean	Std. Dev.	Min	Max	Mean	Std. Dev.	Min	Max
<b>Denmark:</b>								
Disp. Equi. Income	15296	8684	0.5	260071	21774	14470	151	448577
Disp. Equi. Inc., ln	9.54	0.45	-0.69	12.47	9.88	0.45	5.02	13.01
Age	48.70	15.49	16	80	56.37	16.38	16	81
Single	0.38	0.48	0	1	0.51	0.50	0	1
Education	13.94	3.58	8	18	14.69	3.50	8	18
Assortative mating	2.03	1.38	1	5	1.76	1.31	1	5
<b>Finland:</b>								
Disp. Equi. Income	1669	1519	0.42	90886	2489	1499	0.56	26982
Disp. Equi. Inc., ln	7.28	0.54	-0.88	11.42	7.69	0.52	-0.59	10.20
Age	47.82	15.75	16	80	51.37	16.53	16	81
Single	0.44	0.50	0	1	0.45	0.50	0	1
Education	14.12	3.66	8	18	15.15	3.33	8	18
Assortative mating	2.18	1.56	1	5	2.12	1.54	1	5
<b>Norway:</b>								
Disp. Equi. Income	20053	24047	5.8	1494957	34565	18673	0.5	471496
Disp. Equi. Inc., ln	9.77	0.51	1.76	14.22	10.32	0.63	-0.69	13.06
Age	46.31	15.74	0	80	50.12	16.55	16	81
Single	0.47	0.50	0	1	0.51	0.50	0	1
Education	14.48	3.06	8	18	15.14	3.38	8	18
Assortative mating	2.08	1.41	1	5	1.90	1.35	1	5
<b>Sweden:</b>								
Disp. Equi. Income	14142	6195	8.3	97981	23811	13116	1	317499
Disp. Equi. Inc., ln	9.46	0.51	2.11	11.49	9.96	0.53	0.00	12.67
Age	49.10	16.98	15	80	52.59	17.17	16	81
Single	0.53	0.50	0	1	0.51	0.50	0	1
Education	13.99	3.42	8	18	14.79	3.48	8	18
Assortative mating	1.89	1.36	1	5	1.85	1.32	1	5

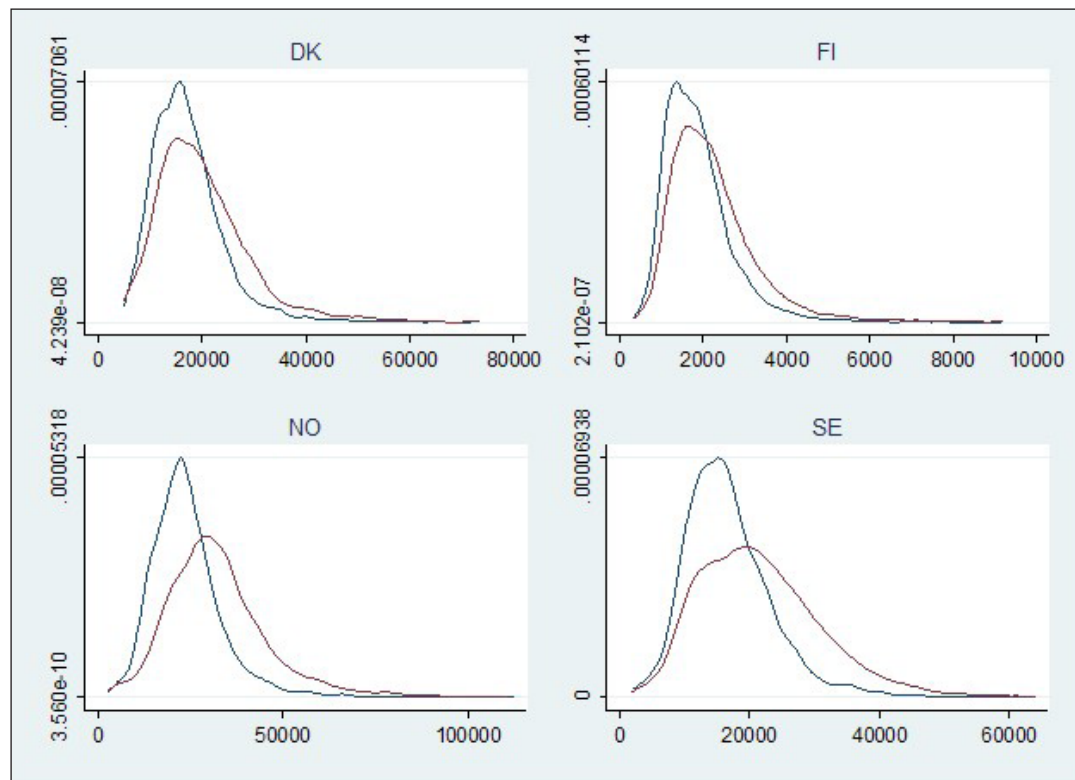
Note: See data section for variable definitions. N=57,006 (between 5,595 and 11,188 observations for each country in each year).

Source: Own calculations based on EU-SILC.

## 4 Empirical analysis

### 4.1. Income distributions

In Figure 1 we show the change in inequality in the Nordic countries since 2004 by presenting the distributions of income.



**Figure 1** Equivalised income kernel distributions in Nordic countries. 2004 (blue) and 2018 (red). National currencies (horizontal axis).

*Note:* The income for 2004 has been inflated by the 2004–2018 price increase as reflected by the harmonized price index from Eurostat. A half percent of a country's observations at the bottom and at the top are excluded (in this figure only) in order to focus on the remaining main part of the distribution. The height of the curves indicates the relative frequency of a given income level.

*Source:* See Table 2.

Looking at the income distributions indicates that major changes have taken place (Figure 1). A similarity for the four Nordic countries is clearly that the top of the curve is becoming lower resulting in heavier tails. This is particularly the case for Sweden, where the middle incomes become less prevalent and instead a larger spread in incomes is seen. What more precisely happens at the different parts of the distribution is highlighted by looking at the



average change in real equivalised disposable income in Figure 2. Here, Denmark and Sweden stand out with generally much greater increase in incomes for the top of the distribution compared to the bottom of the distribution (if we disregard the very bottom of the distribution which often has an odd behaviour since it includes some self-employed as well as unrealistically low incomes). Particularly, the top 2-3 percent in Denmark and Sweden experienced a much higher income increase than lower incomes. In contrast, the top-incomes in Finland and Norway experienced lower increases than the bottom incomes. Hence, a possible reason why assortative mating should have a higher impact in Denmark and Sweden than in Norway and Finland.

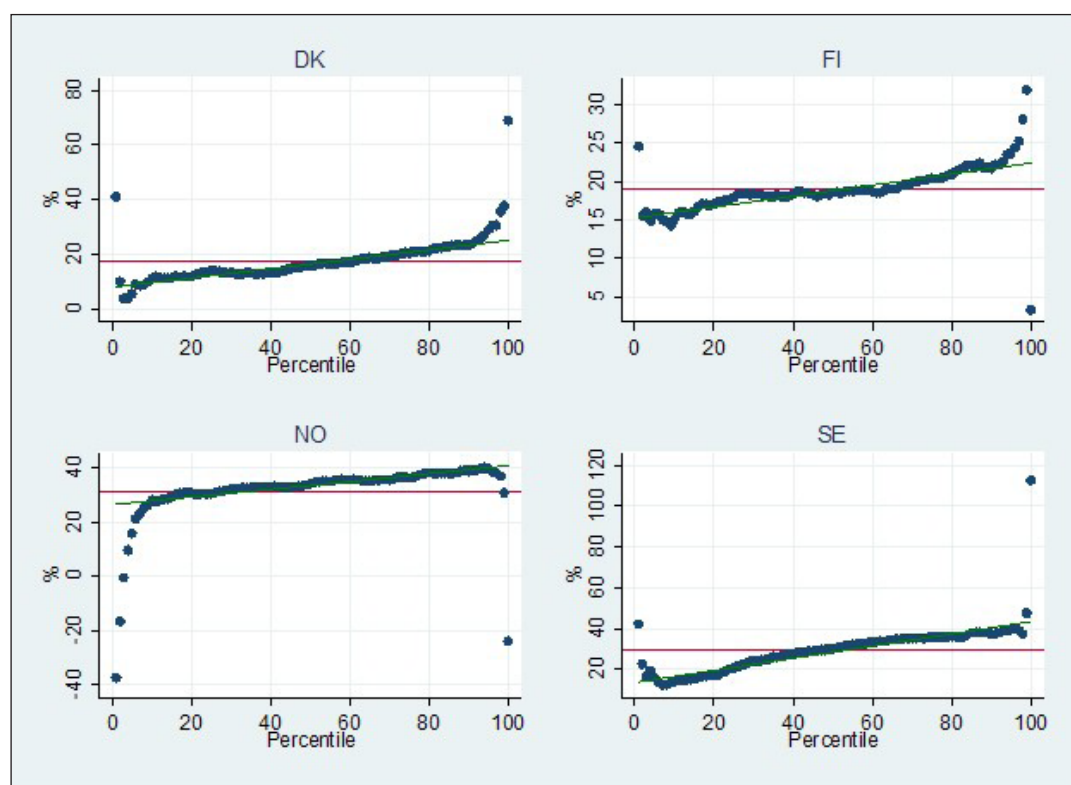


Figure 2 Percentage average annual change in equivalised disposable income by percentile from 2004 to 2018

*Note:* The horizontal line represents the arithmetic average change of all percentiles.

*Source:* See Table 2.

All in all, this reflects the fact that the top increased its income shares in Denmark and Sweden over time, which is seen in the change of the Lorenz curves (Figure 3).

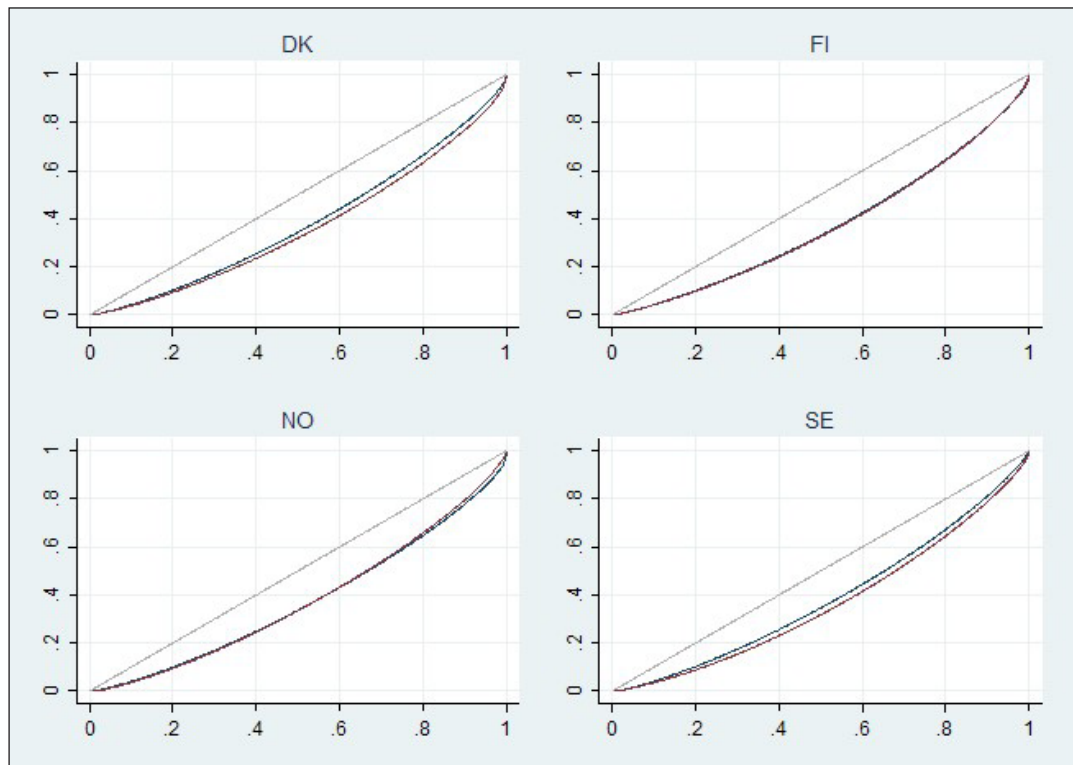


Figure 3 Lorenz curves for 2004 (blue) and 2018 (red). Nordic countries

Source: See Table 2.

The Lorenz curves for Denmark and Sweden are clearly moving away from the diagonal from 2004 to 2018 reflecting increased inequality. In Finland, the Lorenz curve hardly changes from 2004 to 2018. Norway is the only country which has crossing Lorenz curves, such that at the lower part of the distribution 2018 is below 2004, while at the upper part of the distribution 2004 is below 2018. Thus, while the inequality development conclusion is ambiguous for Norway, we see an increase in Denmark and Sweden and no change in Finland. However, this does not by itself show whether demographics and educational attainment have had any role in the inequality change.

#### 4.2 Decomposition of Gini coefficient change

We do see that the Gini coefficient increased significantly in both Denmark and Sweden from 2004 to 2018. In Denmark the change was 0.040 (from 0.232 to 0.272) and in Sweden the increase was slightly higher at 0.043 (from 0.224 to 0.267).

In contrast, the Gini coefficients in Finland and Norway were almost constant from 2004 to 2018. In Finland it changed from 0.252 to 0.259 (increase of 0.007) and in Norway from 0.251 to 0.246 (drop of 0.005). Thus, there is little change to decompose for Finland and Norway, which means even a small impact can lead to relatively large numbers.

The two other inequality measures show very much the same development in inequality, except for Norway, where the interquartile ratio as well as the interquartile range are both increasing (albeit not much), while the Gini coefficient shows a decrease. Implying that using the Gini coefficient is a solid measure for the changes in the Nordic welfare states.

**Table 3** Gini RIF and marginal effects. 2004

	DK	FI	NO	SE
Age	0.000999***	0.000681	0.000857	–0.0000131
Single	0.0421***	0.0545***	0.0474	0.0161*
Education	0.00213	0.00199	0.00484	–0.000258
Assortative mating	0.000726***	0.000553**	0.000878*	0.000104
Constant	0.125***	0.155***	0.0994	0.218***
n	6841	11188	6040	5729
R-sq	0.006	0.002	0.001	0.001

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

*Notes:*

- For illustrative purposes age and education is measured in years.
- The assumptions behind the regression models are fulfilled to a reasonable extent although residuals (as is often the case) are not exactly normally distributed, which is not an issue here since we have a large sample size and thus some deviations from the normal distribution do not invalidate subsequent testing of parameters due to the Central Limit Theorem (Wooldridge 2019; Greene 2019). Detailed model testing results for regressions in this and subsequent tables are available from the authors upon request.
- The present magnitude of  $R^2$  is not uncommon when micro-data are applied (Kennedy 2008). It reflects the fact that many other determinants are also important for income inequality.

*Source:* See Table 2.

The marginal effects of household characteristics as detailed in the regression equation (1) are shown in Table 3. In the following we exemplify the interpretation using the regression estimates for Denmark. We see that increase in age (“household age”) with one year increases the Gini coefficient with 0.001 points using the 2004 Gini RIF regression estimations. More singles will similarly increase the Gini (10 % percentage points increase is associated with a Gini increase of 0.042 points). If people stay a year longer in education then that will increase the Gini with 0.0021 (statistically insignificant). And, finally, if mating becomes more unequal then that increases the Gini by 0.0001.

Before we quantify the inequality change contribution of the different factors, we briefly give an overview over the development in the factors themselves (see Table 4 with changes in variable averages). We observe that all variables move in the same direction in the four Nordic countries. The ageing appears in all countries and amounts to a change of

between 1.32 (Sweden) and 2.54 years (Finland), the share of singles is also increasing amounting to a change of between 2 (Sweden) to 9 % points (Denmark), the educational level is increasing as well with a change between 0.35 (Sweden) and 1.58 years (Denmark), and lastly assortative mating increases since the difference between couples is reduced by between 0.08 (Sweden) and 0.20 points (Norway).

Table 4. Change in characteristics from 2004 to 2018.

	Denmark	Finland	Norway	Sweden
Age	2.26	2.54	2.28	1.32
Single	0.09	0.03	0.05	0.02
Education	1.58	0.59	0.40	0.35
Assortative mating	-0.15	-0.10	-0.20	-0.08

Note: See Table 2.

Source: See Table 2.

The observed inequality changes are next decomposed into contributions from the factors mentioned above, see Tables 5a-5c. In Denmark and Sweden, we see that the ageing population contributed to the increase in Gini inequality over the period (coefficient of 0.07 and 0.04), while more singles decreased it in both countries (-0.01 in both countries). More education contributed to a lower Gini in Denmark (-0.003) and an increase in Sweden (0.008). More assortative mating increased the Gini in Denmark (0.001) and decreased it in Sweden (-0.000).

Table 5a. Decomposition of Gini inequality change 2004-2018. Nordic countries

	Gini level and change				Contribution to Gini change, %			
	Denmark	Finland	Norway	Sweden	Denmark	Finland	Norway	Sweden
<i>Gini level:</i>								
2004	0.232	0.252	0.251	0.224				
2018	0.272	0.259	0.246	0.267				
Change	0.040	0.007	-0.005	0.043	100	100	100	100
<i>Contribution to Gini change:</i>								
Age	0.007	-0.001	0.004	0.001	19	-10	-70	2
Single	-0.010	0.000	0.001	-0.001	-24	4	-14	-3
Education	-0.003	0.000	0.008	0.003	-7	5	-147	6
Assortative mating	0.001	-0.001	-0.004	0.000	3	-17	70	-1
Unexplained	0.044	0.007	-0.013	0.040	110	118	261	95
Change	0.040	0.006	-0.005	0.042	100	100	100	100

**Table 5b. Decomposition of inter-quartile ratio inequality change 2004-2018. Nordic countries**

	Gini level and change				Contribution to Gini change, %			
	Denmark	Finland	Norway	Sweden	Denmark	Finland	Norway	Sweden
<i>Gini level:</i>								
2004	2.66	2.85	2.70	2.73				
2018	2.94	3.00	2.92	3.31				
Change	0.27	0.15	0.22	0.58	100	100	100	100
<i>Contribution to Gini change:</i>								
Age	0.07	-0.04	0.04	-0.02	25	-25	19	-4
Single	-0.01	0.00	-0.01	-0.02	-5	2	-4	-4
Education	0.01	0.00	0.13	0.04	3	-2	59	8
Assortative mating	0.00	0.00	-0.02	0.03	1	0	-9	5
Unexplained	0.21	0.18	0.08	0.55	76	125	36	95
Change	0.27	0.15	0.22	0.58	100	100	100	100

**Table 5c. Decomposition of inter-quartile range inequality change 2004-2018. Nordic countries**

	Gini level and change				Contribution to Gini change, %			
	Denmark	Finland	Norway	Sweden	Denmark	Finland	Norway	Sweden
<i>Gini level:</i>								
2004	0.626	0.680	0.613	0.643				
2018	0.708	0.713	0.671	0.797				
Change	0.082	0.033	0.058	0.154	100	100	100	100
<i>Contribution to Gini change:</i>								
Age	0.015	-0.004	0.004	-0.004	19	-13	7	-3
Single	-0.003	0.003	0.013	0.000	-4	8	22	0
Education	-0.010	-0.006	0.028	0.013	-12	-18	48	8
Assortative mating	-0.001	-0.001	-0.018	0.003	-2	-3	-32	2
Unexplained	0.081	0.042	0.032	0.142	99	126	55	92
Change	0.081	0.033	0.058	0.154	100	100	100	100

Note: Interquartile range is defined as the distance between 80th and 20th percentile of log income.

Source: See Table 2.

Although, the development in all countries is not the same, Finland's development affects the Gini development in exactly the opposite direction to Denmark. This needs further investigation, but points to the fact that there is no unidirectional change, despite what was argued in the hypothesis.

Norway has the most atypical effect of factors on Gini development, which cannot be explained by the very small Gini change (-0.005) since Finland experienced almost a similar small change (0.007) in magnitude. In Norway, all factors, except for assortative mating, contributed to an increase in Gini from 2004 to 2018, indicating that other factors have been more important in explaining the decline in inequality.

For all countries, we see that a large fraction of the Gini change is not explained by any of the four variables (0.044, 0.007, -0.013, and 0.040 in respectively Denmark, Finland, Norway and Sweden). This is not surprising since these four variables in themselves cannot explain much of the income distribution since other factors also have an effect – this includes determinants such as earnings dispersion and change in tax-systems and income transfers, as also argued in the first two sections.

The findings above are robust to using the two other inequality measures (interquartile ratio in Table 5b and interquartile range in Table 5c) for Denmark and Sweden, while this is to a less extent the case for Finland. For Norway there is almost a reverse effect of the three investigated causes on the inter-percentile ratio/range compared to applying the Gini coefficient as the inequality measure. The Gini coefficient explicitly includes every observation in the dataset. The decile ratio on the other hand is focused on the first and last deciles, while the interquartile range is focused on the first and last quintiles. The lack of robustness to the inequality measure for Norway requires further analysis, which is left for future research.

An overview over the different factors' development effects on the change in inequality is presented in Box 1. A "+" (plus) sign indicates that the factor's impact implied a higher level of inequality, a "-" (minus) sign implied higher equality, while "0" (zero) indicated a limited or no impact.

**Box 1** Overview over factors' effect on Gini change from 2004–2018

	Denmark	Finland	Norway	Sweden
Demography, age structure	+	–	+	+
Demography, single households	–	0	+	–
Education	–	0	+	+
Assortative mating	+	–	–	0

*Note:* "+" (plus) indicates that a factor's impact implied a higher level of inequality, a "-" (minus) implied higher equality, while "0" (zero) indicates a limited or no impact.

### 4.3 Decomposition of Gini inequality using gross income

It can be argued that disposable income distorts the effect of demographics since the tax and benefit system is also at play. Therefore, a separate analysis was made by utilizing the available "employee cash or near cash income" measure, which here represents gross (pre-government) income (Table 6).



**Table 6. Decomposition of Gini change 2004-2018 with gross income. Nordic countries**

	Gini level and change				Contribution to Gini change, %			
	Denmark	Finland	Norway	Sweden	Denmark	Finland	Norway	Sweden
<i>Gini level:</i>								
2004	0.448	0.478	0.427	0.463				
2018	0.479	0.517	0.450	0.460				
Change	0.031	0.039	0.023	-0.003	100	100	100	100
<i>Contribution to Gini change:</i>								
Age	0.033	0.025	0.022	0.012	109	65	94	-418
Single	-0.011	-0.005	-0.008	-0.003	-36	-12	-33	118
Education	-0.014	-0.008	0.007	0.003	-47	-20	29	-105
Assortative mating	0.004	0.006	0.012	0.000	13	16	52	-12
Unexplained	0.018	0.020	-0.010	-0.015	61	51	-41	516
Change	0.030	0.039	0.024	-0.003	100	100	100	100

Source: See Table 2.

Denmark (Gini change of 0.031), Finland (0.039) and Norway (0.023) experienced an increase in gross income Gini inequality from 2004 to 2018, while there was hardly any change in Sweden (-0.003). For all three countries, age is the main inequality driver, i.e. ageing contributed to increased inequality. Similarly, assortative mating also contributed to increased inequality. The higher single person household prevalence contributed to less inequality. The development in education was mixed – it decreased inequality in Denmark and Finland (-0.014 and -0.008), while it increased it in Norway (0.007).

Generally, the decomposition using disposable income differs compared to using gross income. This happens because the disposable income concept includes the effects of the equalizing tax-benefit systems, while the gross income concept is “unaffected” by these two systems, which means inequality is expected to be higher when gross income is used compared to when disposable income is used.

## 5 Concluding remarks

Decompositions of the change in the Gini coefficient from 2004–2018 shows that ageing contributed to an increase in Gini inequality over the period in Denmark as well as in Sweden, while more singles reduced the Gini in Denmark and Sweden, thereby confirming the first hypothesis, but not as expected for all Nordic countries. Higher educational attainment level contributed to a reduction in the Gini coefficient in Denmark and an increase in Sweden, which is also in contrast to the theoretical knowledge-based hypotheses. More assortative mating increased the Gini in Denmark and decreased it in Sweden. In contrast, the effect of the four factors in Finland was exactly in the opposite direction to Denmark. In Norway, all factors, except for assortative mating, contributed to an increase in the Gini coefficient.

The analyses, at the same time, show that the impact on inequality from changes in the demographic components here explains a smaller part of the change in inequality in the Nordic countries in contrast to what one perhaps could have expected, and thus there are also other factors at play. The main type of explanation for change in inequality might then be how, also particularly after the financial crisis, changes in the tax- and transfer system have played a role in the Nordic welfare states. The implication being that the increase in inequality to a large degree could be a consequence of policy decisions and to a less degree due to the demographic factors analysed in the article. This also implies that if countries want to reduce inequality this will require specific targeted policy decisions such as higher taxes on high income earners and/or more generous social benefits to people with low incomes.

The implications are also that apart from income redistribution per se, governments still have an important role to play in reducing economic inequality through targeted employment, social, and health policies. Employment policies, like enforcing minimum wages, promoting equal pay, and funding job training programmes, help reduce income disparities by creating fair opportunities for citizens. Social policies, including well-designed welfare programmes for vulnerable children, and a more holistic approach to help people dependent on social assistance to regain a foothold on the labour market, are also required. Universal healthcare policies can reduce inequality by ensuring equitable access to essential health services, which particularly mitigates the economic burden of illness on low-income groups. Investments in public education and healthcare can improve long-term economic mobility by enhancing skills and productivity, while conditional cash transfer programs incentivize healthy behaviours and education in poorer communities.

Finally, there is a need for further research in order to explain how even countries belonging to the same specific welfare regime have no unidirectional impact of these demographic factors on inequality in contrast to what could have been expected.

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## Testing the integration model: The Hungarian Case

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### Abstract

The aim of our study is to present how models of social integration and disintegration relate to the stratification models of a society and its inequalities. We argue that although the traditional approaches of research to social stratification have proved to be suitable for describing certain trends in post-transition transformations in Central and Eastern Europe, as a result of the social changes of the last quarter-century and the related new intellectual tasks, it is now necessary to establish new models focusing on social integration rather than just update stratification models based on occupation, consumption or the different types of capital. In our study, we present this new line of thinking through the example of Hungarian society. To prove the benefits of a model based on the logic of social integration, we examine the differences between social integration and social inequalities/stratification models. The results show that in terms of criterion validity, the integration model performs better in most respects than we have experienced with other models.

**Keywords:** social integration, social stratification, EGP, Hungary

## 1 Introduction

Our study presents a new approach to social integration and disintegration related to the stratification models of Hungarian society and its inequalities. Integration and stratification are core topics of classical and modern sociology. We argue that new integration research is necessary for exploring the groupings of contemporary societies. Traditional approaches to inequality (models expressing the labour market position of individuals based on occupations; see, for example, Goldthorpe, 2007) have proved to be suitable for describing specific trends in a transforming Central and Eastern Europe. However, due to the social changes of the last quarter-century, new research challenges and new needs have arisen.

The unique factors behind group formation best capture this new challenge. For understanding and analysing inequality trends in Central and Eastern European societies over the past decades, the use of traditional occupational classes, even if expanded with

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differences in capital ownership, offers limited utility. New approaches in social research, such as the “cultural turn” (Nash, 2001), the perspectives of consumption, experience, and risk society (Beck, 1992), gender, and the problems of network and information society (Castells, 2004), have not been built organically into stratification models.<sup>1</sup> Several analyses deal with, for example, the components of consumption or differences in gender relations.<sup>2</sup> In these studies, inequalities based on occupational position are still used as independent variables, while topics considered building blocks of “post-modern” societies, such as identities, values, and networks, are treated as dependent variables.

Our paper presents an attempt to create a new social integration model for examining social integration that builds on factors viewed as defined by social stratification. We argue that these factors (e.g., political participation, interpersonal relations, relationship to norms, or subjective feelings of integration) constitute elements of social integration. We explain and examine this new approach through the example of Hungarian society.

Instead of occupational position or resources related to different types of capital, our model builds on the connectedness of individuals to different levels of the social system. As will be explained later, based on Merton (1949) and Habermas (1991), we differentiate between the systemic, the social, and the interpersonal levels of integration.

To show the advantages of this model, we implemented a nationally representative survey, which allows us to construct our model and compare it to previous models of social stratification and social class. The concept of integration includes all the achievements of occupation and capital-ownership-based stratum and class analysis in terms of content and methodology. However, new methods require understanding how society is organised and searching for answers to questions such as “What keeps society together?” and “What makes society tick?”. This is illustrated well by the fact that the construct validity of our social integration model is, in most respects, better than what we experience with other models.

This study is structured as follows. First, we present the theoretical background to the social integration model, then we describe the methodological details of the new empirical model. Subsequently, we compare the construct and criteria validity of our social integration model to two other stratification and class models, namely the British latent class model and the classic occupation-based EGP model.

## 2 Theoretical background

Classical sociological references to social integration stem from Durkheim’s concept of organic solidarity derived from the division of labour (2013). Studies on social integration also often cite Granovetter’s thesis (1973), according to which tightly bonded small social groups are connected via bridges of weak ties, forming a more comprehensive social network in society.

<sup>1</sup> This theory has been progressively elaborated in the great works of recent decades, although not in the context of stratification (e.g., Habermas 2005 [1968]; Beck 2003 [1968]; Crompton et al. (2000)).

<sup>2</sup> For example, the Great British Class survey, drawing on social, cultural and economic capital, includes questions on consumption as part of individuals’ cultural capital (see Savage et al., 2013). Appleford (2016) then argues that bringing in fashion as part of cultural capital requires understanding how consumption and class differences are related to gender relations.

However, the theoretical implications of individuals' position in the social structure and social integration are most precisely defined by Robert Merton (1949). Merton re-interpreted the concept of anomie (by Émile Durkheim) and distinguished types of individual adaptation. His definition is based on the link between socially determined cultural goals and institutionally available means (i.e., norms, rules, and controls). For this article, Merton's most important statement is that the disintegration process emerges in a society when the orienting power of the cultural value system is significantly weakened because a rigid social structure and lack of mobility limit the use of the tools necessary to achieve previously accepted social goals (Merton, 1980).

In this sense, social integration is problematised by Gidron and Hall (2019), who argue that failures of social integration are responsible for the increasing support for radical right parties and populism instead of the much-cited demand-supply model or economic and cultural reasons. The latter define social integration as "the social relations linking individuals and promoting their sense of being valued members of society" (p. 1028); thus, they basically build on interpersonal networks and subjective feelings of inclusion/exclusion.

This definition also builds on the Durkheimian and Mertonian concepts of integration, attributing a seminal role to the shared norms of a society. However, it mostly argues that integration should be understood at the individual level. Our approach, seeing the transformation of the Hungarian and other European societies over the last decades, goes beyond understanding individual-level social integration and aims to look at the integration of society as a whole.

Therefore, in this study, we use the following definition of social integration: an "ideal-typical set of actions, attitudes, ideas, etc. (...) that improves the level of cooperation of particular integration agents and/or maintains the possibility of further cooperation, increases agents' sense of togetherness and reduces the chance of communication disorders or conflicts" (Dupcsik & Szabari, 2015, p. 62, own translation). Several arguments support the need for a new, integration-based model that represents social differences.

We should point out that in the 21st century, there have been fundamental changes in social reproduction. For example, in Hungary, the natural and social consequences of redistribution, the characteristics, volume and proportions of economic and other exchange transactions outside the market and financial systems, and their stratum- and group-forming effects are largely unknown (Csanádi et al., 2022). The main proportion of development funds (over 70–80 per cent even in 2005) reaches market actors through the redistribution system associated with projects. Social benefits are the primary source of livelihood for at least one-third of society, and their role may also be significant for other groups as well (Gerő & Kovách, 2022; Csizmadia & Szikra, 2019). Those who exercise political power are increasingly intervening directly in the operation of the economy through tampering with the distribution of development funds or, among other ways, through direct capital transfers and by offering local government/state resources to serve political interests (Erlingsson, 2005; Illner, 2010; Csillag & Szelényi, 2015; Bartha et al., 2020; Szikra, 2019). Economic operators are taking resource allocation and public sector procurements under their control. At the same time, the interests of economic operators are infiltrating political action and decisions concerning the regulation of the economy and the distribution of development funds (Neményi et al., 2018).

Over the past decades, the project-based redistribution of development funds has become standard in all areas of development/aid, including public administration and the world of business (Sjöblom, 2009). According to Boltanski and Chiapello (2005), one of the main features of network capitalism in the globalised era is that, in business, the hierarchical organisation of projects is being replaced by horizontal organisation proliferation of projects creates new conditions for social reproduction (Kovách, 2000; Ray, 2001). Social groups, areas, and settlements that are permanently excluded from project resources suffer significant disadvantages. A direct stratum- and group-forming effect is also attributed to projectification. Groups that possess the intellectual capital and managerial knowledge to play a crucial role in obtaining, organising, and implementing projects play a privileged role in determining projects, thereby creating a project class (Andersson, 2006; Kovách & Kucerova, 2006, 2009; Kovách, 2013).

Project based-redistribution is of particular importance in Hungary because the re-capitalisation of the national capital class, or so-called “patronal capitalism” (Hale, 2015; Hajdu & Tóth, 2017), is significantly supported by the EU and national budget funds (Bartha, 2017; Hajdu & Tóth, 2017; Urbán, 2017; Burai, 2017; Martin, 2020; Civitas, 2021;).

However, little is known about how the new reproduction order affects livelihood strategies, social strata, and group formation. This confirms our assumption that both quantitative and qualitative changes have occurred in social reproduction, the causes and effects of which may be difficult to express through social groups formed on the basis of occupational classification. For example, the proportion of those with a precarious, uncertain stratification status has increased, which is a new factor in addition to recognising the complete transformation of the social reproduction system (Sik, 2020).

Integration is a multi-dimensional phenomenon. For example, in the context of the traditional occupation-based stratification approach, e.g., the EGP model, one may think of employment-based integration mechanisms. Labour market and employment-based processes play an essential part in social integration; however, they are only one type of such process.

The EGP model is criticised by Kitschelt and Rehm (2014) for capturing only a basic unrefined measure of the vertical element of the occupational structure. According to Kitschelt and Rehm (2014), the influence of occupational task structure on political attitudes—understood broadly, including attitudes towards redistributive policies, immigration, and support for authoritarian leadership—stems primarily from two dimensions: the autonomy one enjoys in one’s work and the level of complexity of the work. Additionally, the specific challenges posed by certain occupations are influential. More autonomy and higher levels of complexity tend to lead to more liberal and less authoritarian political views, while lower complexity and more technical task structures may be associated with less inclusive and more authoritarian political stances. Thus, even if the role of occupation were at the core of our analysis, it would probably require a more nuanced analysis, building on experiences gathered from the workplace.

From the research mentioned above, it is clear that both integration based on social networks and connectedness to political institutions play an important role. Defining (and researching) groups that can be separated according to their degree of integration/disintegration is a task to be solved through quantitative analysis. This latter research objective means the application of both stratification and multidimensional processes. Accordingly, in the context of social integration, research on social stratification has a dual objective:

1. Describing the relevant social strata and groups according to the traditional stratification paradigm with the addition of new aspects (e.g., consumption and individualisation), avoiding the trap of unidentifiability.

2. Describing and analysing integration and disintegration mechanisms that explain the characteristics of the social strata and the differences between different stratification models.

By addressing this dual objective, we may arrive at a more accurate description of the layers of Hungarian society. Thus, the new grouping enables us to examine the systemic, social and interpersonal mechanisms of integration that create these groups.

Our aim is that the new integrational model should capture the role of integration processes in the generation of the division of society. We intend to create a model that includes the items of integration but also expresses the social differences that the occupational-based hierarchy is capable of grasping. We identify three levels of integration: systemic integration, social integration, and interpersonal integration. Following the theories of Habermas (2011) and Giddens (2013a, 2013b), systemic integration refers to the mechanisms that coordinate the repetitive actions of members of society as a result of the operation of external, subject-independent system(s) and define the framework for social reproduction. By analogy with Habermas' concept of lifeworld, the processes of cultural reproduction, socialisation and cooperation, trust and participation, and the impact of members of society on each other and their belonging to the community are included in the social integration mechanism. Interpersonal integration primarily means direct personal relationships (strong and weak ties), which are significant resources supporting participation in system integration processes (Laumann, 2006; Granovetter, 1983; Angelusz & Tardos, 2006; Lin, 2017). The resulting micro-milieus also create stabilising or disintegrating mechanisms of social-level integration (Albert & David, 2012, 2015).

### 3 Data and Methods

For the analysis, we used the data collected in the research project...<sup>3</sup> The CAPI survey was conducted in the spring of 2015. The sample (N=2,687) represents the Hungarian adult population in terms of regions, sex, age, settlement type, and education level.

The social integration model builds on three levels:

A. *Systemic integration* is measured by political participation (electoral and beyond),<sup>4</sup> trust in institutions (the National Assembly, the legal system, the police, and politicians), and the acceptance of and adherence to social norms. We applied a standard measurement based on the *World Values Survey* questionnaire to capture adherence to norms. We asked respondents to mark on an 11-point scale their tolerance of the violation of certain norms (four items). Since most respondents rejected norm-violating behaviour, this variable was transformed according to whether the respondent allowed or rejected the violation of a

<sup>3</sup> Integrative and Desintegrative Processes in the Hungarian Society – 108836 NKFI.

<sup>4</sup> Description of the variable. The value is '0' if the respondent does not participate. '1' means the respondent only participates in elections, and '2' if the respondent engages in other type(s) of civic participation.

norm. We then created a principal component from the four responses: high values indicate tolerance of norm violation, while low values indicate rejection.

B. *Social integration* is measured by participation in the labour market and civil society. Individual work intensity captures participation in the labour market and takes a value from 0 to 1. The value is 1 if the respondent worked full-time throughout the 12 months preceding the interview and 0 if they did not work at all. Taking part-time months into account with a weight of 0.5, we calculated how much of the maximum possible time an individual worked. To create a dummy variable *civil participation* indicator, we asked respondents whether they had participated in the work and activities of four different types of voluntary organisations within one year prior to the survey. If they had participated in any of the listed types, the value is 1; if not, it is 0.

C. *Interpersonal integration* is captured by the number of strong ties, weak ties (nexus diversity), and the feeling of perceived social exclusion. In the case of strong ties, the *number of close relationships* is measured using the question of who the respondent discusses the most important aspects and problems of their life with. The number of people they list in response to this question (up to five people) is considered the respondents' *core discussion network*. In the case of weak ties, we inquired about 21 occupational categories, asking if the respondents knew any person with that occupation and, if so, whether they could ask that person for help. The variable of *nexus diversity* was calculated as the average of the answers to these two questions, i.e., of the weak ties and the weak helping ties. The respondents' degree of (subjective) social exclusion was measured in line with the *European Quality of Life Survey*.<sup>5</sup> The indicator of subjective social exclusion was obtained as the average of the four responses. A high value for this indicator reflects a sense of marginalisation and exclusion from society.<sup>6</sup>

To identify groups in relation to the above-listed eight variables, we applied the latent profile analysis method using the *mclust* package of the R software.<sup>7</sup> We adopted a seven-cluster group structure.<sup>8</sup> The seven groups and their proportions (%) within the sample were as follows:

1. *highly integrated and politically active* (15.5%)
2. *locally integrated* (9.2%)
3. *integrated into the labour market* (23.2%)
4. *integrated by the institutional system* (17.4%)
5. *moderately integrated* (16.1%)
6. *norm-following disintegrated* (12.9%)
7. *socially excluded, disintegrated* (5.6%).

The cluster means of the variables are shown for each cluster in Table 1.

<sup>5</sup> The four items:

'I feel left out of society.'

'Life has become so complicated today that I almost can't find my way.'

'I feel that others do not recognise the value of what I do.'

'Some people look down on me because of my job situation or income.' Source: <https://www.eurofound.europa.eu/en/surveys/european-quality-life-surveys-eqls>

<sup>6</sup> For more details on editing each variable, see *anon.*

<sup>7</sup> <https://cran.r-project.org/web/packages/mclust/index.html>

<sup>8</sup> The criteria for the model fit are the BIC coefficient, size of the derived groups, and interpretability.



**Table 1** Cluster means for each variable

	1	2	3	4	5	6	7
Nexus diversity	1.185	0.707	-0.155	-0.442	0.040	-0.591	-0.408
Core discussion network	0.615	0.324	-0.187	-0.115	0.195	-0.495	-0.540
Subjective social exclusion	-0.391	-0.147	-0.251	-0.399	0.167	0.229	1.963
Civil participation	-0.284	3.004	-0.276	-0.255	-0.265	-0.224	-0.196
Labour intensity	0.513	-0.119	0.852	-0.961	0.163	-0.928	-0.487
Institutional trust	0.197	0.191	-0.067	0.623	0.048	-0.790	-0.567
Political participation	0.791	0.917	-0.251	0.049	-0.389	-0.630	0.194
Acceptance of violation of norms	-0.221	-0.055	-0.412	-0.451	1.451	-0.437	0.648

Source: Authors' calculation

#### *Description of integration groups*

The sociodemographic characteristics of the seven groups are reported in Table 2.

**Table 2** Socio-demographic characteristics of the integration groups

Group	N	%	Graduate (%)	Budapest resident (%)	Roma (%)	Economically active* (%)	Age (average)	Graduate father (%)
Highly integrated, politically active	314	15.5	38.7	19.5	1.0	81.2	44.8	16.9
Locally integrated	186	9.2	30.3	11.8	2.8	51.4	47.4	21.2
Integrated into the labour market	470	23.2	16.1	21.9	3.2	93.4	41.9	8.1
Integrated by institutions	351	17.4	11.8	28.7	3.0	2.2	56.0	12.3
Moderately integrated	326	16.1	13.4	13.2	6.1	63.0	44.1	7.7
Norm-following disintegrated	261	12.9	5.9	15.5	6.0	6.0	55.6	6.6
Socially excluded disintegrated	114	5.6	1.8	16.1	19.8	29.1	50.6	5.5
Total	2022	100	17.6	19.2	4.6	52.0	47.9	11.0

\* Employed and entrepreneur

Source: Authors' calculation

In the *highly integrated and politically active* group (15.5%), nexus diversity and the number of people in the core discussion network are the highest, and the subjective feeling of social exclusion is the weakest. Labour intensity is significantly above average (second highest), institutional trust is above average, and civil participation and the acceptance of violation of norms are below average. The group is particularly active politically, primarily due to their high rate of activity beyond voting, mainly direct political participation. The proportion of graduates in the group is the largest (38.7%). The share of graduate fathers is above average; average per capita income is the highest in this group.

The civil and political activity of the *locally integrated* group (9.2%) stands out, and they are also exceptionally rich in social ties. Their level of perceived social exclusion is below average. Their institutional trust is somewhat above average; this group's acceptance of violating norms and labour intensity are moderate. In this group, the proportion of people living in villages is the highest (35.5%), while it is the lowest for those living in Budapest (11.8%); the proportion of graduates among them is the second highest (30.3%). The political activity of this group is exceptionally high: contacts with politicians and local government representatives and their support of civil organisations stand out.

Members of the *labour market integrated* (23.2%) group have the lowest average age (41.9 years), and the proportion of those living in towns is the second highest in this group (75.5%). More than ninety per cent (93.4%) of those within this group are active in the labour market; their perceived social exclusion is low, and their opinion of violating norms is not permissive. At the same time, their weak and strong personal ties are somewhat fewer than average; they do not participate in voluntary organisations' work; their political activity, apart from voting, lags well behind average, while their voting activity is around the mean. Their per capita monthly income is the second highest (320 €).

Nexus diversity and the number of confidential relationships are below average in the *integrated by the institutional system* (17.4%) group; at the same time, their sense of perceived social exclusion is also below average. Two-thirds of people within this group are retired, therefore, their average labour intensity is very low, and the average age in this group is the highest (56.0 years). Civil participation and acceptance of violations of norms are below average. Trust in institutions and the willingness to vote in this group are the highest. At the same time, political activity aside from voting is moderate, meaning that this group is primarily integrated through the political system. The proportion of Budapest residents is outstanding (28.7%).

In the *moderately integrated* (16.1%) group, the sense of perceived exclusion is somewhat above average, and their civil and political participation is below average. Trust in institutions and nexus diversity are average, and the number of people in their core discussion network is somewhat higher than average. This group's opinion of the acceptability of violating norms is exceptionally high. In this group, an above-average proportion agreed with the statement, "To get ahead today, you are forced to do things that are not right." They assume that others violate norms at an above-average rate. The group is mainly composed of low-income active persons: the average age is the second lowest (44.1 years), and the activity rate is the third highest (63%), while the per capita income is the third lowest in this group (287 €). The proportion of graduates and graduate fathers is somewhat below average.

The *norm-following disintegrated* (12.9%) group is significantly older than average (55.6 years); 63.9% are retired. Their nexus diversity and the number of their confidential relationships are below average. Their perceived exclusion is the second highest. Their political activity is deficient; only 23.0 per cent would vote compared to the average 51.0 per cent, and they engage in practically no other political activity. Trust in institutions is the lowest in this group. Their opinion does not permit any violation of social norms. Their education level is below average the proportion of graduates is only 5.9%. Their labour market activity is also deficient (6.0%), which is partly explained by the fact that nearly two-thirds of them are pensioners.

The nexus diversity of the *socially excluded, disintegrated* (5.6%) group is significantly below average, and the number of confidential relationships is the lowest. Their sense of perceived social exclusion is very high: on a scale of 1 to 5, nearly twice (3.9) the average value (2.1). This data is made even more significant by the fact that severe material deprivation in this group is three times the average (60.2%), the unemployment rate is four times the average (23.1%), and their per capita income is meagre (about 200 €). Their civil participation and labour market activity are below average, and their trust in institutions is significantly lower than average. Their political activity is somewhat above average because they have almost twice as frequent contact with politicians and local government representatives as average. On the one hand, this can be explained by the fact that the proportion of people living in villages is the largest in this group (37.7%), i.e., they are more likely to know the representatives in person. The proportion of people employed in the public works scheme is also the highest in this group, implying direct contact with the local mayor, especially in smaller settlements. Members of this group are more permissive of violating norms than average. Acceptance of the violation of norms is coupled with a kind of pessimistic worldview: the proportion of those agreeing with the statement “*To get ahead today, you are forced to do things that are not right*” is the highest in this group. Members of this group assume at the highest rate that others violate norms.

While our integrational groups do not constitute a one-dimensional social hierarchy, they nevertheless can be located along the social structure. The *highly integrated politically active* and the *locally integrated* groups are quite resourceful; many of them are of upper-middle status. The positions of the *labour market integrated* group and the *institutionally integrated* group are quite similar in the middle of the social structure, while they differ in age and activity (active/retired). The *moderately integrated* group has more of a lower-middle social status. The *norm-following disintegrated* and *socially excluded, disintegrated* groups represent the disadvantaged, lower third of society.

#### 4 Validity of the social integration model

We can best demonstrate the applicability of our social integration model by examining its validity compared to other models in line with the requirements of criterion validity. We consider our integration model suitable for this comparison because it includes all the dimensions that stratification models do. Bailey (1988) points out that the concepts of ‘validity’ and ‘reliability’ have various meanings in social sciences. There are substantial differences between the related concepts and methods. Evans (1992), in examining the

validity of the Erikson–Goldthorpe–Portocarero (1979) class schema (EGP), distinguishes between *criterion validity* and *construct validity*. Criterion validity concerns the extent to which an established grouping corresponds to the findings of a theory. Construct validation tests the extent to which a generated grouping is correlated with variables (such as cultural consumption or party sympathy) to which it is closely related, according to the theoretical approaches. The validity of the EGP class scheme has been the subject of several studies (Birkelund et al., 1996; Evans & Mills, 1998) that primarily sought to discover the latent dimensions of the schema not directly observable through modelling directly observable class features. The latent class analysis (Evans & Mills, 2000) was able to modulate the categories of the EGP model but did not lead to a satisfactory result in terms of its validity.

The method of comparison we use is similar to the construct validation tests since we examine the correlation of the models with variables that are not included in the models but are assumed to be related to them. At the same time, it also differs from them in that these variables cover more areas than usual: issues related to work, occupational positions, dimensions of exclusion to political attitudes and satisfaction with the social environment and life.

### Latent class model (BBC model)

The first model we used for comparison, the latent class model (Savage et al., 2013; Albert et al., 2017), forms social groups based on the three Bourdieusian capital types. Economic capital is operationalised by income/wealth, cultural capital by the frequency of high culture and new culture consumption, and social capital by the diversity and average prestige of weak ties. The groups in the Hungarian version of the latent class model (Albert et al., 2017) were the upper class, the cultural middle class, the affluent middle class, young urban consumers, network-embedded rural workers, young drifters, middle-aged deprived, and the precariat.

### EGP class scheme

The second model we compare is the EGP scheme. Based on Erikson et al. (1979), Goldthorpe (2007) and Bukodi & Záhonyi (2004), we applied a categorisation containing 11 groups based on their employment relations (source and level of income, level of economic security, and growth prospects) and degree of work autonomy: 1. upper and middle-level managers, large and medium-sized entrepreneurs, 2. highly trained intellectuals, senior officials, and experts; 3. lower-level executives, lower-level intellectuals, subordinate officials, highly trained technicians, and managerial employees, 4. other technicians, office, skilled commercial, and service workers, 5. non-agricultural small employers and self-employed entrepreneurs, 6. agricultural small employers and self-employed entrepreneurs, 7. direct production managers and skilled industrial workers, 8. trained workers, 9. simple – unskilled – workers, 10. those dropped out of the labour market, and 11. the inactive that have never worked. We assume this model is more strongly correlated with the dimensions of financial inequality.

### Method of comparison

We compared the capacity of the three models to explain various dependent variables (see Table 3). Our procedure was as follows: For each model, we ran stand-alone OLS estimates and investigated the adjusted  $R^2$  value of the regression models. In each case, we first included the essential demographic variables; in the second step, we included the three models among the explanatory variables. Demographic variables were as follows: the respondents' age group, gender, marital status, highest qualification, household size, and place of residence. The categories of the three integration/stratification models were included in the regression models as dummy coded variables.

We tested the models with five sets of dependent variables. These are (1) labour market, (2) socioeconomic status, (3) political attitudes, (4) social capital, and (5) subjective well-being.<sup>9</sup> We compared the adjusted R-squared values of the models and concluded that one of the three integration/stratification models had the highest explanatory power if the difference between the adjusted R-squared values was higher than 0.01, i.e., one percentage point.

Based on the regression models, it may be concluded that there is no model where the basic demographic variables by themselves better explain the dependent variables than our integration model. The second step, therefore, involved continuously improving the adjusted R-squared value. It is also important to note that the standard deviation of explanatory power ranges from very low to moderate; that is to say, there is no difference in the magnitude of the explanatory power of the models involved in the comparison. Hence, only relative judgements may be given concerning which model is better (has more explanatory power). There is no doubt, however, that there are groups of variables for which the explained proportion of variance is higher and others for which it is significantly lower. The results are described in detail in the Appendix, while the most important ones are summarised below.

Overall, looking at the five groups of dependent variables (Table 3), it appears that our integration model has greater explanatory power than the other two models we compare with it. In the case of 12 out of 25 dependent variables, our model had slightly greater explanatory power than the other models. It worked well for the group of variables indicating social capital and subjective well-being and, to a lesser extent, for political attitudes. We found only one variable (whether the person has an employment contract) for which the EGP model had the highest adjusted R-squared value. The latent class model explains the variables associated with socioeconomic status and shows the most significant correlation with the factors closely related to the variables built into the model (e.g., the importance of a company of friends). The integration model is no exception to this latter comment. It performs well precisely in the areas of relationships, personal environment, and subjective satisfaction that are firmly related to strong and weak ties. At the same time, the different models perform well in other areas.

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<sup>9</sup> Overall, we used 25 dependent variables in 5 groups. See the variables in Table 3.

The integration model explains most of the objective social status and social capital variables and has a stronger relationship with subjective factors, meaning it can contribute substantially to the examination of subjective factors. Based on this study, doubts can be raised about the validity of the EGP model.

**Table 3** Comparison of the explanatory powers of the three models

<b>Dependent variable</b>	<b>Model that has the strongest explanatory power</b>
<i>(1) Labour market status</i>	
Unusual work patterns	–
Contract exists/existed	EGP model
Perception of chances of getting a job	Integration model
Work satisfaction	Integration model
<i>(2) Socioeconomic status</i>	
Severe material deprivation	Latent class model
Subjective financial situation	Latent class model
Intention to move	EGP model; Latent class model; Integration model
<i>(3) Political attitudes</i>	
Preference for democracy	–
Preference for individual or state responsibility	–
Satisfaction with political elite	Integration model
Satisfaction with economic elite	Integration model
Satisfaction with cultural elite	Integration model
Satisfaction with elite (Average)	Integration model
Left-right scale	–
Moderate-radical scale	–
<i>(4) Social capital, relationships</i>	
Generalised trust	–
Importance of family	Integration model
Importance of company of friends	Latent class model
Significance of workplace/school community	Integration model
Importance of neighbours	Integration model
The importance of a local community organisation	–



Table 3 (continued)

Dependent variable	Model that has the strongest explanatory power
Satisfaction with family relationships	Integration model
<i>(5) Subjective well-being, subjective situation</i>	
Life satisfaction	Integration model
Subjective social importance	Integration model
Satisfaction with the localities	–

–: For these variables, none of the models had an adjusted R-squared > 0.1.

Where the names of several models are associated with a variable, this suggests that the difference in explanatory power was not higher than 0.01, i.e., one percentage point.

## 5 Conclusions

This methodological study has presented an attempt to test the *Integration model* based on the various dimensions of integration and then compared it with the internationally most frequently used occupation-based stratification model referred to as EGP (Erikson et al., 1979) and the latent class model, generated based on Bourdieu's capital dimensions (Savage et al., 2013).

Social integration and stratification have always been core topics of classical and modern sociology. We have argued that the use of traditional occupational classes, or simply their expansion by including the various forms of capital, is only of limited utility and is less capable of identifying real social divisions.

We have argued that our social integration model is necessary for exploring the structure of contemporary society. Therefore, we used a unique concept of social integration, including the interpersonal, social, and systemic level, which improves the interpretation of social processes. As the description of the social integration groups shows, in line with Merton's approach, subjective social exclusion and acceptance of the violation of norms are a constitutive element of the grouping of society. Members of groups that feel more excluded usually tend to accept the violation of norms as well, showing signs of anomie. However, our model also indicates that other channels of social integration also matter: even the most excluded group can be mobilised to some extent in electoral participation. Furthermore, for the moderately integrated groups (those moderately integrated and integrated by the institutional system or the labour market), political institutions or the labour market are the primary tethers to society.

To show the advantages of this model, we implemented a nationally representative survey and studied and compared three models of social integration and social stratification. To verify our claims, we compared the construct and criteria validity of our social integration model to those of two other stratification and class models (the British latent class model and the classic occupation-based EGP model).

According to our research experience, the social integration model measures and explains something different than the stratification and class models developed earlier, although it also includes their content. Consequently, the recommended method is the *multimodelling of inequalities*. Our study indicates that the various stratification, class, and integration models perform well in different areas. The latent class model reveals stronger correlations with objective, social status-related factors, while the integration model better explains subjective elements, and the validity of the Erikson–Goldthorpe–Portocarero model is shown to be highly doubtful.<sup>10</sup>

Concerning the integration model as it relates to Hungarian society, taking it into account further supplements our knowledge of disadvantaged groups. Social integration/disintegration is not a feature that is automatically attached to the place occupied in the system of social inequalities but an independent dimension that expresses social status. According to this new dimension, the integration of highly integrated and disintegrated groups points to large-scale inequalities in Hungarian society. Based on our findings, the individualised and atomised poor possess no family or group-level strategies for managing and mitigating social disadvantages. The cumulation of disintegration in the case of groups that have multiple social disadvantages is a warning and provides evidence that the persistence of social weaknesses may affect up to 30-40% of Hungarian society.

Another significant contribution of our study is that the social integration and disintegration model makes the mechanisms of integrating groups between the upper and lower social segments much more comprehensible. As a result, we know far more about their group features. Integration through local attachment, the labour market, interpersonal networks, and institutional and political systems prove to be valid and relevant grouping factors. Therefore, we presume that integration/disintegration grouping also serves as a primary and essential structural model that successfully extends the dimensions of social inequalities and includes the mechanisms that create and maintain them. Our paper concludes that it is crucial and *inevitable* that social integration/disintegration mechanisms should be considered and applied in social inequality research.

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<sup>10</sup> As the integration model (and the latent class model) is based on more components than the EGP class scheme, it is not surprising that it is better at explaining more factors. This approach has a theoretical (and empirical) basis; therefore we believe that these models did not have an “unfair” advantage in the comparison.

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## Annex

Table “A” Explanatory power of each model (adjusted R-squared) N = 1853

	Demography	Entire model		
		Latent Class Model	EGP Model	Integration Model
Labour market				
Unusual work patterns	0.037	0.045	0.051	0.044
A contract exists/existed	0.005	0.014	0.113	0.019
Chances of getting a job	0.184	0.200	0.206	0.225
Work satisfaction	0.051	0.078	0.077	0.113
Socio-economic status				
Severe material deprivation	0.161	0.244	0.176	0.205
Subjective financial situation	0.300	0.378	0.332	0.342
Intention to move	0.175	0.185	0.187	0.183
Political attitudes				
Democracy vs dictatorship	0.059	0.090	0.064	0.090
Preference for individual or state responsibility	0.023	0.028	0.030	0.030
Satisfaction with political elite	0.032	0.040	0.037	0.148
Satisfaction with the economic elite	0.035	0.056	0.053	0.144
Satisfaction with cultural elite	0.029	0.050	0.053	0.104
Satisfaction with elite (average)	0.033	0.055	0.055	0.159
Left-right scale	0.039	0.043	0.046	0.043
Moderate-radical scale	0.045	0.048	0.051	0.055
Social capital, relationships				
Generalised confidence	0.040	0.051	0.044	0.087
Importance of family	0.092	0.099	0.094	0.126
Importance of the company of friends	0.098	0.162	0.106	0.141
Importance of the workplace/school community	0.234	0.247	0.269	0.293
Importance of neighbours	0.084	0.092	0.085	0.101

Table "A" (continued)

	Demography	Entire model		
		Latent Class Model	EGP Model	Integration Model
The importance of a local community organisation	0.052	0.065	0.057	0.070
Satisfaction with family relationships	0.122	0.144	0.136	<b>0.199</b>
<i>Subjective well-being, subjective situation</i>				
Life satisfaction	0.128	0.163	0.144	<b>0.228</b>
Subjective social importance	0.076	0.097	0.101	<b>0.159</b>
Satisfaction with the localities	0.040	0.058	0.049	0.084

*Legends:*

The R-squared values in bold indicate the highest proportion of variation of outcomes that is explained by the model (if R-squared > 0.1). The names of several models in bold indicate that the difference in explanatory power was not greater than 0.01, i.e. 1 percentage point. For each outcome, the coefficients on some or all categories of the three integration/stratification models are significant at the 5 percent level.

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Intersections. EEJSP  
11(2): 226–242.  
<https://doi.org/10.17356/ieejsp.v11i2.1311>  
<https://intersections.tk.hu>

## Legal definition of the cryptocurrency in Ukraine in international comparison

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### Abstract

Legal regulation of digital finance is at an initial stage. It has been proven that many countries are favorable to the full or partial recognition of cryptocurrency as a means of payment, among them: Spain—the official payment system; Germany—monetary unit and form of private money; USA—currency, form of money, Sweden—contractual means of payment; the object of money transfers in certain states, Canada—a means of calculation, etc. It has been established that in Ukraine, the considered conservative nature of legal regulation of financial relations is observed in the context of the implementation of digital financial technologies in view of the task of protecting both public interests and the interests of individuals. Conclusions have been made, first, the issue of legal evaluation of cryptocurrencies is still not finally resolved and their legal nature also remains debatable; second, cryptocurrencies being alternative settlement units poses a threat to the dominance of public currencies, as they enable competition between private financial agents and states; third, according to its essence, electronic money is a kind of electronic promissory note.

**Keywords:** investment arrangement, cashless, cryptocurrency, payment system, legal regulation, public finance, digital money

## 1 Introduction

The use of digital technologies for the needs of both private and public finance has already become a sustainable trend in recent years. This is an objective consequence of fundamental transformations taking place in the world economy under the influence of FinTech-industry. New opportunities for collecting, recording, processing, evaluating and transmitting information have found their application not only in the banking sphere, but they are embodied in the formation of a new sector of the economy based on such digital technologies as big data, robotics, blockchain, tokenization, various Internet systems, artificial intelligence, neural networks, etc. Along with traditional settlement tools, new ones have appeared – electronic money and virtual assets, and on the basis of them platforms for the

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provision of various financial services have already been created, including in particular, cryptocurrency exchanges, electronic payment systems, etc. Such phenomena as DeFi, InsurTech, online banking, online marketplace, PayTech, *P2P crediting etc.*, brought to life by digital financial technologies require an appropriate legal assessment and an effective legal regulation, including in relation to ensuring protection of customers' rights and interests. Numerous publications and scientific studies of various legal aspects of the FinTech manifestation in economic relations are relevant, however the theory of legal regulation of digital finance is at the initial stage of its formation, it is fragmentary and does not have a systematic nature. Therefore, clarification of existing trends in this area is a necessary element in the development of the science of financial law. Such classification determines the need for awareness of the directions and content of legal regulation of social relations related to the digitalization of the public finance sphere.

Publications on FinTech issues have a rather wide spectrum, they cover professional, scientific, educational and methodological, reference and popular science literature from various fields of knowledge. But most often publications of legal orientation are dedicated to researching the specifics of legal regulation of new virtual assets, payment services, digitization and informatization of state administration in various spheres of its manifestation, etc. The presented results of scientific research are pluralistic and debatable, but they have not yet formed a coherent concept of legal regulation of FinTech in the sphere of public finance.

Another approach to solving the indicated problem is to study the legal regulation of payment systems from the standpoint of individual branches of law, as is done, for example, by M. A. Pozhidayeva in her work (Pozhidayeva, 2020), concerning studying financial and legal regulation of payment systems; however, her research was carried out even before the adoption of the Law of Ukraine "On payment services" No. 1591-IX dated 30 June, 2021 (Law of Ukraine, 2021), therefore it objectively requires some adjustment in accordance with the new conditions of legal regulation.

In recent years, functioning of payment systems is increasingly associated with the use of electronic money as a type of virtual assets. Such a question is hotly debated, which is reflected in special literature. The number and range of publications on such issues is impressive. Science and practice are at the stage of finding solutions to many fundamental problems, and one of the important places among these problems belongs to the issue of the legal nature of cryptocurrencies. Approaches to its solution differ not only depending on the specific national jurisdiction but are also related to the multifacetedness of the conceptual apparatus. We can point out Suzanne Hammond and Todd Eret among the authors who devoted their works to such issues; they generalized the approaches to regulation of cryptocurrencies depending on this or that country (Ehret, 2020), however, despite the importance of such an overview, the problem of the legal nature of this type of virtual assets remains unresolved in fact. In addition, one of the leitmotifs of such work was the issue of taxation of operations with virtual assets, but at the same time, the problem of using cryptocurrencies for the needs of paying taxes and budget financing was left out of the attention of researchers although being important for any state.

Such authors as Desmond Dennis, Lacey David and Salmon Paul M. emphasize the insufficiency of the conducted research on various aspects of cryptocurrencies, including on their protection systems. This fully corresponds to the general level of theoretical sub-

stantiation of the peculiarities of legal regulation of virtual assets and social relations related to provision of payment services developing on their basis. Therefore, it appears that the nearest tasks in the formation of the doctrine of legal regulation of FinTech will consist of the search for the legal nature of virtual assets in their various forms of manifestation (electronic money, digital money, cryptocurrencies), as well as in assessment of the admissibility of their possible use for the needs of public finances. This is important not only from the point of view of providing public finances with modern settlement tools, but it also reflects the need to understand the danger brought by the new technological opportunities, meaning potential danger for committing economic offenses, first of all – tax evasion and laundering of “dirty money.”

## 2 Methodology

The methodological basis of the research is a combination of general and special methods of cognition, such as dialectical, historical, descriptive, the method of scientific analysis and generalization; comparative-legal, structural-functional and analytical methods were also used. the dialectical method of scientific knowledge is used as the main general scientific method. in the course of the research of legal documents that highlight the functioning and development of relationships under the conditions of implementation of digital technologies, formal-legal and systemic-structural methods were applied. During the formulation of the legal structures “digital technologies,” “electronic technologies,” and “electronic legal relations” the logical-semantic method was used. The use of the method of scientific analysis and generalization of methods made it possible to collect reliable information about the current state of relations in the conditions of implementation of digital technologies, its parameters, as well as about the peculiarities of the practical application of legislation, including its problematic aspects.

In recent years, special attention has been paid to the problem of defining the concept of payment systems and peculiarities of their legal regulation. However, despite the high dynamics in the development of payment services, the understanding of the term “payment system” still remains a subject of scientific debates. Both Ukrainian and foreign specialists can be listed among the authors who have devoted their works to such topics. Most authors either reproduce provisions of regulatory acts in their works or leave such a problem unaddressed. Thus, Benjamin Geva outlined his vision of the specifics of legal and regulatory measures regarding electronic payments. However, when highlighting peculiarities of the structure typical for regulatory bodies and certain aspects concerning legal regulation of electronic payment services in the European Union, as well as in such countries as Australia, Canada, and the United States, although the term “payment system” is used in his work, the author does not provide its definition and he does not systematically consider it in the context of ensuring stability of monetary circulation in the new conditions of the digital economy (Geva, 2020). The same flaw is inherent in the views of the Indian specialist Ahmed Shehnaz; although outlining the directions of modernization of the law on payment services in India, he does not reveal his vision of the payment system concept (Shehnaz, 2021).



Comprehensive research, in the form of a literature review, was conducted using free access resources (Academic journals, Google Book Search, Google Scholar, Scientific periodicals of Ukraine), as well as the full-text database ScienceDirect.

The specifics of the research subject, as well as its purpose and tasks determined the use of general scientific and special methods of scientific cognition. The hermeneutic method was used to establish content of the concept of “digital technologies,” “electronic technologies,” and “electronic legal relations” enshrined in both legislative acts and legal doctrine. This method of analysis was used to interpret provisions of normative legal acts (the Civil Code of Ukraine, laws of Ukraine, international normative legal acts and regulations, etc.), which establish the order and features of personal data protection. With the help of the method of systematic analysis, court decisions issued in lawsuits regarding “digital technologies,” “electronic technologies,” “electronic legal relations,” of consent for medical intervention or entering into contractual legal relations were studied. The dogmatic method made it possible to analyze scientific studies devoted to general problems of “digital technologies,” “electronic technologies,” and “electronic legal relations.” The comparative method was used to compare provisions of the civil legislation of Ukraine, the legislation of the EU, and the USA to identify common features, differences, advantages, and disadvantages between them. The method of generalization helped to formulate conclusions that summarized the conducted research.

Thus, modern Ukrainian scientific research is mostly based on such a general scientific method as *dialectical one*. In general, dialectics as a science studies the most general laws of the development of nature, society and thinking. The dialectical method is such a general scientific method of cognition that needs to take into account relationship and constant development of phenomena in the process of cognition of reality. Dialectics as a method of learning information about nature, society and thinking, considered in unity with logic and the theory of knowledge, is a fundamental scientific principle of studying multifaceted and contradictory reality in all its manifestations (Sheyko, 2002).

This method “was developed over many centuries by scientists of various philosophical and political directions” and consists in such an approach to studying phenomena of social existence, which is based on the general regular connections of development of society, the state and nature (Maksimov, 1997).

Therefore, according to the dialectical method, all phenomena are interconnected and dynamic. The basis of their development (dynamics) includes such laws of dialectics as transition from quantity to quality, struggle and unity of opposites, etc.

As for the topic of the research, thanks to the dialectical method, the current state of personal data protection and understanding of the essence of this legal phenomenon was established, taking into account its dynamics, development during historical time and taking into account its interdependence with other phenomena of social and state life, and the interrelation of one relationship with others.

Application of the *axiological method* was aimed at clarifying and determining the public danger of violations in the sphere of “digital technologies,” “electronic technologies,” and “electronic legal relations” as well as the public utility of state activity to overcome these violations.

The *hermeneutic method* made it possible to reveal the dependence of interpretation of normative legal acts or provisions set forth in scientific texts on the subject of interpre-

tation, to reveal the content of legal norms and scientific knowledge, based on the peculiarities of legal normative and scientific language.

Humanization of domestic legislation and determination of the priority of a person, his/her rights and freedoms in relation to interests of the state determines the need to use a *humanistic method* in order to consider “digital technologies,” “electronic technologies,” and “electronic legal relations.” As a result, it is concluded that *the state and laws* have a human nature, that is, they are created, act and are intended to provide for the needs of society and humans.

The formal-legal method was used to determine specifics of the normative-legal regulation of social relations in the sphere of “digital technologies,” “electronic technologies,” and “electronic legal relations.”

The comparative-legal (comparative-historical, comparative-structural, comparative-functional, comparative-axiological, comparative-typological, comparative-linguistic, comparative-semiotic, comparative-legal, comparative-philosophical, comparative-political, etc.) for studying general, special and unique features between interpretation of the essence and content of “digital technologies,” “electronic technologies,” “electronic legal relations,” as well as their protection in Ukrainian legal and scientific doctrine in relation to foreign ones, etc.

Hence, the outline of the methodological foundations of researching the legal bases of personal data protection allowed us to reach several conclusions.

Firstly, both the breadth of cognitive opportunities for extracting new knowledge about the subject of study and the adequacy of the obtained results depend on the methodological toolkit.

Secondly, the subject of research lies in the plane of several sciences, which requires the use of a wide range of general, philosophical, general scientific, partially scientific and special research methods.

Thirdly, only the complex use of methodological approaches and research methods will contribute to an objective, comprehensive, complete disclosure of the subject of study of this scientific work.

Thus, the complexity and multifacetedness of the research subject, the goal and task set in this dissertation, require definition of worldview, philosophical, scientific and theoretical foundations, as well as a comprehensive use of a wide range of general, philosophical, general scientific, partially scientific and special research methods. It is this approach that will contribute to a full, comprehensive, objective disclosure of the specifics of the legal basis for “digital technologies,” “electronic technologies,” and “electronic legal relations.”

### **3 Features of the theoretical and legal basis of electronic money, cryptocurrency and the payment system**

Legal regulation of the sphere of public finance in the conditions of digital technologies applied acquires new features and receives a significant impetus in its development. However, even in the presence of numerous FinTech publications and scientific studies, modern legal regulation of financial relations should objectively be conservative in nature, as it is

intended to protect both public interests and the interests of private individuals. When comparing the practice of introducing financial technologies into the economy, legal conflicts arise due to certain inconsistencies in the content and direction of action of normative legal acts and the essence of new forms and methods of economic activity. Thus, among the many problems faced by the modern science of financial law, one can single out the need to determine the legal nature of virtual means of settlement, including cryptocurrencies; this need is characterized by a high degree of relevance, as it objectively reflects fundamental changes in the world economy due to its accelerated informatization and digitalization. Such transformations directly affect the general state of law and order in the sphere of public finance, they entail the need to solve many general theoretical and applied issues. The growing role of the financial system information component requires its comprehensive consideration and awareness of existing trends in this area, and therefore it requires forecasting in development of the legal regulation of financial relations. First of all, this concerns the specifics of money circulation organization and functioning; such money circulation is subjected to fundamental restructuring under the pressure of the FinTech industry, which ultimately affects all other groups of financial legal relations (Leheza et al., 2023).

**Table** Problems of cryptocurrency on the way to being recognized as money funds

Problem	Characteristic
Scalability	Many cryptocurrencies are built on blockchain chains that are not designed for large transaction volumes.
Ease of use	User-friendly design is the foundation of acceptance. Cryptocurrency requires special understanding.
Regulation	Cryptocurrency needs general rules, while now in each country the issue of regulation is solved in its own way.
Volatility (exchange rate variability)	Fluctuations in value are characteristic of all currencies, but in cryptocurrency it is excessive.
Incentives	Any new financial system must answer the question of how reward will affect its behavior. If it is built incorrectly, it will allow some users to manipulate it to the detriment of others.
Privacy	Different levels of privacy should be available to users

From the very beginning in the letter dated 08.12.2014 No. 29-208/72889 regarding operations with such a cryptocurrency as “Bitcoin” the National Bank of Ukraine (the NBU) recognized it to be a monetary surrogate (Law of Ukraine, 2014). And according to Part 2 of Article 32 of the Law of Ukraine “On the National Bank of Ukraine” No. 679-XIV dated 20 May, 1999, it is established that the use of monetary surrogates as a means of payment is prohibited on the territory of Ukraine (Law of Ukraine, 2019). However, later this approach changed. According to the joint statement of the national financial regulators of Ukraine, “cryptocurrency” is considered as one of the types of decentralized virtual

currency. In particular, it is indicated that the complex legal nature of such means does not allow them to be identified with any of the related concepts (money, currency, currency value, legal tender, electronic money, securities, monetary surrogate, etc.). That is, the position was indicated about the need to consider cryptocurrencies as a new object of legal relations and about the impossibility to apply the method of legal analogy to this new object. And this, in turn, entails the need to develop new models, regimes and schemes of legal regulation of financial relations adequate to the needs of the economy (Volobuieva et al., 2023).

The next steps in the evolution of the official approach to the legal valuation of cryptocurrencies were presented as cancellation of the letter of the NBU No. 29-208/72889 dated 08 December, 2014 and several legislative initiatives, culminating in the adoption of the Law of Ukraine "On Virtual Assets" No 2074-IX dated 17 February, 2022, which has still not entered into force (Law of Ukraine, 2022). However, despite the changes in the national legislation of Ukraine and their widespread discussion in society, the issue of legal valuation of cryptocurrencies has still not been resolved completely. It appears that there was a distortion of concepts. The aforementioned law "On Virtual Assets" does not use the term "cryptocurrency." Neither is this term used in other legislative acts regulating relations in the sphere of financial services. Such legal initiatives look like an attempt to circumvent the prohibition established by Part 2 of Article 32 of the Law of Ukraine "On the National Bank of Ukraine" No. 679-XIV dated 20 May, 1999, which concerns the issue and use of monetary units other than the hryvnia on the territory of Ukraine and cannot be considered constructive in view of the need to determine the legal nature of cryptocurrencies (Law of Ukraine, 2022).

In addition, the provisions of clause 7 of Article 4 of the Law of Ukraine "On Virtual Assets" establishing that virtual assets are not a means of payment and cannot be exchanged for property (goods), works (services) (Law of Ukraine, 2022). That is, on the one hand, the law recognizes virtual assets as an object of civil rights, and on the other hand it deprives them of the function of a negotiable instrument.) This situation does not seem to be logical. Moreover, it is contradictory and inconsistent with the background of clauses 2, 5 of Article 3 subparagraph 3 paragraph 1 of Article 34 of the Law of Ukraine "On Payment Services" No. 1591-IX dated 30 June, 2021, which determine the possibility of using electronic money and digital money in economic circulation, marking them as cash (Law of Ukraine, 2021). Due to such peculiarities of determining the legal status of cryptocurrencies, the legal regulation of social relations (with virtual assets being their objects in Ukraine) has a fragmentary nature, which can be overcome only through the systemic coordination of the content of the regulatory framework and the programmatic conditionality of the rule-making activity performed by national regulators, taking into account the legal and economic nature of such alternative settlement units (the ASU) (Leheza et al., 2023).

As for the evaluation of cryptocurrencies as a type of private decentralized currencies, their use both in civil circulation and in the public legal sphere requires separate considerations. One of the fundamental provisions of the legal theory of money consists in distinction between private currencies and state (official) money. Means of payment alternative to any kind of public funds in modern conditions can acquire economic significance and value as an object of civil rights only if the state allows their use in official

transactions. The fundamental economic and legal value of state (official) money for the economy lies in its recognition as legal tender. In this context, public money serves to express and properly fulfill obligations. They must be accepted at face value for all payments. The requirement of the state to carry out financial settlements exclusively by legal means of payment appears to be particularly important in this regard. The state also makes payments for its obligations using legal means of payment (Leheza et al., 2023).

However, even in this area, we can see the seeds of breaking the state emission monopoly. These seeds originate from activities performed by the central bank of the country (which chose the course for the virtualization of money circulation) as well as by other state authorities that contribute to this process. Indicative of this is the possibility of issuing electronic money, denominated in hryvnia, by entities other than the National Bank of Ukraine which requires an assessment of such an innovation from the point of view of its constitutionality and openness to conflicts (Korneyev et al., 2017). A controversial point also consists in adaptation of FinTech for both fiscal and other financial and legal needs, which is consistently implemented through circulation of electronic money, which by its nature is a type of secured virtual asset and has a binding nature (Leheza et al., 2022). In its economic essence this money is a digital debt document, not funds. That is, it acts as a kind of “electronic promissory note,” but it does not correspond to the formal features of such a security. And although Clause 2 of Article 3 of the Law of Ukraine “On Payment Services” No. 1591-IX dated 30 June, 2021 defines electronic money as a type of funds (Law of Ukraine, 2021), but, as can be seen, such a prescription is a dubious step both from the point of view of economic expediency and from the point of view of legal validity (justification). Electronic money has characteristics that are inherent to various types of assets, including monetary surrogates, but this does not prevent its use by the state in the sphere of public finances as a separate investment resource and as a means of paying taxes and fees. This vision is conditioned by the assessment of some recent legislative innovations. In particular, we are talking about making changes to paragraph 35.2 of Article 35 of the Tax Code of Ukraine regarding the permission to use electronic money for payment of taxes and fees (Law of Ukraine, 2023).

Such introduction of assets of the FinTech industry into the legal regulation of tax relations does not seem appropriate and well-considered, and again, in the context of the content of part 3 paragraph 35<sup>-1.1</sup> Article. 35<sup>-1</sup> of the Tax Code of Ukraine is inconsistent, as it is not allowed to accept electronic money on a single account (Law of Ukraine, 2010). The above statement once again emphasizes the need for a balanced approach to the selection of models for legal regulation of digital financial technologies, greater visibility into their admissibility, as well as potential dangers and harm to public finances. In addition, this kind of legal regulation undermines trust in electronic money and causes significant reputational losses to the state (Leheza et al., 2019).

And if electronic money can be considered suitable for making payments of a non-public nature within the limits of the relevant payment systems, and transactions with their use can and should be considered as objects of taxation, since they create a separate channel for movement of value in economic relations, then their use as a means for payment of taxes is considered socially unacceptable. A simple question arises – why should the state and local self-government bodies receive private debt receipts instead of legal means of payment although such private debt receipts may probably be insufficient

for receiving corresponding amounts of “traditional money?” Electronic money can turn either into a “soap bubble” or into “junk securities.” Therefore, in our opinion, only fiat money is suitable for paying taxes and fees, or (in view of the manifestation of FinTech) – digital money of the National Bank of Ukraine, since it is backed by the state with all its assets and power priorities, and therefore it is characterized by public-legal nature and relevant state guarantees of protection (Dymko et al., 2017).

Another indicative point that warns about its possible consequences in the context of the issue of the state monopoly of emission is presented in the provisions of Articles 34 and 35 of the Law of Ukraine “On Payment Services” No. 1591-IX, dated 30 June, 2021 which determine the types of payment instruments and the procedure for implementation of their emissions. Analysis of these provisions allows us to assert that the procedure for issuing electronic payment instruments to be used in payment systems is determined by the rules of the relevant payment systems, taking into account the requirements of this Law and the regulatory legal acts of the National Bank of Ukraine (Law of Ukraine, 2021). That is, there is a significant liberalization of the legal regulation of the functioning of payment systems through the provision of local rule-making. However, the latter is significantly limited by the current legislation. But such a state also reflects the constant tendency to weaken the imperative of legal regulation of the sphere of monetary circulation, which is fundamental for public finances. Instead, there have been discussions about defining the concept of payment systems for more than 20 years. Such a question still remains relevant in view of the adoption of the Law of Ukraine “On Payment Services” No 1591-IX dated 30 June, 2021 (Law of Ukraine, 2021). This normative legal act has changed some conceptual approaches to the organization of payment services, and it requires additional research into the problem of the ratio of dispositive and imperative principles of legal regulation of FinTech-industry manifestations in the sphere of public finances (Leheza et al., 2019).

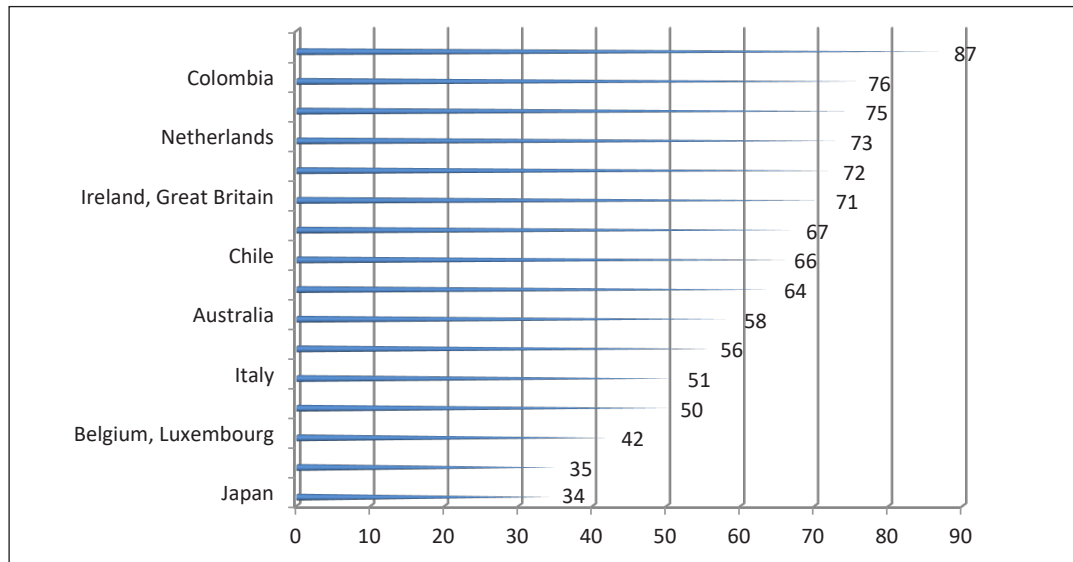
Summing up the mentioned information, it should be noted that the issues of legal regulation of the introduction of FinTech in the sphere of public finance are not limited to the above. The spectrum of problematic issues related to digitalization of financial legal relations is much wider. However, the scope of this article does not allow even an overview of the most important of them. At the same time, the above makes it possible to create a general impression of the trends in the legal regulation of certain types of virtual assets and outline directions for further scientific research in this area.

#### **4 Foreign experience of recognizing cryptocurrency as a means of payment**

The world fintech market has evolved from the initial stage, in which startups were the main players, to the modern one, which is characterized by the presence of professional companies capable of offering consumers a wide range of products. The increasing involvement of consumers in the use of new financial technologies is evidenced by the increase in the level of penetration of financial services – in 2022, the average level of penetration was 16% (fintech markets of 27 countries were used for the study), in 2023 – 33%, in 2019 – 64% (Ehret, 2022).



Impressive results in this area are demonstrated by a number of countries: the fin-tech penetration level for China and India is 87%, Russia and South Africa – 82%; more than 70% – Colombia, Peru, the Netherlands, Mexico, Ireland, Great Britain. The lowest level of penetration was found in the USA (46%), Belgium and Luxembourg (42%), France (35%) and Japan (34%) (Fig. 1) (Ehret, 2022).



**Figure 1** Electronic money, cryptocurrency, FinTech on markets in foreign countries, % (Ehret, 2022)

According to some estimates, there are more than 16,000 separate cryptocurrencies in circulation, and their total value exceeded 3 trillion USD (Ehret, 2022). However, crypto-euphoria caused by the awareness of potential opportunities for obtaining additional investment resources cannot negate a number of significant threats from the introduction of the ASU. We are talking about uncontrolled non-bank settlement operations, financial fraud, tax evasion, corruption, laundering of “dirty money,” which is dangerous for the economies of individual states as well as for the world economy as a whole. Cryptocurrencies and alternative monetary settlement systems created on their basis are potentially dangerous for international peace and security, as they are suitable for financing international terrorism, illegal trafficking in people, weapons, drugs, etc.

In view of this, the legal assessment of cryptocurrencies as objects of legal relations is variable in different national jurisdictions, from their legalization to the complete prohibition of transactions performed with such virtual assets. Moreover, it can be contradictory and inconsistent. For example, despite the ban set by the People’s Bank of China on the use of cryptocurrencies for official transactions, this country has become the world leader in cryptocurrency mining (Rysin et al., 2018). Such inconsistency is also typical Ukraine, where the official position regarding the legal status of cryptocurrencies has undergone a significant transformation.

Germany has recognized Bitcoin as a settlement currency and a form of private money. In February 2018, the Federal Ministry of Finance of the Federal Republic of Germany clarified that virtual currencies are equated with legal tender to the extent that they are accepted by the parties to the agreement as alternative contractual and direct means of payment that do not serve any other purpose. in addition to using quality as a means of payment (Chaplyan, 2020).

In February 2020, the Central Bank of Sweden announced the start of testing the first state cryptocurrency in the EU. E-Krona is traditional money, but in digital form, issued and managed by the Central Bank of the country (as opposed to cryptocurrency, which is managed by disparate online communities and not a centralized authority). In the decision of October 22, 2015, in the Hedqvist v. Sweden case, Bitcoin was recognized as a contractual means of payment. The population of Sweden almost completely abandoned cash (Yarova, 2017).

In 2017, the Government of Japan approved changes to the Law “On Banking Activities” and officially recognized Wiisoip as a legal means of payment (Chaplyan, 2020).

Cryptocurrency is considered “currency or other form of money” by US courts. For example, the decision of the judge of the Eastern District of Texas (Case NO. 4:13-CV-416) defined Bitcoin as a currency and resolved the question of the application of current law to transactions with it. Judge T. Mazant held that because Bitcoin can be used as money to pay for goods or exchanged for other currencies (such as the dollar, yen, yuan, etc.), it is a currency or form of money. However, in other states, the situation is different: by the decision of the District Court of Florida (Saze NO.: P14-2923), the court decided and declared the opposite, which led to the dismissal of the accusation regarding the legalization of income obtained through criminal means (Burdonosova, 2019). At the same time, the state of Washington recognizes digital currency as an object of money transfers on the basis of the Law “On the Unification of Monetary Services” (Leheza et al., 2019).

In Canada, Bitcoin is a means of payment. The Canada Revenue Agency (CRA) views cryptocurrency as a form of property, with profits subject to tax under income tax laws being either business income or capital gains.

Determining whether your cryptocurrency activity constitutes a business is critical since only 50% of capital gains are taxable, whereas business income is fully taxable. This guide provides a comprehensive overview of how to report and tax both types of income and addresses frequently asked questions about cryptocurrency taxation in Canada.

Cryptocurrency tax rates in Canada have unique characteristics that set them apart from many other tax systems around the world. Unlike some jurisdictions that differentiate between short-term and long-term capital gains, Canada does not. Instead, capital gains from cryptocurrency are taxed at combined federal income tax and provincial income tax rates. An important difference for individual crypto investors is that taxes only apply to 50% of total capital gains. In contrast, professional traders who regularly buy and sell cryptocurrency are taxed on 100% of their profits.

The federal income tax rates for individuals in Canada for 2023 and 2024 are broken down into several categories. For 2024, these brackets have been adjusted for inflation and other economic factors:

A 15% rate applies to the first \$53,359 of taxable income, increasing from \$50,197 in 2022. For income between \$53,359 and \$106,717, the rate is 20.5%, compared to the level between \$50,197 and \$100,392. Income between \$106,717 and \$165,430 is taxed at 26%, an increase from the previous bracket of \$100,392 to \$155,625. The next bracket, \$165,430 to \$235,675, is taxed at 29%, increasing from \$155,625 to \$221,708. For income above \$235,675, the rate is 33%, adjusted from the previous bracket, starting at \$221,708 (Ehret, 2022).

It is important to note that provincial and territorial taxes in Canada (with the exception of Quebec, which has its own tax system) mirror the federal structure, allowing for seamless integration between federal and local tax calculations. Each province and territory provides specific tax packages that include the rates applicable to their residents, ensuring that people can accurately calculate their overall tax liability, including those related to cryptocurrency transactions. (Sotska et al., 2024)

This simplified approach to cryptocurrency taxation highlights the need for Canadian crypto investors and traders to keep accurate records of their transactions. By understanding these tax rules and planning accordingly, cryptocurrency holders in Canada can more effectively meet their tax obligations and avoid potential pitfalls. (Dudyk et al., 2024)

Latin American countries mainly consider cryptocurrency as a legal asset, admissible in full or at least partially for civil circulation, but deny its status as national (fiat) money, foreign (fiat) currency and legal tender. However, the legislation of El Salvador in September 2021 recognized it as a legal tender—the de facto national currency of the country. This will give the decentralized financial product the official status of a foreign currency in other countries of the world. In the event of a successful continuation of this payment experiment in El Salvador, the issue of the use of cryptocurrency will become relevant, there will be a need to review legal formulations and approaches to the qualification of cryptocurrency as an object of civil rights in all Latin American countries. (Rezvoych et al., 2023)

In Singapore, the legal regime of digital payment tokens in the country was regulated in 2019, when this concept was included in the Law “On Payment Services” No. 2 dated 22.02.2019. According to Part 1 of the Law, “a digital payment token means any digital representation of value (except for established exceptions) which: a) is expressed in the form of a block; b) is not denominated in any of the currencies and is not linked by its issuer to any of the currencies; c) is or is intended to be a medium of exchange accepted by society or its part as payment for goods or services or to repay debt obligations...” (Chaplyan, 2020). In general, at the level of legislation, administrative or judicial practice, the vast majority of Asian countries recognize that the real purpose of cryptocurrency is to act as a means of payment for goods / works / services, as an alternative to fiat money. However, only some countries, such as Japan, South Korea, Singapore, Thailand, have an undeniable attitude towards this function of this innovative object of civil rights.

**Table 1** Advantages and disadvantages of using cryptocurrency

Advantages	Disadvantages
Cryptocurrency code	Lack of guarantees for the safety of electronic wallets
Limitless transaction possibilities	The danger of losing the key to cryptocurrency
Number of days of inflation	The instability of the cryptocurrency exchange rate
Anonymity	Dependence of the exchange rate on demand
Decentralization	Negative actions by national regulators are possible
Number of days of the commission	Hacker intervention
Equal Terms of Use Between Users	Problematic return in case of erroneous currency transfer
Independence from the economies of powers. Data protection from external threats	Distrust of users

Consider the experience of Ohio (USA) accept BitCoin. In October, Ohio Treasurer Robert Sprague suspended the use of Bitcoins, citing concern that the contract with a third-party payment processor was not competitively bid by Mandel, which would have been required if the Board of Deposit had approved the arrangement. OhioCrypto.com, a website launched in 2018 under Mandel, was the first state portal to facilitate cryptocurrency as a form of payment for businesses. (Nalyvaiko et al., 2023).

The website had been used for fewer than 10 transactions in just under a year of operation. During that time, the state never came into possession of Bitcoin. Instead, when taxpayers used OhioCrypto.com to make payments, the Bitcoin was converted into U.S. currency by payment processor BitPay before it was deposited into the state's account (Artyukhov et al., 2022).

In Switzerland, cryptocurrency is equated with foreign currencies—transactions with it are exempt from VAT but are taxed as property. In Finland, cryptocurrency is defined as a financial instrument, transactions with them are considered private transactions and are exempt from VAT.

## 5 Conclusions

It has been established that the legal regulation of implementing FinTech in the sphere of public finance in Ukraine has an inconsistent and contradictory nature. When comparing the practice of introducing financial technologies into the economy, legal conflicts arise due to a certain inconsistency of the content and direction of regulatory legal acts with the essence of new forms and methods of economic activity.

One of the fundamental provisions of the legal theory of money consists of the distinction between private currencies and state (official) money. The fundamental economic

and legal value of state (official) money for the economy lies in its recognition as legal tender. However, even in this area, the seeds of a break in the state monopoly of currency emission have emerged, due to the possibility of issuing electronic money denominated in hryvnia by entities other than the National Bank of Ukraine, which requires an assessment of such an innovation from the point of view of its constitutionality and openness to conflicts. In addition, cryptocurrencies, as alternative settlement units, pose a threat to the dominance of fiat (public) currencies. The FinTech supplemented formation of a new form of investment resources enables competition on the part of private financial agents with respect to states and their associations in the financial sphere; this acts as a factor in breaking the state emission monopoly and requires awareness of the possible negative consequences of such innovations.

Since, by its economic essence, electronic money is a digital debt document, not funds, and since it acts as a kind of “electronic promissory note,” but does not correspond to the formal features of this type of security, its use in the sphere of public finance is debatable and cannot be considered sufficiently substantiated. In view of this, provisions of the Tax Code of Ukraine regarding the use of electronic money for paying taxes and fees are considered socially unacceptable. However, electronic money is suitable for making payments of a non-public nature within the limits of the relevant payment systems, and transactions with their use can be considered as objects of taxation, since electronic money creates a separate channel for movements of value in economic relations.

It has been established that the definitions of virtual currency proposed by the International Monetary Fund and the European Central Bank, the practice of leading countries in the field of technology and digitalization of foreign countries indicate the need to recognize crypto-assets as a means of payment. Nine states that have already successfully legalized cryptocurrency as a means of payment were analyzed. This is in line with the nature of cryptocurrency and public attitudes toward the use of this digital tool. In addition, the corresponding changes in the legislation will contribute to the active filling of the state budget thanks to cryptocurrency payments in various spheres of public life.

So, from the above, it follows that from a scientific point of view, cryptocurrency can be considered a means of payment, even more, its primary function is precisely the calculation. In addition, a number of foreign countries quite actively regulate the relevant innovation at the legislative level, especially those whose state policy is aimed at digitization.

The modern global fintech market is an extremely dynamic segment that combines advanced financial and technological achievements. Ukrainian fintech, despite its short period of existence, is characterized by all the trends occurring in the world. Ukraine, as a potentially promising fintech market, has yet to take a number of important steps to transform into one of the significant innovation hubs of the European space, first of all, to implement legislative initiatives in the fintech environment, primarily the EU Directive PSD2, which will make it possible to expand the ecosystem of financial services. The implementation of PSD2 will also create conditions for the introduction of remote identification of users, which, according to both fintech companies and banks, is one of the main obstacles to the development of the fintech industry in Ukraine.

Banking institutions must be determined to develop perfect APIs and ensure acceptable conditions of interaction with fintech companies interested in creating products that are attractive to both users and banks. It is important to implement an effective mecha-

nism for protecting the rights of consumers of fintech services to strengthen the responsibility of banks and non-banking institutions for the quality of services provided.

It remains urgent to create favorable conditions for the creation and further development of fintech companies and increase the level of financial inclusion in the Ukrainian market, free access of the population to the use of financial products and services based on adequate tariffs and legal protection. The priority is to solve the problem of attracting capital from external sources of financing, which is possible by reducing the riskiness of Ukrainian projects due to the economic stabilization of the country, overcoming corruption phenomena and improving the judicial system.

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