



Education International

# Hidden Privatisation in Public Education

Report by

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## FOREWORD

Around the world, forms of privatization are being introduced into our public education systems. Many of the changes are the result of deliberate policy, often under the banner of “educational reform” and their impact can be far-reaching, for the education of students, for equity, for the conditions of teachers and other educational personnel. Other changes may be introduced un-announced: changes in the way schools are run which may be presented as “keeping up with the times”, but in reality reflect an increasingly market-based, competitive and consumerist orientation in our societies.

In both cases, the trend towards privatization of public education is hidden. It is camouflaged by the language of “educational reform”, or introduced stealthily as “modernization”. Hence the title for this study: HIDDEN PRIVATISATION IN PUBLIC EDUCATION.

The purpose of this study is to get the trend towards privatization out into the light of day. We need greater transparency, we need to get a better understanding of what is happening, so that we can engage in an open public debate about the future of education in our societies.

Many innovative proposals are put forward by our unions to reform and improve education. The debate should not be about **whether** education reforms are needed, but rather about the **kind** of reforms, and the conditions for success.

A central issue, as this report so clearly shows, concerns the very ethos of education. One of the striking features that emerges is that hidden privatization has many facets. It takes many forms. And these different facets can be inter-related and mutually reinforcing, strengthening trends that are changing the face of education as we know it. Hidden privatization and/or commercialization of public education has enormous implications for the way we think about education, for the values that underpin education. To put it in the starkest possible way: is education about giving each child, each young



man or woman, the opportunity to develop his or her full potential as a person and as a member of society? Or is education to be a service sold to clients, who are considered from a young age to be consumers and targets for marketing?

I would like to thank the authors, Stephen Ball and Deborah Youdell, for their insightful research and clear exposition of the issues, and our research team members, Bob Harris, Guntars Catlaks and Laura Figazzolo, who have worked closely with them.

Brussels, May 2008

A handwritten signature in black ink, consisting of a vertical line on the left that curves into a horizontal line extending to the right, ending in a stylized flourish.

Fred van Leeuwen  
General Secretary

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## EXECUTIVE SUMMARY

This report is concerned with the growing tendency amongst governments world-wide to introduce forms of privatisation into public education and to move to privatise sections of public education.

A range of policy tendencies that can be understood as forms of privatisation are evident in the education policies of diverse national governments and international agencies. Some of these forms are named as privatisation but in many cases privatisation remains hidden, whether as a consequence of educational reform, or as a means of pursuing such reform.

In some instances, forms of privatisation are explicitly pursued as effective solutions to the perceived inadequacies of public service education. However, in many cases the stated goals of policy are articulated in terms of 'choice', 'accountability', 'school improvement' 'devolution', 'contestability' or 'effectiveness'. Such policies often are not articulated in terms of privatisation but nonetheless draw on techniques and values from the private sector, introduce private sector participation and/or have the effect of making public education more like a business.

These tendencies towards privatisation are having major influences, in different ways, on public education systems in countries across the globe.

Privatisation can be understood as being of two key types:

### **Privatisation in Public Education**

We call this '**endogenous**' privatisation. Such forms of privatisation involve 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<sup>1</sup>.

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<sup>1</sup> This is sometimes referred to also as 'commercialisation' - the introduction of private market/management techniques into schools. However, commercialisation is also used more narrowly to refer to the deployment of products and brands and brand sponsorships in schools (see Molnar 2005). We attempt to be clear in our use of terms in this report but generally there is considerable slippage and misunderstanding in the lexicon of privatisation.



### **Privatisation of Public Education**

We call this '**exogenous**' privatisation. Such forms of privatisation involve the opening up of public education services to private sector participation on a for-profit basis and using the private sector to design, manage or deliver aspects of public education.

Tendencies of privatisation in public education frequently pave the way for explicit forms of privatisation of education. Even where privatisation involves the direct use of private companies to deliver education services, this is often not publicly well known or understood.

These various forms of privatisation change the way in which education is organised, managed and delivered; how the curriculum is decided and taught; how students' performance is assessed; and how students, teachers, schools and communities are judged.

Privatisation tendencies change how teachers are prepared; the nature of and access to ongoing professional development; the terms and conditions of teachers' contracts and pay; the nature of teachers' day-to-day activities and the way they experience their working lives. The 'flexibilisation' of teachers work is a key component of most versions of privatisation, threatening to alter both the perception of teachers within society and the quality of students' experience in schools.

Privatisation also challenges the capacities of Education Unions to bargain collectively on behalf of their members, secure favourable, single agreements with employers and more generally participate in the education policy landscape.

There is no clear-cut research based evidence demonstrating the benefits of programmes of school choice (endogenous privatisation) or the contracting out of schools (exogenous privatisation) in terms of raising students' achievement.

Findings from many studies of choice systems in different settings do indicate that schools that are most successful in terms of published market information (test scores etc.) have skewed on unrepresentative student populations. As these assessments of which students will serve the school best

in the marketplace are inflected by assumptions about the intersections of class, race, ethnicity and gender with 'ability', these selection processes can also lead to segregation and homogenisation of school populations.

The pressures of competition (endogenous privatisation) can also impact on the forms of pedagogy deployed in the classroom with an increased emphasis on 'teaching to the test' through rote and repetition. The students' classroom experiences become narrowed and diminished and the teacher becomes more reliant on pre-prepared 'teacher proof' materials, scripted state programmes and curriculum plans which control instructional pace and require directive methods of teaching. It is the least experienced teachers who are most likely to adopt such prescriptive schemes of work and therefore students in 'low-income' schools are most likely to be confronted with these classroom regimes.

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

Public Private Partnerships (PPP's) open up various kinds of flows between the private and public sectors. Flows of people, ideas, language, methods, values, and culture. They can bring about a form of values and organisational convergence and they reshape the context within which public sector organisations work.

In many developing nations privatisation tendencies are most prominent in newly established, often World Bank or Aid funded, education projects. The relationship between these specific or pilot projects and established general education services is not yet clear, nor how privatisation trends might flow from one to the other.

National education systems are being opened up to international service providers through the work of GATS (General Agreement on Trade and Services). This constitutes an emerging regulatory framework for international 'flows' of private educational services – or more accurately a framework of 'de-regulation'.



Private firms and consultants are now very active in selling education services that have often previously been delivered to schools by state authorities or by local and national government agencies.

Privatisation is a policy tool, not just a giving up by the state of the capacity to manage social problems and respond to social needs, but part of an ensemble for innovations, organisational changes, new relationships and social partnerships, all of which play their part in the re-working of the state itself. In this context, the re-working of education lends legitimacy to the concept of education as an object of profit, provided in a form which is contractible and saleable.

It is not simply education and education services that are subject to forms of privatisation: education policy itself – through advice, consultation, research, evaluations and forms of influence – is being privatised. Private sector organisations and NGOs are increasingly involved in both policy development and policy implementation.

Forms of hidden privatisation - market forms, competition, choice and a focus on performance management – carry ethical dangers and consequently many examples of opportunistic and tactical behaviours are already apparent in schools and among parents within such systems.

# INTRODUCTION

## ■ Overview

This report is concerned with the growing tendency amongst governments internationally to introduce forms of privatisation into public education and to move to privatise sections of public education. It identifies a set of global trends in the privatisation of education and variations in the extent and pace of these trends, as well as noting some exceptions.

The report:

- Details the variety of forms that privatisation in and of education takes
- Connects these forms of privatisation to particular contexts
- Considers some of the impacts and consequences of these privatising tendencies for the work of teachers and students' experiences of school
- Explores the mechanisms and interests that are driving these changes

These trends are occurring at and affecting all levels of education and the extent and impact of privatisation in Higher Education is already well documented. The focus of this report, however, is on first and second level education, that is, education for children from entry to school to the end of compulsory schooling (often ages 5 to 16). The privatisations (and we use the plural advisedly) at these levels are less well reported and analysed generally, although there is a considerable body of research and writing about UK and US developments.

## ■ Background

A range of policy tendencies that can be understood as forms of privatisation are evident in the education policies of diverse national governments and international bodies. Some of these forms are named as privatisation but in many cases privatisation remains hidden. That is to say, privatisations are often subsumed within or attached to other kinds of educational reform like school choice or school-based management or public-private partnerships (PPP's).



Privatisation in and of public education has its roots in the forms of 'small state-free market' approaches to public services - what is sometimes called 'neo-liberalism' - that have been evident in a wide variety of national contexts since the 1980s and which are now widespread internationally.

Embraced during the 1980s and early 1990s by Ronald Reagan and Margaret Thatcher, and more recently by George W Bush and Tony Blair in the US and UK, by David Lange's Labour government in New Zealand, and long ago by Augusto Pinochet in Chile, among others, public service provision and management underpinned by the basic principles of a small state alongside a free market, in different forms, is now a dominant approach to public education around the world. The arguments which underpin this suggest that public service education delivered by state institutions is of low quality, is unresponsive to 'clients' and is risk-averse. It is, in other words, stultified by bureaucratic procedures and by 'producer-capture'. The neo-liberal solution is to open up education to the disciplines of the market, to parental choice and competition between schools for student recruitment, and to allow new providers, including for-profit providers, to operate alongside or within the state school system. These 'solutions' introduce various forms of privatisation.

Privatisation can be understood as being of two types:

**Privatisation in Public Education or 'endogenous' privatisation**

These forms of privatisation involve 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. That is, things like choice, budget devolution, competition between schools, new managerialism, contract and competitive funding, performance management, and enterprise.

**Privatisation of Public Education or 'exogenous' privatisation**

These forms of privatisation involve the opening up of public education services to private sector participation on a for-profit basis and using the private sector to design, manage or deliver aspects of public education. As we shall suggest later, this also extends to the privatisation of policy programmes and of policy itself through advice, consultancy, evaluations and research, and policy formulation and writing.

form of privatisation, where the private sector moves into public education, is newer but rapidly growing. These forms of privatisation are not mutually-exclusive and are often inter-related, indeed, exogenous privatisation in well-established state education systems is often made possible by prior endogenous forms. In particular, the introduction of the methods of service contracting, competitive funding and performance management into public education, render it into a form which is then amenable to more thorough-going privatisation and the participation of private sector providers. And the use of the private sector to introduce new education services in partial state systems simultaneously brings endogenous forms to those systems.

Both privatisation in public education and privatisation of public education often remain hidden and are not subjected to public debate – in the first case techniques and practices are not named as privatisation, in the second case privatisation is not publicly known about or properly understood. The degree of penetration of privatisation processes is not fully understood and the consequences are often poorly researched. What research and reporting there is tends to come mainly from multi-lateral agencies like the World Bank or from pro-choice/pro-market foundations and think-tanks. This 'research' typically does not follow social science protocols and is not subject to peer-review.

## ■ Significance

Privatising moves in public education are significant because they change not only the way public education is organised and provided but also the way it is experienced by teachers and students and the ways in which it is thought about by policymakers, educators, families and the wider community.

Privatisation tendencies are at the centre of the shift from education being seen as a *public good* that serves the whole community, to education being seen as a *private*<sup>2</sup> *good* that serves the interest of the educated individual,

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<sup>2</sup> Or a 'positional good', that is, in this case, where an education is valued solely in terms of the status it signifies or the points of access it provides to the labour market. **Positional goods** are products and services whose value is mostly, if not exclusively, a function of their ranking in desirability in comparison to substitutes.



the employer and the economy. In particular privatisation, through the mechanisms noted above, renders education into the form of a 'commodity', a competitive, private-good which is for the benefit of individuals and valued solely for its extrinsic worth in terms of qualifications and certificates. The social values of education are displaced and its worth as a collective public good – something from which we all benefit – is systematically ignored. Privatisation goes hand-in-hand with competitive individualism and changes the way in which students and families think about and make decisions about education.

Forms of privatisation in and of public education change the way in which education is organised, managed and delivered; how the curriculum is decided and taught; how students' performance is assessed; and how students, teachers, schools and communities are judged.

Forms of privatisation change how teachers are prepared; the nature of and access to ongoing professional development; the terms and conditions of teachers' contracts and pay; the nature of teachers' day-to-day activities and the way they experience their working lives. As the major 'cost' of educational delivery, teachers themselves become the focus of attention when economic rationalities are brought into play within education policy. Private providers of state education services often do not want to be hampered by the constraints of national pay agreements and restrictions on employment related to teachers' qualifications. There is pressure to substitute cheaper workers or introduce short-term contracts or systems of performance-related pay.

Privatisation in and of public education can have a significant impact on equality of educational access, experiences and outcomes. Indeed, it can change what 'equality' in education means, with dire consequences for social justice. When linked with competition between providers and system of performance, management privatisation processes can lead to the differential valuing of students and distortions in patterns of access. Equality is rarely a positive value in market-like systems and indeed the consequences of privatisation in education is almost inevitably the development of differentiation between and stratification of schools making the achievement of common schooling almost impossible.



This is made more complicated by the fact that in the developing world these privatisation tendencies are embedded in, and in some instances accelerated by, efforts to establish universal education provision. In these contexts privatisation tendencies frequently coexist with, or are presented as a vehicle for achieving, commitments to equality. These are rarely recognised at a policy level as being in tension, and the effects of this juxtaposition are yet to fully play out.

## ■ Scope of the report

This report draws on a research study and review of research undertaken by Stephen Ball and Deborah Youdell of the Institute of Education, University of London, on behalf of Education International.

The research draws on a range of existing documentary data and expert knowledge to map and explore patterns of privatisation across a range of nations that include countries in the highly industrialised world as well as different regions of the developing world. The developments and trends which are addressed here are dynamic and evolving and the report can only offer a partial snapshot. Not all examples of privatisation can be encompassed in a single short report and many of those which are included will be subject to change before the report is published. What is important is that the processes of privatisation, and its forms and its consequences are better understood. The intention is that the categories and models and forms of analysis presented in the report can be of help to those who want to explore and interrogate trends of privatisation in their school or their community or their country. Further details about the research and its authors can be found in Annex One. We are very grateful to all of the EI officers and members who provided us with information, comments and feedback on drafts of the report and in particular Guntars Catlaks and Laura Figazzolo from the EI Research Unit. Thanks also to Jane Cullen and Alejandra Falabella for their assistance compiling parts of the evidence this report is based on.



## FORMS OF PRIVATISATION IN AND OF PUBLIC EDUCATION

### ■ Schools being business-like or like-businesses: 'endogenous' privatisation

#### Quasi-markets

The 'market form' is the key device of hidden privatisation in education. The development of what are often known in critical literature as quasi-markets rests primarily upon the introduction into the state education system of forms of school choice – the right of parents to choose between schools. Choice is facilitated by moves to diversify local education provision alongside the introduction of combinations of: per-capita funding; the devolution of management responsibilities and budgets to schools; the provision of school 'vouchers' for use in public or private schools; the relaxation of enrolment regulations; and the publication of 'performance outcomes' as a form of market 'information' for parent-choosers. That is, the removal or weakening of bureaucratic controls over school recruitment, school funding tied to this recruitment, and support for and encouragement for choice and movement around the system. These are 'quasi-markets' in that there is no clear price mechanism involved, although some voucher schemes, especially those which allow the voucher to be used for private sector schools, as in Chile or Milwaukee, USA, come very close.

An outcome that policy makers seek from these moves is the production of competition between schools, competition that in principle is expected to have the effect of raising standards across the system; either through the closing down of 'poor' schools which fail to attract sufficient parental choices or by raising the performance of these 'poor' schools as a result of the competition for choices.

Advocates of competition either see the market as simply value-neutral, as a mechanism for the delivery of education which is more efficient or responsive or effective or they present the market as possessing a set of positive moral values in its own right - effort, thrift, self-reliance, independence and risk-taking, what is called 'virtuous self-interest'. Those taking the latter view see the market as a transformational force that carries and disseminates its own values. That is, it is argued that competition does not only make

schools more responsive to their 'clients' but generally more enterprising both in making themselves more 'attractive' to choosers and in seeking to maximise their income by what ever means. One of the side-effects of choice and competition is, in most cases, an increase in time and expenditure on marketing and promotional activities.

However, the education markets created by this kind of ensemble of policies are not in any simple sense 'free markets'. Rather they are subject to considerable regulation, direction and involvement by the state. The mechanisms of choice and degrees of freedom given to schools and parents are established by the state and very often the state also establishes the bases of trade within which schools compete (national curriculum and national tests) and monitor and record performance.

### **Box 1: The beginnings of education markets**

The first nation to engage in a thorough-going market reform of education was New Zealand. A Labour Party government, several of whose key members had been educated within and influenced by the Chicago School of free market economics, introduced a new educational structure in 1988 based on the recommendations of the Picot Report (named after the business man who chaired the Taskforce to Review Educational Administration). The size of the central bureaucracy of educational administration was reduced, regional education boards were abolished, and each educational institution was given devolved powers over budgets, staffing, support services and staff development as self-managing units with elected Boards of Trustees. The state agencies, the Ministry, the Education Review Office and the Qualifications Authority retained or indeed increased their control of national education policy – the state would 'steer' rather than 'row', an example of 'controlled decontrol'. There are both similarities and differences between these reforms and those following the 1988 Education Reform Act (ERA) in England. The background to the reforms in New Zealand were primarily economic while in England they had strong political antecedents – relating to criticisms of teachers, the curriculum and progressive educational methods.

**Box 2: Contemporary Education markets – the example of Chile**

Chile is an interesting case where choice linked to vouchers and the participation of private providers was used as a mechanism for the complete overhaul of the education system. The school system, like that in Spain, is made up of 3 kinds of schools, long-established elite private schools, public schools and newly created, privately-run schools funded or subsidised by the state. The introduction of vouchers doubled enrolments in private schools from 16% to 32% of all students but almost all of this increase was in urban areas. 'In one-third of the total of 327 municipalities there are no subsidised private schools and only one-fifth have paid private schools' (p. 15). The subsidised schools can charge fees of up to 50% of the cost of the voucher and according to a World Bank Report "Despite the legal prohibition of student selection in any voucher school, private subsidised and recently municipal schools tend to select the better pupils." (p. 17).

<http://www1.worldbank.org/education/globaleducationreform/pdf/Schiefelbein.pdf#search=%22Prawda%20Chile%22>.

**Box 3: Controlled-Choice in Cambridge Massachusetts**

In the Cambridge system parents indicate their school preferences but the school district makes final allocations. Choices are addressed in cycles and within each school the proportion of students from any racial group must be within 10 per-cent of that group's representation in the district as a whole. Once a school's enrolment reaches this proportion, no more students from that group will be admitted. In the event that there are too many applicants from any racial group for a particular school or program, a lottery is held for the available places. Students not accommodated within one of their first three choices are assigned to another school where there are places available consistent with diversity requirements; they are automatically put on a waiting list for the next suitable vacancy in one of their preferred schools. In a recent review of the Cambridge system, Edward B Fiske argued that: Cambridge's two decades of experience with controlled choice suggest a three-part policy conclusion:

A well-designed controlled choice scheme can produce positive benefits, including giving parents a greater say in their child's education and promoting tolerance and diversity within the system.

A pupil assignment system organised around controlled choice is not likely, in and of itself, to enhance academic achievement in underchosen schools. Improving such schools requires using parental preferences as a guide to identifying schools that need direct intervention from the central administration.

Insofar as socioeconomic status is more strongly associated with academic achievement than race or ethnicity, it is possible that using socioeconomic status as a basis for promoting diversity through controlled choice could have more of a positive impact on academic achievement than was the case with a similar policy based on race.

(<http://www.tcf.org/Publications/Education/fiske.pdf#search=%22controlled%20choice%20cambridge%20mass%22>)

### **The manager and New Public Management – making the public sector more business-like**

The rise of New Public Management (NPM) and the role of the school manager are further key features of hidden privatisation. The manager is a relatively new actor on the stage of public sector organisations and is the central figure in the reform of the public sector and the introduction of quasi-markets. The term 'educational management' began to be used in the 1970s, and brought with it a set of methods, ideals and concepts (objectives planning, human resources, performance monitoring, and accountability) from the private sector. The manager is a key agent of organisational change and a cipher for privatisation policies. Significant education policy shifts from the 1980s on in many different countries gave managers devolved powers to control their organisational budgets, their workforce (pay and recruitment) and internal decision-making in innovative and creative ways to achieve the goals and purposes of education reform. The purpose of such devolution, as the OECD put it, 'is to encourage managers to focus on results by providing them with flexibility and autonomy in the use of both financial and human resources' (1995, p. 8). In other words, a new kind of relationship between manager and teachers is established. The school manager is no longer a lead professional but a manager of institutional performances (see below) who is also expected to be dynamic, visionary and risk-taking.



In a sense the new school manager embodies policy within the institution and enacts the processes of reform. The self-managing school must surveil and regulate itself. The logic of all of this is that school managers are not necessarily people with experience of teaching at all. In the UK in 2007 a Report by Price WaterHouse Coopers (PWC), commissioned by the DfES, recommended that 'Schools should be led by chief executives who may not necessarily be teachers'.

**Box 4: New Public Management (NPM)**

(Clarke 2004) ascribes the following features to NPM:

- Attention to outputs and performance rather than inputs.
- Organisations being viewed as chains of low-trust relationships, linked by contracts or contractual-type processes.
- The separation of purchaser and provider or client and contractor roles within formerly integrated processes or organisations.
- Breaking down large-scale organisations and using competition to enable 'exit' or 'choice' by service users.
- Decentralisation of budgetary and personal authority to line managers.

New public management has been the key mechanism in the political reform and cultural re-engineering of public sectors across the West for the past 20 years and is being vigorously 'exported' and promoted elsewhere. For example, CLAD (The Latin American Centre for Development Administration) in a through-going endorsement of what it calls 'Managerial State Reform' argues that:

*The successful implementation of the managerial model will make it possible for the state to offer a stable macroeconomic foundation and create the conditions for increasing domestic and multi-national private investment, as well as increasing the international competitiveness of Latin American countries. (A New Public Management for Latin America, CLAD 1998).*

NPM has been the primary means through which the structure and culture of public services are recast in order to introduce and entrench the mechanisms of the market form and forms of privatisation. In doing so it affects how and where social policy choices are made and systematically sidelines and disempowers education practitioners. It both subjects them to new forms of control through performance management techniques and encourages them to see themselves in new ways with new sorts of commitments and priorities – a process of ‘re-culturing’.

#### **Box 5: Michael Fullan on ‘re-culturing’ schools**

We’re talking about a change in the culture of schools and a change in the culture of teaching. We know that when we think about change we have to get ownership, participation, and a sense of meaning on the part of the vast majority of teachers. Reculturing is the main work of leadership, and it requires an underlying conceptualisation of the key elements that feed it. One of the conceptualisations ... moral purpose is more than passionate teachers trying to make a difference in their classrooms. It’s also the context of the school and district in which they work. That means principals have to be almost as concerned about the success of other schools in the district as they are about their own school. ([www.nsd.org/library/publications/jsd/fullan](http://www.nsd.org/library/publications/jsd/fullan) Interview with Michael Fullan\* (see page 111): *Change agent. “We’re talking about a change in the culture of schools and a change in the culture of teaching”* Dennis Sparks *Journal of Staff Development*, Winter 2003 (Vol. 24, No. 1)

#### **Performance management, accountability, and performance related pay**

Accountability and performance management mechanisms, sometimes including performance-related pay, are again techniques of reform which are being transferred into the public sector from business, but these origins are now no longer acknowledged. These techniques are intended to ensure that educational processes are made more transparent and accountable but can also have powerful effects in re-orienting the work of schools and teachers and changing the values and priorities of school and classroom activities. This can include at school level: governments setting benchmarks and



targets for schools and school systems to achieve; the publication of school performances as 'league tables'; tying school funding to performance requirements (as in No Child Left Behind legislation in the USA – schools are required to demonstrate increased test scores in Reading and Mathematics, or face a loss of federal education funding. And at teacher level; tying teachers' pay to student outcomes (performance-related pay)) fixing of pay levels and contract conditions locally at the level of the school; breaking the link between qualifications and employment in education and the introduction of 'skill mix' into schools whereby the number of qualified teaching personnel is limited and augmented by a range of unqualified staff on lower pay and weaker contracts; and the introduction of systems of appraisal and performance review of teachers. Again these techniques operate to make schools more like businesses, and classrooms become forms of production.

These processes lead to or are part of the breakdown of national pay and working conditions agreements for teachers and are associated with the demise of collective bargaining and the rise of individual differentiated employment contracts. These changed employment practices form part of the logic of quasi-markets (see above) whereby institutions can achieve cost-savings through reductions in their pay budget, or compete for teachers in shortage subject areas by offering higher pay or bonuses. Such 'markets' in teacher labour will clearly have differential effects and outcomes across education systems with some schools unable to compete for the 'best' teachers – this is discussed further later in the report.

#### **Box 6: NPM and Changing conditions for teachers**

In England there have been several 'experiments' with the liberalisation of teachers conditions of work like Education Action Zones and Academies which have allowed for the non-application of national agreements on pay and conditions, including in the case of Academies the employment of non-registered, non-qualified teachers. Performance-related pay schemes for teachers are currently being deployed in the USA, Hong Kong, New Zealand, Israel and Japan and there is also an Australian scheme.

In 2006 the Houston Independent School District awarded \$14 million in staff bonuses to 7,400 staff members ranging from \$100 to \$7000. The names of the recipients and their awards were published in The Houston Chronicle.



## ■ Bringing the private sector into public schools: 'exogenous' privatisation

### Public education for private profit

The participation of the private sector in the delivery of public education is growing internationally. The private sector and NGOs have long been involved in the delivery of education in parts of the developing world where universal state-funded education has not been established. Private providers have also long delivered elite, religious and other alternative forms of education in western industrialised nations. Indeed, the establishment of mass public schooling in places like Australia, Ireland and the UK depended on the extensive provision of elementary education by church schools. Yet the possibility of the public education sector as a site for significant profit-making has emerged only recently, often as an offshoot from or development of the sorts of often hidden forms of privatisation in public education detailed in the previous section. In some cases private provision is an adjunct or complement to the public sector as in the case of the "cramming schools" in Japan (called "juku"), Taiwan and Korea, or personal tutoring as in the UK and USA. The 'reform' of the public service sector is a massive new profit opportunity for business, particularly as governments extend the use of contracting or 'out-sourcing' to replace direct labour with privately run public services provision.

Alongside the privatisation of support services (catering, maintenance, cleaning, security and back-office systems) this private sector participation

#### Box 7: Education Services Industry in the UK

The 'education services industry' as a whole is growing fast 'at impressive rates of 30% per annum' according to the UK City finance house Capital Strategies (quoted in Guardian Education, 20.06.2000 p.2). According to the Guardian report, the UK Education and Training Shares Index has since January 1996 significantly out-performed the FTE-SE 100. The smart money is getting into 'education services'.

'I believe that schools will be putting all their back office services [once mainly supplied by local government] into the private sector within a few years ... Everyone will want to earn a reasonable margin'. (Graham Walker, Head of Arthur Andersen's government services department, quoted in the *Times Education Supplement* 9. 1. 98)



ranges from multi-million dollar building projects (Public Private Partnerships) and national contracts for systems management and testing, to involvement in the small-scale, everyday activities of schools and teachers. For example, the recent introduction of a system of National Testing in Japan was contracted out to two companies; NTT Data and Benesse (Japan's largest private provider of after-school and child care services). Eight companies submitted bids for the tender which involved the printing, delivery, marking, statistical analysis of the tests and provision of results to local authorities. In the USA many school districts now contract-out their assessment and student testing, data management, remedial services and subject-specific curriculum development work (Toch 2006). Whiteboards are increasingly common in classrooms around the world and bring with them the use of commercial teaching software and training provided by the board companies. In other words, exogenous privatisation is extensive and very diverse and the education market within which private companies participate is in fact a series of often discrete sectors and specialities, which some companies work across and others specialise within (see Ball 2007). Despite the extent of this activity, and perhaps in part because of the plurality of these education markets, many parents and other citizens remain unaware of profit-making activity in public education.

UK and US education companies (and others) are beginning to operate internationally. Some of the key companies are: SERCO, CAPITA, Nord-Anglia, Prospects, GEMS (Dubai-based), Edison (and EdisonSchoolsUK), Bright Horizons Family Solutions, Kindercare, Phoenix [Apollo], de Vry, Bond, Cambridge Education (now part of Mott Macdonald), Kaplan, ABC Learning (an Australian child-care company), Benesse (Japan), NIIT (India) and Pysslingen (Sweden).

Furthermore, countries like New Zealand now operate as a 'national brand', dubbing itself "The New World Class – NZe (New Zealand Educated)". By 2005 trade in education was already New Zealand's second largest services export, contributing around NZ\$ 2.2 billion to the economy. These figures for New Zealand reflect mainly higher education. World-wide the trade in HE students is worth in excess of \$55bn US dollars a year, but the trend of educational mobility is now growing in the K-12 years covered by this report. There are currently 15,000 foreign fee-paying students studying in 761 New Zealand primary and secondary schools, with 46% of the

secondary age children coming from China, and 85% of the primary age children coming from South Korea. The Howe Sound School District in British Columbia Canada now has a 3% enrolment of foreign fee-paying students in its public schools. Australia also actively markets its public schools to overseas parents and has recruited significant numbers of such students. In these latter examples we see public sector organisations, now operating in a context of endogenous privatisation, acting as private providers to generate income.

### Private sector supply of education: contracting out services

#### **Box 8: Education worth more to British exports than banking.**

Education is worth more to UK exports than financial services or the automotive industry, according to a report published by the British Council today. A total of £28bn in 2003-4 was earned from overseas students by a sector ranging from world famous universities to small English language colleges, from independent schools to publishers and broadcasters. (Donald MacLeod, Education Guardian 18.09.07)

Contracting 'refers to a process whereby a government procures education or education-related services, of a defined volume and quantity, at an agreed price, from a specific provider for a specified period where the provisions between the financier and the service provider are recorded in contract' (Patrinis 2005 pp. 2-3).

In the education sector, governments have historically made considerable use of contracting for 'non-core' educational services, such as school transport, food services and cleaning. However, in recent years there has been a broadening in the scope of contracting undertaken in the education sector. In many countries this practice is now so normalised that it provokes little or no public comment. There are now a number of examples of governments in countries as diverse as the United States, the Philippines, Colombia, New Zealand, Sweden and the United Kingdom contracting directly with the private sector for the delivery of 'core' education services.



### **Box 9: Contracting out excluded students in New Zealand**

In New Zealand, under the Alternative Education (AE) programme, the schools can contract with private providers for the delivery of education in non-school settings for students who have become alienated from the education system.

[www.educationforum.org.nz/documents/publications/contracting\\_education.pdf](http://www.educationforum.org.nz/documents/publications/contracting_education.pdf)

Private firms and consultants are now very active in selling education services that have often previously been delivered by state authorities to schools as well as local and national government agencies. Services now being sold to schools include maintenance and catering, IT hardware, connectivity and technical support and 'back office' work such as payroll and HR (Human Resource) services, benchmarking, and performance monitoring. Professional services such as continuing professional development, school improvement and 'performance enhancement', Inspection and teacher supply are also sold to schools. Curriculum materials and pedagogy (through, for example, the increasing use of Whiteboards and their commercially produced teaching software) are also contracted out to the private sector. The use of private providers to design and deliver national programmes is also evident. Some of this work was previously done by local authorities, school districts and central government education departments.

### **Box 10: Privatisation and No Child Left Behind in the USA – Patricia Burch**

Some of the most significant developments in educational privatization are occurring out of the spotlight of the press and academics. Across the country, urban school systems are relying on the services and products of specialty-service providers to jump-start compliance with NCLB. These shifts may help some school districts to support more rapid and flexible exchange of data. However, these developments may also serve to detract reforming districts from their commitment to improving teaching for traditionally underserved students and to building collective capacity to sustain changes over time. (Burch 2006 p. 2582)

Policy researchers also need to pay more attention to the effects of educational privatization on local school governance. The research is either silent or offers superficial treatment of how educational privatization can open doors for outside vendors to exercise political influence over the design and administration of local accountability reforms. (Burch 2006 p. 2605) According to one estimate (Jackson and Bassett 2005) the 45 million tests currently done each year in the US as part of the NCLB programme are worth \$517m to the private sector.

Schools, districts and governments are also making more and more use of private consultants. These consultants and education services companies are interested in exporting their 'expertise' and education 'products' globally (see below). In many countries education and consultancy businesses are firmly embedded in the complex, intersecting networks of policymaking and policy delivery and transactions work (brokerage and contract writing) much of which is hidden from view. The 'statework' of these companies is done through multiple relationships and responsibilities in and in relation to educational governance – their representatives act as advisers, evaluators, service deliverers, philanthropists, researchers, reviewers, brokers committee members and as consultants.

#### **Box 11: Consultants to the public sector in the UK**

Figures from the Office of Government Commerce show that spending on consultants rose by 42 per cent last year from £1.76 billion in 2003-04: Some private consultancies are now focusing entirely on public sector contracts, which can attract fees of up to £2,000 per day. Firms are being hired to advise on outsourcing, to "manage change", to set up IT systems, to advise on advertising and communications and to conduct polls and surveys ... Douglas Johnson-Poensgen, director of SERCO Consulting, said that his firm had seen a 250 per cent increase in public sector contracts in the past two years, particularly from the NHS... Andy Ford, head of local government consultancy at PricewaterhouseCoopers, said his firm's public sector contracts had doubled over the past three years, particularly in local government. This was partly due to council league tables, Sir Peter Gershon's drive to save £20 billion in the public sector and local efforts to improve frontline services. (*The Times* 24th Sept 2005)



### **Box 12: Education Services in the USA**

The three for-profit companies that operate in the District of Columbia—Edison, Mosaica, and Chancellor Beacon—share common elements in terms of the management and educational services they offer to schools nationwide as well as those company officials described as distinctive. Each of the three companies generally offers similar management services. For example, all three offer management services such as personnel, payroll and facilities management, services that can be important for charter schools. In addition, the three companies employ some common approaches designed to improve student achievement. All three companies offer an extended school day and year. All three integrate technology in their educational programs. For example, all three offer students access to classroom computers. Similarly, all organise schools into smaller units to facilitate their tracking of students' progress. All three provide summer training to teachers as well as other forms of professional development. Additionally, all have activities designed to involve and support parents and students. For example, each company uses parent satisfaction surveys. Experts we spoke to noted that these same approaches were being used in some other public schools. Finally, officials of all three companies stated that their companies contributed positively to school climate—a sense of mission and an environment conducive to learning—and cited aspects of school climate such as a safe and orderly school environment and teacher motivation. In addition to the characteristics they had in common, company officials identified others they believed were distinctive. These include, for example, their programs' curriculum and instruction as well as the ability to provide economies of scale, develop community partnerships, and provide strong administrative support.

[www.gao.gov/new.items/d0311.pdf](http://www.gao.gov/new.items/d0311.pdf)

### **Box 13: Contracting Out Services in Saint Lucia**

Saint Lucia has recently established a special education project that will bring public education to rural areas where this has not previously been available. A range of privatisation tendencies are embedded in the project structure, including devolution of school management to parents and the use of non-government suppliers of back office, professional development and quality assurance services. This project, like a similar project in Guatemala, is funded through a World Bank loan.

### Private sector supply of education: contracting out schools

In a number of national settings individual state schools or groups of schools have been handed over to private companies to run under contract on a 'for profit' basis. Here private providers are regarded as being able to provide a better quality of education service than municipal schools and/or better value for money, although this is not always the case in practice. In some cases the privatisation of the public schools concerned remains hidden – for instance, where new public-private hybrid institutions are formed under contract for fixed terms. It is not always clear to parents and community members what the status of these schools is or will be in the future. Packaged as a change in management in the interest of choice, efficiency and effectiveness, the significance of the fact that such schools are now delivered by the private sector is sometimes obscured. In other cases, like Sweden and Colombia the privately run schools are presented as a distinct alternative to, and response to, the 'failings' of the state.

#### Box 14: Contracting out in Columbia

In Colombia, the City of Bogotá has introduced the Colegios en Concesión (Concession Schools) programme, under which the management of some public schools is turned over to private institutions with proven track records of delivering high-quality education. The Concession Schools programme was developed in the late 1990s, and the first schools began operating in 2000. In 2004, there were 25 schools, serving over 26,000 students being operated by private managers under this model. The programme was expected to grow to approximately 45,000 students in 51 schools (about 5 percent of public school coverage in Bogotá). However, a change in the mayoralty has reportedly stopped the programme's expansion.

Management contracts are for 15 years. The provider has full autonomy over school management and is evaluated on results. Provider contracts specify clear performance standards, including hours of instruction, quality of nutritional provision and the establishment of a single shift, and are performance based. Failure to meet educational outcome targets such as standardised test scores and drop-out rates for two consecutive years can result in the cancellation of the contract.



### **Box 15: Contracting out in the USA and UK**

In 2003 Edison ran one-quarter of the 417 contracted-out schools in the US, teaching 132,000 students in 20 states – although this is a tiny proportion of US schools. In March 2007 Edisonschools UK was awarded a 3-year contract to run Salisbury school in north London. Edison opened its UK office in 2002 and works in a consultancy capacity with more than 50 primary, secondary and special schools. This is the first time it has taken over a school's entire senior management team.

### **Public Private Partnerships**

Partnership is a buzz word, and it crosses over from rhetoric to analysis and carries dangers of being made meaningless by over-use; 'it is largely a rhetorical invocation of a vague ideal which obscures the role of financial relationships and power imbalances between partners' (Huxham and Vangen 2000 p. 303). Partnerships open up various kinds of flows between the private and public sectors. Flows of people, ideas, language, methods, values and culture. They can bring about a form of values and organisational convergence and they reshape the context within which public sector organisations work. Some partnerships take the form of joint ventures and profit sharing without wresting 'ownership' entirely from public sector hands.

### **The relations of power within public-private partnerships vary markedly and Box 16: PPPs in India**

Minimally Invasive Education learning stations (MIE) have been installed in New Delhi. Children are provided with free access to computers in an open outdoor location. The project is a public-private partnership between the Government of NCT of Delhi and NIIT (India's leading education business – offering IT education and global IT learning solutions). After three years a project evaluation was conducted by the Centre for Educational Management and Development and an independent market research firm Quantum Market Research.



the language of partnerships is often a 're-labelling' of contractual or outsourcing arrangements. Partnerships are part of a new landscape of public sector provision. They are also one of the ways that privatisation works as a policy device, on and in the public sector, addressing social problems in new ways, establishing new relationships and re-distributing decision-making.

*The private sector is looking for business opportunities, a steady funding stream and a good return on its investment.*

(DfES Public-Private Partnership website May 2004 UK).

The installation of 'cross-cutting' initiatives and different kinds of 'delivery partnerships' also involve the increasing use of 'arms-length bodies' – that is, hybrid agencies which have been privatised 'within' the state – which must earn all or part of their running costs and achieve outcomes set for them by government. This is part of the increasing complexity of government within which partnerships operate in a constantly changing internal and external environment – they start, stop, are restructured and reshaped.

One particular type of PPP which is increasingly popular among governments seeking to reduce their public sector expenditure involves the use of private providers to design, build, operate and manage state education facilities on a lease-back basis. This transfers capital costs and some risk to the private sector. It also commits governments or public authorities to long-term lease repayments. This practice is advocated by the World Bank. There is also now a thriving secondary market in PPP contracts. (Ongoing contracts for buildings and management services are bought and sold as investments by financial institutions). There are varying levels of public awareness and understanding of these partnerships and their implications.



### **Box 17: 'New Schools' private finance project, Australia**

The New Schools Project in New South Wales, consists of two main components.

First, the private sector financed, designed and constructed nine new public-schools in the state between 2002 and 2005: these new schools were built to standards that met or exceeded the New South Wales Department of Education and Training (DET) school design standards. Second, the private sector will provide cleaning, maintenance, repair, security, safety, utility and related services for the buildings, furniture, fittings, equipment and grounds of these schools until 31 December 2032: In return, the private sector will receive performance-related monthly payments from the DET during the operational phase of the project. At the end of the contract period, the buildings will be returned to the public sector.

The need or desire for these new schools is not universally clear:

'With just three enrolments so far, [this] primary school will be ready to open next year in a housing estate that boasts just 30 homes. Financed with private investor funds, the development south of Wollongong is proving a growing embarrassment for the state government. It is one of 10 schools the Government is building using public-private partnerships – and all are due to be opened by early 2009'

(Brian Robins Sydney Morning Herald, 30.08.07)

### **Box 18: Public-private partnerships for educational infrastructure, Nova Scotia and Alberta Canada**

The Province of Nova Scotia in Canada used a PPP model to build 39 schools in the late 1990s. The government pursued this model because its financial situation was such that it could not afford to build the large number of schools it required, especially given its desire to outfit them with state of the art technology. The first lease agreement between the government and private sector partner was signed in 1998.

In June 2007 the Alberta government announced a PPP to build 12 public schools and 6 Catholic schools in Edmonton and Calgary based on a standard design. A Treasury Board spokesman indicated that the financing of the schools would be similar to that agreed in relation to recent road extension schemes.

**Box 19: PPPs in Germany and France**

The county of Offenbach and city of Cologne in Germany both have large PPP schemes involving over 90 schools in the former and 7 in the latter. The first part of the Offenbach scheme was awarded to a subsidiary of French construction company Vinci, the rest of the scheme and the Cologne project went to Germany company HOCHTIEF. The companies will run the Offenbach schools for 15 years and the Cologne schools for 25 years.

The first French school PPP was completed in 2007, le college de Villemandeur in Loiret, and a number of colleges in les Haute-de-Seine are being renovated by the same method of private financing.

Another very different form of PPP is the Nigerian 'Adopt a School Program' (similar schemes operate in other countries) which aims to:

*"revamp Nigeria's educational system through the active participation of individuals, institutions and corporations ... to ensure effectiveness of public schools by bringing together various stakeholders in the educational system to deliver innovative solutions to the problem of failing schools, underachievement and financial difficulty. The programme will also provide private funding to support public investment..."*

(Government website).

This again brings private sector values and methods into play in public sector schools, and the private sector is positioned as having the 'solutions' to public sector problems.



### **Box 20: PPPs In Nigeria**

#### ***Public schools need urgent attention, say stakeholders***

*By Kikelola Oyebola*

EDUCATION stakeholders have reiterated the need to revitalise the education sector for the economic well being of the country.

Speaking at a press conference organised recently in Lagos by Edupedia Associates, an education consulting and employment outfit, some education stakeholders identified the underlying obstacles confronting the sector and highlighted proposals for solving them. Lauding the reforms introduced by the immediate past Minister of Education, Mrs Oby Ezekwesili, Mr Olukayode Odumosu, Senior Consultant, Edupedia Associates, said that the ex-minister's encouragement of private educational initiatives should be commended.

Some of the proposals raised at the conference include: letting educational private resource outfits being encouraged by the government to manage out-sourced educational services for public schools become free from too many strings from the Federal Ministry of Education, which can still retain its prerogative for general direction/policies and inspectorate matters.

(Guardian News Nigeria.com)

### **International capital in public education**

There is then significant international capital interest and activity in public education and this operates increasingly on a trans-national level. Education services is an 'emerging market' for foreign direct investment (FDI), and such investments are part of a more general surge which began during the 1990s and which form part of the 'portfolio investment' of commercial, financial and private equity companies – public services are increasingly a focus for investment and profit. These businesses operate across a terrain of policy possibilities created by a global, multi-lateral policy infrastructure that both directly and indirectly privileges private solutions to public problems. Securing inward private investment in education is a key target identified for the developing world by organisations such as the United Nations and the African Union.

The UK Private Finance Initiative (PFI) construction market is heavily penetrated by overseas companies like Skanska (Sweden) and Kajima (Japan). UK PFI service contracts are also being brought by overseas companies or capital (e.g. Innisfree and the Social Market Infrastructure Fund (Star Capital Partners)). There is the presence in the UK, albeit small-scale, of US companies Edison and Bright Horizons Family Solutions (now the 4th largest provider of private nursery places in the UK) ABC learning (an Australian company now the UK's leading provider of private nursery places) and the Edexcel (University of London) examination board was recently bought by US testing and publishing giant Pearson Media. Benesse, the Japanese education services company, established in 1955 and listed on the Osaka Securities Exchange since 1995, now operates also in South Korea Taiwan, China and Hong Kong employing 1700 staff. In 2004 Benesse's annual profit reached \$129m US dollars.

UK education services company Nord-Anglia runs schools in Moscow, Pudong (Korea), Warsaw, Shanghai, Bratislava and Berlin and in 2005 entered into a joint venture with the ETA Ascon Group (UAE) to launch Star British schools in the United Arab Emirates. Nord-Anglia's CEO commented that "We hope [the] Star British School will be the first of many such schools in the region and beyond" ([www.asdaa.com](http://www.asdaa.com)). In 2005, Nord-Anglia sold its stake in two schools in the Ukraine for £1.3m. Global Education Management Systems bought the British International School in Berlin from Nord-Anglia (GEMS website 10.12:04). GEMS with the Alokozay Group, also based in Dubai, plans to create a network of fee-paying schools in Afghanistan: "This project is in line with the company's corporate policy of continuously expanding ongoing services and forging new partnerships to pioneer new developments ([http://www.gemseducation.com/server.php?search\\_word=Alokozay&Go.x=13&Go.y=8&chan](http://www.gemseducation.com/server.php?search_word=Alokozay&Go.x=13&Go.y=8&chan)). Nord-Anglia is now also running a group of state schools on contract for the Abu Dubai government and is one of five national school inspection contractors in England. In 2004 GEMS paid Nord-Anglia £11.9m for its chain of ten private schools and announced plans to acquire 25-30 more and in the same year Cognita, a company backed by German private equity funds bought 17 private schools from British company Asquith Court for £60m. While these latter examples refer to private schools they serve to illustrate the way in which educational provision is traded, just like other businesses, and in the case of Nord-Anglia we see a company which operates across a whole spectrum of pro-profit education services activities in both



the public and private sectors. But there is also some indication here of the instabilities within the ESI.

Commercial enterprises that are making commitment to developing education provision, such as that promised for Afghanistan by Alokozay Group, are not necessarily education specialists. Rather they have interests in multiple markets, of which education is just one. On Alokozay Group Michael Shaw writes:

The Alokozay Group describes itself as a "*leader in the cigarette industry*" and is the sole distributor for cigarettes made by the Korea Tobacco and Ginseng Corp in Africa, Asia, Eastern Europe and the Middle East... Hugh MacPherson, chief operating officer of Gems, said the project was "*a small step towards achieving a brighter future for the children of Afghanistan*".

(Michael Shaw, TES 20 August 2004)

These business activities are all in the public domain, but are mainly reported in the financial press and they receive limited attention in the mainstream media and are little understood publicly.

### **Commercialisation or 'cola-isation'**

This involves commercial companies targeting their products/brands at 'child/youth consumers' through schools. This is what is called in the US, the 'cola-isation' of schools, selling to school children through vending machines, and the development of brand identity and loyalty through displays of logos, sponsorships and equipment promotions. Alex Molnar notes that 'schools by their nature carry enormous goodwill and thus can confer legitimacy on anything associated with them' (Molnar 2005). Some companies also produce curriculum materials and maintain 'educational' websites. These practices are so normalised that their role in the privatisation of education can go unrecognised.

**Box 21: Cola-isation in US Schools**

Seattle Schools are inundated every week with promotional items, corporate-sponsored curriculums, marketing contests and gimmicks. A year ago, the district signed a 5-year exclusive pouring rights contract with the Coca-Cola Corporation in exchange for a commission on the Coke products sold to kids. Last April, the district signed a contract with N2H2 [an advertising agency] permitting banner ads on web pages seen by children at school in exchange for a filtering service. Individual principals in many secondary schools require all students to watch commercial TV every day in exchange for the use of some television equipment (Channel One) (Citizens Campaign for Commercial-Free Schools, Seattle, WA, November 2000).

In California, some high schools rich in athletic talent are known as "shoe schools" because Nike, Reebok, Adidas, and others give their products to students in hopes of courting future superstars. "The shoe companies are using the high school programs to increase their visibility, and that has created an uneven playing field," says Dean Crawley, a retired commissioner of the California Interscholastic Federation. (from Alex Molnar and Joseph A. Reaves *What Should We Teach? Buy Me! Buy Me!* Educational Leadership Volume 59 Number 2 October 2001).

Companies like McDonalds and Cadburys also use educational websites to promote their products and in the UK and elsewhere supermarket chains run voucher schemes through which schools can obtain equipment. As Kenway and Bullen (2001) p. 3) argue; 'we are entering another stage in the construction of the young as the demarcations between education, entertainment and advertising collapse'.

**Philanthropy, aid and subsidy**

In some settings, including much of the developing world, the private sector, benefactors or philanthropists, social entrepreneurs and parents subsidise state schools through donations and payments. They support extra classes, student activities, school meals and sometimes even basic costs and over-



heads, as in Poland and Portugal for example. This tendency is also seen where significant sections of basic education are provided by NGOs, rather than the state. In these circumstances NGOs have the potential to have a significant influence on education policymaking. Companies or philanthropic individuals or social entrepreneurs are also increasingly involved in initiating educational innovations and through what is sometimes called 'venture philanthropy' bring the perspectives of investment decision-making to bear. This approach involves the use of business strategies and particularly those of venture capitalism in relation to social problems. Funders will expect to see a 'return' on their 'donation'. This is sometimes called Philanthrocapitalism (Economist February 2006) that is the idea that charity needs to start to resemble a capitalist economy in which benefactors become consumers of social investment. 'This is an integrating business approach to spurt an entrepreneurial spirit for the welfare of humankind' (<http://observer.bard.edu/articles/opinions/216>). ARK (Absolute Return for Kids) founder Arpad Busson, senior partner of EIM fund management company (with assets reported as ranging from £5-10bn) describes education as "in crisis" and "the biggest issue government face today" and argues that "Charities must treat donors as if they were shareholders" (The Observer 29.05:05).

Such strategic interventions can achieve improvements in educational provision but in some cases the flow of these educational 'subsidies' works to exacerbate existing inequalities in provision. Poor parents are not always able to subsidise their children's education or to mobilise philanthropy – although some charities and NGOs do target their activities on the most needy. In some cases philanthropy comes 'with strings attached', as in the case of in-school advertising.



## GLOBAL PATTERNS OF PRIVATISATION

Policy and practice at country-level is changing extremely rapidly, which means that accounts of the global policy situation cannot be definitive but rather they are snapshots at particular moments. Responses to policy must be able to take account of this rapidly changing terrain.

Analysis of education policy around the world indicates that the privatisation tendencies detailed above can be found in diverse national settings. However, the privatisation trajectories of those nations taking up these policies more recently do not simply reflect the trajectories of early privatisers. For instance, a number of newly privatising nations have adopted older endogenous forms of privatisation as well as the more recently devised exogenous forms of privatisation. Indeed, in many instances these tendencies are being built into the establishment of education provision in the developing world as part of the terms of World Bank loans.

**Box 22: Comparison of privatisation tendencies in a highly industrialised nation and developing nations**

	School Choice	Per-Capita funding	Devolution	Published Performance Indicators	Private-Sector Supply
<b>UK</b>	Yes	Full	To the school	Yes	Of services to schools and of schools
<b>Guatemala</b>	Yes	Partial	To the community	No	Of services to schools
<b>Malawi</b>	Stratified multi-sector provision	State, Aide user-fees	Yes, but NSPs have patchy relations to state	No	Of schools



Rather than seeing the take up of privatisation as a linear process of rational selection, it is better understood as a process of adoption, imposition and improvisation, drawing from the array of tendencies and possibilities available and in play at a given moment. This policy take-up has been described as 'cafeteria style' in the US and a policy 'smorgasbord' in parts of Europe. Education policies in nations across the developed and developing world are a bricolage of privatisation tendencies which are mapped onto existing policy and provision and often exist alongside and in tension with concerns for and commitments to education and equality. While the political and economic pressures for change are essentially the same whatever the setting – state reform (new modes of state action and organisation), international advocacy by multi-lateral agencies, and the 'restless' expansion of business in search of new profit opportunities – the precise shape and implications of these reflect the particularities of context. As Steiner-Khamsi (2006) points out reforms 'travel' by a variety of means and involve complex processes of policy borrowing and policy lending, as well as 'coercive transfer', which produce different patterns and speeds of policy or innovation adoption – there are 'slow and early' adopters, those countries which adopt during the 'explosive growth phase' of new ideas, and 'late adopters'.

## ■ Global Privatisation: intentional escalation and unintentional drift

Global privatisation tendencies reflect both an orchestrated escalation on the part of dominant governments, international organisations and private companies and an unintended international policy drift towards greater levels and more diverse forms of privatisation in and of public services – privatisation as policy commonsense. Certainly however, highly influential western governments and international organisations actively promote privatisation as desirable and necessary for the economic development of the world's poorer nations and as part of their own economic strategies (see below). Privatisation in its multiple forms is being taken up globally. Forms of privatisation, such as choice and per-capita funding, pave the way for further reform moves such as devolved budgets, competition between schools and the use of published performance indicators. For-profit organisation are playing a greater part in education design and delivery. However, most of the privatisations in and of education remains hidden within more general education reforms and there is an almost complete absence of public debate around these issues.

## THE CONTEXTS OF PRIVATISATION

As indicated already, hidden forms of privatisation in education, as well as more explicit forms, are strongly advocated by many multi-lateral agencies like the World Bank, OECD, IMF and WTO. These trends are embedded in the 'reform' agendas of a wide variety of organisations and political parties across the political spectrum. They are also supported by think tanks, research centres, and private foundations, as well as by business lobbies.

Furthermore, as noted already, management consultants are increasingly used as advisers and report writers to influence and design public sector education at regional, national, provincial, local and institutional levels and tend to bring to bear assumptions which privilege privatisations as solutions to public sector education problems. These company consultants are 'carriers of global institutionalised management concepts' (Hansen and Lairdsen 2004 p. 515).

These are generic discourses which at the organisational level have no specificity to education or schools. They encompass a set of recurrent policy trends that include 'various aspects of new public management (NPM), such as deregulation, contracting-out, agentification and privatisation' (Bache 2003 p. 301). (Larbi 1999) makes the same point in his review for the United Nations of 'new public management' in 'crisis states':

*[The] large international management consultants, accountancy firms and international financial institutions ... have been instrumental in the increasing "importation" of new management techniques into the public sector. They have played an important role in packaging, selling and implementing NPM techniques, as state agencies contemplating institutional change or strengthening often enlist the services of expert consultants to clarify available options – and recommend courses of action' ( p. 5).*

Nonetheless, patterns of privatisation are of course heavily influenced by the particularities of the specific national context. Particularly pertinent are the political structures and culture of the nation state; traditions of democratic, dispersed or centralised government; traditions of welfare provision; the extent



of existing education provision; and degrees of reliance on aide and/or loans for education provision. These 'path dependencies' are important in appreciating the differences between countries in terms of the extent or speed of adoption of forms of privatisation and the degree of resistance to such take up. However, well-established categories of different types of welfare regime do not always work to demarcate responses to privatisation.

So then it is important to be mindful that privatisation tendencies may well have different meanings across different contexts, influenced by the political and social histories and norms of these contexts, although the political histories of countries offer no simple guide to current policies and tendencies towards privatisation

## ■ Privatisation in the highly industrialised nations

As noted already, these tendencies are most evident in the highly industrialised nations, and the English-speaking nations in particular. They have been developed and expanded gradually over the last 20 years. It is often the case that the fullest range of privatisation tendencies, including endogenous and exogenous forms, are evident in these nations. These are the places where new privatisations are 'tried-out' and developed, and from where they are exported. Almost all of the most influential advocates and promoters of privatisation are also to be found in the West, as are most of the private companies that are profiting from global patterns of privatisation are located. In these settings privatisation tendencies are normalised, that is, they have come to be considered as standard. The UK and USA in particular have been 'social laboratories' of education reform, experimenting with innovations in public sector provision which have involved various different forms of privatisation. Not all of these experiments have taken root but both countries have become the focus of attention of policy makers from multilateral organisations and other countries looking for policy solutions to entrenched educational problems. This has given rise to 'policy-borrowing' and policy transfers and some degree of policy convergence, and while the policy bricolage of individual nations differ, this has been persistent and generalised enough for privatisation tendencies to have now become normalised in much of the developing as well as the developed world.

## ■ Privatisation in the rest of the world

In many nations outside the highly industrialised world, mass education has not been fully established and continues to be worked towards under international development agreements. In these countries it is often not simply the case that existing public education systems are being privatised. Rather, privatisation tendencies such as devolution and public-private partnerships, as well as a focus on demand-led provision, are being built into the establishment of education services in areas where education services have not previously existed. The implications of building forms of privatisation into the establishment of education services in the developing world is yet to be fully understood. These tendencies are examined in detail in the following section.



## PRIVATISING EDUCATION IN THE DEVELOPING WORLD

Making sense of privatisation tendencies in developing countries requires an understanding of the histories of education provision in these nations, current patterns of provision, and international as well as national policy frameworks and trajectories.

Current patterns of education provision in the developing world have emerged from complex histories of colonisation and post-colonial adjustment. Such provision typically includes enduring non-formal, community-based education that reflects the practices, educational meanings and needs of small-scale agricultural and pre-industrial societies. It also includes formal western-style education established both by colonial governments and subsequently taken on by post-colonial states and by religious and secular non-government organisations. This combination of providers has historically, in many states, only achieved universal basic education coverage.

This sort of amalgam of church and local state formal education providers in a context of patchy and incomplete provision in the world's poorest nations can be compared to the range of provision that was integrated into state provision in nations such as Australia and the UK in order to establish mass education during the late 1800s and early 1900s. It is important to realise that mass state education in nations such as these would not have been possible if it had not been for the integration of the existing extensive provision of the church and other philanthropic organisations. Analysis of current trends in education policy in developing countries must take account of the roles of various education providers and their relationships to the state and the communities they aim to educate, and the ways that these are conceived of and instituted through policy at the national and international levels.

Across the developing world today formal education is provided by a range of agencies, including the state, international NGOs, civil society organisations and for-profit companies. Some of these have a long history of providing education in these regions, while others are new entrants to emerging education markets that have been opened up by the requirement placed on countries to achieve the United Nations' *Millennium Development Goals and Education For All* (see below).

In many instances school provision is stratified, with high quality and status, formal western-style education available for high fee-paying urban elites, and poorly resourced, lesser quality education *which is often not free to the user* for poorer sections of society. Indeed, A recent Oxfam report notes that 'children still have to pay to go to school in 89 out of 103 developing countries, meaning that many poor children are forced to drop out of education. Most of these are girls.' (Emmett 2006 p.9). The report goes on:

*The services provided by NSPs [Non-State Providers] — both private providers and non-profit organisations — are crucial for millions of people....Primary education typically is publicly provided, but community and NGO-run schools are important in several countries. Two-thirds of primary schools in Malawi are owned by the church and in Bangladesh about one schoolchild in four attends a non-government primary school (some 60 per cent of these are run by a single organisation, the Bangladesh Rural Advancement Committee, or BRAC).*

(Emmett 2006 p50)

In contexts such as this state education can be more expensive and less well resourced than education provided by other organisations and even the lowest-cost education can be prohibitive for the poor.

It is also important to retain a sense of how limited the education available to the poor in the developing world is. As a 2002 ActionAid report notes, 'the education systems in most areas of the countries where ActionAid works is in a terrible state of crisis – much more acute than is generally realised.' (Archer et al 2002 p.9). This is echoed by Oxfam who report that 'the reality for the vast majority of poor people in developing countries is that public services are unavailable, or are skewed towards the needs of the rich, or are dauntingly expensive — and this drives up social inequality' (Emmett 2006 p.9).

It is into these contexts that newer privatising tendencies and private sector organisations are being inserted and in relation to which they must be interrogated and understood.



## ■ The influence and impacts of globalisation

A major factor influencing the economies, education systems and cultures of developing nations is 'globalisation', or the hyper-intensification of global flows of capital, people, production and products, policy, cultural forms and ideas. Many commentators on globalisation agree that these flows and their influences and impacts are uneven, with the economic, governmental and cultural forms of the highly industrialised nations impacting heavily on the poorer nations of the world.

In economic terms there is significant debate over the distribution of the benefits of globalisation. While some argue that the 'rising tide' of wealth creation often associated with globalisation will 'lift all boats', others point out that these benefits are unevenly spread and tend to benefit the wealthiest nations disproportionately. Amongst the developing and newly industrialised nations the economic benefits of globalisation are also unevenly spread: for instance, the effects of global capitalism is often said to have contributed to poverty reduction in China and India but to greater poverty in Sub-Saharan Africa. In this context 'development' often becomes synonymous with 'westernisation' and a move to industrial capitalism, as has been the case in much of Asia, with inward financial investment and information technology becoming key concerns of industrialising nations.

In terms of policy flows there is a strong consensus that the flow of policy formations from the highly industrialised nations to the rest of the world is a major feature of globalisation. These flows are effected through the practices of international organisations such as the World Bank and the International Monetary Fund, the United Nations, regional bloc organisations such as the European Union (EU) and Asia Pacific Economic Cooperation (APEC) as well as individual nation states. These flows suggest that the sorts of privatisation tendencies now well established and continuing to be developed in the wealthiest nations will also be 'exported' to the developing world.

The transfer of privatisation tendencies from the highly industrialised nations to the newly industrialised and developing world is closely inter-related to and is a feature of these broader processes of globalisation – this is what Kelsey calls 'regulatory re-territorialisation'. That is, the insertion and naturalisation of western models of organisation, education, leadership and employment, and the extension of the commodification and commercialisation of education, through forms of what Mihyo (2004) calls 'intellectual dumping'.



Contemporary education policies across the developing world are framed in particular by the United Nations Development Programme's (UNDP) 'Millennium Development Goals' (MDG) as well as the United Nations Educational, Scientific and Cultural Organisation (UNESCO) 'Education For All' declaration<sup>3</sup> and framework<sup>4</sup>. These place obligations for education provision on all nations and set out broad approaches to achieving these. The MDG and EFA, then, have the potential to facilitate and constrain the approaches to education, including privatisations, taken within the developing world.

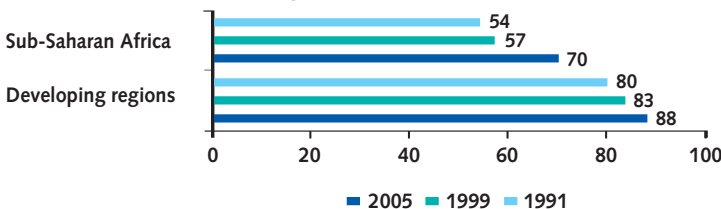
## ■ Embedding exogenous privatisation in education in the developing world

### *Millennium Development Goals*

The UNDP's *Millennium Development Goals* set out a series of targets to be met, internationally, by 2015: The second goal, to 'achieve universal primary education' seeks to 'ensure that all boys and girls complete a full course of primary education' and uses enrolment ratios, retention rates from year 1 to year 5 of primary schooling and literacy rates for 15 to 24 year olds as key indicators of progress. While universal primary education is still just an ambition in much of the developing world and many nations are unlikely to meet the goal by 2015, the nations of sub-saharan Africa have the furthest still to travel. (<http://www.undp.org/mdg/goallist.shtml>).

#### Box 23: Movement towards Millennium Development Goal 2

##### Total net enrolment ratio in primary education, 1990/1991, 1998/1999 and 2004/2005 ( Percentage )



Source: *Africa and the Millennium Development Goals, 2007 Update*, UN Department of Public Information DPI 2548

<sup>3</sup> [http://www.unesco.org/education/efa/ed\\_for\\_all/background/jomtien\\_declaration.shtml](http://www.unesco.org/education/efa/ed_for_all/background/jomtien_declaration.shtml)

<sup>4</sup> [http://www.unesco.org/education/efa/ed\\_for\\_all/dakfram\\_eng.shtml](http://www.unesco.org/education/efa/ed_for_all/dakfram_eng.shtml)



### ***Education For All***

While the MDGs focuses on age-based primary education, *Education for All* focuses on the basic learning needs of children, young people and adults, moving beyond the primary school classroom to include informal and community education provision as well as work based learning and apprenticeships. It states:

#### **ARTICLE I - MEETING BASIC LEARNING NEEDS**

**1. Every person - child, youth and adult - shall be able to benefit from educational opportunities designed to meet their basic learning needs'**

(Jomtien Declaration, Jomtien, Thailand, 1990)

*Education For All* locates the core responsibility for education provision with the nation state, however both endogenous and exogenous privatising tendencies are embedded in the declaration.

#### **Box 24: Embedding Privatisation Tendencies in Education For All**

##### **ARTICLE VII - STRENGTHENING PARTNERSHIPS**

**National, regional, and local educational authorities have a unique obligation to provide basic education for all, but they cannot be expected to supply every human, financial or organisational requirement for this task. New and revitalised partnerships at all levels will be necessary:** partnerships among all sub-sectors and forms of education, recognising the special role of teachers and that of administrators and other educational personnel; partnerships between education and other government departments, including planning, finance, labour, communications, and other social sectors; *partnerships between government and non-governmental organisations, the private sector, local communities, religious groups, and families.*

##### **ARTICLE IX - MOBILISING RESOURCES**

**1. If the basic learning needs of all are to be met through a much broader scope of action than in the past, it will be essential to mobilise existing and new financial and human resources, public, private and voluntary.** (Jomtien Declaration, Jomtien, Thailand, 1990, original bold, our italics)

[http://www.unesco.org/education/efa/ed\\_for\\_all/background/jomtien\\_declaration.shtml](http://www.unesco.org/education/efa/ed_for_all/background/jomtien_declaration.shtml)

*Education for All* suggests that going outside the nation state for 'human' and 'organisational' as well as 'financial' resources is not only desirable but essential. And it lists a range of groups and organisations with whom partnerships are necessary; listing the private sector alongside NGOs, communities, families and religious groups. In this way the private sector is made equivalent to not-for-profit and civil society organisations and the take up of endogenous and exogenous forms of privatisation is advocated and normalised.

The normalisation of privatisation and the presentation of these as a necessary feature of strategies for achieving *Education For All* is reiterated and extended in the subsequent *Dakar Framework For Action* which details strategies for meeting the demands of *Education For All*. This begins at the macro level of national funding strategies, with the private sector once again identified as one key source of external financial resources.

#### **Box 25: Paying for Education For All**

Political will and stronger national leadership are needed for the effective and successful implementation of national plans in each of the countries concerned. However, political will must be underpinned by resources. The international community acknowledges that many countries currently lack the resources to achieve education for all within an acceptable time-frame. *New financial resources, preferably in the form of grants and concessional assistance, must therefore be mobilised by bilateral and multi-lateral funding agencies, including the World Bank and regional development banks and the private sector.* We affirm that no countries seriously committed to education for all will be thwarted in their achievement of this goal by a lack of resources.

This is reiterated in paragraph 46 which states:

Achieving Education for All will also require more creative and sustained mobilisation of resources from other parts of society, including different levels of government, the private sector and non-governmental organisations.

(Dakar Framework for Action, Dakar, Senegal, 2000, our italics)

[http://www.unesco.org/education/efa/ed\\_for\\_all/dakfram\\_eng.shtml](http://www.unesco.org/education/efa/ed_for_all/dakfram_eng.shtml)

As in the case of the *Education For All* declaration, in the Dakar Framework the private sector is presented alongside a range of other funding sources and



while a preference for grant and concessional aid is expressed, loans and private sector funding are also identified.

Exogenous privatisation can be seen as a fundamental feature of international education policy for the developing world. Indeed, private finance is frequently presented as an inevitable necessity if the MDGs and Education for All are to be realised in the developing world. A report for UNICEF notes:

*it is consistently recognised that many countries will simply not be able to meet their obligation to honour the right of every child to education without strategies to mobilise resources from other sources. In many cases communities mobilise resources and organise education provision simply because of the failure of the state to do so.*

(Buckland 2003 p. 26)

**Box 26. Indonesia: Private Junior Secondary Education Project carried out by Cambridge Education**

This project trained 9,000 teachers, built and equipped 13 local education centres and helped 1,000 schools to refurbish their libraries and laboratories. Project duration: 1996 to 2002 The project, partly funded through an Asia Development Bank loan, was designed to support a Government of Indonesia initiative to provide quality junior secondary education to all eligible students, at the lowest cost. This drive was part of the policy of nine years of universal basic education. Private schools were supported as having a crucial role to play in achieving this goal, as they are often the only education providers in remote areas and for the poorest sections of the community.

***The World Bank Agenda***

It is not just international declarations on and frameworks for establishing universal basic education across the developing world that identify exogenous privatisation as a key component of this. The World Bank is also a driver of exogenous privatisation in the developing world. (see also Below 'Advocates and Proselytisers').

Yet while the World Bank promotes private sector involvement in public services, key international NGOs argue the dangers of this approach.

### **Box 27. Privatisation Conditions in World Bank Loans**

The World Bank promotes the private provision of basic services through interlocking conditions on aid and debt relief to poor countries. This appears to be driven more by the Bank's internal targets than by evidence of what works in each country — for example, the Bank's Private Sector Development Strategy aims for private sector participation in 40 per cent of its loans to the poorest countries... The IFC [International Finance Corporation] and the Bank's Multilateral Investment Guarantee Agency (MIGA), together with the export credit agencies of rich countries, are also encouraging private investors to get involved in services by promising firms compensation for losses if the poor country governments cancel contracts. (Emmett 2006 p. 66)

A 2006 study of 20 countries receiving World Bank and IMF loans found that privatisation was a condition in 18 of them, an increase compared with previous years. (Emmett 2006 p. 11).

Just as in the developed world, such private sector involvement has been extremely problematic in developing countries, with the absence of real competition, uncertain or uneven regulatory frameworks and vast disparities in the life circumstances of different groups and the ways that they understand (or do not understand) the market context and how it works.

This agenda for private sector involvement is not being pursued by the World Bank alone. Governments across the developing world are delivering 'aide' by commissioning western private sector for-profit organisations to work in the developing world. In many instances this takes the form of 'technical assistance'. The USA spends 100 per cent of its education aide on technical assistance (OECD database 2005 cited in Emmett 2006).



### **Box 28. Developed World Government 'Aide' as Private Sector Activity**

Some technical assistance (TA) — such as training, scholarships, studies, and technical advisers — is useful and necessary. But rich countries that spend most of their aid on TA are spending too much money on international consultants. ... As much as 70 per cent of aid for education is spent on TA, but in fact 70 per cent of the costs of education consist of salaries. In some countries, 100 days of consultancy bills cost the same as paying 100 teachers' salaries for a year or keeping 5,000 children in school. A study of TA in Mozambique found that rich countries were spending a total of \$350 million per year on 3,500 technical experts, while 100,000 Mozambican public sector workers were paid a total of just \$74 million. The report proposed reallocating some of the TA bill towards local public sector salaries, which would mean 1,000 fewer foreign experts, but the idea was never implemented.

(Emmett 2005 p. 75).

In 1999 the UK government paid Adam Smith International \$1.3m to run publicity campaigns in Tanzania, extolling the virtues of privatisation. The lyrics to its Tanzanian pop video claimed 'Our old industries are dry like crops and privatisation brings the rain'.

(Emmett 2006 p. 66).

## **■ Moving away from user-fees in the developing world?**

The Dakar Framework insists that basic education should be free to the user across the developing world. Yet, as already discussed, it advocates the involvement of the private sector in order to meet the demands of MDGs and *Education For All*, a move which might be seen as accepting a relocation of fees from the family to the state, a move that simultaneously enshrines the state as a purchaser, not provider, of education services.

**Box 29. User Fees in the Developing World**

20. Ensuring that Education for All is provided with adequate, equitable and sustainable resources is the foremost challenge. Many governments do not give education sufficient priority in their national budgets. Too many do not use resources for education effectively and efficiently and often subsidise better-off groups at the expense of the poor. At the same time, stabilisation programmes often fail to protect education budgets. As a direct consequence, user charges continue to be a major deterrent to poor children attending school and to young people and adults in need of non-formal learning. In some countries, passing the cost burden on to poor parents has had a devastating impact on enrolment and retention. Education must neither exclude nor discriminate. Every government has the responsibility to provide free, quality basic education, so that no child will be denied access because of an inability to pay.

*(Dakar Framework for Action, Dakar, Senegal, 2000)*

[http://www.unesco.org/education/efa/ed\\_for\\_all/dakfram\\_eng.shtml](http://www.unesco.org/education/efa/ed_for_all/dakfram_eng.shtml)

While the *Dakar Framework* insists that national governments must ensure that fees do not prevent children from attending school, ActionAid identify direct and indirect costs as well as formal and informal mechanisms which keep children out of school.

**Box 30. The direct costs to parents of schooling in the developing world**

In most countries across Africa children have to pay to go to school. These direct costs are often referred to as “user fees”. On top of these there are many other costs, for example for books, stationery and uniforms. These costs add up, to become significant obstacles to children from poor families across Africa, Asia and Latin America – who are less likely to enroll and complete primary school because of the associated costs. Respondents to the [ActionAid] survey identified the following examples of costs that parents have to pay:

- books
- stationery and basic equipment
- uniforms
- admission fees
- registration and exam fees
- contribution towards building and maintenance fund
- construction fees
- transportation
- mid-day meals
- PTA fees
- sports fees
- library fees
- extra tuition fees

Even where primary education is free, parents are still making major financial contributions, some of which are effectively compulsory while others are supposedly voluntary, but are requested with considerable social pressure. Non-payment of even apparently voluntary costs can lead to victimisation, stigmatisation or even exclusion.

(ActionAid, Archer et al 2002, p. 22)

In addition to such costs to parents, sending children to school also brings with it a range of ‘opportunity costs’ including the loss of income that families face when children in school are not available to contribute to the household, the schooling that is missed through seasonal illness, hunger, low quality teaching in under-resourced schools, as well as limited economic returns from having attended school. Even where governments along with international agen-



cies endeavour to remove user-fees from education in the developing world, this has proved extremely difficult, with residual costs to users proving persistent.

### **Box 31: Ghana: the Nation State, the World Bank and user-fees**

When the Ghanaian government, together with the World Bank, launched a Basic Education Project, they initially called it FCUBE – Free Compulsory Universal Basic Education – using a capital F in their document to represent Free. However, parents soon realised that they still had to bear some significant costs in spite of zero tuition fees, and that basic education was not fully free. As a result, the ministry switched to using a small f in all its documents (fCUBE) to signify that basic education as provided by the government is free in some respects but not in all, thereby accepting the wide range of schooling costs to parents.

(ActionAid, Archer et al 2002, p. 22)

These sort of user-costs are difficult to equate to the sorts of formal and informal cost to parents associated with education in the developing world – in the developing world these costs are regularly concentrated amongst the more affluent who accept them as a reasonable price for securing their positional advantage, whereas in the developing world these costs are often borne by the poorest sections of society as they struggle to access extremely restricted and under-resourced basic education.

## **■ Endogenous privatisation tendencies in the developing world.**

*The Dakar Framework* which identifies strategies for achieving *Education For All* explores strategies for improving education systems. In the context of the world's poorest nations these can clearly be understood as being concerned with developing the systems and skills to assist these nations to engage in global markets. But the language of *the Dakar Framework* is that of improvement, accountability and management, language that has dominated the education policies of the West for more than two decades and which is widely associated with endogenous privatisation tendencies.



### **Box 32: Achieving *Education for All*: Developing Systems and Skills or Endogenous Privatisation?**

#### **4 Develop responsive, participatory and accountable systems of educational governance and management**

55: The experience of the past decade has underscored the need for better governance of education systems in terms of efficiency, accountability, transparency and flexibility so that they can respond more effectively to the diverse and continuously changing needs of learners. Reform of educational management is urgently needed - to move from highly centralised, standardised and command-driven forms of management to more decentralised and participatory decision-making, implementation and monitoring at lower levels of accountability. These processes must be buttressed by a management information system that benefits from both new technologies and community participation to produce timely, relevant and accurate information.

56. Country EFA reports and regional action frameworks stemming from the EFA 2000 Assessment recommend the following:

- (1) establish better regulatory frameworks and administrative mechanisms for managing not only formal and non-formal primary education, but also early childhood, youth and adult education programmes;
- (2) more sharply delineate responsibilities among different levels of government;
- (3) ensure that decentralisation does not lead to inequitable distribution of resources;
- (4) make more efficient use of existing human and financial resources;
- (5) improve capacities for managing diversity, disparity and change;
- (6) integrate programmes within education and strengthen their convergence with those of other sectors, especially health, labour and social welfare; and
- (7) provide training for school leaders and other education personnel.

*(Dakar Framework for Action, Dakar, Senegal, 2000)*

[http://www.unesco.org/education/efa/ed\\_for\\_all/dakfram\\_eng.shtml](http://www.unesco.org/education/efa/ed_for_all/dakfram_eng.shtml)

These policy moves not only identify the 'solution', they also construct the 'problem' in particular ways – the 'problem' here being poor governance and not, for instance, the legacy of colonialism, unmanageable debt, or the impacts of globalisation. Endogenous privatisation tendencies normalise management style solutions and exclude other possibilities. Yet Oxfam report that Allen Shick, one of the key advocates of New Public Management, 'has urged developing countries not to attempt reforms of this nature' (Emmett, 2006, p. 63).

### ■ **Education Information Technology: fighting over or fighting for the developing world?**

Establishing information technology systems in the developing world and incorporating ICT into basic education is often identified as a key development activity. The 'digital divide' between the richest and poorest nations of the world has been identified as a significant barrier to participation in global markets and the Millennium Development Goals include the target of 'cooperation with the private sector, to make available the benefits of new technologies—especially information and communications technologies'

([http://www.mdgbangla.org/ict\\_mdg/index.htm](http://www.mdgbangla.org/ict_mdg/index.htm))

*The Dakar Framework* also includes the take up of information technology in education as a key target, however, it highlights potential dangers associated with this, particularly the possibility that ICT will not be well matched to needs and that it will extend the inequalities inside developing nations.



### **Box 33: The Dakar *Framework* on ICT in Education**

#### **10 Harness new information and communication technologies to help achieve EFA goals**

71. Information and communication technologies (ICT) must be harnessed to support EFA goals at an affordable cost. These technologies have great potential for knowledge dissemination, effective learning and the development of more efficient education services. This potential will not be realised unless the new technologies serve rather than drive the implementation of education strategies. To be effective, especially in developing countries, ICTs should be combined with more traditional technologies such as books and radios, and be more extensively applied to the training of teachers.

72: The swiftness of ICT developments, their increasing spread and availability, the nature of their content and their declining prices are having major implications for learning. They may tend to increase disparities, weaken social bonds and threaten cultural cohesion. Governments will therefore need to establish clearer policies in regard to science and technology, and undertake critical assessments of ICT experiences and options. These should include their resource implications in relation to the provision of basic education, emphasising choices that bridge the 'digital divide', increase access and quality, and reduce inequity.

*(Dakar Framework for Action, Dakar, Senegal, 2000)*

[http://www.unesco.org/education/efa/ed\\_for\\_all/dakfram\\_eng.shtml](http://www.unesco.org/education/efa/ed_for_all/dakfram_eng.shtml)

The provision of ICT hardware and software to education systems in the developing world has become a site of significant debate and conflict, as not-for-profit organisations and private commercial companies endeavour to *shape* as well as supply ICT in the developing world.

**Box 34: The Laptop Wars –the case of Nigeria**

MIT Professor Nicolas Negroponte's 'One Laptop per Child' (OLPC) not-for profit is developing and distributing a '\$100 laptop' (currently actually costing \$170) to school children in the developing world. The laptop is supplied via bulk orders from governments, major NGOs and private donors. The laptops use Linux, a free, open source software that is regularly used as part of moves to harness the equalising potential of information technology and the internet – this is a key objective of the OLPC organisation. The OLPC laptop is supported by Kofi Annan. Nigeria is signed up to be one of the first nations in the developing world to introduce the laptops to school children who are encouraged to take to laptops home to share with family and community members.

Intel and Microsoft have both criticised the OLPC laptop and Intel has subsequently launched a rival subnotebook targeted at the developing world. The Intel subnotebook uses Microsoft, is teacher- rather than child-focused, and currently costs \$300. While Microsoft software is currently being installed free of charge, critics have questioned Intel and Microsoft's the longer term plans in this regard and have indicated the implications of the developing world becoming dependent on expensive first-world hardware and software.

Intel Chairman, Craig Barrett is personally championing the Intel subnotebook. Barrett is also Chairman of the United Nations Global Alliance for Information and Communications Technology (ICT) and Development.

Intel computers and associated training for teachers are also being supplied to the Nigerian Federal Ministry of Education, the first as gifts, and subsequent orders paid for by Nigeria's protected tax revenue-supported Education Trust Fund and funds from the African Union's New Partnership for African Development (NEPAD). NEPAD has itself been subject to criticism from African civil society organisations on the grounds that it is concerned with the interests of African elites and is imposing western, neo-liberal globalisation agendas and emphasising inward financial investment to the detriment of ordinary African people.

<http://news.bbc.co.uk/go/pr/fr/-/1/hi/technology/7106956.stm>  
[www.laptop.org](http://www.laptop.org)  
[www.intel.com/worldahead](http://www.intel.com/worldahead)  
<http://www.nepad.org/2005/files/inbrief.php>  
<http://www.urfig.org/news-africa-nepad-civil-society-declaration-pt.htm>



Global trade in education technologies and services can also be seen in the supply and take-up of education curriculum, programming and television hardware. For instance, in Ethiopia, the curriculum is being delivered wholly through school programmes made in and screened from South Africa, and watched to a fixed timetable on Plasma screen TVs in otherwise sparsely resourced Ethiopian classrooms.

**Box 35: Exporting Curriculum, School Programming and Plasma TVs from South Africa to Ethiopia**

Students in Grades 9 and 10 and those of the preparatory streams are offered lessons entirely through a new approach that is carried out through the use of plasma televisions (TVs). The students receive uniform lessons at the same time throughout the country via satellite transmissions. These transmissions come directly from the Republic of South Africa, or are prepared in the Republic of South Africa and transported on CDs to a central station in Addis Ababa, namely, the Ethiopian Educational Media Agency, from where they are transmitted via satellite connections. The lessons transmitted include the natural sciences (biology, chemistry, physics).

(Dhalstrom 2006, p73)

The TV lessons have completely removed the teachers from the scene.

(Dhalstrom, 2006, p. 82)

The importation of foreign education materials, referred to as “cross-cultural cloning”, ends up in expanding the Anglo-American education system deep into an Ethiopian society, vehemently eroding national and regional ethical values, leaving no chance for young Ethiopians to uphold and build on their own cultural values.

(Dhalstrom 2006 p. 82)

## ■ Teachers in the developing world

The importance of the role of teachers in the education in the developing world is acknowledged by the Education For All declaration:

*The recognition of the vital role of both families and teachers is particularly important. In this context, the terms and conditions of service of teachers and their status, which constitute a determining factor in the implementation of education for all, must be urgently improved in all countries in line with the joint ILO/ UNESCO Recommendation Concerning the Status of Teachers (1966).*

(<http://www.ilo.org/public/english/dialogue/sector/techmeet/ceart/rec66i.htm> )

([http://portal.unesco.org/en/ev.php-URL\\_ID=13084&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/en/ev.php-URL_ID=13084&URL_DO=DO_TOPIC&URL_SECTION=201.html))

Similarly enhancing the status, morale and professionalism of teachers is a theme in the Dakar Framework. Yet the ways in which developing nations are encouraged to think about the teacher workforce and approach workforce management can contradict this. In a report to UNICEF endogenous privatising tendencies are evident; while the report defends teacher salaries, it also takes up a discourse of teacher-failure and promotes the use of non-qualified personnel in schools:

*Managing teacher costs does not necessarily imply reducing teacher salaries, which in many cases are already very low. Lowering teacher costs also involves more efficient teacher utilisation and deployment, more effective use of para-professionals and community members, but the costs of protecting quality while implementing these strategies substantially reduce the savings.*

(Buckland 2003 p. 34)

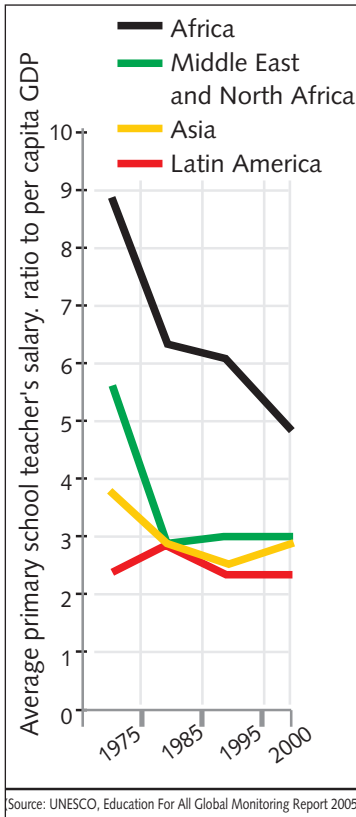
The report acknowledges that these are not straight forward cost saving strategies, but once again the normalisation of NPM approaches and prioritising financial imperatives is evident. The use of para-professionals, in particular well-trained and supported community volunteers can offer skilled support to trained teachers as well as real links into the local community. However, the presence of such para-professionals can also allow states to avoid investing in trained teachers. International Monetary Fund requirements to reduce spending on teacher salaries can be in direct contradiction to the needs of the MDGs and EFA. Where this is the case, the financial imperative overrules the need to employ more teachers in order to accommodate growing numbers of primary school children.

### Box 36. IMP Financial Targets Trump EFA Targets in Kenya

In Kenya 60,000 teachers are needed to cope with thousands of extra pupils who started coming to school after tuition fees were abolished. But the IMF target to reduce Kenya's public sector wage bill from 8.5 per cent to 7.2 per cent of GDP by 2007 means that teacher numbers have been frozen at their 1998 level.

(Emmett, 2006 p. 73)

The experience of teachers working inside schools in the poorest parts of the developing world is marked by difficulties that impede their capacity to educate the children they teach:



A teacher trapped in a ramshackle school with low wages, surrounded by disgruntled parents, irregular pupils and corrupt inspectors can hardly be expected to work with enthusiasm. The working conditions in village schools are such that most teachers would find them tough, and even the most committed teacher would find their enthusiasm waning. The most common complaint cited in field investigations is that schools are under-equipped, under-funded, understaffed and overcrowded.

(Archer et al 2002, p. 24)

Furthermore, teachers in many parts of the developing world have faced a significant drop in the value of their salaries over the last 30 years.

Many teachers in the developing world, then, face an array of challenges in influencing and delivering education.



## ■ Regulating education markets in the developing world

Many commentators, including the more critical international NGOs, concede that ambitions for universal basic education across the developed world are not attainable without the input of the private sector. As the above discussion of the EFA Declaration, Dakar Framework and World Bank agenda shows, this involvement is embedded in international policy pertaining to the developing world. In this context, the effective regulation of endogenous privatisation of existing state education or introduction of private sector providers becomes crucial. Oxfam note that regulation of Non-State Providers (NSPs) is often weak, fragmented and focused on market entry rather than market performance:

*Typically, government regulation of the many different types of NSP exists primarily on paper, and often focuses on regulating entry into the sector and monitoring the inputs used, rather than on the quality of services provided. When there is no clear government policy framework for working with NSPs, the result is a patchwork of provision — a lottery for citizens, depending on where they live and what they can afford.[...] Private service provision can go badly wrong when profit motives make services unaffordable for poor people, when companies dictate contractual terms, and when governments lack the capacity to regulate effectively.*

(Emmett 2006 pp. 51 and 61)

This regulation needs to be concerned not just with the quality of provision, but also with its impact of equity. A recent UNICEF report notes that:

*private financing of primary schooling is a phenomenon that is unlikely to diminish if even the modified targets for universal access are to be met. The challenge for policy makers is to identify the approaches to private financing that reduce inequities in access and quality rather than exacerbate them.*

(Buckand, 2003: p27).



Buckland (2003) suggests in a UNICEF report that when thinking about education in the world's poorest countries the private sector can be defined broadly as including: 'communities, private schools, NGOs and community organisations, and various levels and forms of the business community' (p. 27). This definition overlooks the profound differences in approaches, as well as values and ambitions, of these different sorts of organisations. A more meaningful pair of distinctions would be those between for-profit and not-for-profit organisation and whether these are predicated on privatising values or democratic values. However, these are not necessarily straight forward distinctions. For instance, for-profit companies such as Intel and Microsoft engage in charitable activities in the developing world, express commitments to equalising global disparities and see providing their products as part of this endeavour. Whereas not-for-profit organisations such as OLPC see Intel and Microsoft's position as at best misguided and at worst a loosely disguised attempt to extend their market dominance to the developing world, while, OLPC sees its own approach as truly democratising.

Different approaches to community involvement in education also demonstrate the need for these nuanced distinctions. At one extreme community involvement in school management reflects endogenous privatisation tendencies towards decentralisation, accountability and performance management or an exogenous privatisation impulse toward manufacturing demand-side. These can be seen in World Bank supported education projects in St Lucia and Guatemala discussed above. At the other extreme community involvement in education can be part of community development or local participatory democratic approaches, such as where local communities run schools, supported by NGOs, to meet community needs. These reflect markedly different understandings of community: the former is a clear feature of privatising tendencies, the latter is potentially a point of resistance to these privatising tendencies.

It is important not to romanticise this latter version of community involvement – in either case community members can work for their own interests at the expense of others. As is often the case in the developed world, in the developing world it is often the more influential and wealthy members of the community who may have the material and cultural resources to dominate school management committees and structures, promote their own

priorities over the needs of other sections of the community, and extract more value for their children and family from formal education.

Non-government organisations also have different underpinning values and different approaches to working in the developing world. An emerging distinction is between NGOs as education service providers (including education services that are accountable to their communities) and NGOs who are moving from service provision to civil society advocacy. Action Aid and Oxfam are both engaged in these latter moves, advocating integrating existing non-state provision into state provision and resistance to the sorts of privatising tendencies discussed in this report. Action Aid make a distinction between longstanding NGO service provision being integrated into the education provision of the state and NGOs being conceived as one of a diverse range of providers working in a context newly conceptualised as a diversified market. As such NGOs such as Action Aid and OLPC might also be seen as activist organisations.

The complexity of these roles, relationships, models of working and underpinning principles makes it difficult to distinguish between public and private in a simple way, and insists that the differences between entrepreneurial private sector organisations and other sorts of non-state providers are recognised and their distinguishing features made clear.



## RESHAPING THE STATE

These reforms are also related to and are part of changes in the forms, role and work of the state. These public sector reforms reflect, respond to and reinforce changes in the forms and modalities of the modern state. These are changes in how the state goes about its business and achieves its goals, the policy process itself, and methods of governing society. In its simplest sense this is a shift from government to governance. That is, a shift from the *government* of a unitary state to *governance* through goal-setting and monitoring and the use of diverse participants and providers to drive policy and deliver programmes and services.

Crucially, it is a mistake to see these reform processes as simply a strategy of devolution and de-regulation, they are processes of re-regulation. Not the abandonment by the state of its controls over public services but the establishment of a new form of control; what (du Gay 1996) calls 'controlled de-control'. As stressed by the OECD (1995), a new relationship of the state to the public sector is envisaged, especially in 'exploring alternatives to direct public provision' and making service provision 'contestable and competitive' - 'Corporatisation and privatisation are important policy options in this context' (p. 9)

What is emerging here is a new architecture of government based on interlocking relationships between disparate sites in and beyond the state. It is a new mode of state control – a controlled decontrol, that is the use of contracts, targets and performance monitoring to 'steer' from a distance, rather than the use of traditional bureaucracies and administrative systems to deliver or micro-manage policy systems, like education or health or social services. In general terms this is a move towards a more 'polycentric state'. This is not in any simple sense as a process of 'hollowing out the state' or any kind of thorough-going weakening of the state's capacity to steer policy, although internationally this capacity clearly varies from nation to nation. While steering may become more complicated across the 'tangled web' of policy networks, with the development of an increased reliance on 'self-administered' policy communities in most nations the 'core executive' has retained substantial authoritative presence over policy and in some respects, certainly perhaps in education, has achieved an enhancement of capacity by monopolising and deploying its unique set of powers and resources. This constitutes the shift of *emphasis* that is the move from gov-

ernment to governance. This is not a break or rupture but a shift to a concern with managing networks rather than directing state bureaucracies.

Nonetheless, more generally, these changes in the work of the state are all indications of the re-scaling of education policy and the relative decline in significance of the nation state as the dominant locus of policymaking (as was ever the case for developing countries). Overall structural coherence in education policy may no longer be automatically secured even by western states – for example the Bologna Declaration is bringing about change and convergence in Higher Education provision across the EU. As is the case in other fields of social and economic policy the difficulties involved in social management and planning are increased when the state is dealing with multi-national providers.

National education systems are being opened up to international service providers through the work of GATS (General Agreement on Trade and Services). This constitutes an emerging regulatory framework for international 'flows' of private educational services – or more accurately a framework of 'de-regulation'. While not officially part of the GATS agenda of trade liberalisation, education services are subject to a draft protocol signed by almost 40 countries interested in or willing to engage in cross-border movements of such services. This group of countries, sometimes known as the 'contact group', is animated in particular by New Zealand, Australia and Norway, all countries which give a high priority to 'education exports' as part of their national economic strategy. Furthermore, a plurilateral request on higher education has been tabled at the WTO (World Trade Organisation) by New Zealand supported by 5 other countries, targeting Argentina and 13 other countries for access to the delivery of private higher education services. The GATS rules on public services state that once any service is delivered nationally by non-state providers then access by outside providers cannot be denied. With private providers at higher education and school level, Argentina and many of the other countries named would appear to have no grounds for restricting the entry of overseas for-profit providers to their systems. Alongside GATS there are also a growing number of bi-lateral agreements for cross-border supply. The US has or is negotiating such agreements with Costa Rica, Nicaragua, Bolivia and Peru.

*EI has given special attention to the implications of GATS for education, and to the danger that GATS can pave the way for forms of privatisation in public educational systems.*



Within these shifts are a number of very different privatisations involving very different kinds of relationships with the public sector. At the centre of this there is 'the state as a market-maker', as initiator of opportunities, as re-modeler and moderniser. This is paralleled by a 're-agenting' of education policy as private companies, voluntary and NGO groups, sponsors and philanthropists act as key players in public education in highly industrialised, newly industrialised and developing nations alike.

This is not a simple story about the inevitable expansion of global business interests and the search for new sources of profit. There is a complex interrelation here between companies and states, the relationships, as Kelsey suggests are 'reciprocal and contradictory'. 'Globalised capitalism needed the state, first to restructure and then to "enable" its profitable operation and expansion across borders' (Kelsey n.d. p. 4). Increasingly nation states in the highly industrialised world provide stability and legitimacy and act on behalf of their own national businesses to promote and finance educational services, and use public policy to stimulate the outward investment dynamic, and operate as a broker for social and economic innovations, as well as attending to the focused allocation of its resources – this is the work of the 'competition state' and the development of NISs (National Innovation Systems). And indeed National competitiveness has increasingly become a central pre-occupation of governance strategies throughout the world. (Tavares and Young 2005 p. 12). The state works to develop appropriate meta-capacities and supports the development of 'new policy narratives' which in turn mobilise support behind new accumulation strategies. The state also acts as a 'commodifying agent' rendering education into commodity and contractable forms, and works through public sector reform measures to recalibrate public sector institutions to make them homological with 'the firm' and amenable to the processes of the 'market form'. States also create the economic and extra-economic conditions within the public sector which enable business to operate and to extract profit. On the other hand, capital, it is argued, offers the state a means of achieving efficiency gains in education, in terms of quality improvement while at the same time cutting costs (Hoxby, 2003).

This set of circumstances and practices can be seen as a mutual conditioning and accommodation between state and capital and PPPs of a variety of kinds. There is no simple zero-sum process here of public or private provision but often the emergence of new forms of public/private collaboration.

## ■ Reshaping welfare services

It is important to recognise that the processes of reform involved in the proliferation of privatisation tendencies in education are generic public service reform devices that appear in similar forms across other state welfare provisions such as health and social services. That is, they often form part of a more general strategy of state and public sector reform and are sometimes associated with the democratisation of the state. At the same time, it is important not to over-state the degree of order and thought that goes into market-making. There are many contradictions within and between policies and gaps between rhetoric and practice. Within the experience of privatisation there are also many inconsistencies and 'failed' experiments.

## ■ A new public service paradigm

The new public service paradigm is a reform 'package'. This is important in several senses. First, at certain times in different locations particular aspects of the package may be emphasised and others played down.

Second, the processes of enactment of reform have to be viewed over time and in terms of the relationship of various elements. Again as the OECD (1995) put it: 'A "selective radical" strategy for implementing reform may be the preferred solution ... complete re-design of governance structures is impossible' (p.9). They go on to make the point that 'reform is a journey rather than a destination' (p.9) and that reform involves 'trade offs'. These journeys and trade-offs differ between countries. The extent or significance of these trade offs in any location is an empirical question.

Third, these reform processes are not just a matter of introducing new structures and incentives but they require and bring about new relationships, cultures and values. The OECD notes that 'This fundamental change in outlook has engaged all member countries in a difficult process of cultural change' (p. 8), central to which is 'developing a performance-oriented culture' (p.8). Perhaps disingenuously, the OECD then notes that concerns have been raised about 'an erosion' of 'traditional public service values' (p.8). The privatisations that are at the core of this new public service paradigm often remain hidden by the details.



## PROMOTING PRIVATISATION

Privatisation tendencies often remain hidden behind talk of choice, accountability, effectiveness and the nuances or significance of privatisations are missed by a media and public that is either inattentive to the implications of ‘for-profit’ activity or competition between state providers in mainstream public education or is now wholly used to these practices. As noted already there are also significant and influential national and international government, NGO and private bodies that strongly advocate privatisation. They promote reforms that introduce privatising effects as ‘solutions’ to public sector problems or deficiencies, which are represented as ‘necessary’ for the development or expansion of such systems.

### ■ Advocates and proselytisers

A series of key, high level and highly influential advocates of and proselytisers for privatisation of education and other public services can be identified, for example:

- Social Market Foundation
- Institute of Economic Affairs
- Adam Smith Institute (UK)
- Milton and Rose D. Friedman Foundation (US- Sweden)
- John M. Templeton Foundation (US – private schools in Africa and India)
- Maxim Institute, Education Forum, VisionSchools (NZ)
- National Center on Education and the Economy
- The Liberty Forum
- Cato Institute
- Macinac Center for Public Policy
- Atlas Economic Research Foundation
- The Center for Education Reform
- Reason Foundation (slogan – ‘free minds and free markets’) (US)
- The Fraser Institute (Canada)
- The Liberty Institute, Centre for Civil Society (slogan ‘Soldiers for a second freedom movement’)
- The Educare Trust (India)



These organisations, and there are many, many others, provide a platform for neo-liberal political ideas and for policy ideas like school choice, vouchers and contracting-out. Many, especially in the United States, tend to be staunchly anti-government and pro-liberty (defined particularly as the freedom of the individual from the intervention of the state) and are generally antagonistic toward publicly run services. They fund research into non-state alternatives and in some cases fund policy initiatives. They are often adept at getting media coverage for their reports and publications and in particular get a sympathetic hearing in the right-wing press.

An example of the mix of reporting, critique and advocacy which marks much of the output of these organisations comes from the Cato Institute. The Cato Institute describe themselves as 'market-liberals' which, the website states 'combines an appreciation for entrepreneurship, the market process, and lower taxes with strict respect for civil liberties and scepticism about the benefits of both the welfare state and foreign military adventurism'. Cato receives approximately 75 percent of its funding from individuals, with lesser amounts coming from foundations, corporations, and the sale of publications. The Cato Institute is a non-profit, educational foundation and its 2005 revenues were over \$22.4 million, and it has approximately 95 full-time employees, 70 adjunct scholars, and 20 fellows, plus interns. In a recent publication (A Survey of For-Profit Education, 2000) written for Cato by Carrie Lips, the term "Edupreneurs" was coined to describe education companies who 'are entering the education marketplace in droves with creative, cost efficient products and services for students of all ages.

*This rapidly expanding industry, which constitutes approximately 10 percent of the \$740 billion education market, demonstrates that private enterprises, even when competing against a monopolistic system, can deliver a wide range of affordable high-quality educational services. This study provides a glimpse of the products, services, and innovations that a fully competitive marketplace could generate if the government's stranglehold on education were loosened.*

(Executive Summary).



### **Box 37: A case study of market advocacy – James Tooley**

Like a 21st-century Indiana Jones, University of Newcastle professor James Tooley travels to the remotest regions on Earth researching something that many regard as mythical: private, parent-funded schools serving the Third World poor. Government officials from across Africa, India and China repeatedly tell him that such schools do not exist in their countries -- often after he has already visited those schools and interviewed their students and teachers (Philanthropy Roundtable Website)

One of the ways in which pro-market, pro-choice advocacy works is through the circulation and re-circulation of ideas and the joining-up of points of articulation. Foundations and think-tanks and the media are important in the take up and dissemination of ideas and their establishment within policy-thinking. In 2006 James Tooley, a Professor from the University of Newcastle UK won an essay competition sponsored by the Financial Times and the International Finance Corporation (the commercial arm of the World Bank) on the private sector's role in development with a prize of \$US30,000. Previously in 2001 Tooley had done work for the IFC directing a global study of investment opportunities for private education in developing countries (The Global Education Industry).

The Atlantic Monthly published a feature story on Tooley and his research and the John Templeton Foundation asked him to manage a \$US100m fund for investment in private schools for the poor in developing countries. The John Templeton Foundation funds the Cato Institute and Freedom's Watch as well as many major US universities and is a proponent of 'intelligent design' and funds research projects and teaching programs that promote enterprise-based solutions to poverty.

Tooley's writing about his private school projects or features on his work have also be published by the Hoover Institution, Education In India, The Fraser Institute, The Mackinac Center, Institute of Economic Affairs (of which Tooley is a member), National Center for Policy Analysis, The Wall Street Journal, the campaign School Choice India (Fund Students, Not Schools! – which features of the website of Atlas Economic Research Foundation, also funded by Templeton, and which lists Tooley as a School Choice schol-

ar on their website, the campaign is headed by the Centre for Civil Society), Policy (published by the Centre for Independent Studies), the Mont Pelerin Society (regional meeting in Goa), The Unesco Courier, Opportunity International, India Together, The Educare Trust and the Liberty Institute (“an independent think tank dedicated to empowering the people by harnessing the power of the market. We seek to uphold the four institutional pillars of a free society -*Individual Rights, Rule of Law, Limited Government and Free Market*” -website.)

The Educare Trust, to which Tooley is an international adviser, awards the E.G. West Scholarships (Tooley is Director of the E.G. West Centre at the University of Newcastle) to parents in Hyderabad from low-income families who wish to send their children to Private schools. The Educare Trust also provides a financing facility for private schools operating in low-income areas, providing loans. Education In India quote from Tooley's 2005 IEA 50th Anniversary Lecture: ‘My prediction is that innovation in education, if freed from the restraints of the state, will mean challenging the grossly inefficient and wasteful systems that governments have set in stone. Once this happens, education can be reclaimed from the “two tyrannies”, the state and schooling. Free of the state, the educational market will be free to challenge the shibboleth of schooling’.

Tooley is also President of the Orient Global Fund, a \$US100m education fund, set up in February 2007 by the philanthropic arm of Singapore-based institutional investor Global Orient. Also in 2007 the GO Fund purchased 9.4% of NIIT Limited India's premier education and training company.

The claims and arguments of the proselytisers of privatisation are often difficult to counter. Opposition by teachers or teacher unions or researchers working in the public sector are labelled as a defence of special interests and further indication of a resistance to innovation.



**Box 38: Welcome to easyLearn, Class 1.**

The unions are scaremongering. The present reforms are only toying with privatisation. To bring profit and fees into that system – now, that would be progress. What could it look like here? Gazing into my crystal ball, I see chains of learning centres carrying the distinctive bright orange logo of ‘easy learn’ competing with those sporting the red ‘V’ of ‘VirginOpportunity’. Competition between these players would make good schooling affordable to all, accelerate the pace of learning innovation, and end the system mired in complacency and underperformance. I guess the unions would be right to be worried then. But parents and children could rest easy, and grasp the new opportunities offered. (James Tooley, Times Online April 17th 2006)

■ **Trans-national promotion**

High-leverage organisations such as the OECD, EU (Round Table of Industrialists), UNESCO, World Bank/IMF, IFC (International Finance Corporation) and WTO have historically had differing approaches to education policy. However, increasingly they speak about the possibilities of reform in similar ways and promote similar reform agendas, albeit using somewhat different policy vocabularies. The language of privatisation is sometimes used explicitly by these agencies (see Box 24) in relation to public sector reform but often privatisation effects are embedded implicitly in the tactics of reform that they advocate.

**Box 39: World Bank Privatisation Toolkits**

The World bank offers ‘privatisation toolkits’ which explain how governments can privatise and regulate infrastructure services to open up opportunities for private sector investment, improve access, and protect consumers. These toolkits look at issues that cut across sectors as well as taking an in-depth look at five individual sectors. (The World Bank Toolkits website <http://rru.worldbank.org/Toolkits/#sectorspecific>)

Despite only contributing 0.5% of educational spending in the 1990s the influence of the World Bank is disproportionate and is 'felt through policy advice, consultants, offshore training of officials, selectively authored reports, as well as debt conditionalities' (Kelsey n.d. p. 10). For the last two decades the World Bank has increased its economic and ideological influence in setting the educational policy agenda particularly in relation to less developed countries. 'The World Bank lies at the centre of the major changes in global education of our time ... It has served as a major purveyor of western ideas about how education and the economy are, or should be connected' (Jones 1992 p. xiv). The economic crises in Sub-Saharan Africa and Latin America in the 1980s, alongside the reduction of bilateral forms of educational aid, created the 'opportunity' for the World Bank through its Structural Adjustment Programmes (SAPs)\*\*(see page 111), and loan conditionalities (that is policy commitments that are required of borrower countries as conditions for loans) to become an influential actor in the process of educational globalisation. Specifically, 'Its commitment to education has been no less than a celebration of human capital theory' (Jones 1992) and a 'vigorous' promotion, as Jones puts it, of privatisation, as a response to declining public budgets for education, especially in Africa. This is based, as the Bank see it, on the one hand on 'the willingness of households to contribute resources directly to education' and on the other, the inefficient use of resources in schools 'reinforced by the lack of competition between schools' (World 1986). Jones notes that 'fewer and fewer Bank loans by the end of the 1980s were free of the obligations imposed by loans conditionality to promote the privatisation of education through the building up of a system of private institutions and the expansion of user charges in the public sector' (p. 249). Indeed, this approach to funding policy and the transformation of public sector organisations became an 'inviolable orthodoxy', as ex-World Bank Chief economist Joseph Stiglitz calls it (Stiglitz 2002 p. 43). During the 1990s the World Bank policy hegemony in the economic, social and educational policies for development was subject to serious challenge as Structural Adjustment Programmes as a mechanism for achieving economic growth appear to have had little positive effect. However, 'while there are some movements in the WB agenda, the theory, principles and expected outcomes of the WB education policy remain unaltered'. (Bonal 2002). Jones (2007) makes the same point; 'If anything, the Bank has become increasingly insistent, even strident, although it has made serious attempts to moderate its language, soften its image and mollify its critics'.



In practical terms the World Bank Group offers an education investment information facility, known as EdInvest. This is a forum for individuals, corporations and other institutions interested in investing in education in developing countries and provides information for making private investment in education possible on a global scale. Through its commercial arm, the IFC (International Finance Corporation), the World Bank offers financial support to companies wanting to start-up or expand their activities in public services markets (e.g. *Investing in Private Education*, IFC 2001). The current IFC priorities are:

- Technology based education companies and projects
- Financing of student loans and cross-border accreditation
- IT development and 'for profit' education companies

These 'investments have to meet IFC's required rate of return and only be made in an enabling policy environment that reduces or diminishes restrictive regulations on the education market' (Kelsey p. 11).

The OECD also provides discursive scaffolding for privatisation of public services through the notion of 'contestability'. The educational policy work of the OECD is based mainly on research and supranational information management – the instruments of which are published country-by country and as comparative analyses, statistics and thematic reviews. The OECD differs from other supranational organisations especially in that its influence over the education policy of the 30 member states is based on the collection, processing, classification, analysing, storing, supplying and marketing of education policy information. The OECD is unable to take any legally binding decisions or issue obligatory education policy recommendations. However, the OECD has developed an advisory role to policymakers at the highest level and thereby exerted a widespread influence on the social and economic policies of its member states in multiple but indirect ways.

**Box 40: The OECD Promoting 'Public Management Reforms'**

A good example of the generic reform model comes in an OECD report, *Governance in Transition: Public Management Reforms in OECD Countries* (OECD 1995).

The OECD, with an odd but telling blend of description and imperative, summarises these reforms as what they call a 'new paradigm for public management': a closer focus on results in terms of efficiency, effectiveness and quality of service; the replacement of highly centralised, hierarchical organisational structures by decentralised management environments where decisions on resources allocation and service delivery are made closer to the point of delivery, and which provide scope for feedback from clients and other interest groups; the flexibility to explore alternatives to direct public provision and regulation that might yield more cost-effective policy outcomes; a greater focus on efficiency in the services provided directly by the public sector, involving the establishment of productivity targets and the creation of competitive environments within and among public sector organisations; and, the strengthening of strategic capacities at the centre to guide the evolution of the state and allow it to respond to external changes and diverse interests automatically, flexibly, and at least cost. (p.8)

Within the European Union 'partnerships' with business are seen as 'an effective framework for mobilising all available resources for the transition to the knowledge based economy' (EU 2000 para. 41). As Robertson explains:

*For key economic actors, like the large transnational firms IBM, Cisco and Nokia, amongst others, participating in the creation of a European educational space means generating the conditions for their investment in the lucrative education market without the impediments of existing institutional arrangements. (2002 p.2)*

These partnerships blur the boundary between the public and private sectors and can work to colonise government and public bodies with ideas and concepts from the private sector and re-make public sector actors as entrepreneurs. The EU does not enact education policies as such, this is formally beyond its remit. However, some EU programmes and initiatives (the Bologna Declaration is a case in point) act in effect as policies across EU countries through the process of harmonisation. These education policies work towards the creation of a 'European educational space', which is being shaped by various supra-national administrative bodies, networks and cultural and economic projects.



## THE IMPACTS OF PRIVATISATION

### ■ The Impact of quasi-markets

As explained above, the creation of education markets rests upon the introduction of the dynamics of competition into public sector systems with the effect of breaking them down into separate ‘business’ units. That is, competition between providers – schools, colleges and universities/ state, private and voluntary – to recruit students in order to maximise their ‘income’.

Competition as a device is only effective when market ‘failure’ impacts on the survival or well-being of individual organisations or organisations are able to respond to competitive pressures. In education the competitive dynamic is animated by parental and student choice set alongside devolved per-capita funding. However, there is no simple relationship between parental choice and school quality and nor do schools compete for recruits ‘on a level playing field’.

The pressures of competition can also in some circumstances lead to ‘opportunistic behaviour’ on the part of schools. For example, overt and covert practices of selection may be introduced into schools as they endeavour to ensure that they have a population that they deem to be most likely to perform well in relation to external measures. As one English headteacher put it at an education conference:

*If you want to improve the performance of your school get control of your admissions.*

(South London Comprehensive Headteacher).

One of the most frequent findings from studies of choice systems is that schools that are most successful in terms of published market information (test scores etc.) have skewed or unrepresentative student populations. As these assessments of which students will serve the school best in the marketplace are inflected by assumptions about the intersections of class, race, ethnicity and gender with ‘ability’, these selection processes can also lead to segregation and homogenisation of school populations.



**Box 41: Social Segregation in English schools**

The prime minister should focus his public service reform agenda on closing the gaps between social classes, according to a leading think-tank. The Institute of Public Policy Research (IPPR) argues that the focus on "choice" has helped the better off, but to help the poorest people, public services need to be "personalised".

Schools that control their own admissions are more socially segregated, and educational under-achievement is concentrated among children from lower socio-economic groups, the IPPR report shows.

Just one in three children eligible for free school meals achieves five A\* to C-grade GCSEs (33%), which is significantly lower than the proportion of those not eligible for free school meals (61%).

Fewer than two out of three children eligible for free school meals achieve the expected standard in English at the end of primary school (61%), compared with more than four out of five of those not eligible (83%).

And fewer than two out of three of the children eligible for free school meals achieve the expected standard in maths at the end of primary school (58%), compared with almost four out of five of those not eligible (79%).

The report says the government should prevent schools from "cream skimming" the best pupils by giving responsibility for admissions to local authorities.

Anthea Lipsett Monday October 8, 2007  
EducationGuardian.co.uk

As some schools secure a desired student population and strong position in the market, others become residualised, with an under-supply of students, and an over-representation of those who have been rejected by or selected out of the higher status, higher performing schools. These circumstances lock such schools into cycles of poor performance and student and teacher attrition. Schools are also subject to reputational effects which may be historic or may be related to the nature of their actual student intake. Studies of choice clearly indicate a tendency for socio-economic and ethnic groups to make school choices, in part at least, on the basis of being with 'others like us' and a concomitant avoidance of those perceived as 'dangerous others'. However, there are also studies which show that some parents value social diversity as part of the educational experience of their children (see Ball, Vincent et al. 2004).



Yet in quasi-education markets the supply-demand mechanism does not necessarily 'bankrupt' these residualised schools. Rather they continue to operate in circumstances of poor resourcing, difficulty in attracting students and teachers, low performance in terms of the external measures, and increased levels of external monitoring and intervention. Indeed, the market effect on these schools can trigger a 'spiral of decline'. And one aspect of such a spiral is not only increased difficulty in attracting some sorts of students but also difficulties in attracting or retaining experiences and well-trained teachers.

For example, work by Lora Bartlett in the UK and California USA indicates that less experienced and overseas trained teachers are concentrated in those schools and school districts which have the highest proportions of students from low socio-economic groups. She suggests that her 'analysis is compelling enough to conjecture that England, like California, has an inequitable distribution of qualified teachers with low-income and minority students most likely to be taught by the least experienced and most transient teachers. While seniority is a poor proxy for actual years experience – it does demonstrate a plausible relationship between teacher mobility, student demographics and student achievement' (L. Bartlett (2004) Policy Remedies for Teacher Shortages in the UK and USA, Foreign and Commonwealth Office, London, p. 16).

## ■ The impact of new public management and performance management

*I love the contact with the children and when I say paperwork, I'm not talking about marking or preparation. It is the interference, not from the head, but from the Government and outside bodies ... So much of the pleasure is going from it ... We are so busy assessing children that we're forgetting to teach them.*

(Frank a teacher quoted in (Woods, Jeffrey et al. 1997 p. 80)

The setting, monitoring and reviewing of performance, and the rewarding of performance achievements, are key tools of management. Performance management is a method to achieve a constant state of review, appraisal and 'improvement' within organisations. But 'performance management' is more than monitoring – it has the capacity to reshape organisations and indeed to reshape them into its own image.

Performance management in practical terms rests on the increasing use of databases, appraisal meetings, annual reviews, report writing, quality-assurance visits, the publication of student achievements, inspections and peer reviews to make schools and teachers visible and constantly accountable. The teacher is subject to a constant flow of judgments, measures, comparisons and targets. Information is collected continuously, recorded and published often in the form of "League Tables", or similar comparative tables.

One effect of these processes of surveillance is to re-orient teachers' pedagogical activities towards those which are likely to have measurable performance outcomes and away from aspects of social, emotional or moral development that have no immediate performative value. Teachers' judgments about classroom processes are thus subverted and superseded by the demands of measurement. For many teachers this changes the way in which they experience their work and the satisfaction they get from it – their sense of moral purpose and of responsibility for their students is distorted. Practice comes to be felt as inauthentic. Relationships with colleagues may also change as they come to be viewed more in terms of their performative worth than their value as persons. Such an infrastructure of performance indicators and review also puts in place the mechanisms for systems of performance-related-pay (see below). Performance management systems also provide effective leavers for governments to exercise control-at-a-distance over schools or what is sometimes referred to as 'steering rather than rowing' – as in the case of the *No Child Left Behind* programmes in the USA.

Within arenas of educational competition employees are required, individually and collectively, to recognise and at the same time *take responsibility for* the relationship between the security of their employment and their contribution to the competitiveness of the goods and services they produce. We are encouraged to see our own 'development' as linked to and provided for by the 'growth' of our institution.

Performance management and the linking of outputs to competition in choice systems may also have general consequences for the way in which students experience school. In the UK a recent review of primary education (November 2007) has suggested that increased use of testing is related to raised levels of stress among students and that gains in reading skills have come at the expense of pupils' enjoyment of reading; that there has been a narrowing of the primary curriculum in response to the perceived pressure of testing; and



the persistence of a much bigger gap between high and low attaining pupils than in many other countries.

## ■ Raising student achievement

The evidence of the achievement effects of privatisations are very unclear, contradictory and hotly-contested. Most of the evidence comes from the United States or UK and in the former some of it is funded or promoted by pro-choice, pro-market organisations.

Hoxby, an economist, in a review of evidence published in 2003 (Hoxby 2003) concludes that public schools respond to competition by becoming more productive, that students' achievement rises when they attend schools of choice and that students attending private schools with vouchers or who switch to charter schools are neither more advantaged nor higher achieving than other students and, hence, that cream-skimming is not a problem. However, (Ladd 2003) (who is Edgar T. Thompson Distinguished Professor of Public Policy Studies and Professor of Economics, Sanford Institute of Public Policy, Duke University), offers a different interpretation of Hoxby's evidence and concludes that:

*recent evidence from both Texas and North Carolina, which is based on careful statistical models specifically designed to counter any selection effects that would bias the results, indicates that students in charter schools experience smaller gains in achievement than they would have had they remained in the traditional public schools (Hanushek, Kain and Rivkin, 2003; Bifulco and Ladd, 2003), at least for the first few years in which those schools are operating. Thus, the case that choice, whether in the form of vouchers for private schools or in the form of charter schools, generates higher achievement is far less compelling than suggested by Hoxby. While some students may well do better in such schools than they would have had they remained in traditional public schools, the US evidence provides no support for a positive achievement effect for the typical student who moves to such a school (p. 73).*

In contrast again, (Wobmann 2007) reports that evidence from four international student achievement tests on the effects on student performance of competition from privately managed schools, schools' freedom to make autonomous decisions, and accountability introduced by external exit exams:

*reveal that students perform better in countries with more competition from privately managed schools, in countries where public funding ensures that all families can make choices, in schools that have freedom to make autonomous process and personnel decisions, where teachers have both freedom and incentives to select appropriate teaching methods, where parents take interest in teaching matters, and where school autonomy is combined with external exams that provide an information basis allowing for well-informed choices and holding schools accountable for their autonomous decisions.*

However, Martin Carnoy's research in Chile again suggests otherwise (see Box 43) and in a review of English research (Adnett and Davies 2002) make the point that:

*A wide range of policy reforms has been stimulated by the market choice critique. In most countries preferred responses have usually included open enrolment and increased performance monitoring, jointly intended to create greater inter-school competition in order to achieve the objective of higher pupil attainment levels. However, school effectiveness research within English secondary education, surveyed below, suggests that within school variations account for a higher proportion of the overall variability of pupil attainment levels than that due to between school variations.*

Finally, (Gibbons and Silva 2006) report from their DES funded study of English schools that:

*Our findings for English primary schools suggest that competition has no causal effect on the performance of schools. Most of the observed positive correlation between the number of competing schools and pupil attainments is driven by unobserved neighbourhood characteristics or endogenous selection of pupils with choice into better quality schools. Yet, we uncovered evidence that school competition may exacerbate stratification of schools by student attainment. Although our results are imprecisely estimated, they hint at a potentially large impact from expansion of competition on polarisation of schools by pupil abilities. All in all, our analysis suggests that further expansion of quasi-market discipline in the public education sector may come at some costs, and with few evident benefits.*



On a different aspect of the issue here, a recent Rand Corporation study of Philadelphia (Gill, Zimmer et al. 2007) offers an interesting contribution to the rather confusing body of evidence. In 2002 the state of Pennsylvania took control of the Philadelphia public schools, and the School Reform Commission launched an experiment to compare the student achievement outcomes produced by turning over the 45 elementary and middle schools to seven pro-profit and not-for-profit managers. The detailed review concluded that: 'On average, schools managed by private providers were doing neither better nor worse at raising student achievement than were schools in the rest of the district' (p. 39) and that 'Philadelphia provides no evidence to support private management as an especially effective method of promoting student achievement' (p. 41).

While not anything like comprehensive these examples of research indicate both some evidential support for privatisations and other evidence showing no effects or negative consequences. What is clear is that there is no clear-cut evidence base for the benefits of choice or privatisation in raising student performance over and against regulated state provision of schooling.

## ■ Privatising educational identities

Targets, accountability, competition and choice, leadership, entrepreneurship, performance-related pay and privatisation articulate new ways of thinking about what teachers do, what they value and what their purposes are. They bring into play new roles and relationships, between teachers and students, and teachers and parents and among teachers themselves (as noted above), those of client/consumer and competitor, manager/managed, contractor, appraiser/inspector/monitor, and they exclude or marginalise previous roles, loyalties and relations built on trust. All of these new relationships are both highly instrumental and are articulated almost entirely in relation to performance.

## ■ Privatisation and the transformation of identities

### *Headteacher to Manager*

Management represents the insertion of a new mode of power into the public sector, it is a 'transformational force'. It plays a key role in the weakening and breaking-down of professional-ethical systems of decision-making in

schools and their replacement by entrepreneurial-competitive ones – a process of ‘de-professionalisation’. The replacement of service ethics with the ethics of competition involves what Richard Sennett calls the ‘corrosion of character’ (Sennett 1998). One of the logical consequences of such developments is the increasing use of individual ‘contracts’ with specified output indicators as a basis for teachers’ employment, and indeed the use of home-school contracts to tie students and parents more tightly to the performance improvements of the school.

### ***Teacher to Technician***

Performance management and competition between institutions have effects of various kinds on inter-personal and role relationships (vertical and horizontal) of teachers within schools: specifically, increased emotional pressures and stress related to work; increased pace and intensification of work; and changed social relationships.

There is evidence of increased, sometimes deliberately brought about, internal competition between teachers and departments. There is a concomitant decline in the sociability of school life. Professional relationships are becoming individualised as opportunities for collegial communities and professional discourse are diminishing; and relationships are made amenable to and redefined in ‘contract’ form, or as ones of ‘contractual implication’ within and between institutions.

New public management and its component practices create an increase in paperwork, systems maintenance and report production and the use of these tools to generate performative and comparative information systems. This brings with it both increased surveillance of teachers’ work and outputs and a developing gap in values, purpose and perspective between senior staff, on the one hand, with a primary concern with balancing the budget, recruitment, public relations and impression management, and teaching staff, on the other, with a primary concern with curriculum coverage, classroom control, students’ needs and record-keeping.

The pressures of competition can also impact on the forms of pedagogy deployed in the classroom with an increased emphasis on ‘teaching to the test’ through rote and repetition. Some schools have also introduced test and examination-skills coaching for students and test practice sessions. The students’ classroom



experience becomes narrowed and diminished and the teacher becomes more reliant on pre-prepared 'teacher proof' materials, scripted state programmes, curriculum plans which control instructional pace and directive methods of teaching. Some research suggests that it is the least experienced teachers who are most likely to adopt such prescriptive schemes of work and therefore students in 'low-income' schools who are most likely to be confronted with these classroom regimes (see below).

### **Box 42 Teaching to the Test**

A recurring criticism of tests used in high-stakes decision making is that they distort instruction and force teachers to "teach to the test." The criticism is not without merit. The public pressure on students, teachers, principals, and school superintendents to raise scores on high-stakes tests is tremendous, and the temptation to tailor and restrict instruction to only that which will be tested is almost irresistible.

Although many view teaching to the test as an all or none issue, in practice it is actually a continuum. At one extreme, some teachers examine the achievement objectives as described in their state's curriculum and then design instructional activities around those objectives. This is done without regard to a particular test. At the other extreme is the unsavory and simply dishonest practice of drilling students on the actual items that will appear on the tests.

In addition to offending our moral sense, teaching the actual items on a test (what James Popham calls "item teaching") is counter-productive for the very practical reason that it makes valid inferences about student achievement almost impossible. There is nothing special about the set of words that happens to appear on a given vocabulary test. We assume that the words are a sample from a larger population of words, and we want to infer something about the students' knowledge of this larger set, their general vocabulary. In like manner, we want to infer that students can solve not only the particular set of math problems on a test, but that they can solve an entire class of problems. Drilling students on a specific set of test items destroys our ability to generalise to this larger domain. (Lloyd Bond: The Carnegie Foundation for the Advancement of Teaching [www.carnegiefoundation.org/perspectives/](http://www.carnegiefoundation.org/perspectives/))



In the context of competitive and contract funding, there is an individualisation of schools and of the school workplace – more and more short term projects, and the increased use of freelancers, consultants, agency-workers, fixed term contracts, skill-mixes – these new kinds of workers are sometimes ‘with’ and ‘for’ the organisation, rather than ‘in’ it.

Extrapolating from the research evidence on teacher satisfaction and morale would indicate that the sorts of impacts and changes described here will have negative effects. A decline in levels of satisfaction and morale in turn have consequences for recruitment and retention. Research on teacher satisfaction repeatedly finds that salary is not a major factor in producing high levels of satisfaction but that conditions of work, involvement in decision-making, good relations with ‘management’ and classroom autonomy all are. All of these factors are threatened or diminished by the effects of the combination of competition, new managerialism and high-stakes accountability.

### ***Student to output asset or liability***

Quasi-markets, as noted above, lead to the development of local economies of student worth in which students are deemed to be desirable, or not, on the basis of whether they are perceived to be an asset or liability in relation to indicators of school performance.

In such local economies of student worth those students who are seen as having high levels of academic ‘ability’ and as being easy to manage and teach are highly valued and sought after by schools. Conversely, those students who are perceived as being of lower academic ‘ability’, or have special needs, or are perceived as presenting behavioural challenges, or who are recent immigrants with additional language needs are avoided. Where these judgements influence access to schooling they are one aspect of social segregation between schools and the homogenisation of student populations inside schools.

Where schools continue to be relatively mixed, the judgement of the value of students to the school in terms of performance indicators continues to influence school practices. In efforts to meet externally imposed performance targets and remain competitive in the market, schools sort, select and unevenly allocate resources to students in attempts to maximise the school’s overall performance. This has been described as ‘educational triage’ where the safe,



the treatable and the hopeless are differentiated and unevenly treated (see Gillborn and Youdell 2000). The logic of competition and performance can lead to schools focusing attention on those students most likely to boost measurable outcomes and the systematic neglect of those predicted to 'under-perform'.

These processes, driven by the demands of the education market, mark a shift from all students being perceived as learners to a narrow conception of the student and learner defined in terms of external performance indicators. The combination of these 'local economies of student worth' and the different skills and resources and priorities that parents bring to school choice works to generate social patterns of selection and sorting.

#### **Box 43: Selection and Sorting in Chile**

Martin Carnoy, a professor of education and economics at Stanford University, concludes that Chile's voucher system has worked to worsen educational opportunities for low- and middle-income families, and decrease overall academic achievement. ([www.rethinkingschools.org](http://www.rethinkingschools.org)) He identifies several negative results of this reform. Among them, that in Chile, as in Europe, those who took advantage of the subsidised private schools were predominantly middle- and higher-income families. As a result of the voucher reform, there was a massive movement of Chilean students into private schools, in particular middle-class and upper-middle-class children. By 1990, of families in the lower 40 percent of the income distribution, 72 percent attended municipal public schools. In the next highest 40 percent income bracket, only 51 percent of the families sent their children to public schools, with 43 percent in subsidised private schools and 6 percent in elite private schools not participating in the voucher system, where parents paid the full tuition. And in the top 20 percent income bracket, only 25 percent had their children in public schools, with 32 percent in subsidised private schools and 43 percent in elite private schools. Another result was that the increase in pupil achievement predicted by voucher proponents appears to have never occurred. Scores in Spanish and mathematics from two nationally standardised cognitive achievement tests implemented in 1982 and 1988 for fourth graders registered a national decline of 14 percent and 6 percent, respectively. According to World Bank economist Juan Prawda, the test scores fell most

for low-income students in public schools, but they also fell for low-income students in voucher-subsidised private schools

([http://www.rethinkingschools.org/special\\_reports/voucher\\_report/v\\_sosintl.shtml](http://www.rethinkingschools.org/special_reports/voucher_report/v_sosintl.shtml)). A careful analysis of school inputs and outcomes for the World Bank (Hseih and Urquiola 2002), demonstrated of the Chilean voucher scheme that:

...the first-order effect of this program was increased sorting, as the "best" public school students switched to the private sector.... using test scores, repetition rates, and grade for age as measures of achievement, we found no evidence that the large re-allocation of students from public to private schools improved average educational performance in Chile.

The continuation of the voucher scheme has recently provoked widespread social opposition on the streets of Chilean cities. Chile provides a laboratory for examining the workings and effects of a neo-liberal education system and Martin Carnoy's research on Chile's schools seems very clear about its consequences but the research evidence is viciously contested by pro-choice groups in the USA.

## ■ Privatisation and educational inequalities

Education markets and the demand for schools to compete against each other have, in many contexts, seen an overall increase in educational outcomes as defined by external performance indicators.

However, these patterns of overall improvement have masked growing gaps between the most advantaged socio-economic groups and the least advantaged groups as well as between ethnic majorities and particular minority ethnic groups. The economies of student worth and practices of educational triage outlined above have been identified as key factors in producing and exacerbating these gaps. Also as indicated above systems of choice and competition between schools have the effect of producing differences in the conditions of and experience of schooling for students from different social backgrounds.

These 'improvements' in performance also often constitute little of long-lasting social and educational worth in terms of students' learning and personal development.



## ■ Transforming labour relations and teachers' work

Forms of privatisation in education have provoked a re-working of labour relations and conditions of employment. This brings with it concomitant constraints on the role of education unions and undermines collective bargaining and employment agreements.

New public management introduces and monitors performance targets, and the work of teachers is both individualised and subject to forms of outputs-based measurement. These outputs-based measures of performance create the conditions where performance-related contracts of employment and pay can be introduced.

Privatisation tendencies have also brought with them moves to make teachers' contracts more flexible and to introduce into education settings personnel without teaching qualification, whose lower pay and softer contracts allow significant efficiency savings to be made. This in turn has negative implications for the positions available to qualified teachers and their conditions of work once employed. In many systems these are the new norms of education employment.

Individualised contracts, performance-related pay, flexible contracts and the mix of qualified and other teaching personnel come together to differentiate teachers both inside education systems and even inside individual schools.

These changes are part of a move away from structures and bureaucracies towards more malleable and temporary relationships. They are driven and facilitated by performance and out-put monitoring, benchmarking and competition between individual practitioners, departments and schools and the use of bonuses and incentive systems. In 2003 the Ministry of Education of Mongolia published a handbook of outcomes-based education with many examples of students benchmarks and teacher scorecards. 'The following year, every school had to develop outcomes contracts with staff and adjust bonus payments according to performance' (Steiner-Khamsi 2006 p. 672). In 2005 the government of Kyrgyzstan introduced a 'Creating Teacher Incentives' project, which included performance-related incentive payments, as a condition of receipt of a \$15m World Bank loan for a rural education development programme.

Unions in different national contexts have responded differently to proposals for 'privatising' reforms, work re-structuring and change in the organisation of teaching careers. National teacher unions have been more or less able to negotiate forms of agreement in relation to teachers' work and conditions of employment in response to reform initiatives and in some instances have successfully opposed reforms which 'privatise' teachers work (see Boxes 44 and 47). On the other hand, in some developing countries teacher unions have responded pragmatically and accepted reforms that expand educational provision and work in coalition with aide and development partners particularly where the state is unable to maintain and expand basic provision and train teachers adequately.

**Box 44: PRP in Australia**

Australia's powerful teacher union is drawing up its own plans for performance-related pay in schools, despite opposing the Howard Government's push to introduce a federally imposed system by 2009. After months of fighting Canberra over the issue of performance-based pay for teachers, the Australian Education Union is working on a proposal to reward staff with more money based on merit and professional standards after they reach the top of their salary scale. One model being considered is for a new salary band to be added to the top end of the wage scale. Teachers - whose salary begins at about \$46,000 and rises to \$66,000 unless they take on a leadership role or extra responsibilities - could apply for a rise within the proposed new band by demonstrating what they have achieved in the classroom, as well as undertaking professional training to increase their skills.

Rewarding teachers for performance rather than just years of service has long been a political battleground between Canberra and Labor states, which last month rejected Ms Bishop's (Education Minister) bid to introduce performance pay within two years.

The Age May 2007)

**Box 45: PRP Research in England**

There is little evidence that performance-related pay for teachers will improve their motivation or their pupils' exam results or attract highly qualified graduates into the profession. According to a study published by the Institute of Education, it is difficult to determine the impact of any one teacher on a pupil's progress. Therefore, it is impossible to tell whether the promise of a performance-related bonus would be the cause of better pupil results. "A pupil may have private tuition, help at home, or any number of external influences. So we may never know objectively whether PRP has positive effects on pupil learning outcomes," says Professor Peter Dolton, co-author (with Steven McIntosh and Arnaud Chevalier) of *Teacher Pay and Performance*. The study also suggests that the teacher shortage crisis stems from the low pay in the profession relative to what could be earned in other careers. "One reason why maths is a shortage subject is that good maths graduates can earn much more in business," says Professor Dolton.

(Institute of Education, University of London, 2003)

**Box 46: OECD advocates PRP in Hungary**

In compulsory education the authorities recently took welcome steps to improve quality, notably with the introduction of output measures of student and school performance as well as teaching of ICT and language skills. However, the teaching profession needs a better alignment of teacher education, career incentives, professional development and school needs. Excessive job protection needs to be addressed as it is undermining motivation. Pay structures also need reform; though teachers, along with other public servants, have got large pay increases over the past couple of years, the salary structure overly rewards senior teachers and performance-related pay components remain low.

(OECD: *Economic Survey of Hungary 2005: Policies to promote innovation*)

**Box 47: PRP in low-income countries**

Performance-related pay for teachers in low-income countries is rare, which to a considerable degree is a reflection of limited resources and weak management structures.

Teacher unions have also universally opposed merit-based pay on the grounds that it is de-motivating and is antithetical to teamwork and collegiality. For example, a system of merit-based pay increases was introduced in Benin in 1999, but teachers went on strike in late 2003 to restore the old system of automatic pay increases. In the late 1990s, teachers at 50 rural primary schools in Western Kenya were given sizeable pay bonuses (up to 40 per cent of basic pay) depending on student performance. The assessment of the scheme by Glewwe et al concludes that 'drop out did not fall, teacher attendance did not improve, homework assignments did not increase, and pedagogy did not change'. However, they found that pupils were more likely to be tested and cramming sessions were more common immediately prior to the examinations. In other words, teachers concentrated on 'manipulating short-term results'. (Teacher motivation and incentives in sub-Saharan Africa and Asia by Paul Bennell, Knowledge and Skills for Development, Brighton, UK, 2004)

**■ Privatisation as new moral environment**

Privatisation reforms also change what is important and valuable and necessary in education. The new policy paradigm, and the market form in particular, constitutes a new moral environment for both consumers and producers. Within this new moral environment schools, colleges and universities – their staff and their students – are being inducted into a 'culture of self interest'. Self-interest is manifest in terms of survivalism. That is, an increased, often predominant, orientation toward the internal well-being of the institution and its members and a shift away from concern with more general social and educational issues within 'the community'.

(Saltman 2000) argues that the hegemony of the market – its acceptance as self-evident common sense -- and the profit incentive are displacing the struggle over values, which is an essential condition of democracy. What we are seeing here is a kind of collapse of the boundaries between moral spheres, which follows the breakdown of the demarcations between public and private provision and between social and opportunity goods.



Box 48: Professional and Market Values	
Professional Values	Market Values
individual need (schools and students)	individual performance (schools and students)
commonality (mixed-ability classes, open access, inclusion)	differentiation and hierarchy (setting, streaming, selection, exclusion)
serves community needs	attracts 'clients' or 'customers'
emphasis on resource allocation to those with greatest learning need	emphasis on resource allocation to those considered more able
collectivism (co-operation between schools and students)	competition (between schools and students)
broad assessments of worth based upon varieties of academic and social qualities	narrow assessments of worth based on contribution to performance indicators
the education of all children is held to be intrinsically of equal worth	the education of children is valued in relation to costs and outcomes

#### Box 49: A classroom nightmare?

Martha teaches history in a school run by Smartschool Inc. a private management contractor. She works part-time on a one-year renewable contract. Her contract renewal is dependent upon the relative performance of her students as compared to students of similar age in Smartschools' other schools. Martha's salary comprises a basic fixed amount, an incentive bonus which varies according to student achievement, a satisfaction bonus which is related to student and parent feedback scores and a company bonus which is related to Smartschool Inc's. stock price.

Performance is measured and recorded through weekly computerised test which is based on the prescribed curriculum and teaching materials which the school buys from Smartschool Knowledge, a textbook subsidiary of the management company. The performance of Martha's students is reviewed with her every three weeks by Martha's line-manager, who previously worked in the fast-food industry. Falls and rises in output levels must be explained and accounted for and Martha is



encouraged to identify strengths and weaknesses in her teaching. Martha is supported in the classroom by an unqualified teaching assistant who works under Martha's direction and who takes responsibility for the class when Martha is out of the classroom. The Assistant's pay is also related to student outcomes. Martha's work commitments including assessment, preparation, attendance at meetings and CPD are stipulated in her contract and her involvement in these activities is monitored.

CPD work for the school is run by SmartTraining a subsidiary of the management company. Martha has had to give up her after school activities – she ran music workshops for children with learning difficulties – such activities, and the breakfast club and after school club, are now paid for by parents and run by SmartKids, a subsidiary of the management company.

Martha feels constantly under pressure from her line-manager and the parents of her students, she gets little satisfaction from her classroom work as the students are uninterested in anything not related to testing and the curriculum materials she is given are unimaginative but leave her no room for creative work or her own ideas for lessons. For instance, History in these materials is reduced to a set of dates and facts and a celebration of national achievements, very different from the empathetic and interpretational approach to history she used to work with when the school was run directly by the municipal authority and she could choose her own materials and resources and had time to take the children on visits and do project work and history drama. She would also like to make the classroom environment more lively but the company which owns and leases the school building will only allow 'official' materials to be hung on the walls in case they are damaged. In any case the plasma screen and interactive whiteboard (supplied by Smartschool's educational technologies division) take up much of the classroom wall space.

Martha sees little of her colleagues, they are focused on their classroom tasks and the half-hour lunch break leaves little time for socialising. Martha used to be active in her Teacher union but SchoolSmart is a non-union company and staff are discouraged from raising union issues or discussing membership. She is now seriously thinking of leaving the school and the teaching profession and re-training as a child psychologist.



This fictional account of one teacher's experience is an extrapolation of the various trends we have described here but this is not a totally unrealistic scenario and there are already some working schools which do approximate to the conditions outlined.

### ■ Transformation of education from a public good to a private commodity

The various approaches to education outlined above work together to make education more like a 'commodity' owned by and benefiting the individual and her/his employer within which '...everything is viewed in terms of quantities; everything is simply a sum of value realised or hoped for' (Slater and Tonkiss 2001) rather than a public good that benefits the society as a whole. This is the displacement of use values by exchange values. While policy accounts of education matched to the needs of employment and the economy – a human capital approach -- argues that this benefits society as a whole by creating a strong economy as well as individual wealth, it is difficult to see this in practice. Furthermore, there is a conceptual shift from education as an intrinsically valuable shared resource which the state owes to its citizens to a consumer product for which the individual must take first responsibility, as it is this individual who reaps the rewards of being educated. This conceptual shift changes fundamentally what it means for a society to educate its citizens.

The market in education is no longer simply a matter of choice and competition between educational institutions but rather is a diffuse, expanding, and sophisticated system of goods, services, experiences and routes – publicly and privately provided. For many parents, educational opportunities are sought for their children through a made-up mix of state and/or private institutions, and paid-for add-ons, like educational toys, parental tasks, tutoring, commercial activities and sources of information and advice (School and Higher Education Guides). And a new generation of specialist childhood and parenting magazines thrive on both the commercial exploitation of anxiety and childhood generally as a new market opportunity. Such magazines offer advice, but also create new desires and fuel fears.

In the context of risks and anxiety (obesity, anorexia, unemployment, drugs, child abuse, poor schools, dangerous streets, air pollution, food additives) the prudential parent is encouraged to no longer take on trust either state services or their own intuitive parenting as adequate in providing the kind of childhood which will ensure their child opportunities, advantages, happiness or well-being. Such conditions of responsibility give rise to a new form of inequality 'the inequality of dealing with insecurity and reflexivity' (Beck 1992 p. 98).

## PRIVATISING POLICY

Through private sector involvements networks of social relations are established between politicians, civil servants and business (and charities and voluntary organisations) which inform and influence policy thinking about education and in addition there is considerable movement of personnel between state and public services and the private sector and some in the other direction. As with the forms of privatisation discussed already, these influences are often unannounced and go un-noticed or un-commented by media and the public.

### Box 50: Private Sector Public Policy Players

At a recent WhiteHouse meeting to discuss the re-authorisation of NCLB (No Child Left Behind) the following were in attendance:

- Secretary Margaret Spellings, Department of Education
- Lauren Maddox, Assistant Secretary, Department of Education
- Jeanne Allen, Founder and President, Center for Education Reform (Bethesda, Maryland)
- Dr. Craig Barrett, Chairman of the Board, Intel Corporation; Member, Aspen Institute's Commission on No Child Left Behind (Paradise Valley, Arizona)
- John Castellani, President, Business Roundtable (Washington, DC)
- John Chambers, Chairman and CEO, Cisco Systems, Inc. (Los Altos Hills, California)
- Tom Donohue, President and CEO, U.S. Chamber of Commerce (Potomac, Maryland)
- Shelia Evans-Tranumn, Associate Commissioner of Education, State of New York (Brooklyn, New York)
- Tom Luce, III, CEO, National Math and Science Initiative; former Assistant Secretary, Department of Education (2005-2006) (Dallas, Texas)
- Janet Murguía, President and CEO, National Council of La Raza (Washington, DC)
- Ed Rust, Jr., Chairman and CEO, State Farm Insurance Companies; Member, Aspen Institute's Commission on No Child Left Behind (Bloomington, Illinois)
- Art Ryan, Chairman and CEO, Prudential Financial Inc. (Mendham, New Jersey)
- Paul Vallas, CEO, School District of Philadelphia (Philadelphia, Pennsylvania)
- Dr. Susan Zelman, Superintendent of Public Instruction, Ohio Department of Education (Columbus, Ohio)



Within these networks, the distinctions between advice, support and lobbying for work are sometimes hard to see. Private consultants are routinely contracted to give advice on the future organisation of government or local government services or are members of taskforces which almost without exception produce recommendations for further privatisations and outsourcing. Within these networks privatisation, in one form or another, is the 'obvious' of policy. Prevailing policy discourses which circulate in and are legitimated by these networks privilege privatisation(s) as the solution to almost every problem of government.

Policy and reform ideas and 'school improvement solutions' are being sold at the national, local and institutional level by private sector education businesses and management consultancy companies. The UK and USA in particular provide policy models and act as laboratories for educational innovations from which policy ideas are exported. Increasingly the work of international policy transfer is done by the private sector (e.g. see (Crump and See 2005) on SERCO in Australia).

*- CEA [Cambridge Education] has been in the forefront of developing local management of schools and has assisted in transferring this to environments beyond Britain. The UK experience has served as the underlying model for much of the development internationally of SBM.*

(www.cea.co.uk)

*- Nord Anglia's reputation and expertise with British education gives it a rare opportunity to capitalise upon the demand in overseas markets for improved quality in education provision.*

(Company annual report 2006 p. 8)

As well as the flow of services between western states the education businesses are increasingly active in Asia, Africa and in LDCs generally.

**Box 51: Cambridge Education**

- Cambridge Education (previously Cambridge Educational Associates – now sub-division of Mott Macdonald) is currently working with:
- National Government of Thailand
- Provincial governments in China
- Education Ministry in Hong Kong
- California
- New Orleans
- City of New York
- DfiD, EC, World Bank, ADB projects (Papua New Guinea, Eritrea, Bangladesh, Cambodia) etc. (Working in partnership with Universities, NGOs and private companies)

New York, the US's largest school district with 1.1 million students, has hired Cambridge Education to lead the introduction of a programme of 'school reviews' based on the English Inspections model. CE is an inspection contractor in England. CE is training New York reviewers so that they can assume full-control of the review system in coming years.

Companies like Cambridge Education 'sell' policy, 'sell' reform and 'sell' school improvement, as ready-made, off-the-shelf, generic packages of 'ideas'. In the examples below Cambridge is bringing to bear the paraphernalia of new public management and performance management in the case of Ghana, and acting in a direct policy writing/policy-making capacity in the case of the Maldives.

**Box 52: Support to Planning, Budgeting, Monitoring and Evaluation –Cambridge Education assists Ghana to improve its education sector performance by strengthening its management capacity and systems.**

*Project duration: 2004 to 2005*

Cambridge Education provided support to the Ministry of Education, Youth and Sport, Ghana, to improve resource management, through developing planning, budgeting, monitoring and evaluation (PBME) systems. The focus of this support was to develop the capacity of the Ministry to review and revise the Education Strategic Plan, the overarching policy document for the education sector and to improve, cost and evaluate operational plans around key policy goals.



**Box 53: Strengthening the Framework of Education – Cambridge Education was chosen by the Asian Development Bank and the government of the Republic of Maldives to provide and manage technical assistance in three areas: legislation, finance and materials development.**

*Project duration: 2005 to 2006*

Cambridge Education supported the Maldives in drafting legislation for a new Education Act; in developing a sustainable financial framework for increased and equitable access to post-secondary education; and in enhancing capacity to develop learning and teaching materials for lower secondary grades. Key activities included assessing and reviewing current education legislation (policy, priorities and reform needs); carrying out a stakeholder consultation; drafting/finalising key sections of new education legislation; assessing current education finance and needs of students for financial assistance; carrying out a poverty and economic assessment survey; drafting a Medium Term Financing Framework/Expenditure plan; reviewing current lower and upper secondary school curriculum and needs; developing curriculum and training materials according to identified needs; and training curriculum developers.

The companies are delivering 'development' and aid policy (for a potential profit), developing local policy infrastructures and embedding prevailing policy discourses, directly or as 'spillovers' into the local policy systems. Two sorts of related changes are going on here. One is in forms of government and the other in the form and nature of the participants.

## CONCLUSIONS

The changes that this report has described are not just technical changes in the way in which education is delivered. They provide a new language, a new set of incentives and disciplines and a new set of roles, positions and identities within which what it means to be a teacher, student/learner, or parent, are all changed.

Endogenous privatisation, that is, privatisation in education, provides the possibilities for further policy moves towards forms of exogenous privatisation, or privatisation of education.

In many contexts privatisation in and of education are already entrenched and the 'good sense' of the market is so widely accepted that moves to privatise sections of public education are openly argued by policy makers and often achieve widespread support. In such contexts privatisation tendencies are explicit. Indeed, in some contexts the education market place is now so self-evident that it is barely commented on – it is in the lack of attention that comes from normalisation that these privatisations can be said to be hidden.

In other contexts the language of privatisation is not overtly present in policy – instead the vocabulary of choice, improvement, quality, effectiveness and efficiency prevail. Yet these policy 'moves' and their concomitant techniques at the organisational level often result in privatisation or privatising effects; and lay the ground for the introduction of further forms of privatisation. The ensemble for innovations, organisational changes and new relationships and social partnerships involved play their part in the re-working of education as a legitimate object of profit and into a form which is contractable and saleable. Thus, privatisation plays its part in a process of the 'commodification' of education whereby it becomes regarded solely in terms of its exchange-value rather than its intrinsic worth, or social purposes [or use-value].

There are many influential national and international government, NGO and private bodies that strongly advocate and proselytise privatisation. They promote reforms that introduce privatising effects as 'solutions' to public sector problems or deficiencies, which are represented as 'necessary' for the development or expansion of such systems. The 'think tanks' and advocacy groups in particular provide a platform for neo-liberal political ideas and for policy ideas like school choice, vouchers and contracting-out. Many, especially in the



United States, tend to be staunchly anti-government and pro-liberty and are generally antagonistic toward publicly run services.

Education services are now 'big business' and an increasing number of national and international firms are looking to make profits from selling services to schools and governments and from the delivery of state services on contract. Some countries now earn a considerable proportion of their export revenue from educational services sales. Business is also increasingly involved with local and national governments and educational institutions as 'partners' (PPPs). These partnerships vary widely in their form and in their effects. One increasingly common form of 'partnership' are PFI schemes.

Privatisation works as a policy tool in a number of ways, with a variety of ends and purposes. It is not just the state giving up its capacity to manage social problems and respond to social needs. It is a new modality of state action. The privatisation of education and social welfare involves a shift in the role of the state from that of delivering education services directly, to that of contractor, monitor and evaluator of services delivered by a range of providers.

Privatisation tendencies, both endogenous and exogenous, have profound implications for the future of teachers' careers, pay and status, and the nature of their work and their degree of control over the educational process. The 'flexibilisation' of teachers work is a key component of most versions of privatisation and this threatens to alter both the perception of teachers within society and the quality of students' experience in schools. An increasing number of countries are introducing schemes from Performance-related-Pay for their teachers. The changes which accompany these forms of privatisation often have negative consequences for teachers' job satisfaction and morale and result in a de-professionalising of teachers' work.

Market forms, competition, choice and a focus on performance management all carry with them ethical dangers. Many examples of opportunistic and tactical behaviours are already apparent in schools and among parents within such systems. For the teacher, competitive relations often produce ethical dilemmas between the interests of the institution and those of students. Within and alongside processes of privatisation there are processes of 'value drift' which change the ways in which schools and teachers and students interact. All of this is indicative of a general process of the moral pauperisation of contemporary education.



Exogenous privatisation can be seen as a fundamental feature of international education policy for the developing world. Indeed, private finance is frequently presented as an inevitable necessity if targets like those in Education for All are to be realised in the developing world. There is also a transfer of endogenous privatisation tendencies from the highly industrialised nations to the newly industrialised and developing world which is closely inter-related to and is a feature of broader processes of globalisation. That is, the insertion and naturalisation of western models of organisation, education, leadership and employment, and the extension of the commodification and commercialisation of education.

These market forms can also have a significant impact on equity in education, not just in widening gaps between the privileged and the disadvantaged, but also in changing how equity and social justice in education are understood. Competition between schools commonly leads to the development of local economies of student worth in which students are deemed to be desirable, or not, on the basis of whether they are perceived to be an asset or liability in relation to indicators of school performance and thus to attempts at 'cream-skimming'.

In terms of the impact of privatisations on school performance and efficiency and student achievement some of the available research offers some evidential support for beneficial effects but there is also a great deal of evidence showing no effects or negative consequences. The status of this 'evidence' is often hotly contested. What is clear is that there is no firm basis in research that give to support arguments which suggest that privatised schooling is superior in terms of performance to regulated state provision of schooling. On the other hand, there is plenty of evidence from diverse national settings which indicates that privatisations, like choice and vouchers, lead to increased social segregation and that performative and outcomes-based policies distort pedagogy and lead to 'teaching-to-the test' approaches in classroom and result in increases in students' levels of stress.

It is not simply education and education services that are subject to privatisation tendencies but education policy itself – through advice, consultation, research, evaluations and forms of influence – is being privatised. Private sector organisations and NGOs are increasing involved in both policy formation and policy implementation.



## RECOMMENDATIONS

It is clear that privatisations both endogenous and exogenous can have major consequences of the working conditions, pay, security, satisfactions and morale of teachers. Privatisations can lead to a de-skilling and 'flexibilisation' of teachers and change 'what it means to be a teacher'. There is important work to be done by EI and its member unions in negotiations with governments and other employers to defend the interests of current and future teachers, and thus also the long-term interests of learners.

It is important to recognise that many of the changes, outcomes and consequences identified in the report are not specific to education and teachers but affect workers and their clients across the whole range of public sector services. Joint action with other public sector unions and organisations is vital.

Trade unions have a major role to play in the monitoring and analysis of privatisation moves and tendencies. The collection of information, construction of data bases, and dissemination of information related to these tendencies is a key service and resource both for members and the public at large. As we have stressed throughout the report the majority of privatisation moves are introduced almost un-noticed and without debate. The teacher trade unions can play a very important part in ensuring that both understanding and discussion are encouraged and facilitated.

Teacher unions need to ensure where ever possible that they are active participants in policy debates and policy formation where privatisations are concerned. As we have sought to indicate privatisations vary in their design and their consequences. The more active the role of unions in the policy process, the more likely it is that forms of privatisation, where appropriate (like some public-private partnerships), take into account the interests and well-being of students and teachers. And that policy-makers are made fully aware of the untoward consequences of some forms of privatisation.

There is a very acute need to push governments towards the use of ethical audits when considering the participation of private providers in the delivery of public services education, or indeed any other kinds of involvement in the processes of public education. It is clear that there are some compa-

nies whose general conduct or other areas of business activity make them highly inappropriate for any involvement in education related work. Teacher Unions are an important forum for debate about educational values and principles and can do important work within civil society in ensuring that the ethical and moral issues which arise from privatisations are addressed.

More generally many of the issues raised in this Report point up the very necessary role of trade unions in defending education as a public service and also democratic decision-making in relation to education and in the struggle for greater equality in education.

*Education is a right, not a privilege or a favour. Childrens' rights are a collective responsibility; public education is the key element in democratic public policies. Education is a state responsibility; it is among the duties of the state to define the goals and objectives of education systems and to wholly finance them. Public schools must be an integral part of any democratic society, governed by democratically elected institutions and implementing the education policies desired by the society. Good quality public schools, open to all, contribute to social cohesion through the integration of children from different social, religious or ethnic groups.*

(Reason for Hope: The Support of NGOs to Education for All ,  
UNESCO, Paris 2001)



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## Annex One: The Research

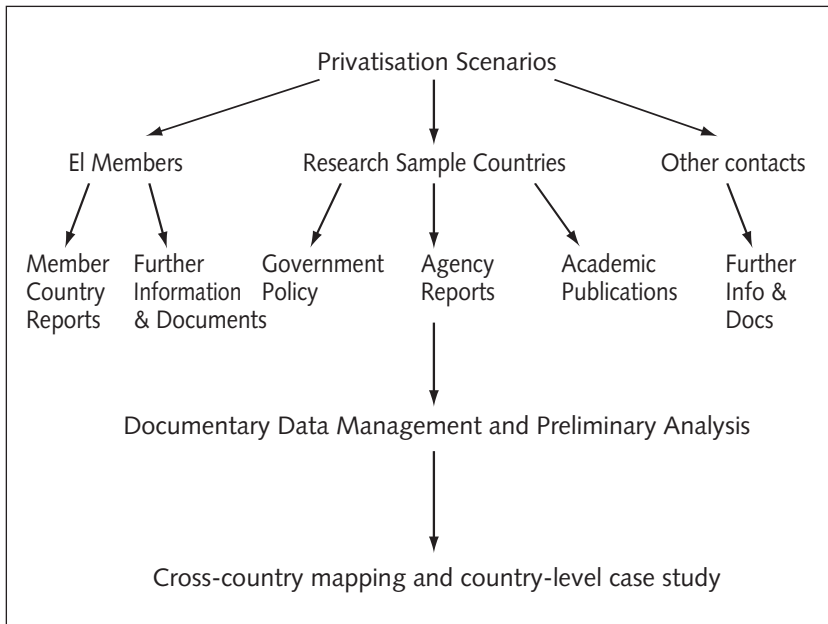
### Annex One: The Research

The Research reported here has been undertaken by Stephen Ball and Deborah Youdell of the Institute of Education, University of London on behalf of Education International.

The research began in November 2006 and concluded in December 2007.

The current research is primarily documentary, drawing on existing materials produced by governments, national and international agencies and academic sources as well as Education International members and EI itself. The research strategy is set out in Box X.

### Box 54: Research Strategy



The current research is not able to survey all EI member countries. A sample of countries was agreed between the research team and EI at the outset of the research. This sample was adjusted opportunistically over the course of the research as material pertaining to particular countries was identified and material on other countries proved difficult to find. The final country sample is set out in Box 55.

**Box 55: Research Core Sample Countries**

Focus country	Reason for sampling
Germany	Federal system with 'market' developments in some Landers
Portugal	Various education reforms by neo-liberal governments
Denmark	Long-standing entitlement to community schools on parental demand
Sweden	State contracts to private schools providers and other privatisations
Chile	Vouchers and other 'western' school reforms
Hungary	Has elements of endogenous choice and competition
Slovenia	Has a whole variety of education reforms modelled on 'the west'
Poland	Self-selected – review suggests privatisations only at HE level
Ghana	Has developing system of low-cost private schools.
Botswana	Country with strong history of 'collectivist' model of education
Malawi	Private school teachers' union
St Lucia	Recent education reforms by new government.
Guatemala	Recent reforming governments
Costa Rica	EI Regional Office – undertaken study in region
Colombia	Subject to World Bank 'reform' conditions
Japan	Recent endogenous and exogenous privatisations
Korea	Has elements of endogenous choice and competition
New Zealand	Home of some of earliest privatisations and active in GATS
India	New private schools for the poor
Australia	Extensive and long-established privatisation tendencies
Canada	Extensive and long-established privatisation tendencies
Ireland	Some privatisation tendencies
USA	Extensive and long-established privatisation tendencies
Nigeria	Has forms of business participation in state schools

*Footnote to box 5 page 23*

\* Fullan was also contracted to be evaluator of the UK National Literacy and Numeracy Strategies, and draws on ideas arising from the evaluation in this interview.

*Footnote page 77*

\*\* Structural adjustment is a term used to describe the policy changes implemented by the International Monetary Fund (IMF) and the World Bank (the Bretton Woods Institutions) in developing countries. These policy changes are conditions (conditionalities) for getting new loans from the IMF or World Bank, or for obtaining lower interest rates on existing loans. Conditionalities are implemented to ensure that the money lent will be spent in accordance with the overall goals of the loan. The Structural Adjustment Programs (SAPs) are created with the goal of reducing the borrowing country's fiscal imbalances. The bank from which a borrowing country receives its loan depends upon the type of necessity. In general, loans from both the World Bank and the IMF are designed to promote economic growth, and to pay off the debt which the countries have accumulated.