

HIDDEN PRIVATISATION IN PUBLIC EDUCATION

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SLIDE 1 Hidden Privatisation

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Thank you for inviting me. Before I start I would like to acknowledge *Education International* who commissioned this research as well as Prof Stephen Ball, with whom I have undertaken this research and all the EI members worldwide who have helped us with our work.

Our research involved a selection of EI member unions who provided us with a range of information about the nature of education policy reforms in their countries, as well as literature and internet research into the scope and shape of privatization tendencies internationally. We presented the Interim Report at the EI World Congress last July, and the final report is due to be launched by EI in February 2008.

SLIDE 2 Hidden Privatisation

Key concern:

A growing tendency amongst governments world-wide to introduce forms of privatisation into public education and to move to privatise sections of public education

There are a range of policy tendencies that can be understood as forms of privatisation that 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 pursued explicitly 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' 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.

Hence, we refer to *hidden privatisation*

It is important to recognise that privatisation is a policy *tool*, not a simple 'giving-up' by the state of the capacity to manage social problems and respond to social needs. It is 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 contractable and saleable.

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

In this presentation I will do the following:

SLIDE 3 Presentation

- Identify key forms of privatisation
- Offer some illustrations of these trends from different countries
- Discuss global patterns of privatisation
- Consider the key impacts of privatisation, including on teachers, students and equality

I want to start by distinguishing between two key forms of privatisation: privatisation *in* public education, and privatisation *of* education:

SLIDE 4 Forms of Privatisation

Privatisation *in* Public Education or

Endogenous privatisation

- 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.

Privatisation *of* Public Education or

Exogenous privatisation

- 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.

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.

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.

Even where privatisation involves the direct use of private companies to deliver education services, this is often not publicly well known or understood.

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 carry ethical dangers and many examples of opportunistic and tactical behaviours are already apparent in institutions and among parents within such systems.

Let me detail the sorts of practices that these forms of privatisation introduce:

SLIDE 5 Endogenous Privatisation

- Quasi-markets
- Performance Management
- Accountability
- Performance Related Pay
- The Manager and New Public Management

Exogenous Privatisation

- Public Education for Private Profit
- Private Sector Supply of Education: contracting out services
- Private Sector Supply of Education: contracting out schools
- Public Private Partnerships
- International Capital Commercialisation or Cola-isation
- Philanthropy, Subsidy, Aid

I want to offer some examples of these various forms of privatisation in action, across national contexts.

SLIDE 6 Endogenous Privatisation

Marketisation

New Zealand

The first marketisers, a Labour Party government introduced a new educational structure in 1988. 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’.

The active promotion of competition between institutions, often supported by published league tables of performance in high-stakes tests, is a feature of marketisation that is now embedded in UK education systems and appears set to become a key part of the Australian education landscape under the new government.

Another significant example of privatisation in public education is the introduction of what is often known as ‘New Public Management’.

The rise of New Public Management (NPM) and the role of the education manager are further key features of hidden privatisation.

The manager is a key agent of organisational change and a key to the enactment of privatisation policies. Policy reform has given 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.

At the same time, it has drawn attention to outputs and performance rather than inputs and given managers responsibility for institution’s success or failure, as well as for surveilling and regulating this. All of this has established a new kind of ‘low-trust’ relationship between manager and teachers. The manager is no

longer a lead professional but a manager of institutional *and teacher* performances. In a sense the new school, college or university manager embodies policy within the institution and enacts the processes of reform.

SLIDE 7 Endogenous Privatisation

New Public Management

England: ‘Experiments’ with the liberalisation of teachers conditions of work: ‘Education Action Zones’ and ‘Academies’ allow 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, Japan and, as I am sure you are aware, here in Australia.

USA: 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.

As I have noted, exogenous privatization takes a number of forms. A widely adopted approach to exogenous privatization is the Public-Private Partnership (PPP)

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 organizational convergence and they reshape the context within which public sector organizations work. Some partnerships take the form of joint ventures and profit sharing without wresting ‘ownership’ entirely from public sector hands. Nonetheless, the relations of power within public-private partnerships vary markedly and the language of partnerships is often a ‘re-labelling’ of contractual or out-sourcing arrangements.

SLIDE 8 Exogenous Privatisation

Public-Private Partnerships

New South Wales, Australia

The 'New Schools Project' PPP has brought in the private sector to finance, design and construct nine new public schools in the period 2002 to 2005. These new schools were built to standards that met or exceeded the NSW Department of Education and Training (DET) school design standards.

The private sector 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 receive performance-related monthly payments from the DET. At the end of the contract period, the buildings will be returned to the public sector.

Partnerships are part of a new landscape of public sector provision internationally – as well as here in Australia examples can be found in the UK, France, Germany, Canada, India, Nigeria.

Contracting to the private sector is another key feature of privatization:

SLIDE 9 Exogenous Privatisation

International Contracting Out

England-US

·An American education company is being paid £1 million to take over the management of a north London comprehensive school and improve its results.

Edison Schools, the largest private operator of state schools in the United States, took charge this week at Salisbury school, in Enfield, on a three -year contract.

US-England

New York, the US's largest school district with 1.1m students has hired

Cambridge Education (UK education services company) 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.

The international trade in education services is not only between highly industrialized nations who already have a long history of endogenous forms of privatization. The international market in educational services also involves developing countries. Perhaps unsurprisingly, the direction of flow of services and products, and so the direction of flow of profits, appears to be one way.

Let me give another example:

Slide 10 Exogenous Privatisation

Exporting ICT to the developing world

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 laptops use Linux, a free, open source software that is regularly used as part of moves to harness the equalizing potential of information technology and the internet.

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 and currently costs \$300. Microsoft software is currently being installed free of charge. 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.

The Nigerian Federal Ministry of Education is due to receive laptops from OLPC and from Intel.

Which of these systems becomes established in the developing world will have massive implications for the flows of capital between the developed and developing world. While the Intel machine is currently \$300 and MS is installed free of charge, critics have questioned Intel and Microsoft's longer term plans in this regard and have indicated the implications of the developing world becoming dependent on expensive first-world hardware and software.

Paid for in the case of Nigeria by its protected tax revenue-supported Education Trust Fund and funds from the African Union's New Partnership for African Development (NEPAD), commercial potential across the developing world is massive.

We should, then, be clear what is at stake:

SLIDE 11 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)

This, then, is a snapshot of global privatisation tendencies that can be understood as demonstrating an intentional escalation on the part of dominant governments, international organisations and private companies.

SLIDE 12 Global Privatisation tendencies:

intentional escalation and unintentional drift

- Privatisation has become 'common sense' or orthodoxy

- Privatisation is a global trend:

- privatisation in education has paved the way for privatisation of education in the English speaking nations

- new combinations of privatisation tendencies are being seen and exogenous forms are being embedded in the developed world as education provision is established

- Much privatisation remains hidden

These tendencies might be seen as simply an unintentional international policy drift towards greater levels and more diverse forms of privatisation in and of public services.

Certainly highly influential western governments and international organisations such as UNESCO and the World Bank actively promote privatisation as

desirable and necessary for their own economic prosperity as well as for the development of the world's poorer nations.

Indeed, various forms of privatisation are identified as keys to achieving the education targets of the *Millennium Development Goals* and *Education for All*. That is, privatisation is *written into the processes of establishing* universal education in the world's poorest nations.

It appears that as interested parties intentionally escalate and export privatisation tendencies, these become increasingly 'common sense' or orthodoxy. They are taken up as 'default' policies.

The overall trend which privileges privatisation as a public policy is clearly the result of deliberate promotion and advocacy by key actors and agencies.

SLIDE 13 Impacts of Privatisation

- Privatisation and the transformation of Identities

 - Headteacher to Manager*

 - Teacher to Technician*

 - Student to output asset or liability*

- Transforming Labour Relations and Teachers' Work

- Privatisation as a new moral environment

- Transformation of education from a public good to a private commodity

- Privatisation and educational inequalities

Headteacher to Manager

In the context of markets and competition and education systems driven by published performance measured in particular, and restricted and arguably restrictive ways, the professional-ethical systems of decision-making in education institutions is broken-down, and replaced by entrepreneurial-competitive ones – a process of 'de-professionalisation' that transforms the headteacher into a manager.

Teacher to Technician

Likewise performance management and competition between institutions transforms teachers into technicians as they respond to pressures to perform in accordance with the criteria, increasingly in contexts of 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 communities and professional discourse are diminishing.

Teacher's work is also changed. In the classroom curriculum is mandated and monitored while pedagogy prioritises high-stakes tests. Outside the classroom, new public management creates an increase in paperwork, systems maintenance and report production and the use of these tools to generate performative and comparative information systems.

Teacher's are increasingly surveilled and the gap grows between managers and teachers.

Transforming Labour Relations

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. It creates the conditions where performance-related contracts of employment and pay can be introduced, contracts can be made more flexible personnel without teaching qualification, on lower pay and soft contracts can be brought in. Individualised contracts, performance-related pay, flexible contracts and the mix of qualified and other teaching personnel. These factors come together to differentiate teachers both inside education systems and even inside individual institutions

Student to output asset or liability

Markets and competition also create 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 the performance benchmarks to which institutions must aspire.

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 institutions. 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, they are one aspect of social segregation between institutions and the homogenisation of student populations inside them.

Where institutions continue to be relatively mixed, the judgement of the value of students in terms of performance indicators continues to influence practices. Institutions sort, select and unevenly allocate resources to students in attempts to maximise 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)).

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.

Educational inequalities

One of the most frequent findings from studies of marketised education systems is that institutions 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 institution 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 populations.

As some institutions 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, colleges or universities. These circumstances lock such institutions into cycles of poor performance and student and educator attrition.

Markets and the demand for institutions to compete against each other have, in many contexts, seen increased outputs at the performance indicator benchmark. But 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.

Privatisation as new moral environment

Privatisation changes what is important and valuable and necessary in education. This new moral environment inducts schools, colleges and universities and their staff and students into a 'culture of self interest'.

And effects a shift away from concern with more general social and educational issues within 'the community'.

Transformation of education from a public good to a private commodity

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, but it is difficult to see this in practice.

These approaches make education a 'commodity' owned by and benefiting the individual and her/his rather than a public good that benefits the society as a whole. This conceptual shift changes fundamentally what it means for a society to educate its citizens.

Concluding remarks

These are not just technical changes in the way in which education is delivered. Privatisation tendencies provide a new language, a new set of values, 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.

Privatisation in its multiple forms is being taken up globally; certain forms of privatisation, such as choice and per-capita funding, have paved the way for further privatisation tendencies such as the use of published performance indicators; the use of for-profit organisations is playing a greater and greater part in education design and delivery; 'entry' into privatisation is now taking endogenous and exogenous forms; and much privatisation in and of education remains hidden.

And 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 this context, education unions have a profoundly important role to play in identifying these tendencies and informing the profession and the public about their effects. I hope that this work is able to contribute to these efforts.