



EDUCATION INTERNATIONAL
5th WORLD CONGRESS
JULY 2007

Hidden privatisation in public education

Preliminary Report, prepared by
Stephen J Ball and Deborah Youdell
Institute of Education, University of London

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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 unannounced: 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.

The basis for EI’s position in that debate is clear. At the last EI World Congress, Porto Alegre, Brazil in 2004, we adopted a resolution on Education: Public Service or Commodity. That resolution recalled that:

public education is a system open to all without discrimination on the basis of gender, religion, culture or social class, free of charge, publicly funded, and managed and evaluated in accordance with the objectives and principles established democratically by public authorities,

We reiterated that

education is not a commodity and should not be privatized.



In particular, we noted the dangers of international commercialization of education through the General Agreement on Trade in Services (GATS), and demanded that education, research and other social services be excluded from GATS and similar commercial agreements.

This does not mean that education unions are opposed to reform. We refute the notion perpetuated by some political forces, often promoting special interests, that education unions look only to the past. Our 2004 Congress resolution noted the many innovative proposals put forward by our unions to reform and improve education. We look resolutely towards the future.

The real issue, as this preliminary report so clearly shows, is about the very ethos of education. The hidden privatization and/or commercialization of public education has enormous implications for the way we think of education, for the values that underpin education. To put it in the starkest possible way: is education about giving each child, each young person, 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?

Posing these contending visions of education in such stark terms is not to exclude the contributions that the private sector can make to public education. EI's definition of public education, as set out in our constitution, is broad enough to recognize the value of such contributions in the context of a democratic, non-discriminatory and equitable approach to education. EI's Executive Board has requested a study of Public Private Partnerships in Education. And EI's member organizations include those representing teachers in private schools. A study undertaken last year by Louis van Beneden shows how the conditions experienced by colleagues in "traditional" private education often fall short of reasonable standards for educational personnel. Does that study contain a warning about what we may expect in future if public education becomes more and more privatized? At our Congress, one of the "break-out" sessions will provide an opportunity for delegates to examine both studies and the links between them.

I would like to thank the authors, Stephen Ball and Deborah Youdell, for their work so far, and our research team, Bob Harris, Guntars Catlaks and Laura Figazzolo, who have worked closely with them.



This report is preliminary. It is intended to set out the issues and to prepare the way for a fuller report, which we aim to complete by the end of 2007. EI member organizations are invited to consider carefully the issues raised, and to send as much information as possible to the authors. One of the striking features that emerges already 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. For this reason it is vitally important that member organizations send us information and comments on the different facets of hidden privatization that are emerging in each country.

Your feedback on the reality that you confront today in each country will enrich this study immensely. Please read it carefully, send examples of your experience, send your comments. In that way, Education International will be able to produce a report which we expect will have a major impact on the international scene, and hopefully in each country.

Fred van Leeuwen
General Secretary

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1. 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 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’, ‘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 business and more business-like¹.

- **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

¹ 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.

with employers and more generally participate in the education policy landscape.

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.

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.

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 contractable 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 many examples of opportunistic and tactical behaviours are already apparent in schools and among parents within such systems.

2. INTRODUCTION

2.1. 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.

The report:

- Details the variety of forms that privatisation in and of education takes
- Connects these forms of privatisation to particular contexts
- Consider the impacts of these privatising tendencies
- Explores the mechanisms and interests that are driving these changes

These tendencies are found at all levels of education. 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).

2.2. 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.

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 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.

Privatisation can be understood as being of two key 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.

- **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.

The first form of privatisation, where the public sector is asked to behave more like the private sector, is widespread and well established. The second form of privatisation, where the private sector moves into public education, is a newer but rapidly growing form of privatisation. These forms of privatisation are not mutually-exclusive and are often inter-related, indeed, exogenous privatisation is often made possible by prior endogenous forms.

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.

2.3. 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 students and the ways in which it is thought about by policy-makers, practitioners and 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*² good that serves the interest of the educated individual, the employer and the economy.

Forms of privatisation in and of public education changes 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.

Privatisation in and of public education can have a significant impact on equality of educational access, experience and outcomes. Indeed, it can change what 'equality' in education means, with dire consequences for social justice.

² 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..



2.4. Scope of the report

This report draws on an ongoing research study being 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 the different regions of the developing world. This is the first formal reporting of this research. The research will report in full in November 2007. Further details about the research and its authors can be found in Annex One.

3. FORMS OF PRIVATISATION IN AND OF PUBLIC EDUCATION

3.1. Schools being business-like or like-businesses: 'endogenous' privatisation

3.1.1. Quasi-markets

The 'market form' is the key device of hidden privatisation in education. The development of what are often known in the 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 of movement around the system.

An outcome that policy makers seek from these moves is the production of competition between schools, competition that 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. Some choice schemes based on vouchers (as in Chile or Milwaukee, USA) or state subsidies (Australia, Spain, Argentina), provide for student movement from the state to the private school sector.

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.

However, education markets are not in any simple sense 'free markets'. Rather they are subject to considerable regulation, direction and involvement by the state. In these circumstances the state acts to set system targets and benchmarks, monitor and record performance, and write and award services contracts, rather than deliver education services.

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 (LEAs) 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 enrollments 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 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/globaleducation-reform/pdf/Schiefelbein.pdf#search=%22Prawda%20Chile%22>.

3.2.1. 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 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).

Box 3: New Public Management (NPM)

(Clarke, Gewirtz et al. 2000 p.6) ascribe 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 types processes.

The separation of purchaser and provider or clients and contractor role 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 multinational 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 educational practitioners. It also increasingly subjects them to new forms of control through performance management techniques.

3.1.3. Performance management, accountability, and performance-related pay

Accountability and performance management mechanisms, sometimes including performance-related pay, are again techniques of reform which were 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 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). 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. 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.

Box 4: 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.

3.2. Bringing the Private Sector into Schools: ‘exogenous’ privatisation

3.2.1. 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 full state-funded education has not been established. These providers have also long delivered elite, religious and other alternative forms of education in western industrialised nations. 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. For example, 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:

Fast growth in the local government and education outsourcing market is certain now that the government has made education its key priority. (Mike Henebury of Gresham Trust – private equity investors in Tribal Group, UK stock-market-quoted education business)

Box 5: 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, 20.6.00 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 LEAs] 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)

This private sector participation 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 with 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. 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.

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).

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 (EdisonSchoolsUK), Bright Horizons Family Solutions, Phoenix [Apollo] , de Vry, Bond, and Cambridge Education (now part of Mott Macdonald), and Kaplan. 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 reflect mainly higher education, but the trend of educational mobility is now growing in the K-12 years covered by this report.

3.2.2. Private Sector Supply of Education: Contracting out services

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 and the United Kingdom contracting directly with the private sector for the delivery of ‘core’ education services.

Box 6: 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

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 soft-

ware) 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 previous done by local authorities, school districts and central government education departments.

Schools, districts and government 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.

Box 7: Education Services in the USA: an example

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

Box 8: 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.

3.2.3. 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, although this is not always the case in practice. In some cases the privatisation of the public schools concerned remains hidden in that as new public-private hybrid institutions are formed under contract for fixed terms it is not always clear to par-

ents and community members what the status of these schools is or will be in the future. Furthermore, 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 obscured. In other cases, like Sweden and Colombia the privately run schools are presented as a distinct alternative to and a response to the ‘failings’ of the state.

Box 9: Contracting out in Colombia

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 (see Figure 4), being operated by private managers under this model. The programme was expected to grow to approximately 45,000 students in 51 schools (about 5 per cent 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 10: 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.

3.2.4. Public Private Partnerships (PPP)

These arrangements involve the use of private providers to design, build, operate and manage and state education facilities on a lease-back basis. This transfers capital costs and some risk to the private sector. It also commits governments or local authorities to long-term lease repayments. This practice is advocated by the World Bank. There is now a thriving secondary market in PPP contracts. There are varying levels of public awareness and understanding of these partnerships and their implications.

Box 11: '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.

Box 12: Public–private partnerships for educational infrastructure, Nova Scotia, 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.

By the time the Conservative government came to power in 1999, it became clear that PPP schools were costing much greater sums of money than originally had been anticipated and the project was cancelled. However, the existing PPP schools remain, and by many accounts are plagued with problems that reveal and reinforce the many concerns with this aspect of the privatization of education.” (Source: Erika Shaker, “The devil in the details: The P3 experience in Nova Scotia schools”, *Our Schools/Our Selves*, Spring 2003, 12(3), pp. 57-62)

Box 13: PPPs in Germany

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.

3.2.5. International Capital in Public Education

There is significant international capital interest and activity in public education and this operates on a trans-national level.

The UK Private Finance Initiative (PFI) construction market is heavily penetrated by overseas companies like Skanska and Kajima. UK PFI service contracts are also being brought by overseas companies or capital. 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) and Edexcel the (University of London) examination board was recently bought by US testing and publishing giant Pearson Media.

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). In 2005, Nord-Anglia sold its stake in two schools in the Ukraine for £1.3m. Global Education Management 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).

Commercial enterprises that are making commitment to developing education provision, such as that promised for Afghanistan by Alokozay Group, are not 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 activities are all in the public domain, but they receive limited attention in the mainstream media and are little understood publicly.

3.2.6. 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 14: 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.

3.2.7. Philanthropy, Aid and Subsidy

In some settings 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 overheads, as in Poland and Portugal, for example. This tendency is also seen where state schooling is supplemented by the work of NGOs. Companies or philanthropic individuals or social entrepreneurs are also increasingly involved in initiating educational innovations. In many cases the flow of these educational 'subsidies' only works to exacerbate existing inequalities in provision. Poor parents are unable 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', like in-school advertising.

4. GLOBAL PATTERNS OF PRIVATISATION

This research project is still in the process of mapping privatisation across a sample of countries and seeking to identify how privatisation tendencies come together in particular constellations in particular settings.

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

Analysis of policy in the sample countries so far shows that the privatisation tendencies detailed above can be found in diverse national settings across the globe.

Those highly industrialised nations that began moves to privatisation more than two decades ago obviously have a wider range of privatisation tendencies, and more privatisations than those nations where these processes are more recent.

With some exceptions, at this point in time, newly industrialised and developing countries in the sample do not appear to have adopted as full a range of privatisation tendencies as the highly industrialised nations.

However, the privatisation trajectories of those nations taking up these policies more recently do not simply reflect the previous 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, as Box 8 above showed, 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 15: Comparison of privatisation tendencies in a highly industrialised nation and a developing nation

	School Choice	Per-Capita funding	Devolutio	Published Performance Indicators	Private-Sector Supply
UK	Yes	Full	To the school	Yes	Of services to schools and of schools
Guatemala	Yes	Partial	To the community	No	Of services to schools

It seems then that the take up of privatisation tendencies might be understood less as a linear process, but rather more as a process of selection and/or imposition drawn from the array of tendencies available 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. However, 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.

4.1. Global Privatisation: unintentional drift and intentional escalation

It is difficult to say definitively whether these patterns should be understood as demonstrating simply an unintentional international policy drift towards greater levels and more diverse forms of privatisation in and of public services, or whether the trends should be understood as an intentional escalation on the part of dominant governments, international organisations and private companies.

It may be that as interested parties intentionally escalate and export privatisation tendencies, these become increasingly ‘common sense’ or orthodoxy. They are taken up as ‘default’ policies and may seem to be unordered and even unintentional. However, the overall trend which privileges privatisation as a public policy is clearly the result of deliberate promotion and advocacy by key actors and agencies (see below).

What is evident is that privatisation in its multiple forms is being taken up globally; that certain forms of privatisation, such as choice and per-capita funding, pave the way for further privatisation tendencies such as the use of published performance indicators; that ‘entry’ into privatisation is now taking endogenous and exogenous forms; and that much privatisation in and of education remains hidden.

5. THE CONTEXTS OF PRIVATISATION

As indicated already, hidden forms of privatisation in education as well as more explicit forms of privatisation of education are strongly advocated by many multi-lateral agencies. These trends are embedded in the political agendas of a wide variety of organisations and parties across the political spectrum. They are supported by Think Tanks, Research Centres, and private Foundations, as well as by business and business lobbies. Furthermore, management consultants are increasingly used as advisers and report writers to influence and design public sector education at regional, national provincial and local and institutional levels.

Nonetheless, patterns of privatisation are 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.

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

5.1. 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 and that these are the places where new privatisation tendencies are developed, from where they are exported, and where most of the advocates and promoters of privatisation are

located. These are often the sites places where privatisation tendencies are also most normalised, that is, they have come to be considered as standard.

5.2. The developing world: privatisation as westernisation

In many developing nations 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.

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 projects and established general education services is not yet clear, nor how privatisation might move flow from one to the other. Where non-government or private organisations are involved in education provision as part of World Bank loan-funded projects in developing countries it is often unclear who these providers are or how the terms of their involvement is defined (see Cambridge Education below for examples).

In the education policy discourse addressed to and coming from the developing world, concerns with 'equality' and 'closing the gaps' are prominent. Documentary evidence to date does not indicate how equality and the closing of education gaps might sit alongside, be informed by or relate to the creation of education markets and privatisation tendencies.

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 a broader processes of globalisation – one might say “westernization”.

6. 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 – how it goes about its business and achieves its goals, changes in the policy process and new 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'.

More generally, these moves 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 and GATS (the General Agreement on Trade in Services) is bringing further changes by opening up national education systems to ‘foreign’ service providers. Currently 44 countries have made offers to the World Trade Organisation for new and improved market access in response to the ‘demands’ made by those countries eager to export their services, including education. 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 privatization in public educational systems.

What we see 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.

6.1. 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 impor-

tant 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.

6.2. 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 also 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.

7. PROMOTING PRIVATISATION

Privatisation tendencies often remain hidden behind talk of choice, accountability, effectiveness and the necessary nuances [like, and/or] are missed by a media and public that is either inattentive to the implications of ‘for-profit’ activity in mainstream public education or is now wholly used to these practices. There are also significant and influential national and international government, NGO and private bodies that strongly advocate privatization. They promote reforms that introduce privatising effects as ‘solutions’ to problems, ‘necessary’ changes in existing public education systems, or conditions for the development or expansion of such systems.

7.1. Advocates and proselytisers

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

- Social Market Foundation, Institute of Economic Affairs (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 (US)
- The Fraser Institute (Canada)

7.2. 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 dif-

ferent policy vocabularies. The language of privatisation is sometimes used explicitly by these agencies (see Box 16) in relation to public sector reform but often privatisation effects are embedded implicitly in the tactics of reform that they advocate (see Box 17).

Box 16: 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>)

Box 17: The OECD Promoting 'Public Management Reforms'

A good example of the generic reform model comes in a recent 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 com-



petitive 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)

Box 18: Facilitating Investment in the Global Education Market

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.

8. THE IMPACTS OF PRIVATISATION

8.1. 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. In education the competitive dynamic is animated by parental and student choice set alongside devolved per-capita funding.

These processes lead to overt and covert practices of selection 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 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.

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.

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.

8.2. The impact of New Public Management and Performance Management

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 organizations, and indeed to reshape them into its own image.

Performance management in practical terms rests on the increasing use of data-bases, appraisal meetings, annual reviews, report writing, quality-assurance visits, the publication of student achievements, inspections and peer reviews. 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.

8.3. 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, 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.

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.

8.4. Privatisation and the transformation of Identities

8.4.1. 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 which involves what Richard Sennett calls the 'corrosion of character' (Sennett 1998).

8.4.2. 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 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 increased surveillance of teachers' work and outputs and a developing gap in values, purpose and perspective between senior staff, with a primary concern with balancing the budget, recruitment, public relations and impression management, on the one hand, and teaching staff on the other, with a primary concern with curriculum coverage, classroom control, students' needs and record-keeping.

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, freelancers, consultants, agency-workers, fixed term contracts, skill-mixes – these new kinds of workers are 'with' and 'for' the organisation, rather than 'in' it.

8.4.3. 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', have special needs, are perceived as presenting behavioural challenges, or who are recent immigrants with additional language needs are avoided.

Where these judgements influence access to schooling it can lead to social segregation 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).

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.

8.5. Transforming Labour Relations and Teachers' Work

Forms of privatisation in education have provoked a re-working of labour relations and conditions of employment. This is bringing with it a concomitant constraining of the role of Education Unions and undermines collective bargaining and employment agreements.

As new public management introduces and monitors performance targets, so 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 with-

out 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 create differentiation of 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.

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 19 and 22). 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 aid and development partners particularly where the state is unable to maintain and expand basic provision and train teachers adequately.

Box 19: Performance-Related Pay (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 20: 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 21: 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 22: PRP in low-income countries (LICs)

Performance-related pay for teachers in LICs 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)

8.6. Privatisation as new moral environment

These 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) sees the hegemony of the market its acceptance as the self-evident and common-sense and the profit incentive as 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 23: 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 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

8.7. Transformation of education from a public good to a private commodity

These approaches to education also work together to make education more like a 'commodity' owned by and benefiting the individual and her/his employer than a public good that benefits the society as a whole. 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.

8.8. 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 ethnic minor-



ity 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.

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

9. 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 24: 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 out-sourcing. 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.

In effect policy and reform ideas, and at the national, local and institutional level 'improvement' are sold nationally and international by private sector education businesses and management consultancy companies.

The UK provides a model and a laboratory for educational innovations and policy is being exported. Increasingly the work of international policy transfer is done by the private sector see (Crump and See 2005) on SERCO in Australia).

CEA 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)

Box 25: 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 largest school district with 1.1m 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.

10. 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 some 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].

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.

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. All of this is indicative of a general moral pauperisation.

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.

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 increasingly involved in both policy formation and policy implementation.

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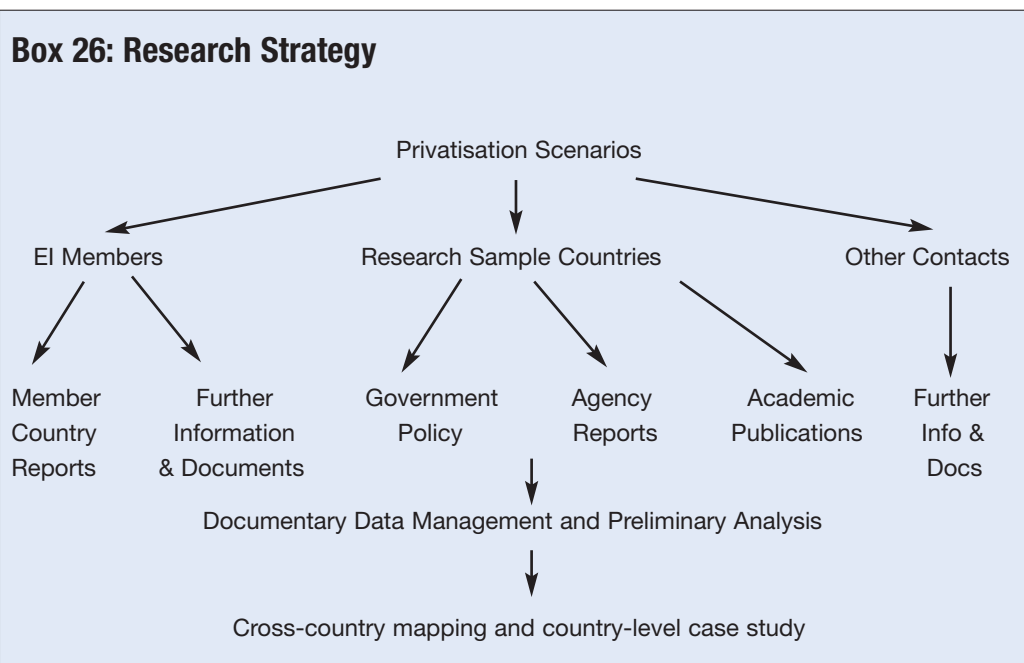
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Annex One: The Research

The Research reported here is being 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 will offer its final report in November 2007.

The current research is primarily documentary, drawing on existing materials produced by governments, agencies and academic sources as well as Education International members and EI itself. The research strategy is set out in Box 26.



The current research is not able to survey all EI member countries. A sample of countries has been agreed between the research team and EI. The country sample is set out in Box 27.

Box 27: Research Sample Countries	
Focus country	Reason for sampling
Germany	Federal system with 'market' developments in some Lander
Portugal	Various education reforms by neo-liberal governments
Denmark	Long-standing entitlement to community schools on parental demand
Sweden	Extensive privatisation
Hungary	Has elements of endogenous choice and competition
Slovenia	Has a whole variety of education reforms modelled on 'the west'
Poland	Self-selected
Tunisiaa	(sample for coverage)
Ghana	Has developing system of low-cost private schools. EI report exists
Botswana	Country with strong history of 'collectivist' model of education
Malawi	Private school teachers' union
St Lucia	Recent education reforms by new government. EI Regional Office
Guatemala	Recent reforming governments
Costa Rica	EI Regional Office – undertaken study in region
Colombia	Subject to World Bank 'reform' conditions
Malaysia	EI Asia-Pacific Regional Office. Variety of private education initiatives
Singapore	(sample for coverage)
Thailand	(sample for coverage)
Korea	Has elements of endogenous choice and competition
Pakistan	Mix of central and local systems and religious schooling
Bangladesh	EI report on NGOs running schools
Australia	Extensive and long-established privatisation tendencies
Canada	Extensive and long-established privatisation tendencies
Ireland	Extensive and long-established privatisation tendencies
USA	Extensive and long-established privatisation tendencies



This research is still in progress and the research team would very much welcome any further relevant information that EI members can provide. Please contact the research team with information or to find out more about the project by email at d.youdell@ioe.ac.uk or s.ball@ioe.ac.uk



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