

The Free Market and the Social Divide in Education

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As Geoffrey Robertson has just said, education is a human right. Education for all without discrimination is an essential feature of a democracy. It is also a guarantee of democracy.

However, the right to a successful education for all is being undermined by subjecting schooling to the market forces of competition, choice and privatisation. This program launched by John Howard and David Kemp is being maintained by Kevin Rudd and Julia Gillard. They are extending it with the publication of tables of individual school results.

The Prime Minister says that it is designed to get parents “to walk with their feet”; that is, to make the market work better. David Kemp used the same euphemism incessantly.

The Prime Minister’s ultimate market discipline is to subject schools to a form of bankruptcy proceeding - schools that fail to improve will be subject to “tough action” that includes firing principals and senior staff and closing schools. This is something Kemp could only dream of.

The Government’s approach presents some startling paradoxes.

Rudd’s market paradoxes

Paradox 1

The first paradox is that the Government has given John Howard and David Kemp another term in office.

Labor strongly opposed Kemp’s major initiatives such as the massive expansion of private school funding under the SES model, fewer restrictions on new private schools and reporting the results of individual schools. Yet, Labor has maintained these market-based policies, and is extending them by publishing tables of school results.

Julia Gillard’s “new progressive approach to schools” is to implement Kemp’s goal to efface the difference between the public and private sectors. According to Gillard, “the old progressive assumptions about the roles of different schools and the nature of disadvantage don’t hold”.

Advocacy of the special role of the public sector to ensure universal access, social equity and democracy in education is now disparaged as a “sterile” and “fractious” debate, just as it was by Howard and Kemp.

As under Howard, private schools continue to share proportionately in all new initiatives such as the new infrastructure program, despite their much lower proportions of disadvantaged,

Indigenous and special education students. They even get a windfall gain on these students because their government funding is already linked to government school costs.

Who would have thought that a government that sees itself as progressive would be completing the work of its conservative predecessor? This is the real revolution in the Labor's education policy.

Paradox 2

The second paradox is that the Rudd Government is extending the market in education at a time when markets are discredited as never before in the past 30 years. As one of leading voices of free markets, Financial Times economics writer, Martin Wolf, said on 8 March:

Another ideological god has failed. The assumptions that ruled policy and politics over three decades suddenly look as outdated as revolutionary socialism.

“Governments bad; deregulated markets good”: how can this faith escape unscathed

A Financial Times editorial on the future of capitalism opined on the same day:

The credit crunch has destroyed faith in the free market ideology that has dominated Western economic thinking for a generation.

The Prime Minister himself has joined the chorus of criticism. He has criticised the “neo-liberal extremism” of market fundamentalism that has landed the world economy in its current mess. He says that “unchecked market forces have brought capitalism to the precipice” and that “the great neo-liberal experiment of the past 30 years has failed”.

Yet, he has shut his eyes to the failure of the market in education. He doesn't even seem to be conscious of the paradox.

Paradox 3

Another paradox is that the Government is looking to the failing English and American market models, especially New York City, rather than the most successful education system in the world – Finland – which has rejected the market approach. Australian students are 6-12 months ahead of English, US and New York City students but about a year behind Finnish students in reading, mathematics and science. It is clear where we should be looking.

It is said that Finland is not a good model because it has a relatively homogenous population and faces an easier education task than Australia. Australia must look to England and the US because they have more diverse populations. However, the evidence shows this is a furphy.

Australia has a higher proportion of immigrant students than these countries, yet it has the best results for immigrant students of all OECD countries, and it is well ahead of those in the UK and the US. Children from immigrant families perform as well as native born Australians whereas there are large gaps between the achievement of immigrant and native born students in the UK and the US.

Australia's most disadvantaged students have much higher average outcomes in reading, mathematics and science than those in the UK and the US. Australian disadvantaged students are 6 months or more ahead of those in the UK and 18 months ahead of those in the US.

But, Australia can do much better. Our results are much lower than those of the most disadvantaged students in Finland. Finnish disadvantaged students are some 12-18 months

ahead of the Australian students. Overall, Finland's most disadvantaged students are over 18 months ahead of those in the UK and about 2½ years or more ahead of those in the US.

Finland also has the lowest achievement gap between rich and poor students in the OECD. In contrast, the US has the largest gap and the UK has the third largest.

All this suggests that we have something to learn from Finland in its rejection of the market in education. The lesson is not to copy - but to examine, evaluate, learn and adapt as required.

Paradoxically, this is what many educators and governments in the US are starting to do. For example, last week the Christian Science Monitor reported that many political and education leaders are studying Finland's approach in order to improve their education systems.

But we remain stuck with a discredited model because a blinkered Federal Education Minister cannot see behind the halo of her hero, Joel Klein in New York City.

Paradox 4

It is paradoxical also that Julia Gillard preaches the virtues of evidence-based policies but ignores her own advice when it comes to extending the market in education. It shows the triumph of ideology over evidence.

Major research studies demonstrate that reporting school results and greater competition and choice do not lead to significant improvements in student achievement. As Professor of Economics at the University of Chicago and the co-author of *Freakonomics*, Steven Levitt, says of school choice and competition: "the theory sounds great, but evidence confirming it has been hard to find". A major study by the London School of Economics concludes that "choice and competition does not seem to be generally effective in raising standards".

Only last week, a major new study on charter schools published by the RAND Corporation found against the two key arguments of market advocates. It confirms the finding of several other studies that student achievement in charter schools does not differ substantially from those of traditional public schools. It also concludes that competition from charter schools does not increase student achievement in nearby traditional public schools

The Minister has failed to support her case with evidence. The best she can do is to cite the misleading and selective evidence used by the Commonwealth Treasury.

Paradox 5

A further paradox is that the Federal Education Minister argues that reporting individual school results is necessary to provide transparency about school performance. Yet, she is not applying the same standard to herself. She has restricted public information and debate about her proposal. It is all being decided under the cloak of secrecy.

The Minister has denied teacher and parent organisations, as well as the general public, any opportunity to examine and discuss the proposed arrangements. This is not the open government promised by the Prime Minister.

The Minister has taken her cues from her champion, Joel Klein, on how to force through controversial measures without public debate. Secrecy and avoidance of public debate are

characteristic of how Klein has implemented change in New York City's schools. There too, teacher and parent organisations were excluded from the process.

Paradox 6

It also paradoxical that a Government which espouses the rhetoric of social inclusion has weakened national equity goals while extending the market in education.

Under Gillard's stewardship, national equity goals have been substantially weakened. The new Melbourne Declaration removes the key goal of achieving social justice in schooling which was in the previous Declaration. It also weakened the commitment to eliminating achievement gaps for disadvantaged students and other social groups.

It also switches the emphasis from equity in student outcomes to equity in access to education. Offering a commitment to equitable access to schools, rather than a commitment to equity in outcomes, has always been the way out for conservatives. Now Rudd and Gillard are singing from the same song sheet, yet again.

The head of Nokkia, Finland's most successful and well-known company, said in the Financial Times this week that the Nordic way of capitalism is a model for the world in the current crisis because of its social solidarity system and its good, egalitarian education system. These provide the answers that are needed he said.

It suggests that weakening Australia's commitment to an egalitarian education system in the new national goals portends grave consequences for Australia's future prosperity.

The social divide in Australian education

Already, Australia has a large achievement gap between rich and poor by comparison with other high performing OECD countries. This, together with the gaps between outcomes for Indigenous and non-Indigenous students, and between successful immigrant groups and low-performing immigrant groups, is the major challenge facing Australian education today.

If you have any doubt about this, just look at the evidence on educational divides in NSW compiled by a recent Auditor-General's report. It shows that the proportion of children in the south-western and western Sydney who do not reach national benchmarks in literacy and numeracy is ten times that in the northern suburbs. Yet, they all have access to education.

The latest PISA results show that nearly 25% of 15 year-old students from low socio-economic families in Australia do not achieve expected international proficiency standards compared to 5% of high SES students. In contrast, the proportion of high SES students achieving the highest proficiency levels is about 5 times that of low SES students. On average, 15 year-old students from low SES families are 2-2½ years behind their high SES counterparts. But, they do have access to education.

Large achievement gaps also exist between girls from low and high income families, just as there are large gaps for boys. But, they have access to education.

About 40% of 15 year-old Indigenous students do not achieve expected international proficiency standards compared to 13% of all Australian students. On average, 15 year-old Indigenous students are over 2-2½ years behind non-Indigenous students.

The Government's response to the socio-economic divide in education is the National Partnership Agreement between the Federal, State and Territory Governments to inject \$3 billion into 1500 disadvantaged government and private schools over the next 6 years.

This looks impressive. It amounts to about \$330 000 per year for each school. Spread over an average school size of say 250 students, it means an additional \$1320 per student - just over 10% of current average expenditure per student in government schools, which is \$11 874 according to the latest figures published by the Productivity Commission.

But, this is far less than what is required. Extensive research shows that the funding required for low achieving disadvantaged students to achieve adequate levels of achievement is two to three times the cost of educating an average student– or something like 20-30 times what the Government has on offer. No wonder they have shifted the goal posts.

What will happen of course in 5 or 10 years time is that someone will review this program, find it didn't work to any significant extent, then the right wing think tanks will jump on it to argue that money doesn't matter in schooling and funding for the disadvantaged will be seen as a waste of taxpayer funds.

A fundamental contradiction in policy

The Government's approach to education is fatally contradictory. Extending the market in education and improving social equity are incompatible policies. Inevitably, it is equity which loses out, as it has in England and the US. Instead of improving student achievement, market-oriented school systems lead to greater social segregation and exacerbate achievement gaps in schooling.

Publication of tables of school results represents a critical stage in the introduction of a market in education. It could well tip the balance against the public system by misrepresenting its performance and giving succour to politicians and others who want to shift people out of the public system and reduce the taxpayer commitment to public education.

Until now, public education has managed to hold its own as federal and state governments have chipped away remorselessly at its democratic task for over a decade now. Its resilience in the face of a multi-pronged attack is due in no small part to the overall quality of teaching in government schools, the commitment of most families to their local school and to the egalitarian values of most Australians.

But, now there is a real threat to public education. Just listen to the words this week of two experts on the state of education in the UK and the US, experts who can hardly be called left-wing radicals – sorry, I should have said “old progressives”.

Former head of the NSW Board of Studies and now director of the Oxford University Centre for Educational Assessment, Gordon Stanley, urged Australia not to make the mistakes of the UK and the US in ranking schools.

We could well end up with a similar situation to the UK, where you get a whole industry created around improving performance on the tests rather than necessarily improving students' learning skills.

He said that in the US there had been an "enormous manipulation of data" since schools were asked to show "adequate yearly progress" and it is corrupting the professional process.

Former Assistant Secretary of Education to President George Bush Snr., Diane Ravitch, questioned whether the New York City public education system will survive the “embrace of big money” and the market model being imposed by Julia Gillard’s hero, Joel Klein.

At some point the music and the upheaval will stop. But when it does, will there still be a public school system? Or will the schools all be run by hedge fund managers, dilettantes, and Education Management Organizations?

These are the prospects we face. What the Rudd Government education policies promise is not progress – but a step backwards. They are a threat to egalitarianism and social solidarity. They will lead to greater educational divides, which will flow on into greater social divides as they have in England and the United States.