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# A Market Model of Education?

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# **A Market Model of Education?**

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Milton Friedman introduced the concept of vouchers in education over fifty years ago. Thankfully the world ignored him. Nonetheless, the various victories of neoliberal doctrine from the early 1970s on in the USA, England and Australia placed vouchers on the agenda but not as a central platform. It is one of those policy ideas that is embraced with enthusiasm periodically only to retreat into the recesses of think tanks whose priorities are tax relief for the wealthy and real or imagined wars. When the governments of choice for these tanks are replaced by ones with a thin veneer of progressive ideology (Rudd Labor, perhaps), they tend to search for a revitalising force, a product that will capture the imagination of those who crave authentic neoliberal orthodoxy. They feel, in a sense and justifiably, that their thunder has been stolen by their own progeny who pretend to descend from a different line. Having helped drag brand Labor far into the murky world of market orthodoxy, they seek more and throw out adventurous challenges. Education revolution, Kevin and Julia? We'll give you one.

And thus it is that the Institute of Public Affairs (IPA) published in July this year a pamphlet by Julie Novak entitled *A Real Education Revolution: options for voucher funding reform*. The IPA's motto "Free people, free society" is a cheerful reminder of the sorts of freedoms that brought us the Iraq war and the Wall St. crash. Surprisingly, however, their latest pamphlet is almost honest about the additional fiscal costs associated with the introduction of vouchers. There is no such thing as a free voucher after all: "It is estimated that vouchers would cost federal and state governments anywhere from an extra \$700 million to \$10.3 billion each year." (p. 2). Rather than racing away apologetically from such a costly exercise, Novak rolls on trumpeting the benefits of vouchers for the disadvantaged in particular. The IPA's newfound interest in the plight of the poor, minorities and disabled is touching but upon not so close analysis is mere verbiage disguising the usual profoundly inegalitarian policy formulations. Behind the rhetoric of reform lurks yet another push for privatization.

The problem, we are told by market fundamentalists, is with public schools. And the solution is to make them more like private schools, or at the very least, have them working within a privatized and corporatised educational framework. So why not go one more step down this Friedmanite path and embrace Milton's own gift to the world, a voucher system of school funding just as Novak proposes? The answer, sadly, might be that the Government does not need to because vouchers are an ideological symbol it can do without in education. While they can be introduced through the back door in the "reform" of the health system, vouchers might just be a step too far for this "education revolution"; but a step too far because their underlying principles have to some extent been embraced. Their purpose can be achieved, at least partly, without the label of vouchers being imposed upon school funding. That purpose is, to use the words of a Centre for Independent Studies pamphlet from many years ago, "a private education for all". Successive governments in Australia have shifted funding from public to private schools and provided lavish funding for low-fee new schools. A voucher system such as that proposed by Novak (there are, as we shall see, less market-driven versions) would intensify the already extant transfer of funds. That, of course, is part of the extra financial

cost – to provide for the new government-funded “private” schools that parents have certified with their vouchers. The social costs are simply too high to calculate. Yet, some sense of the damage that would flow from a voucher scheme is outlined expertly in Wilkinson and Pickett’s book *The Spirit Level: Why More Equal Societies Almost Always do Better*. They detail the social consequences of public policies that weaken the public sphere. Declining levels of health and happiness and social trust, amongst other things, can be traced in societies that enhance private position and wealth instead of the public good. This once was common sense but it is very useful to have such sense reinforced with substantial empirical data.

In exposing the real intent of neoliberal education policy, we need to probe the rhetoric, to analyse what is disguised by a clever concoction of words. As George Orwell understood, the truth is often concealed by fancy formulations. Take another term for vouchers – “portable school funding entitlements”. The phrase signals flexibility and choice, watchwords of corporate managerialism. It seems to give consumers power, for it is they who take the funding not the school. The fact that corporate managerialism is more likely to promote conformity and squeeze out alternatives is hidden successfully by the choice of words. The triumph of choice (in both language and policy) is more apparent than real but that does not dilute its ideological power. Parental choice and/or student choice emerge victorious and trump the teachers’ unions and their government lackeys.

Moreover, and perhaps most importantly for those who worry about issues of equity, this gives low-income parents a magical strength that they previously lacked. They are, according to Novak, “financially empowered to take their children out of failing schools and into high-quality educational institutions”(p. 6). It is a wonderful bedtime story and children around the world can float away on dreams where they wander from school to school waving their vouchers and tasting the delights on offer. This is an educational version of the magic faraway tree. And these wizards with words are the ideological twins of the finance wizards on Wall St.. So beware their “hey presto” logic because it conceals an agenda somewhat less egalitarian than it pretends to put forward. As R.H. Tawney warned many years ago in his book *Equality*: “It is the nature of privilege and tyranny to be unconscious of themselves, and to protest, when challenged, that their horns and hooves are not dangerous, as in the past, but useful and handsome decorations, which no self-respecting society would dream of dispensing with.”

And so it goes with vouchers. How can we have been so blind to their educational merit, as well as their profound contribution to social inclusion and justice? Note first, that somehow equality has been abandoned and “social inclusion” substituted. Nothing sinister here, surely? Actually, it testifies to a significant change in direction and the abandonment of equality as a key goal of democracy. Thus it is no accident that the current Labour Government has portfolios for both deregulation and social inclusion. The Prime Minister can shout his condemnation of neoliberalism from the highest rooftops in Canberra because, they aren’t very high after all and on the ground, where it really counts, the despised market shapes the policy agenda anyway. Hypocrisy might not be the right word to throw back at Kevin Rudd but there is at the least a degree of dishonesty

in his preacher-like demolition of neoliberalism. It is no accident that his sermonizing focuses upon greed. Indeed, his conflation of greed and neoliberalism is convenient because it allows him to pursue policies that are neoliberal but do not reek of greed. There is a degree of wizardry also in the Prime Minister's words, as he deflects criticism before it has even begun. He is on the record about neoliberalism, so what he is actually doing must be something entirely different. The problem is that such wizardry with words shares the same ultimate fate as unregulated financial wizardry.

Let us return, however, to Julie Novak's suggestion regarding the liberating potential of vouchers for the disadvantaged. Poor parents, for example, would be able to march their children out of "failing schools" and take them to "high-quality educational institutions" (p. 6). You would not, of course, want too many parents to be so empowered because it might make the job of the high-quality institutions so much harder and even the budgetary increase allowed for by Novak could not begin to meet such a challenge. And let us be clear about who would pick up the tab for this experiment – Government, rather than the IPA's precious private schools. This is the catch 22 of neoliberal policy design – the problem is with government, so you take education away from government only to ensure its sustenance through government funding. So the cause of the problem bankrolls the solution, a delicious irony that explains the smug self-satisfaction of neoliberal ideologues. Nonetheless, they pretend to be very concerned about the plight of the poor and minorities. Voucher would enable, they suggest, a magical transformation in the life prospects of the poor.

Disadvantaged children, however, do not lose their disadvantage upon entering a wealthy private school like St. Josephs. If all Joeys' kids came from remote Aboriginal communities tomorrow, that would upset the real voucher plan. A token few, as happens already, is all that is needed to fulfill an agenda of "social inclusion". The stated goal – poorer kids marching willy-nilly into excellent schools - cannot be the real goal after all. So what is being concealed? The high-quality institutions in this formulation are mostly (almost exclusively) private, the failing schools mostly (almost exclusively) public. The voucher model is designed to strengthen the private and weaken the public systems. The bleeding obvious needs restating, unfortunately, because the fancy footwork and conjuring tricks of the free marketeers can blind us to their real intent.

Novak and her supporters will protest, just like those in Tawney's time, that their intentions are more honourable than this. They are not, as Novak herself makes clear. She refers, for instance, to the Swedish voucher system. What, for Novak, is most notable about that is the fact that the number of private schools has gone from 70 when the vouchers were introduced in 1992 to 800 today (p. 20). This, she suggests, expanded greatly the choices of poor parents. Yet, Novak fails to mention that the reason parents found the "independent" schools accessible is that the Swedish policy does not allow fees to be charged. Education is free and this flies in the face of neoliberal voucher advocates.

So portable school funding entitlements or vouchers can be used, if people thought it a sensible way to proceed, within a public system or within a system where independent

schools were not allowed to charge fees. Eventually, after endless funding tables all of which set out to show (unconvincingly) what they presume (that vouchers would be good), Novak confronts this possibility or, rather, choice: “Any government ban on charging fees, as part of a voucher system, **would effectively remove price signals from school education** hampering informed school choices by parents.” (p.19, my emphasis). Choice here is underpinned by and thus dependent upon the market. It is so strictly limited as to bear little resemblance to genuine choice.

The Swedish experiment actually contradicts what some of its advocates claim it shows. More important than the slight swing towards privatisation (Sweden’s children are overwhelmingly public educated) is the fact that the vouchers only operate in a context of free education. Private donations as well as Government funding sustain the independent schools. This has implications for educational equality but ones that are not nearly as significant as those that exist due to Australia’s fee-charging private schools. Indeed, Swedish policy guarantees equitable resource distribution in its dual system.

Novak exposes the ideological core of the voucher system. Pretending to be about choice, it is really about privatization. Pretending to be about equity, it is about the entrenchment of class privilege. Pretending to be about the enhancement of democracy, it is about the strengthening of the market. In this model of school funding, the parents are consumers making market-driven and delimited choices. They are not citizens making democratic choices. To get back again to Novak’s early suggestion about poorer students having the ability to move to high-quality institutions, she misses the fundamental point in order to promote her ideological agenda. A government with genuine democratic and egalitarian goals would seek to ensure that all schools are high quality institutions and none are failing. While the Australian Government diverts so much of its funding to so-called private schools, it cannot hope to achieve this.

A recent *Background Briefing* on ABC Radio National highlighted the paucity of musical education in most of our public schools. This is just one example of the short-sightedness of a Government convinced it can conduct an education revolution without confronting the central question of funding and can simply pretend that it does not matter if a school is public or private. It not only matters, it also tells us much about the society and what it thinks of education. The public school system is the bedrock of democracy and any attempt to undermine it, including through the provision of increasing funds to private schools, undermines democracy.

If Australian society wants education to be shaped ineluctably by the market then it will adopt a voucher system like that proposed by Novak. If, however, we can see beyond the market and embrace goals of cooperation and excellence, then we will fight for a vibrant and well-funded public education system. The choices are, indeed, stark.

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