

## CEPaLS 10

# A critical conceptualization of privatization of education in Chile and England

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### **Overview**

This is the paper we gave at the 2016 BERA conference as part of the symposium: *The New Private Educational Sector in Chile: entrepreneurialism and competition*.

### **Introduction**

As part of the symposium *The new private educational sector in Chile: entrepreneurialism and competition*, we are presenting a paper that examines the 'private' within privatization. Specifically, we set out to examine what 'private' means and how it is a core feature of the case for the processes that are known as the 'privatization' of public education. We then go onto examine how the 'private' operates in relation to the structures, funding, interests and issues involved in educational provision. We then deploy this to examine the 'private' within 'privatization' in regard to the unfolding reform agendas in Chile and England, where we give particular attention to the restructuring of the 'supply' side of the market. Our contribution is to not only give prime attention to the 'private' as an integral part of the 'privatisation' process but also to examine how the interplay of public and private play out within two different reform sites.

### **Conceptualising privatization**

We begin our analysis by outlining how education is identified as a 'private' matter. It is private in the sense that "it confers personal privileges on people who possess it" (Kwong 2000 p87) and so it is a private good to be identified, purchased and used. The dominance of the 'private' for the rightwing is about securing freedoms that have been taken away by an oppressive state creating "serfdom" (Hayek 1944), and for the leftwing it is about "restoring privilege" for "threatened elites and hungry new rich" (Connell 2013a p279).

The case for the 'private' is neatly articulated by Tooley (2000) in regard to what he identifies as "the 3'Fs" or 'Family', 'Freedom' and 'Philanthropy':

“For a thriving learning society, for education that satisfies our aspirations as individuals and as a society, for education that is of high quality for all, the ‘3Fs’ need to be reinforced, strengthened and nurtured. It is obvious where the *family* fits into this. It is the core institution around which all others are built in society, crucial to early development, and to the promotion of a thriving civil society on which the other Fs are built. *Freedom* is required, for families first, to choose educational opportunities, but then for the whole range of entrepreneurs who will be attracted to the enterprise of education. They must have freedom to invest their energies in whatever ways they see fit to find solutions to educational problems. They need to have freedom to raise investment. They need freedom to be able to devise student loan schemes and methods of cross-subsidization. And they need the freedom to devise methods of inspiring and motivating young people to want to learn. Finally, there is *philanthropy*. It has a key part to play here, to help with those families who are dysfunctional, providing substitute families if necessary or mentoring for those who need it. It also has a key part to play in mentoring for many young people who need that extra help with finding their way in life. And finally it has a part to play in finding funds, administered with discretion and discernment, for those who need help to fund their own or their children’s educational opportunities” (p220-221, emphasis in original).

The ‘private’ is located in individual and family choice decisions about the type and level of education. The freedom to have particular needs and to seek to meet those needs as an idea and reality is integral to civil society, and to the relationship with the economy where providers of educational products will respond to those needs. Where there are problems or ‘dysfunctions’ then private decisions by those who have the necessary resources can be beneficiaries to those ‘in need’.

Such an approach is based on notions of “possessive individualism” (Macpherson 2011) where the individual owns skills that are invested and consumed in the competitive market. Such ownership relates political and economic freedoms with gains for the self and others:

“viewed as a means to the end of political freedom, economic arrangements are important because of their effect on the concentration or dispersion of power. The kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other” (Friedman 2002 p8).

Hence education is a site for “voluntary exchange” (Friedman 2002 p86) regarding the meeting of needs by the market for the individual and the family. Such needs are differentiated in the market, where parents can purchase education for their child to enable them to compete in the market: whether that is through elite private schools or through vocational training that will secure employment (Saltman 2014).

Exchange relationships are controlled or even prevented by the involvement of the state in the provision of schools that are funded by the taxpayer. There are a number of arguments about this, whereby Friedman (2002) identifies the need for limited government “to protect our freedom both from enemies outside our gates and from our fellow-citizens: to preserve law and order, to enforce private contracts, to foster competitive markets” (p2). In addition the argument is also made to fight centralism where “government power must be dispersed” because “if I do not like what my local community does, be it in sewage disposal, or zoning, or schools, I can move to another local community, and though few may take this step, the mere possibility acts as a check” (p3). The challenge for the dominance of the private is the borderline between the necessity of education for the working of the economy, politics and civil society, and education as a cost:

“a stable and democratic society is impossible without a minimum degree of literacy and knowledge on the part of most citizens and without widespread acceptance of some common set of values. Education can contribute to both. In consequence, the gain from education of a child accrues not only to the child or to his parents but also to other members of the society. The education of my child contributes to your welfare by promoting a stable and democratic society. It is not feasible to identify the particular individuals (or families) benefited and so to charge for the services rendered. There is therefore a significant ‘neighborhood effect’” (Friedman 2002 p86).

For Friedman (2002) the demand on families to provide for this basic minimum is crucial, where the argument is made that if the cost can be met privately then it should be done, and “extreme cases could be handled by special subsidy provisions for needy families” (p87).

What is constituted as the ‘private’ is evident in set of ideas and political strategies that are labeled ‘neoliberalism’ and ‘neoconservatism’ (see Apple 2006). Neoliberalism is about the private in the sense of economizing exchange relationships, but it is more than that: “neoliberalism is not just an economic policy agenda – a re-arrangement of relations between capital and the state. It is also an agenda of cultural change and institutional change, extending – at least in potential – through every arena of social life” (Connell et al. 2009 p333, see also Fraser 2014). The family becomes a business in order to provide and invest in education, health and lifestyle, and the decision to invest surplus profit as philanthropy is based on private decisions about what is regarded as personally of interest and important (Shah 2016). This link with the family enables the personal and group morality underpinning neoconservatism to be

able to ally with neoliberalism (Apple 2006), where traditional notions of family, behaviour, and beliefs that are expressed in the formality of faith or the everydayness of common sense forms of knowing, underpin the private as the source of power and control.

While the logic of the private is regarded as rational and provides access to approved of opportunities, there are major concerns about the growth in publicly funded education based on “an indiscriminate extension of government responsibility” (Friedman 2002 p85). This is evident in relentless ‘public-isation’ through the provision and regulation of schools, curriculum, pedagogy and assessment; and the training, recruitment and quality performance of education professionals. The problem lies in the integration of the political with goods and services, whereby “public enterprises are inefficient because they address the objectives of politicians rather than maximize efficiency” (Boycko et al 1996 p309). This is a consistent message (e.g. Bobbitt 2002, Chubb and Moe 1990, West 1965), whereby Tooley (1995) argues that there are serious problems with democratic control: “what actually goes on in democracies as we know them is best characterized in terms of, say, media manipulation, privilege, rent-seeking, log-rolling, luck, expediency, charisma, ignorance and behind-the-scenes corruption” (p32) where voters are not treated as shareholders, and so politicians “spend too much on labour” at the expense of profit (Boycko et al. 1996 p310), and so “by privatization we mean a combination of the reallocation of control rights over employment from politicians to managers and the increase in cash flow ownership of managers and private investors” (Boycko et al. 1996 p310). In summary the argument is made that: “privatisation works because it controls political discretion” (Boycko et al. 1996 p318).

The solution is “denationalizing schooling” as a means of extending choice (Friedman 2002 p91):

“If, as at present, parents can send their children to public schools without special payment, very few can or will send them to other schools unless they too are subsidized. Parochial schools are at a disadvantage in not getting any of the public funds devoted to schooling, but they have the compensating advantage of being run by institutions that are willing to subsidize them and can raise funds to do so. There are few other sources of subsidies for private schools. If present public expenditures on schooling were made available to parents regardless of where they send their children, a wide variety of schools would spring up to meet the demand. Parents could express their views about schools directly by withdrawing their children from one school and sending them to another, to a much greater extent than is now possible. In general, they can now take

this step only at considerable cost – by sending their children to a private school or by changing their residence. For the rest, they can express their views only through cumbersome political channels. Perhaps a somewhat greater degree of freedom to choose schools could be made available in a governmentally administered system, but it would be difficult to carry this freedom very far in view of the obligation to provide every child with a place. Here, as in other fields, competitive enterprise is likely to be far more efficient in meeting consumer demand than either nationalized enterprises or enterprises run to serve other purposes. The final result may therefore be that parochial schools would decline rather than grow in importance” (p91).

This process of ‘denationalizing’ as a means of enabling the ‘private’ to dominate is known as ‘privatisation’ where there are changes happening to public education systems in western style democracies. There is a tendency in the literatures to define this through a prime focus on ownership transfer:

“it involves the transfer of public money and/or assets from the public domain to the private sector. It also includes the provision of services by private corporations, enterprises, and institutes that were once provided by the public sector. Privatisation also generally implies a shift in the control of public resources and change in the structures through which public money is spent (Fitz and Hafid 2007 p275-276).

Importantly such analysis brings to the fore the exchange relationships that structure supply and demand, and how seeking new markets for un-invested capital is about “accumulation by dispossession” (Harvey 2005 p149). Such an approach has shifted notions of equity, whereby individual choice is the source of opportunity: “...located in the processes of acquisition and production of capital rather than in the need to build social communities based on notions of trust and human dignity” (Rizvi 2013 p3). This is evident in how problems are identified and resolved: “the answer to a policy problem will *always* be expanded markets, more competition, more flexibility, more entrepreneurialism and more private ownership” (Rizvi 2013 p7, original emphasis).

Our analysis is about recognising the shifts in ownership, but we primarily focus on the ‘private’ within privatisation whereby the objective social relations for individuals and within families and markets are premised on possessive choice processes that are a private matter. This is evident in the supply and demand dynamics within exchange relationships: the private ‘demand’ regarding the exercise of consumer choice over schools as products and the private ‘supply’ regarding the provision of schools. Private life is organised in particular ways through entrepreneurial activities involved in choosing a school, and through decisions by individuals and networks as entrepreneurs in the setting up a school as a business organisation. The inter-

relationship of different forms of 'private' as the consumer or supplier means that civil society is co-constructed through exchange relationships, that are unstable (families and entrepreneurs can enter and leave the market) and contingent (related to income flows for families and entrepreneurs).

The 'de-nationalisation' of public services education is based on the relocation of decisions from public institutions, politicians and experts to individuals and families, through forms of 'depublicisation', or what is often called "depoliticisation" (Wood and Flinders 2014). What we mean here is that the issues that used to be deemed to be public ones e.g. the provision of schools, curriculum design, pedagogy and assessment, are increasingly being relocated to private choice decisions: on the supply side whether to home school or set up a school, what the school will teach, who will be employed to teach, and what forms of assessment will take place; and on the demand side how individual and family resources will be identified and used to provide purchase educational products. The shift from social forms of security through dependency on universal public services towards risk-assessed investment in educational products, has generated forms of "responsibilisation" where as private agents the individual takes on the responsibilities that previously the state did, and through forms of energized agency the person self calculates risks and benefits, and takes on board prudent forms of insurance against loss in the market place (Peters 2016, Shamir 2008). These processes are inflected with structural power processes where the rhetoric is that all have choice opportunities, but in reality some have choices located in social, political, cultural and economic advantages.

These processes of 'privatisation' or 'denationalisation' have generated tensions at the borders between private and public. We summarise this by using four main features of change in the past forty years in western style democracies:

**Issues:** relocation of public matters and service provision as the concern of public bureaucracies and professionals to private agendas of individuals, groups and families, and businesses/investors/entrepreneurs. Choice operates at the level of whether a

concern is recognized as an issue or not; this is subject to the common sense notions of what matters, often structured through networked morality regimes such as faith communities. For example, there are debates about whether sex education is an issue for the family or for school. Consequently, the supply side will choose to provide schools that meet such demands, and the demand side will seek out school products that meet such needs. The role of professionals is to deliver what private interests demand: either as a parent who pays a fee that funds salaries, or as an entrepreneurial school owner who employs a teacher to deliver the curriculum through particular pedagogies.

**Interests:** increased prominence of private interests from within civil society through the identification and individualization of need identification and satisfaction. Private interests determine the private-public borderline for issue recognition and resolution, where choice enables the demand side of exchange relationships to be operational. For example, there are debates about whether school places are based on the catchment area of a school or on parental preferences combined with vouchers and co-payment. Consequently, the supply side will invest personal resources (savings, talent, know how, reputation) to provide a school for gain (a range of monetary and other profit processes operate), and the demand site will seek out products that enable advantage and distinction in the market place (a range of social, cultural and symbolic capitals are available). The role of professionals is to protect and enhance private interests: either enabling the parent to secure an education that others cannot access, or by enabling an entrepreneur (and this may or may not be an educational professional) to construct niched educational products that are related to a targeted and segmented market.

**Structures:** restructuring of educational provision to change the supply side: schools within the public system become more business like in purposes and organizational/delivery effectiveness, and schools set up outside of the public system increase competition. Customers can exercise choice regarding which educational provider they access, and can switch provider if they are dissatisfied with the service. Outsourcing of activity (e.g. software systems, payroll and HR services, consultancy)

means that business providers of such services enter and diversify the market, and so those who run schools can exercise choice about which services they purchase. Consequently, the supply side can grow and diversify through changes to public education provision and through the entry of new providers into the market, and the demand side will relate needs to the diversity of provision. The role of professionals is to help create and work within new school structures: by devising a distinctive 'unique selling point' of the educational product that enables and justifies new school structures in order to support consumer and entrepreneurial investment and gain.

**Funding:** is increasingly through private/family resources through (gifting, fees or co-payment), with philanthropy and charity adding to, subsidizing and enabling those who cannot pay (fully) to have access to services. Taxpayer funding may remain but it tends to be based on market principles regarding formulas related to the number of people using a service, and/or the provision of a personal budget and/or vouchers. Consequently, private funds are released to the market through investment in supply as a business (and where philanthropists gift resources), and demand as a product (and where that product may be subsidized through the taxpayer and/or philanthropy). The role of professionals is to identify, access and sustain income streams through fees, vouchers/subsidies and gifts.

One of the important sites where all four interplay is through school choice: where structural reform is generating educational products (e.g. new schools) from which to choose from; with funding based on private resources (e.g. fees, charity/philanthropy) that are used to meet private needs; and where educational issues outside of this market exchange relationship are increasingly removed from the public agenda. The claims regarding how choice should be extended has been outlined by Friedman (2002):

"Governments have, in the main, financed schooling by paying directly the costs of running educational institutions. Thus this step seemed required by the decision to subsidize schooling. Yet the two steps could readily be separated. Governments could require a minimum level of schooling financed by giving parents vouchers redeemable for a specified maximum sum per child per year if spent on 'approved' educational services. Parents would then be free to spend this sum and any additional sum they themselves provided on purchasing educational services from an 'approved' institution of their own choice. The educational services could be rendered by private enterprises

operated for profit, or by non-profit institutions. The role of the government would be limited to insuring that the schools met certain minimum standards, such as the inclusion of minimum common content in their programs, much as it now inspects restaurants to insure that they maintain minimum sanitary standards” (p89)

The shift towards such a form of school choice has varied in impact within national education systems, where legal and fiscal changes have tended to generate ‘quasi’ rather than ‘fully’ marketised exchange relationships. Consequently, much of discussion tends to be around: first, how poorer parents can be demonstrated to be able to pay for low cost schools (see Reisz 2015, Tooley 2009, Wilby 2013); and second, how such payments can be enabled through ‘voucher’ systems (see Croft et al. 2013, Friedman 2002).

### **Privatising public education in Chile and England**

The discussion that we have so far engaged with has identified the emerging dynamics of how the private has come to dominate public services education, and increasingly the shift from public to private provision. Our approach in this paper is to focus specifically on the supply side of the market, where we have been working on rapid changes in Chile (see Seppänen et al. 2015). We summarise the key features in Table 1:

**Table 1: Denationalising of schools in Chile and England.**

	<b>Chile</b>	<b>England</b>
<b>Issues</b>	Set up at constitutional level, freedom for private groups to offer particular schools projects; parental choice-voucher shapes schools agenda, values, curriculum	Generate and located in quasi market of some public but increasingly private
<b>Interests</b>	Multiple and atomized school owners; for-profit chains schools; schools networks of private groups advancing particular cultural projects	Elite faith, corporate and ‘assertive middle class’ dominance
<b>Structures</b>	Growth in various types of ‘subsidised private schools’; low legal entry barriers to open schools	Growth in ‘independent state schools’
<b>Funding</b>	Public funding for private and public providers (vouchers); Family fee in private schools only (co-payment); for-profit companies funding non-for profit private schools; various types of families paying school fees at different prices.	Taxpayer formula funding with some targeted projects; increased use of family resources, sponsorship and philanthropy.

We now intend examining this in more detail.

## Chile

Like in other areas, economic discipline in the early 1980s helped reshape the organization of the school system by means a basic institutional transformation. As part of a greater societal transformation of privatization on several economic sectors, the civil-military regime<sup>1</sup> *constructed* an education market by introducing a set of public policy instruments which were intended to stimulate the incorporation, competence, and operation of education operators and reduce the influence of the state in education provision, giving families regulatory power through vouchers or the demand subsidy.

Basically, this new educational legislation has generated the decentralization of public education, transferring the state schools to the corresponding local councils and encouraging the development and creation of new private schools with the state's subsidy. In order to do so the school financing system was modified, becoming competitive among themselves and considering the students' attendance level, independently if it was about public or private schools.

In order to do so it formally empowers two actors, on the one hand, the families, giving them the voucher or subsidy so they can choose among different educational projects, and on the other, empower new actors to become private schools' providers. The legal changes passed by the dictatorship at the beginning of the 1980's allowed the existence of profit-oriented private schools and susceptible to receive state subsidy without relevant entry barriers to open schools. The legal-ideological foundation under which such transformation was pushed is the *Libertad de Enseñanza* constitutional principle, still in place, which is interpreted as a freedom of educational entrepreneurship, within a competitive school market. The consequence is that at the end of the last decade two out of three private schools with school subsidy were non-religious and profit-oriented.

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<sup>1</sup> Term used by Hunneus (2000), who empirically illustrated the broad and decisive participation of civilians in the government headed by the military junta. It was the civilians who designed and implemented both the economic reforms and the constitutional reforms that formed the backbone of the regime.

## **Issues**

The new educational configuration is legitimated specially from the freedom educational principle set up in the Chilean Constitution written by Pinochet's regime at the beginning of 1980's (*Libertad de Enseñanza*). The transformations towards a neoliberal organization of Chilean education and specially towards an educational market with a broad participation of private owners was developed, supported, and facilitated by such principle which offer substantive legal support to the existence of private providers despite the fact that there was a tradition of state education in the country. As a result, issues in education became a private concern and under private control.

On the other hand, the pressure on funding sets up from demand side over supply side by means of parental choice and vouchers mechanisms re-configure the educational issues emerging from schools agendas, purposes, and curriculum which should be responsive to families desires.

## **Interests**

The process of marketization and privatization has given space to multiple interests. At least two clear social actors can be identified: schools and families.

On the one hand, owners of subsidised private schools became an interest group organised by formal organisations which put pressure on governments in order to maintain low regulations regarding funding, admissions, entry barriers, and so on. While is true that there is a diversity of school providers, little empirical research has offered a picture of such diversity. But, in general, subsidised private schools follow a diversity of economic (for-profit schools), ideological (religious schools), political (schools supported by companies) interests. Also, a competitive environment where funding is contingent and should be disputed makes school organisations protect their more elemental interest: to survive. Indeed, the demand subsidy (virtual vouchers for families) removes financing for schools and forces them to compete for it. Schools become productive organizations that should invest time, resources, and energy to capture and maintain their enrolment levels. School administrators must develop tactics to navigate the vicissitudes of local markets. Meanwhile, the competitive logic pressures some

schools to try and attract students to provide stability for their budgets, and others use techniques to reduce costs to maximize profit at the expense of sensitive educational processes. In both cases, schools become competitive units whose links with other local schools are neither cooperative nor based on healthy rivalry.

On the other hand, under a market-driven school system, education become a positional good to be reached and disputed in favour of your own offspring. So the market has made education a strategic space for families. However, as in any market, not everyone is in the same position to acquire the asset at stake. Families should deploy a set of strategies to obtain school places and gain admission. Thus, the competitive mechanism favours families with greater resources and therefore tends to exclude children whose families have few resources. So, under this scheme, families follow their own interests shaping a school system as a hierarchical social space where the dynamic entails winners and losers.

### **Structures**

In terms of structure, there are thousands of subsidised private providers; about 80% have only one owner. The flexible regulation to allow the private involvement in education, along with multiple incentives to attract private providers, impacted on a remarkable heterogenous, atomised, and ample subsidised private sector. Such diversity within the subsidised private sector is expressed in: schools without/with co-payment in different ranges of prices, for profit and non-for profit, or religious and non-religious schools.

### **Funding**

Two key issues are distinctive. On the one hand, subsidised private schools can get funding from the state but, at the same time, they can charge families a fee to increase their budget. So, public funding and private family money can be used to serve private interests. On the other hand, families can use their economic resources at different levels to offer some advantages to their offspring.

The educational market organisation was extended and deepen from the beginning of the democratic recovery in 1990. Specifically, the shared financing mechanism or co-payment was

introduced in 1993 allowing private subsidized schools to charge families for a monthly payment. The statistics show that this fact produced an explosive increase of such schools, becoming a majority during the next years, in terms of school enrolment compared to public education.

However, the market-driven scheme in Chile was not a one single foundational action. The reflexive relationship between knowledge and society is dynamic and continuous, which can be observed in the subsequent changes in educational policy that have consolidated the role of the markets in education provision. Ten years after it was put into operation, in 1990 economists identified that the education market built contained problems in its institutional design as it did not have sufficient incentives to attract the participation of private providers. This explained why only very few private operators had moved into the education sector and opened schools over that decade. The solution was to increase the 'incentives' so that joining the sector would be more attractive. As a response, once democracy resumed in 1993, the technocratic elite of the governing *Concertación* Coalition introduced co-payments or shared funding, which has continued to this day. Principally this allows private subsidized establishments to charge families monthly payments, as well as receiving a state subsidy for each child served. The argument for that decision was economic: (i) it would increase private spending in education, and thus the total spending of the country in the sector; (ii) it would create an incentive for new private operators to join the sector as education providers; (iii) it would monetarily reinforce the effect of acceptance of profit-making. The economic science was not wrong: creation of new for-profit and co-payment private subsidized education establishments in Chile increased by 80% between 1992 and 2002. Economic science correctly hypothesized that economic agents would respond to the incentives by opening schools. It is clear that the democratization period introduced new market tools instead of disassemble the market-driven mechanism created by the dictatorship.

Later, during the 2000s, economists insisted that there were design problems with the voucher because it did not provide the expected balance between the cost of education and the original human capital of each child. This distortion resulted in different rules and disincentives for educational operators (Gallego and Sapelli, 2007). The technical proposal was to eliminate the flat subsidy and introduce a new one that was related to the socioeconomic status of students.

The political response was the so-called *Preferential Subsidy Act*. The last move in 2012, which was the result of a political agreement, was to introduce regulation to a totally deregulated market: *Superintendence of Education*.

Overall, educational market makes school owners compete for students, schools focus on designing strategies for exteriorization in order to become attractive to families undertaking strategies that are not necessarily educational. By competing for funding and survival, schools incorporate practices that were once alien to them. Schools face internal micro-political conflicts arising from disputes over the mission, role, and direction that they should take within competitive contexts. As a whole, they comprise an inauthentic self-fabrication where what is real tends to give way to the apparent.

## **England**

Reforms that come under the umbrella of 'privatisation' in England date from the 1980s onwards, and have been variously labeled as 'New Right', 'Thatcherite', 'Neoliberal', and 'New Labour'. The simultaneous decentralization to schools as businesses and the deregulation of school and service providers along with the centralization of regulated curriculum products and standards based on inspections and test results, is a form of what Gray (2015) identifies as 18<sup>th</sup> Century "mercantilism" with "government not retreating from the marketplace but actively reshaping it so that it better serves the interests of trade and wealth accumulation" (p26).

Hence the state has been actively involved in legislative reforms, strategic and targeted investment/disinvestment and quality control through external quality control underpinned by claims to an authoritative methodology that audits and produces data to support supply and demand. Integral to the reforms has been the naming and evidencing of crises in public service education by the right, with particular emphasis on provider capture by the profession, the failure to link the curriculum to employment and the economy, and the use of progressive pedagogies that promote indiscipline and fail to achieve quality standards (see Boyson 1975). From the left there has been concern to ensure that the public did not exit from education, where New Labour (1997-2010) invested in forms of school improvement that put emphasis on

the potency of school leaders, together with organizational and cultural structures and systems. Importantly the argument has been made from the left that the economy has not kept up with the aspirations of a highly educated population, and the fear of social dislocation is tangible. Building on Ranson's (1994) evidence, Pring (1988) states: "contrary to popular myth, so it was stated, education has been too successful – we can cope with the Toxteths and the Brixtons, but we may not be able to manage future unrest. Once again we must teach young people to know their place" (p91).

Here we outline some key features.

**Issues:**

Parents have been enabled to become "active choosers" (Bowe et al. 1994) regarding consuming education, and this is related to a wider and deeper political project that is about shape thinking and practice, and identity. This has been made visible in the shift of educational provision located within local government with accountability through local councilors and professional networks, towards markets where issue recognition is increasingly linked to demand, and controlled by neoconservative moral determinism regarding school dress, behaviour and professional norms. This impacts on the access of children to particular types of curriculum and pedagogy (e.g. faith, vocational), and how particular needs that the market may not provide for are increasingly marginalized (e.g. special needs education). The emerging complexity is evident in the provision of school places, and while the Local Authority is legally responsible for finding a school place for every child, the provision of those places is located in an increasingly diverse system where governing bodies control their admissions policies. It is clear that there are insufficient places in some parts of England, particularly in urban areas. While school outcomes such as test results and Ofsted inspection judgements are regarded as proxies for quality, there are 'types' of children who are increasingly recognized as a problem in regard to maintaining and exceeding examination results and the place in the league tables. This is increasingly children with special educational needs, children who have been excluded from other schools, and children who are newly arrived into the UK. These

issues are impacting on notions of whose interests matters most, how structures and funding regimes respond to different interests.

**Interests:**

Development of private interests as the determinant of quality in regard to the prime role of parents has been a key feature of reform, where choice opportunities have been extended in regard to exercising a preference for a school through to diversity of school provision through faith and curriculum focus (e.g. language, sport and business specialization). Such interests have been articulated through notions of 'parental choice', and how the private requirements of individuals and families can be framed and used to demand services that are personalized. The impact of this within the quasi-market is how choice is working in a range of different places, and how parents are enabled (or not) to exercise choice and exit the public system, or demand a private system that is publicly subsidized. If a local authority school is deemed to be failing (through Ofsted, League Tables, and the exiting of parents to other schools) then it is converted into an Academy, but if an Academy fails they are not being renationalized. Instead an 'academy broker' works to shift a failing academy to other chains and owners, where the idea of 'failure', 'closure' and 'take overs' of schools is becoming a reality.

**Structures:**

The restructuring of educational provision is ongoing, with the current research assessment that there are between 70 and 90 types of school in England (Courtney 2015). There are a range of trends evident: (a) there has never been a fully nationalized system with at least 7% of provision is private; (b) there have been private interests and providers in partnership with the state through public subsidies e.g. faith schools; (c) public education provision in the form of local authority schools have been turned into businesses through changes to funding, workforce composition, and market competition, and 1988-1997 schools could hold a ballot to opt out and take up Grant Maintained status; (d) new education suppliers have entered the market through City Technology Colleges (CTCs) from the 1980s, through to Academies from 2000, and Free schools

from 2010. The complexities regarding these structural changes are emerging, not least the interplay with other reforms such as *Building Schools for the Future* (2005-2010) whereby the use of private finance and partnerships has created debts for new buildings that are carried by the Local Authority until the school is an academy. The use of market rates for services also means that providing certain services means cuts to the workforce and learning resources budgets.

### **Funding:**

Forms of disinvestment are evident in public services education as periods of austerity (or cuts) have led to reductions in funding (Ball 2007, Ranson 2012). Funding is subject to a range of processes and is complex as reforms and changes over lay each other: (a) schools receive funding on the basis of a formula linked to parental preferences; (b) there are some targeted ring fenced funding streams e.g. Pupil Premium is designed to support children in economically disadvantaged communities; (c) the growth of new school providers outside of local authorities (e.g. CTCs, Academies, Free Schools) has led to direct funding by central government based on a Model Funding Agreement; (d) charity and philanthropic sponsorship (financial, in kind) has become a core feature of reform; (e) there has been an increase in family funding of aspects of education (uniforms, books and equipment, extra curricular activities and travel).

### **Summary**

What our work on privatization in two different national settings is illuminating is how radical changes to the idea, access to and provision of public education is related to crises that are the product of major ruptures: in Chile it was the Pinochet coup that led to the dominance of neoliberal ideas, and in England it was the Thatcherite breach of the post war welfare settlement that impacted on successive governments from 1979 onwards. Both sites illustrate the importance of the restoration of the private as the key determinant of supply and demand processes, where 'choice' is located with individuals and families, and inflected with power structures related to class, economic wealth, race, gender and faith.

It seems that the borders between the private and the public have been breached, and are a site of ongoing debate and reform processes regarding whose interests dominate, how structures have generated a diverse school provision, and how funding is increasingly private but is to varying degrees subsidized by the taxpayer. Chile has moved much more rapidly and fundamentally through a privatized system with a residual public system, whereas England is in the process of shifting towards a privatized system where emerging residualisation is being constructed. The immediacy of a coup in Chile as distinct from contested elections in the UK means that the process and speed of change has varied, but the underlying purposes and ideas are shared. Both have education systems that are undertaken in public, but are increasingly private through choice decisions in the supply and demand sides of the economization of provision; both are funded by the public through tax investment through vouchers in Chile and formula funding (and various other complex systems within Funding Agreements) that are meant to be responsive to demand, but the private dominates more in Chile through co-payment and selection processes based on testing and observations of children at play; and, ownership in Chile is now mainly private with increased private ownership in England. While there is now increased recognition in Chile that the private means that schools choose children rather than the other way around, with new reforms that plan to restrict copayment and selection, it seems that in England the crises that are emerging in the contradictory situation in which parents and professionals find themselves is not bringing a halt to the privatization processes.

Our contribution to the symposium through this paper is to consider the complexities in the borders between public and private, and what this means for the purposes and access to educational services. Studying the interplay between the public and practice through a focus on educational services enables the instability and contingent nature of the construction of education as a site of public and/or private investment to be opened up for scrutiny.

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