

# The Free Market and the Social Divide in Education

**Trevor Cobbold**

As Geoffrey Robertson has said, education is a human right. Education for all without discrimination is an essential feature of a 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, even though markets are under question now as never before in the last 30 years.

## Markets under question

The claim that market forces to deliver greater prosperity has been a dominant theme in economic policy debate for nigh on 30 years. In education, it has been a dominant theme in a few countries, notably England and the US, for some 20 years.

Now, just as the Great Depression led to fundamental questioning of economic orthodoxy, so too is the Great Recession causing many to recognise the limits of markets and look to greater regulation. In the current crisis, many advocates of free markets have acknowledged its failures. For example, just consider some comments recently published in the London Financial Times. Its leading 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 The assumptions that ruled policy and politics over three decades suddenly look as outdated as revolutionary socialism.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 .... [Wolf 2009]

The same day the eminent Professor of Economics at Yale University, Robert Shiller, wrote:

The idea that unfettered, unregulated capitalism would invariably produce the good outcomes was a wrong economic theory regarding how capitalist societies behave and what causes their crises. [Shiller 2009]

An editorial introduction to a new on-line series on the future of capitalism opined:

The credit crunch has destroyed faith in the free market ideology that has dominated Western economic thinking for a generation. [FT 2009]

A final example is from a just-published UNCTAD report:

Market fundamentalist *laissez-faire* of the last 20 years has dramatically failed the test. [UNCTAD 2009: iii]

These are just a few comments in what has been an avalanche on how the free market has contributed to the current crisis. Even our own Prime Minister has also joined the chorus, but more about that later.

In the light of such a fundamental re-questioning of the role of markets in the economy we cannot be sanguine, if ever any of us had been, about the continuing extension of market-type features in education. The current crisis is good cause to re-assess the role of the market in education.

## **Free markets and quasi-markets**

A free market involves the participation of many buyers and sellers who exchange commodities and services at a price. Buyers are free to choose what to buy at what price. Sellers are free to offer any commodity or service for sale at a price to gain a profit. Thus, a free market involves the free entry to and free exit from the market by both buyers and sellers. A free market also presumes private ownership of commodities or services for sale and there is no government provision or regulation. It assumes that buyers are well informed about the products they seek to purchase.

While the term 'free market' is often used in public debate about the introduction of market-type mechanisms in education it should be noted that a free market in education does not exist anywhere. In fact, only a few people argue for this [for example, Tooley 2000; Harrison 2004]. Even the high priest of market-type features in education, Milton Friedman, did not argue for a free market; on the contrary, he acknowledged the existence of market failure in education and the role of government in schooling [Friedman 1962: 85-89].

Instead of the free market, what is more often proposed for government school systems is a constrained market where there is greater choice of school and greater competition between schools. The term 'quasi-markets' is generally used to describe this approach [see Glennester 1991; Bartlett & Le Grand 1993]. The development of quasi-markets in education has replaced centralized government control in several countries, most notably England and the United States.

The main features of quasi-markets in education are reduced or no residential requirements to attend a school so that there is greater choice of school for parents and greater competition between schools for enrolments. These features are supported by other changes including funding schools according to the number of enrolments, so that funding follows the child. It also includes greater devolution of decision making to the school level such as control over budget allocations and the appointment of staff. This is to ensure that schools are able to respond to parent demands and are not as constrained by centralized government controls. The publication of the results of each school is seen as a central component of quasi-markets because it is supposed to inform parent choice. This requires a national or state standardised testing regime to ensure consistent comparisons between schools.

The introduction of quasi-markets in education was part of a broad movement over the past 30 years to introduce market-type mechanisms to various government services. The rationale for introducing quasi-markets is that greater competition and choice will improve student achievement; improve efficiency of the public sector and reduce the costs of public education; and reduce the size of government and the overall burden on the taxpayer.

Australia has taken this path. However, Australia is also virtually unique in the extent of government support for private schools as a source of competition and choice of schools. Privatisation of schooling has been the major mechanism by which to extend choice and competition. In most other developed countries, private schools constitute a relatively minor sector.

The Howard Government made increasing competition and choice in schooling the centrepiece of its education policy [see Cobbold 2007]. Increasing access to private schools through massive taxpayer support was the main feature of this approach. Measures included a massive funding increase for private schools implemented through the SES funding model,

reduced restrictions on new private schools and support for a new type of private school called technical colleges.

In addition, steps were taken to develop greater competition within and between school sectors through the introduction of national assessment and reporting of student achievement. This culminated in the introduction of a requirement for schools to report their results to their school communities in the later years of the Howard Government. However, reporting was left to individual school annual reports rather through a centralized system of reporting the results of all schools that has existed for many years in England, generally referred to as league tables.

Competition between schools was also promoted by giving principals greater powers over budgets and staff, a condition of Federal funding introduced by Brendan Nelson.

The Rudd Government has maintained and extended the focus on markets and competition in education. Education continues to be driven by parent choice and competition. It has not reversed any of the key measures of the Howard Government. It is now extending the national market in education through the centralized reporting of all individual school results. This will make league tables inevitable. We are likely to have a variety of league tables - national, state and local. The commitment to providing comparisons of school results in local geographical areas is nothing but regional league tables. So-called 'like school' comparisons are another form of league table.

### **Rudd's market paradoxes**

The Rudd Government's support for extending the market in education presents some startling paradoxes.

#### **Paradox 1: Completing the Howard/Kemp agenda of a market in education after opposing its introduction**

It is paradoxical that a government which calls itself progressive is implementing the policies of its erstwhile conservative predecessor. Labor had strongly opposed Kemp's major initiatives such as the massive expansion of private school funding under the SES model, reduced restrictions on new private schools and reporting the results of individual schools. Yet, in government, 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.

We have an historic opportunity to overcome this public-private divide.....The debate we need to be having is not a sterile debate about public versus private. [Gillard 2008b]

David Kemp argued a similar case, for example:

What I see in the future is an Australian education system where distinctions between government and non-government schools will become outdated and increasingly irrelevant. All schools are publicly funded in some way and are all accountable to parents and the community for the investment in schooling made by taxpayers. [Kemp 1997]

According to Gillard, "the old progressive assumptions about the roles of different schools and the nature of disadvantage don't hold" [Gillard 2008a].

The tone was set right from the beginning in the PM's victory speech on election night when he declared an end to "the old battles between public and private" [Rudd 2007]. It is faithfully followed by Gillard who says that "we have left the debates of public versus private behind us. They are yesterday's debates" [Gillard 2008c].

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

As under Howard, private schools share in all new initiatives, such as the new infrastructure program, despite much lower proportions of disadvantaged, Indigenous and special education students. They even get a windfall gain on these students because their general funding is already linked to government school costs which are higher because of its larger proportions of these students.

So, as far as education policy is concerned, the Rudd Government has given John Howard and David Kemp another term in office. It is completing Kemp's vision to subject education to the rule of market forces. This is the real revolution in the Labor's education policy.

In this, the Government has replicated the Blair Government in extending market features inherited from a previous conservative government. The observation of Geoff Whitty, Director of the Institute of Education at the University of London, applies equally to the Rudd Government:

Labour has not yet delivered a substantially new education policy. Indeed, it has in effect gone further down the market route than the Conservatives achieved, including more privatisation. [Whitty 2005: 4]

## **Paradox 2: Extending the market in education while blaming markets for the economic crisis**

It is also paradoxical that the Prime Minister vigorously criticises markets for creating the worst financial and economic crisis in 80 years and advocates greater regulation. The Prime Minister has joined the chorus of criticism about the failures of markets in creating the current crisis. 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" [Rudd 2009: 21, 22, 25].

Yet, he and his Education Minister are intent on extending the market in education.

The Government's key market innovation in education is to publish tables of individual school results. The PM says that this is designed to get parents "to walk with their feet"; that is, he wants to make the market work better. David Kemp used the same euphemism incessantly [for example, Kemp 1999].

Centralized publication of tables of the results of all schools will inevitably lead to league tables of rankings of schools. It will enable comparisons of all schools, comparisons of schools in the same geographical area, and comparisons of so-called like-schools. It will fundamentally change the landscape of Australia's education system.

The Prime Minister's ultimate market discipline is to subject schools to a form of bankruptcy proceeding. He says that schools that fail to improve will be subject to "tough action", including firing principals and senior staff and closing schools. This is something that Kemp could only dream of.

The Prime Minister advocates a different approach to economic markets, but as far as education is concerned he keeps the faith. We can only hope that education doesn't reap the same results as economic deregulation. As Professor of Education at New York University, Diane Ravitch, said of President Obama's new deregulation program in education announced in early March:

We should all wonder: Is deregulation a cure for what ails American education? Or will American education find itself in the same dismal condition as our financial institutions a decade hence? [Ravitch 2009a]

### **Paradox 3: Following the failing UK and US market models while ignoring the most successful education system in the world**

This leads to another paradox. The Rudd Government is drawing its education policy from 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.

According to the PISA assessments of 15 year-old students, 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 [see Cobbold 2009b].<sup>1</sup>

These results are an embarrassment for advocates of markets in education. Finland does not even have large scale national testing programs and does not report the results of individual schools. In contrast, the two countries that make the greatest use of school comparisons – the United Kingdom and the United States – consistently perform well below Australia.

The response has been to dismiss Finland as a relevant model for Australia. It is argued that Finland has a relatively homogenous population and therefore faces an easier education task than Australia. It is said that Australia must look to England and the US because they have more diverse populations. However, the evidence on the achievement of English and US immigrant/ethnic and disadvantaged students shows this is a furphy.

It is true that Finland has a very homogeneous demographic profile compared to Australia. Only about 1% of Finnish students are from immigrant families. In contrast, 22% of Australian 15 year-old students are from immigrant families and 8% speak a language other than English at home [Cobbold 2009b]. However, Australia also has a higher proportion of students from immigrant families than either the UK or the US. In the UK, 9% of students are from immigrant families and 4% speak another language at home. The respective proportions for the US are 15% and 11%.

Nevertheless, why Australia would look to the UK and the US to improve immigrant student outcomes is beyond comprehension. Australia's immigrant students achieve at a much higher level than those in the UK and the US. Australian immigrant students are consistently about 12-18 months ahead of those in the UK in reading, mathematics and science while they are 2

---

<sup>1</sup> Progress in student achievement is measured according to the PISA achievement scales. One school year corresponds to about 38 points on the PISA scales.

years and more ahead of those in the US [Cobbold 2009b]. Indeed, the average outcomes for 1<sup>st</sup> and 2<sup>nd</sup> generation immigrant students in Australia are even well above the average for all UK and US students in reading, mathematics and science.

On average, Australia's immigrant students achieve at similar levels to native born Australians whereas there are large gaps between the achievement of immigrant and native born students in the UK and the US.

As regards socio-economic disadvantage, Finland, Australia and the UK have about 6% of students who are in the most disadvantaged 15% of students in all OECD countries while the US proportion is nearly twice as large, at 11%.

The most disadvantaged students in Australia have much higher average outcomes in reading, mathematics and science than those students 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 [Cobbold 2009b]. However, Australia's 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's most disadvantaged students have the highest average scores in reading and science of all 30 OECD countries and are second in mathematics. In contrast, average scores for US disadvantaged students only exceed those of Luxembourg, Mexico and Turkey in science and only exceed Greece, Mexico and Turkey in mathematics. Average scores for UK students are similar to the average for the OECD.

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, including President Obama's key education adviser during the election campaign, Linda Darling-Hammond who is also Professor of Education at Stanford University. In an interview with Newsweek last December she said that the US should look to Finland to reduce the achievement gap and improve teacher training [Garland 2008]. It was also apparent that she thought that the US had something to learn from Finland in the way it uses high quality testing to improve teaching and learning rather than for accountability purposes.

The Christian Science Monitor reported recently that many US political and education leaders are studying Finland's approach in order to improve their education systems [Khadaroo 2009]. In February, the Dallas Morning News reported on how Texas school leaders are looking to Finland to improve the Texas public school system. The report said that leaders are especially intrigued with how Finland gets positive results from all of its schools and nearly all of its students – an equality that has been a chronic problem in Texas.

Another interesting aspect of the Texas report was that these school leaders explicitly recognised that while Finland has a much smaller and much more homogenous school population than Texas, it still has much to offer Texas in improving student results. What a contrast to the blinkered attitude of our Federal Education Minister who cannot see behind the halo of her hero, Joel Klein in New York City.

#### **Paradox 4: Supporting evidence based policy while ignoring the evidence on markets in education**

The Rudd Government, particularly Julia Gillard, preaches the virtues of evidence-based policies in education and elsewhere. However, she ignores her own advice in when it comes to extending the market in education. The hiatus between rhetoric and practice on education markets 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 [Cobbold 2009a]. For example, an extensive review of research studies published last year by the Federal Reserve Bank of Chicago concluded that students who exercise choice do not experience achievement gains and that school choice does not induce public schools to improve their performance [Rouse & Barrow 2008].

A major new study on charter schools published by the RAND Corporation has found against the two key arguments of market advocates [Zimmer et.al. 2009]. The study 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.

A major review of the Milwaukee private school voucher program, which has operated since 1991, found no statistically significant difference in achievement progress between students participating in the program and students in Milwaukee public schools [Witte et.al. 2009: 1].

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” [Levitt 2007]. A major study by the London School of Economics concludes that “choice and competition does not seem to be generally effective in raising standards” [Gibbons et.al. 2006].

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 [Commonwealth of Australia 2008]. The Treasury cites only two studies. One of those doesn't actually show that public reporting of school performance enhances school performance while in the other the effect is miniscule after taking account of differences in demographic and socio-economic composition.

Not only does the market fail to improve student achievement, but it exacerbates the social divide. Just as the market continually re-produces a social divide in society so it does in education. There is extensive research evidence that increasing choice and competition between schools tends to increase socio-economic and racial segregation between schools which exacerbates achievement gaps between rich and poor students and between black and white students [Cobbold 2009a].

The latest PISA results show a stark contrast in the social divide in education between countries that have adopted a more extensive market approach to education and those that have not. Finland has the equal smallest achievement gap in science in the OECD [OECD 2007]. In contrast, the US has the equal largest gap and the UK has the third largest. Australia's is similar to the average for the OECD.

In Finland, the most disadvantaged students are on average 18 months or more behind the most advantaged students. The gap for Australia is two years or more while that for the UK and the US is about 2½ years and even 3 years in the US. There has been little change in these gaps since 2000.

A similar pattern appears to exist for reading and mathematics, although it is difficult to be precise because of data deficiencies. Moreover, the UK and the US have not made any significant reductions in their gaps since 2000.

### **Paradox 5: Advocating reporting school results to improve transparency while denying public input into how results should be reported**

A further paradox is that the Federal Education Minister argues that reporting individual school results is necessary to provide transparency about school performance. Yet, once again she has failed to apply 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 behind closed doors.

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: Extending the market in education while weakening national equity goals in education**

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, the national equity goals have been substantially weakened by the new Melbourne Declaration released last December. It has:

- Removed the key goal of achieving social justice in schooling which was in the previous Adelaide Declaration;
- Weakened the commitment to eliminating achievement gaps between students from different social groups; and
- Increased the emphasis on equity in access to education and reduces the emphasis on equity in student outcomes.

First, one of the three goals of the Adelaide Declaration was that "schooling should be socially just". This goal does not appear in the Melbourne Declaration and its removal is symbolic of the overall weaker commitment to equity in education in the new Declaration.

Having social justice in schooling as a key national goal in education was a powerful statement of policy priority, even though governments failed to implement it. It provided leadership and hope for thousands of teachers, parents and students.

Second, the Adelaide Declaration stated that the learning outcomes of all educationally disadvantaged students should match those of other students. It meant that average outcomes

and the range of outcomes should be similar for students from different social groups – that is, low income, Indigenous and other disadvantaged students should achieve similar average outcomes and range of results as high income students.

The Melbourne Declaration retains the commitment to eliminating the achievement gap between Indigenous and non-Indigenous students. However, the commitment to socio-economically disadvantaged students is weakened as it now a case of ensuring that disadvantage ceases to be a significant determinant of educational outcomes. For other disadvantaged students, such as that associated with ethnic background and geographical location, the commitment is now only to reduce the effect of disadvantage instead of requiring that their results improve to match those of other students.

Third, the Adelaide Declaration stated that student **outcomes** should be free from the effects of negative forms of discrimination such as those based on sex, ethnicity and socio-economic background. In contrast, the Melbourne Declaration only commits governments to providing all students with **access** to high quality schooling free from discrimination including, among others, that based on culture and ethnicity. This is a much weaker commitment to equity than that of the Adelaide Declaration.

Equity in access to education generally means providing the opportunities to learn without reference to the outcomes. In practice, it permits dismissal of students' lack of success as being due to their lack of talent or motivation, not to inadequate government funding or teaching.

Equity in access does not require any minimum level of achievement for all students or the elimination of achievement gaps between students from different social backgrounds. It is consistent with wide inequalities in outcomes. It removes the need for special programs to reduce achievement gaps. As such, it is a recipe for continuing inequity.

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 recently 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 [Milne 2009]. 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 is Australia's major education challenge**

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.

According to the latest PISA results, nearly 25% of 15 year-old students from low income families in Australia do not achieve expected international proficiency standards. In 2006, 22-23% of low SES students did not achieve international proficiency standards in reading, mathematics and science compared to only 5% of high SES students [Thomson & De Bortoli

2008a]. Thus, the proportion of low SES students not achieving expected levels is about 5 times that 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. In 2006, only 4% of low SES students achieved the highest reading proficiency standard compared with 21% of high SES students. In mathematics, the respective proportions were 6% and 29% and in science it was 6% compared to 26%.

On average, 15 year-old students from low SES families are two years or more behind high SES students. In 2006, the differences in average score points between low and high SES students in reading, mathematics and science were 84, 78 and 87 respectively

The proportion of low SES students achieving below the OECD average is about 2½ times that for high SES students. In 2006, 53-55% of low SES students achieved below the OECD average in reading, mathematics and science compared to 22-24% of high SES students [Thomson & De Bortoli 2008b].

National data on retention rates shows that the drop-out rate before Year 12 for low SES students is double that of high SES students. In 2007, 41% of students from low SES families failed to complete Year 12 compared to 23% of students from high SES families [MCEETYA n.d: Table 35].

Nor has there been any significant reduction of these gaps in recent years. No reduction has occurred in the gap in the proportion of low and high SES students achieving below the OECD average in reading, mathematics and science since 2000.

The gap between the proportion of students from low and high SES families who failed to complete Year 12 has widened slightly since 1997. The proportion of students from low SES families who fail to complete Year 12 is similar to that in 1997, while the proportion of students from high SES families who fail to complete Year 12 has decreased slightly. In 1997, 40% of students from low SES families failed to complete Year 12 compared to 25% of students from high SES families.

Another perspective on the achievement gaps between low and high SES students is given by State test data. For example, a report of the NSW Auditor-General last year shows that one or two in every 10 low income students are below minimum State standards in literacy and numeracy compared to one or two in every 100 high income students [Audit Office of NSW 2008]. In 2007, 11% of Year 3 students in South Western Sydney and 9% in Western Sydney, both low income regions, were below minimum literacy and numeracy standards in 2007 compared to 1-2% of students in Northern Sydney which is a high income area. The achievement gap was huge for disadvantaged schools where 20% of students were below the Year 3 minimum standard in literacy and 15% were below the numeracy standard.

A report by the Victorian Auditor-General this year found that the achievement gap between students from low- and high-SES schools was wide at all year levels for both literacy and numeracy [Auditor-General, Victoria 2009]. Students from low-SES schools were up to a year or more below the achievement level of their counterparts from high-SES schools for both literacy and numeracy. This achievement gap widened as students progressed through

school from Years 3 to 9. In Year 9, the gap represented 15 months of learning for both literacy and numeracy.

Both reports found that little progress has been made in reducing these gaps over the past decade or so.

### **Responding to the social divide**

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 \$1330 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.

However, the extent of additional funding received by schools is likely to be less than this amount. The National Partnership Agreement allows the State matching grants to be financed by re-direction from existing school funding sources and new funding commitments.

While the Agreement will significantly increase funding for low income students, it remains significantly less than levels of funding elsewhere and is far less than what research studies indicate is required.

As in Australia, many US states provide additional funding for disadvantaged students. There is wide variation in the additional funding provided, but a few states provide twice as much funding to schools in high poverty districts as that received by the average district and several others provide over 50% more than for the average district [Duncombe & Yinger 2005].

Research studies show 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 [Duncombe & Yinger 2005; Duncombe & Yinger 2008]. These estimates are similar to those of earlier studies [for example, Augenblick & Myers 2001; Duncombe 2002; Reschovsky & Imazeki 1998].

These estimates indicate that the level of funding required for low income students is 20-30 times what the Government has on offer. No wonder the Government has shifted the goal posts. Even more funding would be required to improve the average outcomes of these students so that they match those of well-off students in Northern Sydney.

There is a very real danger that the new funding will not result in a significant improvement in student achievement because it is so much less than what is required to make a difference. 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.

There is sufficient evidence to indicate that if educational policies continue to be based on competitive neo-liberal ideologies, social justice will recede. [Thrupp & Tomlinson 2005: 555]

The attempt to marry the irreconcilable – improving equity while increasing the role of the market in education - is the path of New Labour under the Blair Government in England. There the contradictions between the rhetoric of social justice and social inclusion and promoting competition and choice for privileged choosers have become increasingly obvious [Whitty 2008]. Intervention programmes to assist schools serving disadvantaged communities have been re-packaged constantly in the face of continuing poor results in these schools as market enhancing policies continue to create social inequalities and injustice. This has been compounded by the strategy of closing schools that do not improve performance, the ultimate in blaming the victims as the schools that are closed are those that serve low income and ethnic communities. The result has been failure in reducing achievement gaps.

Despite rising attainment levels and widening of participation, there has been little narrowing of longstanding and sizable attainment gaps. Those from disadvantaged backgrounds remain at higher risk of poor outcomes at all stages. [Sammons 2008: 663-664]

As the Director of the Institute of Education at London University, Geoff Whitty, has recently commented, significant questions remain as to whether the targeting of resources to disadvantaged groups and social inclusion can have any impact in the context of a market-oriented education system [Whitty 2008: 178].

Publication of tables of school results represents a critical stage in the introduction of a market in education in Australia. 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. Former head of the NSW Board of Studies and now director of the Oxford University Centre for Educational Assessment, Gordon Stanley, has warned 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. [Patty 2009]

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 EMOs (Education Management Organizations)? [Ravitch 2009b]

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.

## References

Auditor-General, Victoria 2009. *Literacy and Numeracy Achievement*. Victorian Government Printer, Melbourne.

Audit Office of NSW 2008. *Improving Literacy and Numeracy in NSW Public Schools : Department of Education and Training*. Audit Office of NSW, Sydney.

Augenblick and Myers Inc. 2001. Calculation of the Cost of an Adequate Education in Maryland in 1999-2000 Using Two Different Analytic Approaches. Paper prepared for the Maryland Commission on Education Finance, Equity, and Excellence (Thornton Commission), September. Available at: <http://mlis.state.md.us/other/education> .

Bartlett, Will and Le Grand, Julian 1993. The Theory of Quasi-Markets. In Julian Le Grand and Will Bartlett (eds.), *Quasi-Markets and Social Policy*. Macmillan, London: 125-153.

Cobbold, Trevor 2007. The Great School Fraud: Howard Government School Education Policy 1996-2000. Available at: <http://www.soscanberra.com>

Cobbold, Trevor 2009a. League Tables. *Professional Educator*, 8 (1): 8-11.

Cobbold, Trevor 2009b. Gillard is Looking in the Wrong Direction. Policy Brief 2, Save Our Schools, Canberra. Available at: <http://www.soscanberra.com>

Commonwealth of Australia 2008. Boosting Australia's productive capacity: infrastructure skills. *Statement No. 4, Budget Paper No. 1: Budget Strategy and Outlook 2008-09*. Available at: <http://www.budget.gov.au/2008-09/content/bp1/html/index.htm>

Duncombe, William 2002. Estimating the Cost of an Adequate Education in New York. Working Paper No. 44, Centre for Policy Research, Maxwell School of Citizenship and Public Affairs, Syracuse University, New York, February. Available at: [http://www-cpr.maxwell.syr.edu/faculty/duncombe/special\\_report/specialreport.htm](http://www-cpr.maxwell.syr.edu/faculty/duncombe/special_report/specialreport.htm) .

Duncombe, William and Yinger, John 2005. How Much More Does a Disadvantaged Student Cost? *Economics of Education Review*, 24: 513-532.

Duncombe, William and Yinger, John 2008. Measurement of Cost Differentials. In Ladd, Helen F. & Fiske, Edward B. (eds.). *Handbook of Research on Education Finance and Policy*. Routledge, London: 238-256.

Financial Times 2009. The Consequences of Bad Economics, 9 March. Available at: <http://www.ft.com/indepth/capitalism-future> .

Friedman, Milton 1962. *Capitalism and Freedom*. University of Chicago Press, Chicago.

Garland, Sarah 2008. Reform School. *Newsweek*, 18 December. Available at: <http://www.newsweek.com/id/175894> .

- Gibbons, S.; Machin, S. & Silva, O. 2006. Competition, Choice and Pupil Achievement. Centre for the Economics of Education, London School of Economics.
- Gillard, Julia 2008a. A New Progressive Reform Agenda for Australian Schools. The 2008 Fraser Lecture, Canberra, 29 May. Available at: <http://www.deewr.gov.au/Ministers/Gillard/Pages/default.aspx>
- Gillard, Julia 2008b. Politics and Integrity – Delivering an Education Revolution. John Button Memorial Lecture, Melbourne, 18 July. Available at: <http://www.deewr.gov.au/Ministers/Gillard/Pages/default.aspx>
- Gillard 2008c. Lateline Interview, 27 August. Available at: <http://www.abc.net.au/lateline/content/2008/s2348254.htm>
- Glennester, Howard 1991. Quasi-markets for Education. *The Economic Journal*, 101: 1268-1276.
- Harrison, Mark 2004. *Education Matters*. Education Forum, Wellington.
- Kemp, David 1997. Quality Schooling for All. Issues in Public Sector Change Lecture Series, Centre for Public Policy, University of Melbourne, 21 April. Available at: <http://www.dest.gov.au/archive/Ministers/kemp/ks21497.htm>.
- Kemp, David 1999. Transcript of Dr. David Kemp at the Christian Schools Conference, National Convention Centre, Canberra, 14 May. Available at: <http://www.dest.gov.au/archive/ministers/Kempm+s99.htm> .
- Khadaroo, Stacey Teicher 2009. Lessons From the Most Successful Schools Abroad. *Christian Science Monitor*, 24 March. Available at: <http://www.csmonitor.com/2009/0324/p01s02-ussc.html> .
- Landers, Jim 2009. Texas School Reformers Try to Learn Lessons from Finland. *Dallas Morning News*, 9 February. Available at: <http://www.dallasnews.com/sharedcontent/dws/news/world/stories/020809dnbusfinaland.30a53af.html> .
- Levitt, S. 2007. More Evidence on the (Lack of) Impact of School Choice. *New York Times*, 4 October.
- Milne, Richard 2009. Nordic model is ‘future of capitalism’. *Financial Times*, 22 March. Available at: <http://www.ft.com/indepth/capitalism-future> .
- Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) n.d. National Report on Schooling in Australia 2007. Curriculum Corporation, Melbourne. Available at: <http://cms.curriculum.edu.au/anr2007/> .
- Organisation for Economic Co-operation and Development (OECD) 2007. *PISA 2006: Science Competencies for Tomorrow’s World, Volume 2: Data*. Paris.

Patty, Anna 2009. School Tests Could Fail Students: Educator. *Sydney Morning Herald*, 26 March.

Ravitch, Diane 2009a. President Obama's Agenda. *Bridging Differences*, 17 March. Available at: [http://blogs.edweek.org/edweek/Bridging-Differences/2009/03/president\\_obamas\\_agenda.html](http://blogs.edweek.org/edweek/Bridging-Differences/2009/03/president_obamas_agenda.html) .

Ravitch, Diane 2009b. Will Public Education Survive the Embrace of Big Money. *Bridging Differences*, 24 March. Available at: [http://blogs.edweek.org/edweek/Bridging-Differences/2009/03/will\\_public\\_education\\_survive.html](http://blogs.edweek.org/edweek/Bridging-Differences/2009/03/will_public_education_survive.html) .

Reschovsky, Andrew and Imazeki, Jennifer 1998. The Development of School Finance Formulas to Guarantee the Provision of Adequate Education to Low-Income Students. In *Developments in School Finance 1997*, National Center for Education Statistics, US Department of Education, Washington DC. Available at: <http://www-rohan.sdsu.edu/~jimazeki/papers.html> .

Rouse, C.E. & Barrow, L. 2008. School Vouchers and Student Achievement: Recent Evidence, Remaining Questions. Working Paper 2008-08, Federal Reserve Bank of Chicago. Available at: [http://www.chicagofed.org/economic\\_research\\_and\\_data/publication\\_display.cfm?Publication=6&year=2006%20AND%202009](http://www.chicagofed.org/economic_research_and_data/publication_display.cfm?Publication=6&year=2006%20AND%202009) .

Rudd, Kevin 2007. Federal Election 2007 Acceptance Speech, 25 November. Available at: <http://www.alp.org.au/labortv/MLkjax6chx>.

Rudd, Kevin 2009. The Global Financial Crisis. *The Monthly*, February, 20-29.

Sammons, Pam 2008. Zero Tolerance of Failure and New Labour Approaches to School Improvement in England. *Oxford Review of Education*, 34 (6): 651-664.

Shiller, Robert 2009. A Failure to Control the Animal Spirits. *Financial Times*, 8 March. Available at: <http://www.ft.com/indepth/capitalism-future> .

Thomson, Sue and De Bortoli, Lisa 2008a. *Exploring Scientific Literacy: How Australia Measures Up*. Australian Council for Educational Research, Camberwell.

Thomson, Sue and De Bortoli, Lisa 2008b. *The Performance of Students in the Australian Capital Territory on PISA*. Australian Council for Educational Research, Camberwell.

Tooley, James 2000. *Reclaiming Education*. Cassell, London.

Thrupp, Martin and Tomlinson, Sally 2005. Introduction: Education Policy, Social Justice and 'Complex Hope'. *British Educational Research Journal*, 31 (5): 549-556.

United Nations Commission on Trade and Development 2009. *The Global Economics Crisis. Systematic Failures and Multilateral Remedies*. United Nations, Geneva.

Whitty, Geoff 2005. The State and the Market in English Education Policy. Paper presented at Beijing Normal University, October. Available at: <http://www.ioe.ac.uk/about/769.html>

Whitty, Geoff 2008. Twenty Years of Progress? English Educational Policy 1988 to the Present. *Educational Management Administration & Leadership*, 36 (2): 165-184.

Witte, John F.; Wolf, Patrick J.; Cowen, Joshua M.; Fleming, David J. and Lucas-McLean, Juanita 2009. *The MPCP Longitudinal Educational Growth Study: Second Year Report*, SCDP Milwaukee Evaluation Report #10, School Choice Demonstration Project, University of Arkansas, Fayetteville, AR, March. Available at:  
[http://www.uaedreform.org/SCDP/Milwaukee\\_Eval/Report\\_10.pdf](http://www.uaedreform.org/SCDP/Milwaukee_Eval/Report_10.pdf) .

Wolf, Martin 2009. Seeds of its Own Destruction. *Financial Times*, 8 March. Available at:  
<http://www.ft.com/indepth/capitalism-future> .

Zimmer, Ron; Gill, Brian; Booker, Kevin; Lavertu, Stephane; Sass, Tim R. and Witte, John 2009. *Charter Schools in Eight States: Effects on Achievement, Attainment, Integration, and Competition*. RAND Corporation, Santa Monica. Available at:  
<http://www.rand.org/pubs/monographs/MG869/> .