Britain: The business of education under Labour—Part 1

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This is the first of a three-part series on the extent of the privatisation of state education under the Labour government. Part 2 *was published March 27.*

Labour came to power in 1997 with the mantra of "education, education, education". Since then its educational reforms have been aimed, not at providing a broad education for children and students and developing their talents, but at opening up education to private profit. Labour has tailored the education of children to the needs of British employers for a low-wage and largely unskilled workforce, and positioning the British economy in the highly profitable market for services as manufacturing continues to decline.

All aspects of education, from preschool through to higher education, are now dominated by the "market" and the corporate ethos. The result has been the deterioration in the quality of education, whose daily experience for children and staff alike is often abysmal.

While successive Conservative governments had privatised all the commercial state-owned enterprises that could be made to deliver the required rate of return for shareholders, public services, such as health and education, could not so easily be sold for both financial and political reasons. Labour's task was to open up the remaining 40 percent or so of GDP that did not provide a source of profit to the private sector.

Education, accounting in 1997 for £38 billion in England, of which £22 billion was for schools, was a vital part of that project. To do this, Labour built upon the foundations laid by the Conservatives, who had piloted the arrangements for a market in education, but had been unable to carry it through to the end.

While central government has always funded schools via the Local Education Authorities (LEAs), schools were controlled and managed by the LEAs. The Conservatives reduced the role of local government in schools and began to micromanage what went on in state schools.

School meals, first introduced in 1906 in order to combat malnutrition, was designated a non-core service and the system of national pricing and nutritional standards was abolished. This paved the way to the contracting out of the school meals service, and an increase in prices. Consequently, there has been a decline in school meal take-up among the poorest (there is a 14 percent take-up of free school meals yet 25 percent of children are below the official poverty line) and a massive increase in malnutrition among children.

The outsourcing of the school meals service was part of a broader contracting out of all manual services to break the Local Authorities' monopoly of service provision.

In 1989, the Conservatives took control over school funding away from local government and made schools responsible for their own budgets. While Labour has changed the specific arrangements, the result has been significant variation between schools with the inevitable consequences for schools in the more deprived areas.

Teachers were stripped of their professional autonomy and required to teach to a centrally controlled national curriculum. Students were to be tested on their attainment at the age of 7, 11 and 14, although the Standard Assessment Tests (SATs) at 14 were dropped last year, in addition to the school leaving examinations at age 16, making Britain's children the most tested in the world. Performance related pay would depend upon children's test scores. Schools were to compete for pupils via "parental choice"—and hence income—with the publication of league tables of test and exam results and other performance indicators. This has led to rote learning and constant drilling for the tests at the expense of non-tested content, as well as stress.

Schools became businesses. To manage their budgets, older and more expensive teachers were "encouraged" to retire and were replaced with newly qualified and cheaper staff. They also sought to control intake in favour of children who are easier and cheaper to teach and maximise their test results, and to avoid taking on children with special needs or social and behavioural problems.

At the same time, the government established Ofsted, the Office of Standards in Education, to inspect and regulate schools, creating a climate of intimidation—particularly among schools in poorer areas—aimed at terrorising and disciplining teachers. According to its website, Ofsted contracts out inspections and checks on schools' staff to its "partners" in the private sector, CfBT Education Trust, Serco Education and Children's Services, and the Tribal Group. These three companies, from an original list of 120 recognised contractors, now dominate the school inspections industry.

School land and playing fields were sold off. By the time Labour came to power in 1997, pledged to put an end to it, more than 5,000 had been sold. Far from ending the practice, the situation worsened as schools were starved of cash, as were local authorities, particularly as a massive school refurbishment programme was required.

The sale of school playing fields has denied children access to sport and physical education and is one of the many factors associated with rising obesity among the young.

Schools too have merged or closed and their land sold off. Since 1984, 2,659 of 20,020 primary schools in England have closed. Most of these closures occurred between 1984 and 2003 when pupil numbers were rising significantly. As the length of journey to school has increased, often beyond the recommended distance, more than half of primary school children today no longer walk to school.

The number of secondary schools has fallen by 25 percent since 1984, despite a fall in pupil numbers of only nine percent, and these have been in the last few years. While no systematic data is available on the proceeds from any of these sales and closures, the sale of the school estate has funded a considerable proportion of the schools budget.

Closures have led to ever larger schools, which have become increasingly unfriendly places for children to learn and play in.

The Conservatives sought to get businesses involved in running vocational schools via their City Technology Colleges (CTCs) programme. Although only 14 CTCs had been established by 1997, they provided the model for the incoming Labour government's Academy programme.

Secondly, they encouraged secondary schools to seek private sponsorship with the promise of matched government funding to develop curricula specialisms such as arts, business and enterprise, engineering, humanities, languages, mathematics and computing, music, science, sports and technology, geared to the needs of business. By 2007, more than 80 percent of schools had "specialist status".

Lastly, the Private Finance Initiative (PFI) would provide a means whereby public authorities would contract with the private sector to design, build, finance and operate new buildings and the accompanying support services in return for an annual payment over 30 years.

The rise of the educational services industry

Labour has gone much further. It has reorganised education at local government level by "bundling" it together with the former Children's Social Services into a new and much larger directorate known as Children and Young People's Services.

The government has extended outsourcing to include the schools' back office functions, ICT and technical support, the organisational management of schools such as admissions, enrolment and attainment databases, as well as what one contractor, Tribal, calls "turnaround services", or support for weak or "failing" schools, help with preparation for Inspections and responses to policy changes.

The government has adopted the US model of charter schools to outsource the management of schools to private contractors such as 3Es, now taken over by Dubai's General Educational Management System (GEMS), Nord Anglia, CfBT and Edison, or their UK-based subsidiaries. While CfBT is a not-for-profit company, all are now part of international chains or operate internationally.

Outsourcing, which is now worth £2 billion a year, goes far beyond school level. Outsourcing in Children's Services may include local government's school improvement and development services, the Teachers' Pension Scheme, management and education ICT services, and human resources, as well as the contracting out of policy programmes.

Much of the provision for children with special educational needs, like pupil referral units, is now delivered outside the mainstream public system, with private companies providing specialist residential care and children's services. The same companies provide programmes of work-based learning for school leavers, return to employment skills, LearnDirect, JobCentre Plus and prison education.

ICT for schools has become an enormous market. Research Machines, Learning Technology, Granada Learning and even the BBC are now major players. Interactive whiteboards are another new "market opportunity" via the sale of boards, technical support, training, installation and software sales. They give the companies, Cleverboard, Clevertouch, GTCO, SMART, Hitachi, RM Classroom and Promethean, access and control over both the content and approach to what is taught in the classroom.

The government extended the role of Ofsted to use Inspections to identify "failing schools" and "failing Local Authorities", for which there would be "zero tolerance". "Failing" institutions were to "named and shamed" and private companies brought in to manage them. Inspections are based upon compliance with government-prescribed procedures, such as lengthy lesson plans and four-page student reports for primary school children that extend the working week to levels far in excess of the European Working Time Directive. They have created intolerable conditions for teachers and students.

Hackney, one of the poorest London Boroughs, was the first LEA to be outsourced on the basis of an unsatisfactory inspection, following discussions with one of the global financial consultancy firms, such as PwC and KPMG, hired by the government. The contract to run the School Improvement Service was awarded to Nord Anglia.

By 2003, there were at least 44 other "interventions" by the government at Bradford, Haringey, Southwark, Swindon, Waltham Forest and Walsall. Most of these involved outsourcing to private firms, such as the Vosper Thornycroft Education Group (VT Group), Black Country Creative Partnership, HBS, Serco, Capita, Tribal, and some not-for-profit organisations. Many of these contracts were no more successful and had to be terminated at an enormous cost to the public purse.

These companies, as well as running the LEAs, also deliver the LEAs' school services. At least two of the interventions involved external consultancy "support" from Capita, the facilities management firm. In the case of Leeds, the contract went to a "partnership" involving Leeds Council and Capita as its "strategic partner". Capita's boss, Ron Aldridge, was forced to retire in 2006, when it was revealed that he had made secret loan of £1 million to the Labour Party.

Outsourcing, initially introduced to turn round "failure", was soon extended to all educational services except planning and budget approval. Some local authorities have bundled together a raft of services including housing benefit, IT, human resources, financial services as well as education, and/or joined with other neighbouring authorities to form a "strategic partnership" and outsourced the package as one contract.

For example, in 2001, HBS won a bundled 12-year contract worth £267 million from Bedfordshire County Council, later terminated due to poor performance, at a cost of £6.75 million. Four companies, CSL, Capita, Itnet and EDS, dominate this market.

Outsourcing now also extends to teachers through Teacher Supply Agencies. LAs used to have a "bank" of teachers to cover for absent staff, long-term sickness and unfilled vacancies. Private companies have taken this over at a cost of at least £600 million a year. A London Metropolitan University survey in 2006 showed that 86 percent of schools used supply teachers at least once a week. While the companies pay teachers a daily "market rate" of about £115 outside London and slightly more in London, they charge the schools an additional £40. It is the teachers who bear the cost: they have become casual workers, neither eligible for sick pay nor holiday pay for the many weeks of non-term time, nor able to pay into the Teachers Pension Scheme.

The government has redistributed funds away from local government and contracted directly with private and not-for profit sectors for at least 30 policy programmes, including careers advice, National Learning Strategies for literacy and numeracy (worth £177.5 million), Gridclub, Teachers Television (worth £20 million), School Improver Advisor Initiative, Diploma Gateway, Individual Learning Accounts (now terminated), Children's Trust Accounts (£430 million), Education Smartcards (£100 million), Careers Advice, and so on.

Outsourcing has thus given rise to a major new educational services industry. This includes the schools examination boards, Edexcel, AQA and OCR, which are fully fledged international corporations marketing their services overseas. The industry targets schools as a means of reaching parents and children as consumers for private tuition, cramming for examinations, parenting magazines, support and training, educational materials and learning toys.

While much of the education industry is made up of private companies whose tops are former public officials, many of the institutions are formally public agencies. These include the British Council, the Learning Skills Development Agency (LSDA), the Qualifications and Curriculum Agency (QCA) or even public institutions, such as schools, which spend part of their time acting as businesses and selling their services. As their managerial and marketing posts are largely filled by private sector personnel and they are constantly forming new hybrid organisations that function as clients, partners or competitors of private sector firms, there is no longer a clear distinction between public and private.

To be continued