



The Many Faces of Privatization

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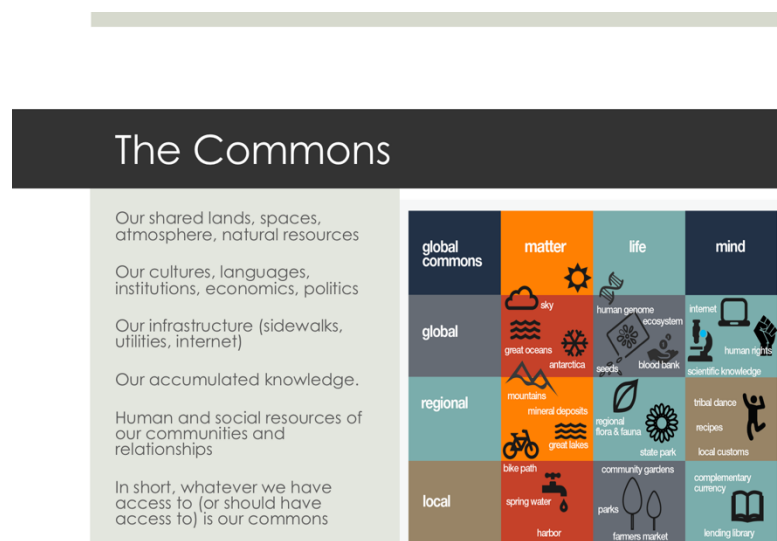
E. Wayne Ross

British Columbians and Canadians enjoy a quality of life that is dependent on quality public services. Public services are accessible, accountable, locally-controlled and a good investment of tax dollars. Public schools are one of those services. When privatization creeps into education, sometimes under the umbrella of educational reform, schooling becomes a political tool, accountability is weakened, and public funds and values are diverted to corporate profits.

Public funding for private schools may be the most obvious way public education in British Columbia is being privatized, but there are other less obvious privatizing strategies at work. This is a background paper for an IPE/BC workshop that offers analysis of 1) the common narratives that legitimize and promote privatization thus drawing the public into a manufactured consent of privatization and 2) specific contexts in which this privatization is manifest, such as personalized learning (especially with technology), choice programs, school fees and fund raising, business principles of school administration, corporate sponsorships, fee paying international student enrollment, and publicly funded private schools.

Privatization is a Global Issue

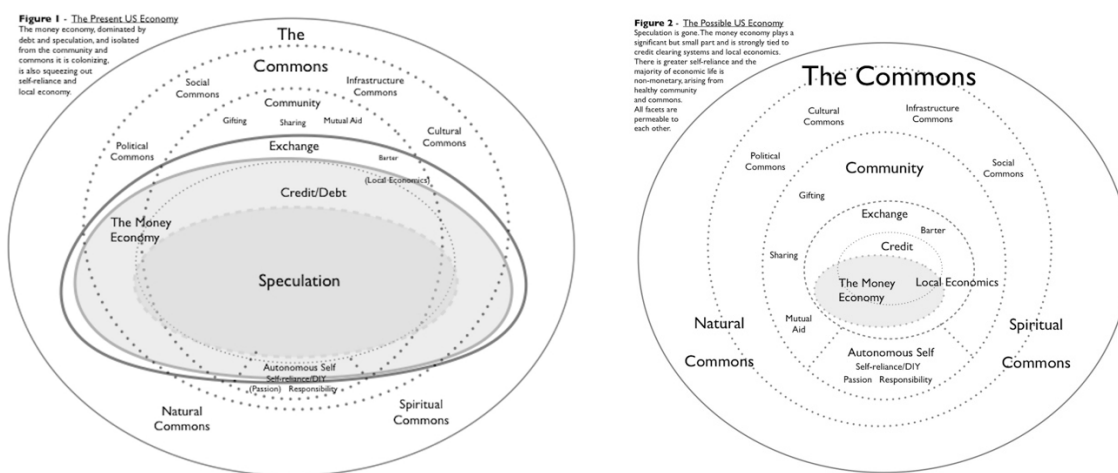
Privatization is an outgrowth of neo-liberalism, a form of minimal state intervention plus free market principles evident in many nations and in many sectors since the 1980s. Privatization fundamentally changes the nature of and relationships within education and is a value laden policy strategy. Understanding the “big picture” of privatization helps to understand its impact on education.



Starting with “The Commons” is one way to understand the move to privatization. The Commons is the idea that wealth belongs to everyone, and community resources must be protected and managed for the good of all. The Commons is manifest in local, regional and global contexts and

is the stuff of the physical, social and cognitive domains of life.

Currently, The Commons is overwhelmed by the economy, particularly the money economy and almost everything is understood in terms of commodities and monetary value. Even other forms of economics like gifting, sharing or bartering are overwhelmed in the current context. The following two images show the neoliberal context for most of the world, and also a contrasting possible world where the money economy is much diminished, allowing room for other aspects of The Commons to facilitate lived experience.



Source: Michel Bauwens (2013).

There are several examples of neoliberalism overwhelming The Commons in BC:

- BC Hydro: Since 2007 BC government policy transformed the province's electricity system from publicly owned to one operated in the interests of private energy developers and multinational energy corporations.
- BC Rail: Sold ("leased" for 99 years) to CN in 2004, "Railgate"
- BC Ferries: A Crown Corporation until 2003 when government privatized it with the aim of improving services. The result has been fee hikes and reduced sailings rather than being operated as part of the provincial highway system or as a public service.
- Trans Mountain Pipeline: The intermingling of government and corporate interests in profit making come up against local community interests in the environment and Indigenous rights with an as yet uncertain outcome.

Neoliberalism promotes reductions in government spending (assuming the free market can better provide services) which results in decreased access to housing, health care and senior care. Also, neoliberalism favours deregulation that is meant to enhance profits but may also jeopardize job safety and environmental protections. Tax policies shift and cuts are made to progressive taxes (such as income tax, whilst regressive taxes (like health care premiums) are increased. Labour market flexibility is favoured and working conditions are undercut for the sake of lowering costs (such as closing schools and stripping class size and composition from bargaining).

The impact of neoliberalism is that privatization spreads into all areas of The Commons.

Privatization and Public Education

A distinction is often made between the privatization *of* and *in* public education. When the design, management and delivery of public education is opened to private, for-profit entities we have the privatization *of* public education. Examples include public-private partnerships, private schools (whether elite, religious or specialized such as distributed learning for special needs children) and charter schools. When private sector and business ideas, strategies and techniques are imported to public education we have privatization *in* public education. In essence, schools are expected to act like competitive, profit-driven businesses. Examples include school choice within the public school system through the creation of boutique programs, school leadership as business management, merit pay for teachers, outcome measures like student test scores as best indicators of quality, and efficiency over effectiveness.

Another helpful contrast is a market-based business versus an educational plan for setting and enacting policy. The market-based business plan moves us away from The Commons whereas the educational plan supports and protects the role of public schools to provide an education to all within their communities.

Market-based Business Plan

- Make income over costs
- Seek students from outside district who bring income
- Competitive
- Create resources to sell
- Offer incentives

Educational Plan

- Provide services based on student needs, not fees
- Serve the students in the community
- Cooperative
- Create resources free for all
- Supports based on needs

Types of Privatization in Education

Most forms of privatization fall under one of the following categories: choice, public private partnerships, business practices, revenue generation.

Choice: The neoliberalism that underlies privatization emphasizes the importance of the individual and their ability to make choices in their own best interests. The public funding of private schooling in British Columbia is an example of this thinking. Funding of independent/private schools drains resources from inclusive universally accessible public schools, and the growth in funding for private schools has far exceeded that of public schools in the past several decades in BC.

But, “school choice” was also introduced into public education with the provisions in the 2002 amendment of the BC Schools Act that allowed cross boundary attendance. In some school districts this has drained students from some neighbourhoods to others perceived as more affluent and thus providing “better” quality schools. This idea of competing for student enrollment has been further exacerbated as schools within districts create boutique programs (perhaps specializing in the arts, technology, math and science, sports, or French immersion). When parents perceive their local school isn’t as good as others or when it cannot provide for their needs the ability to “choose” advantages some schools/programs/districts while simultaneously disadvantaging others.

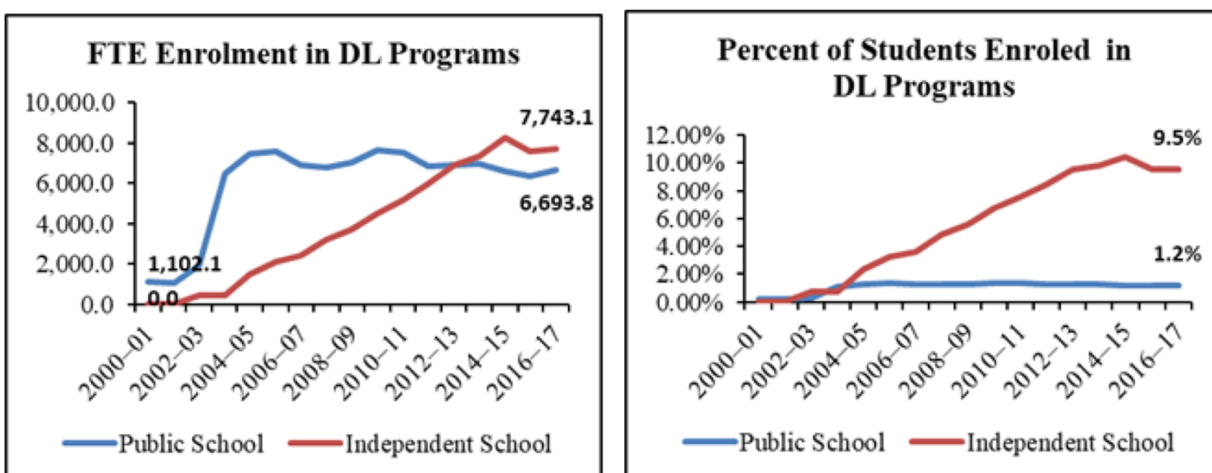
An area where “choice” currently encourages privatization is services for special needs students. Parents often, rightly, do not feel their children’s needs are being served and they turn to private schools, increasingly those that use distributed learning models, in hopes of a better

education for their child. It isn't clear their children receive a better education, but it is clear that public dollars are diverted to for-profit private schools.

There is little evidence this notion of choice and competition leads to specific or overall improvements in the educational system.

Case Example: Distributed Learning (DL) and Private Schools

The BC School Act allows for instruction that relies primarily on indirect communication between students and teachers, which may include electronic based delivery, teleconferencing or correspondence. Public schools and private schools both use DL—the increase in public schools jumped in the early 2000s and has remained steady (1.2% of students are in DL programs) and the growth in independent schools has seen a steady increase (9.5% of students are in DL programs) and now exceeds enrollment in public schools.



The increased DL enrollment in private schools is a direct result of different funding strategies. Private schools are given 63% funding for DL, rather than the 50% or 35% of public school funding for face to face students. And, most of the increase is for students with special needs where private schools are given 100% funding—nearly half of the DL funding to private schools is for special needs students.

Unlike public schools (where special needs funding goes into a general district fund), private schools keep funding with the specific student and routinely petition for relief from a \$600/pupil for goods and services thus freeing funds for more services for specific students. In this case

the way funding is allocated for special needs students works against providing high quality targeted services for special needs students in public schools, thus encouraging a privatized strategy that does provide individually targeted services.

Public Private Partnerships (PPP/P3): PPP is a cooperative arrangement between two or more public and private sectors, typically of a long-term nature. In education, PPPs have been used to fund the building of schools—where private companies design, build, finance and manage the physical facilities that are leased back to school districts. Manitoba, Nova Scotia and Alberta have used this model with limited success. As of now, public private partnerships have not been part of the landscape in BC.

Business Practices: When schools and school districts adopt a business management operational model (rather than an educational model) how schools are run is transformed with an eye to efficiency and lower costs. A key example is contracting out services which may circumvent labour unions and separate services from the educational professionals in schools. For example, information management (student records, budgets), testing & assessment, teacher professional development or custodial services are often contracted out. Purchasing packaged curriculum and software are another form of contracting out as the cost of prepackaged educational goods is seen as more cost effective than in house development, and additionally create uniform practices.

Case Example: FreshGrade Assessment Software

Educational practices that have been the domain of teachers are susceptible to privatization—greater efficiency and often quality are thought to come from products developed by third parties. Curriculum development, assessment strategies and instruments, and grading of student work are all examples of this sort of outsourcing of educational work.

Recent curriculum and assessment revisions in BC have opened the door for such outsourcing and one example is FreshGrade, an online platform for managing student assessment at the classroom, school and district levels. FreshGrade provides a product, an information management system, that capitalizes on a movement away from traditional report cards, a desire for better communication with parents, and a need for more complex authentic ways to document student learning. Described as ‘a learning assessment and portfolio tool that creates **more efficient ways** for parents, students and teachers to engage and update one another on progress at school.’

These educational goals can be accomplished without the purchase of a product, but good business practice encourages efficient accomplishment of goals. Buy one product to be used system wide, rather than have each teacher/school work out how to meet these goals. FreshGrade uses a typical app business model... the basic version is free, an enhanced version costs \$5/per student/year. The company does not reveal who is paying for the enhanced version, and substantial revenue for the company is generated through solicitation to investment partners (Reach Capital, Accel Partners, Emerson Collective, Relay Ventures). The creators of FreshGrade are educational technology entrepreneurs who sold their start up social networking site for kids, Club Penguin, to Disney for \$350 million.

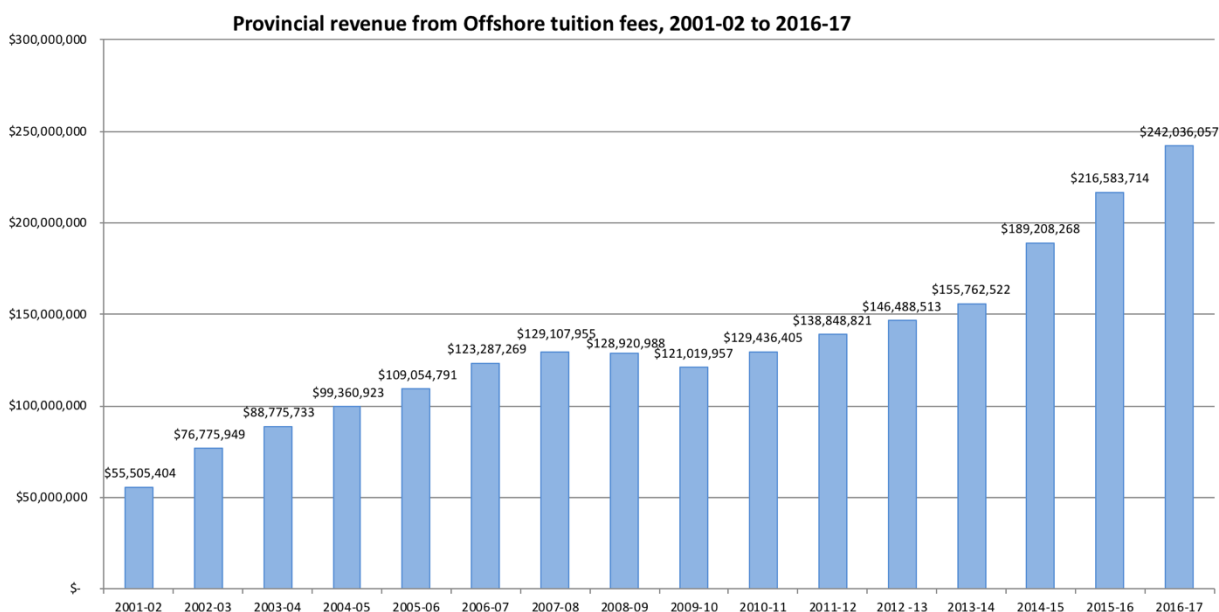
Revenue Generation: Because BC schools have been inadequately funded for many years the need to raise money at the school or district level to offset budget short-falls leads to the most insidious form of privatization. Slowly, gradually and subtly many schools, teachers and parents have come to see the need to raise money as a normal part of funding education. Student fees, fund raisers, targeted business patronage, school district business development offices, branding to students, and seeking philanthropic sponsors and donors. All have become part of the landscape of schools. In BC, a key form of revenue generation is the encouragement to enroll international students, which generates substantial revenue at the school/district level (about \$13,500/student for the now approximately 20,000 international students in BC schools).

Case Example: Offshore Tuition Fees

A key strategy for generating revenue encouraged by the provincial government has been enrolling international students. This is a source of revenue that need not be shared with anyone thus directly benefiting specific districts. Often international students are from wealthy families who can afford the almost \$30,000/year in costs.

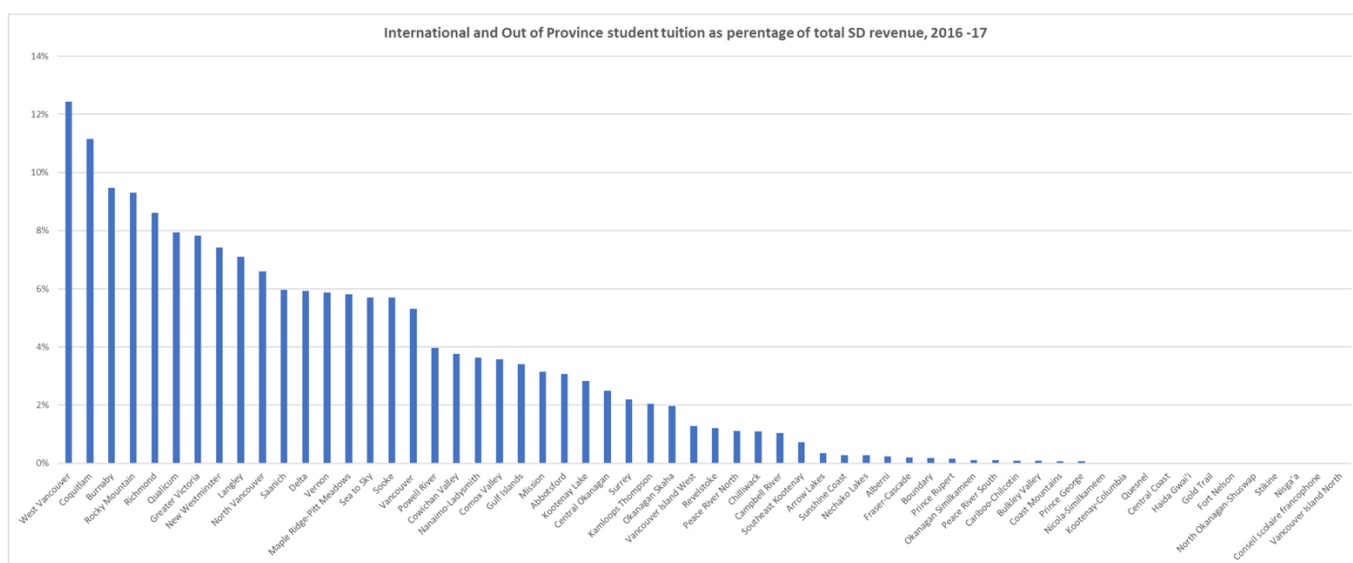
Of course, there are educational reasons for encouraging international students to attend BC schools but such an approach would emphasize equity, the opportunity for a rich international experience for both foreign and Canadian students; would distribute students across school districts; and would be open to all foreign students not simply the wealthy. This is not the case and the practice is driven by a business management model.

Revenue from international students has increased from \$55 million to \$242 million since 2002.



But not all school districts are equally positioned to solicit and cater to potential international students and as a consequence the benefits are disproportionately distributed. In general, richer, larger districts get richer.

Inequality: % of budget-international students



#	District Name	International and out of province students' tuition as % of operating revenue. (BCTF calculation)	2016-17 International and out of province student tuition revenue
45	West Vancouver	12%	\$8,799,667
43	Coquitlam	11%	\$34,200,680
41	Burnaby	9%	\$21,932,457
6	Rocky Mountain	9%	\$3,571,343
38	Richmond	9%	\$17,086,728
69	Qualicum	8%	\$3,607,652
61	Greater Victoria	8%	\$14,703,438
40	New Westminster	7%	\$4,968,078
35	Langley	7%	\$13,505,472
44	North Vancouver	7%	\$9,911,303
63	Saanich	6%	\$4,450,008
37	Delta	6%	\$9,257,161
22	Vernon	6%	\$4,859,469
42	Maple Ridge-Pitt Meadows	6%	\$8,134,861
48	Sea to Sky	6%	\$2,883,445
62	Sooke	6%	\$5,625,646
39	Vancouver	5%	\$26,284,400

Case Example: Chevron Fuel Your School

Supporting education in your community was never so easy!
 Go to Chevron
 Fill up with 30 litres of fuel or more
 Tell your friends!

Because schools and classrooms may lack resources due to chronic underfunding in BC, corporations step in to provide for those needs. In the case of Chevron's Fuel Your School program filling up at your local Chevron will generate revenue to pay for requests made by individual teachers or schools, with a preference for science, technology, environment and math related needs. The following are examples Chevron promotes: math manipulatives (e.g. building materials, force and motion kits, fraction kits, pattern blocks); 'live' science (chicken incubators, salmon hatcheries, butterfly larvae, see-through planters); science equipment (microscopes, body & cell models, skeletons, sensors and probes, heart-rate monitors); technology (robotics kits, rocketry kits, 3d printers, RC car-building kits); and books and print materials.

Chevron donates \$1 for every minimum 30 litres of fuel purchased within participating municipalities, generating up to \$565,000/per year for educational supplies. Since 2013, \$1.8 million has been distributed across more than 200 schools in BC.

Chevron's intent is to sell their gas; and managing the funds through My Class Needs encourages entrepreneurialism at the teacher and classroom level.

Resources

Stephen Ball and Deborah Youdall, *Hidden Privatization in Public Education*

[http://pages.ei-
ie.org/quadrennialreport/2007/upload/content_trsl_images/630/Hidden_privatisation-EN.pdf](http://pages.ei-ie.org/quadrennialreport/2007/upload/content_trsl_images/630/Hidden_privatisation-EN.pdf)

Gerald Fallon & Wendy Poole, *Manufacturing Consent for the Privatization of Education in Canadian Contexts*

<https://journalhosting.ucalgary.ca/index.php/cjeap/issue/view/2800>

Joel French, *Private Schools Don't Need Public Funding*

<http://instituteforpubliceducation.org/private-schools-dont-need-public-funding/>

Katie Hyslop, *Public Education School Fees: A Look at What Parents are Paying Across Canada*

<https://thetyee.ca/News/2017/08/24/Public-Education-School-Fees-Across-Canada/>

Larry Kuehn, *Education Technology: The Trojan Horse of Privatization*

<http://instituteforpubliceducation.org/education-technology-the-trojan-horse-of-privatization/>

E. Wayne Ross, *How GERM is Infecting BC Public Education*

<http://instituteforpubliceducation.org/how-germ-is-infecting-bc-public-education/>

Alan Singer & Eustace Thompson, *Pearson and the Neo-Liberal Global Assault on Public Education*

<https://www.unite4education.org/resources/unclassified/pearson-and-the-neo-liberal-global-assault-on-public-education/>

Food and beverage promotions in Vancouver schools: A study of the prevalence and characteristics of in-school advertising, messaging, and signage

<https://www.sciencedirect.com/science/article/pii/S2211335515001229?via%3Dihub>

Authors

Larry Kuehn, Sandra Mathison, and E. Wayne Ross are Fellows of the Institute for Public Education / British Columbia. This paper is based on a panel presentation at Advocacy Works! 2.0, Public Education Conference, in Vancouver, BC, April 21, 2018.

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