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SHOULD THE PRIVATE SECTOR PROFIT FROM EDUCATION? THE SEVEN VIRTUES OF HIGHLY EFFECTIVE MARKETS

JAMES TOOLEY

1. INTRODUCTION

How far should we allow the private sector into education? The Conservative Party has, perhaps, momentarily lost its nerve in opposition on this issue, although it started the whole process of market-style reforms in 1980. A whole gamut of educational reform was introduced aimed at enhancing parental choice and breaking the power of the educational providers. The Labour government is pushing ahead with an increased role for the private sector. It is, as I speak, drawing up a short-list of private companies to bid for Hackney and other failing local education authorities, and about to approve the private sector take-over of Surrey's failing Kings' Manor School.

However, the issue of profit is a sticking point for many. Even Estelle Morris, Minister for Schools Standards, agrees that, every time a school buys a pencil or textbook, for-profit companies are involved with state funds and there is nothing untoward about this. But, we are told, there is something different about the management and delivery of curriculum to children. In this paper I argue that there is no relevant difference. Education is far too important to be excluded from the virtues of the profit motive.

2. THE SEVEN VIRTUES

Virtues of the profit motive? Some will find this language odd. Here are seven, the embracing of which could enhance the delivery of educational opportunities for all. I'm not plucking these out of the air, they do not simply signify wishful thinking on my behalf. The ideas are based on the dozen or so case studies of for-profit education companies around the world, as reported in my *The Global Education Industry* (Tooley, 1999).

FIRST VIRTUE: THE DESIRE FOR EXPANSION

One of the most depressing spectacles in the current educational set-up is of an excellent state school in a deprived area and there are a few with long waiting lists. The school has a successful formula, strong and dynamic leadership, but it doesn't occur to anyone to do other than turn poor parents away — parents whose children are then consigned to the indifferent mediocrity of neighbouring schools. What other business would treat potential customers like this? Of course it could be risky

taking over failing schools in the neighbourhood, or starting from scratch elsewhere to cater for demand. Enter the profit motive: this provides the additional incentive to take these risks — and the investment too, as investors are also attracted by the possibility of profit. This invisible hand of self-interest leads to the excellent school being replicated, dramatically improving the life chances of many disadvantaged kids.

How big can companies grow? The sky's the limit. In the global study, I found education companies which had grown from virtually nothing into huge corporations. In the USA, some people get very excited about the fact that the **Edison Project** now has 51 schools, or the **Apollo Group** has 70,000 students; these pale into insignificance compared with some of the educational chains I found around the world.

In Brazil, there are several competing chains of private schools and universities. The largest of these is **Objetivo/UNIP**, with headquarters in São Paulo. The story began in the early 1960s, when Mr João Carlos Di Genio started a coaching class for university entrance with about 20 private students in a rented room. Finding considerable demand for his teaching methods, he founded an intensive cramming course in 1965 with three friends. They called this course *Objetivo*. In 1967, they utilised internal television broadcasting for their lessons — a revolutionary development at the time. Three years later they added a school, from primary to 2nd Grade, extended in 1974 to offer courses up to university entrance.

Since then, they have continued to expand, so that now they have approximately 500,000 students in centres and 450 franchises across Brazil, with annual turnover approximately US\$400 million. School students range from pre-school and primary, through 1st Grade (age 11-14 years), 2nd Grade (15-17 years), to prep (university entrance, 18 years). The university offers courses including business administration, teacher training, engineering, dentistry and veterinary science. And, for good measure, the company also owns a TV and radio station, broadcasting educational programmes from the São Paulo site.

A similar growth story applies to **NIIT**, which is the largest provider of computer education and training in India, with a market share of 37%, annual turnover of US\$73 million, and profits of US\$13 million. The company has more than 400 centres in India, and has recently expanded into overseas markets. It also provides training

and software consultancy for companies, and has its own educational multimedia software production facility, with 550 personnel employed making it the largest in the world. With a history stretching back 18 years, NIIT boasts 500,000 alumni, and a corporate network of over 1,000 companies.

NIIT started operations in 1982. Rajendra S. Pawar, now Vice Chairman and Managing Director, with two colleagues, opened the first Computer Education Centre in a leased room in an office building in down-town Bombay. In the same year it opened a second centre in Delhi. Having achieved significant growth, in 1993 the company was listed on the Bombay and Delhi (National) Stock Exchanges. In February 1996, they opened their first education centre outside of India, in Kathmandu, Nepal.

NIIT's success owes much to the failures of the state universities. Students and employers find Indian university computer courses unsatisfactory, because they use out of date technology and methods, and are undemanding for students. Hence NIIT works in tandem with the formal sector, and offers students a four semester (i.e. 2 year) course to students already enrolled in a state university. Allowing time for revising for exams for both courses, at the end of four years students can become graduates of an Indian university and a "GNIIT" — Graduate of NIIT.

The Education Investment Corporation Limited (**Educor**) is the largest private education group in southern Africa — with a combined enrolment of 300,000 students on more than 40 campuses and in distance education, and with an estimated 100,000 students graduating in 1997. Its annual turnover last year was approximately US\$26 million, with profits of US\$6 million. Its education business covers the range from Adult Basic Education and Training (ABET), through primary, secondary and tertiary education, to post-graduate and corporate training. The Educor group comprises six main education subsidiaries, the oldest of which, and the core on which the fortunes of the company has been built, is **Damelin**.

Damelin had its roots in Damelin College, which was founded in 1943 by Dr Benjamin Damelin as a 'cramming' college. Johann Brummer joined as a teacher in 1951, became a partner in 1952, and was until recently Executive Chairman of Educor. A key step in the development of the brand name was in 1952, when Johann Brummer started developing distance learning materials, which became Damelin Correspondence College, founded in 1955. Brummer was aware that the majority of African teachers in rural areas had not graduated from high school, and he sought to improve their conditions with a programme of high school graduation through distance learning. He also saw an untapped and potentially lucrative market. Educor was formed in 1996 when the Housewares Group bought Damelin and Midrand College. In June 1996, Educor was listed on the Johannesburg Stock Exchange.

NIIT and Educor offer an interesting twist in the story of global capitalist imperialism: NIIT has recently expanded into the US market and is shortly to be listed on NAS-

DAQ, while Educor has just bought 80% of the leading business school chain in North America.

SECOND VIRTUE: THE NECESSITY FOR QUALITY CONTROL

A growing chain of schools — the successful school that takes over a failing one and improves it, and then looks elsewhere — brings in the second virtue. As it grows, the desire for quality control becomes of paramount importance. Once a brand name becomes formed and known, customers — parents and children — have to be reassured about the quality of the service on offer. This government, and the previous one, thinks that the only way parents can be thus reassured is to have a hugely expensive and cumbersome apparatus of nationalised curriculum, nationalised testing, nationalised inspection, nationalised targets and nationalised league tables. But the problem with these state surveillance measures is that they become politicised. So, for example, instead of it being a matter of educational importance which testing procedures are used, what works best and what is most effective at raising standards, it becomes a matter of finding testing procedures which pass political muster; similarly the politically correct inspection procedures are mired in subjectivity and waffle. And throughout it all, mediocre schools can acquiesce in their mediocrity, and can always blame central or local government, or the class of children in the school, without addressing their own incompetence. In the for-profit private education sector, such an approach is not an option. The schools or colleges have as their *raison d'être* the provision of quality educational services. If they don't do this, they'll go out of business. Hence the need for tailor-made solutions to quality control which really are about raising standards.

Some examples from around the world include:

NIIT, India has implemented CCQMS (Crosby's Complete Quality Management System). Each member of staff undergoes the same initial and in-service training at head office or a regional centre, and all management must also have been NIIT teachers. Each course tutor is given a batch file, which describes in meticulous detail all the courses to be taught, the sub-units, the material to be covered, and the time to be taken on each section — this even prescribes how long must be taken over each overhead transparency! To complement this, each tutor follows a standardised quality control procedure, monitored initially within the branch, then by quality control visits from central or regional management. This procedure uses the following indicators:

Aggregated mean student marks, as taken on NIIT standardised twice-a-semester tests (marked by someone other than the faculty). If students are doing badly on these objective tests, this is seen to reflect badly on the faculty member.

Student feedback questionnaire, completed three times a semester, on which they rate the faculty, the NIIT and their own learning. Importantly, one of the questions asks for the student's own grasp of the knowledge. If the

student gives a low assessment here, this reflects badly on the individual faculty member.

Student upgrades. If students are initially only registered for one semester, (as about 50% are), then if they re-register for another course, this is taken as a point in the faculty member's favour.

Student defaulters. If students default on payment or drop out of a course, this is taken as a negative indicator of the faculty member.

Similarly, in South Africa, all 43 branches and franchises of Damelin are subject to identical quality control procedures. They run exactly the same courses, with teachers following identical course materials, using centrally-agreed assignments and assessments, in classrooms laid out to identical minimum specifications, and so on. There are detailed specifications about who can be employed, and all lecturers are evaluated three times a year, using a standardised Lecturer Evaluation Questionnaire, filled out by students. To oversee all these quality control procedures, there is a specialised department, the 'National Support Office', headed by the 'National Director of Studies', and a team of full-time administrators.

Finally, in one of the other Brazilian chains, **Pitagoras**, schools have to follow common quality control procedures, involving their version of 'Total Quality Management' (TQM) involving standardised tests and surveys of parents.

THIRD VIRTUE: BRAND NAMES SOLVE THE INFORMATION PROBLEM

This brings us to the third virtue of for-profit education. Consumers of education, we are told by experts, will suffer from the 'information' problem. They don't know what high quality education is, and this will allow devious business people to take advantage of their ignorance (Barr, 1993). This, for Dr Barr, is the paramount reason why we need the state to be in education. But we are ignorant in so many areas of our lives, but he does not think we suffer the same problem there. I know nothing about laptop computers, for example, but I was able to buy one of the highest quality without anyone taking advantage of my ignorance. How? I bought into a brand-name. We know that the company's reputation is absolutely paramount, and that the company knows that some of its customers are informed, and can't take the risk that I am not one of these. Hence the company has to have quality control procedures in place to ensure excellence. It is exactly the same with for-profit education companies around the world, all of which take quality control measures extremely seriously, to ensure that their students have the highest quality opportunities.

It challenged some of my preconceptions about education to discover the importance of brand name, and the promotion thereof, in some of the educational companies. For example, any visitor to South Africa cannot fail to be struck by the ubiquity of advertisements for courses offered by Damelin and other Educor subsidiaries — covering high school, university courses and vocational

and professional courses; a visitor to Brazil will soon come across billboard advertising for UNIP-Objetivo, COC or Pitagoras — for the full range from kindergarten to university; in India, the brand name of NIIT is everywhere — on television, radio and in print — advertising computer courses for undergraduates, professional training and, increasingly, computer literacy courses in schools and at home.

This kind of brand-building seems to be highly successful. In India, for example, recent Gallup research shows that, just as people use 'making a Xerox' as synonymous with 'making a photocopy', so 'doing an NIIT' is synonymous with 'doing a computer course'. Some employers are now advertising that they are seeking someone 'with an Indian University Master's degree, or GNIIT', that is a graduate of NIIT.

FOURTH VIRTUE: THE NECESSITY FOR RESEARCH AND DEVELOPMENT

The success of one education chain or company inspires others to enter the market — and this brings the various virtues of competition. This is real competition in a genuine market, not the phoney, if well-intentioned, competition which the previous government introduced in education with its impossible barriers to entry for new suppliers. Real competition between expansion-hungry, quality-conscious education companies brings with it our fourth virtue, the necessity of research and development. It's not necessarily that the business wants to invest funds in R&D — after all, these funds could simply line the pockets of investors. Why bother to seek to improve what you are offering and make it more effective? The answer is the hard-headed business reason that if you don't, your competitors will. If your company doesn't find out what works best in pedagogy, a competitor will, and parents and students might be tempted away.

But notice that this doesn't mean that education companies can indulge in fads, like the ones thought up in ivory tower education departments which have done such damage to many children's life chances (see Tooley with Darby, 1998). I'm thinking of the anti-phonics movement for 'teaching' reading, or various new mathematics crazes which have left children innumerate. The competing companies will need to know that any innovation introduced is proven to raise standards or enhance opportunities, or again they will risk losing customers.

Around the world this means that education companies find it worthwhile to establish research and development departments. Most notably, NIIT has two research and development departments. The first is a pure research unit, with about 20 people, many with PhDs, employed under Dr Mitra, whose brief is simply to pursue any interesting ideas in education and the cognitive sciences, without any need to look for commercial application. Almost 1% of turnover is spent on this pure R&D. Just as in a university department, the productivity of the R&D is measured in terms of publications in international journals, conference attendance, etc. The second R&D department — STRIDE (Strategic Research In Develop-

ment Education) — is application focused, and employs 40 researchers. It has a generic brief from senior management to look for more efficient ways of teaching, learning and course development: ‘if we can teach (or a competitor) can teach this course in an hour, how can we teach it in half an hour?’ Or, ‘if it takes us one month to develop this course, how can we develop it in half a month?’ This uses about 5% of turnover.

Moreover, another virtue of the profit motive is that the market will ensure that such research-based best practice gets copied by others, and hence disseminated to all. The difference between this approach and that found in state schools — and, true, in private schools not governed by the profit motive — is well illustrated in the musings of Professor Michael Barber, Blair’s right-hand man in education and head of the Standards and Effectiveness Unit at the DfEE. In his book *The Learning Game* (Barber, 1996) one of his most telling examples is the description of the research project based at King’s College, London, which succeeded, without additional resources, in raising pupils’ attainment in Science, Mathematics and English. Indeed, for boys, the effect was of a 300% increase in attainment! (see Adey and Shayer, 1994). Under current conditions, hardly any schools have imitated these reforms, and Barber notes that, “in spite of this dramatic result ... there has been no national initiative to follow it up. ... this should not be left to chance” (Barber 1996, pp. 180-1). But is it likely that, in any other service industry (acting in the market where things are “left to chance”), if one business found that it could raise productivity by 300% without much increase in resources, that other businesses would simply ignore the initiative? Perhaps what schools lack is not a ‘national initiative’ to force them to follow best practice, as Barber wants, but the simple market incentive of profit which encourages other businesses to seek improvement?

FIFTH VIRTUE: PROPER REWARDS FOR AND UTILISATION OF TEACHERS

The profit motive, fifth, can also ensure that teachers are properly rewarded and teaching excellence widely disseminated. Isn’t it bizarre the limits imposed upon gifted teachers today? We ignore the fact that gifted communicators and inspirers of the young are a rare commodity. Instead we force them into an egalitarian straitjacket, for a gifted teacher is exposed to the same number of children as a mediocre one, reaching out to at most the same couple of hundred children each week. Imagine if the same principle applied in other communication businesses — we would have the odd spectacle of a Jeremy Paxman limited to broadcasting to a tiny audience on a local hospital radio, say, or writing only for the *Malvern College Times*. We have the technological possibilities available to ensure that excellent teachers can reach out to thousands of students, and the profit motive would ensure that this was the case. This kind of development is just taking off in the education companies around the world:

The Delhi Public Schools chain of schools (**DPS**) in India, is linking with ISRO (the Indian Space Research Organisation) for the leasing of satellite time and the creation of VSAT links, which will lead to satellite and internet based distance education programmes, across India and throughout the subcontinent.

TECSUP, Peru, is innovating into satellite courses, to keep and enhance its share of the company training market. The target market for the Satellite courses are the mining companies outside of Lima. The programme uses teachers based in Lima, in a classroom studio linked up to video and computers linked to the Internet. Students are connected to video facilities and to computers linked to the Internet, so the link-up is fully interactive.

SIXTH VIRTUE: ATTRACTING INVESTMENT AND COST-EFFECTIVENESS

The profit motive can help provide the desperately needed capital for investment in our schools — because investors will be attracted by the returns that might be available. In an age of fiscal restraint, this investment is not likely to be forthcoming from government, and even if it was, there would be no guarantee that it would be used wisely and effectively. Under the present system, there is little encouragement to deliver educational services more cheaply or efficiently. However, with the incentive of profit, educational companies are always anxious to ensure that technological innovation is utilised which can both keep costs as low as possible and keep standards high — else learners will be lost to other competitors. It is this combination of cost-effectiveness and the possibility of investment which can lead to higher standards for all.

Many of the institutions and companies examined seemed aware of the importance of keeping costs low, by using resources — space, technology and teacher time — efficiently. For example, the computer literacy company, NIIT, India, goes to extreme lengths to ensure that all resources are used productively from 7 am to 10 pm. A key part of the NIIT philosophy is in the pursuit of teaching innovation and efficiency. Because of the economic imperatives — of shortage of trained teachers, of the expense of teachers, and the shortage of space — NIIT from the very beginning had to be conscious of rationing space and teacher contact time. To this end, they have used their R&D departments to develop teaching methods which reduce contact time and carefully utilise space. They have developed an educational model which utilises three types of room — classroom, mindroom, and machine room — enabling a centre with only 30 computers to accommodate 1,260 students per day!

Others, for example, Educor, South Africa, **Speciss** College, Zimbabwe, and the Brazilian chains, use classrooms for high school in the morning, then the same classrooms for further and/or higher education once high school has finished. Finally, many, including the above, operate shifts for their classes. All these lead to cost reductions, and are a far cry from the wastefulness we see in state schools in this country.

SEVENTH VIRTUE: CONCERN FOR STUDENT DESTINATIONS

If you were a director of a private school chain, and wanted to distinguish yourself from others, how would you do it? All the ways mentioned above, and particularly investing in R&D would be important. But you might consider one final approach, which would make you extremely attractive to parents and students. This would be to focus on ensuring that your graduates found satisfactory options after they left you — because certainly one (not of course the only) important aspect of what parents and children seek from schools or colleges is that they leave equipped to go on to something else, such as employment or further education. So you foster close links with businesses around you, and with these links help students and employers develop confidence in each other. But why stop there? There are recruitment agencies out there which specialise in such placements. What some of the education companies have done worldwide is to buy up recruitment agencies, to be sure that the synergy between the two lines of business are used to full effect. Educor, in South Africa, has bought PAG and Renwick. And one recruitment agency has bought up educational establishments for precisely the same reason — **ADvTECH** in South Africa. And once one company does this, and it is effective, then others have to follow, for precisely the reasons outlined above concerning R&D — for if they don't, they will lag behind in the consumer stakes. Of course, state schools do this to a certain extent, and are subject to various cajoling from local and central government to this end, to form links with other businesses and further educational institutions. But it isn't in their blood as it is for the for-profit companies.

3. THE VIRTUE OF THE SEVEN VIRTUES

NO NEED FOR HUMAN VIRTUE

Perhaps the key point to emphasise here is that none of the above seven virtues depends upon anyone being well-meaning or well-intentioned. They do not depend upon philanthropy or public spirited individuals. All they require is hard-headed, calculating business decisions. But these decisions lead to the raising of standards and improvement of opportunities. Bringing profit into education is a manifesto for our schools which can transform them without the necessity of anyone being angels. It is a manifesto for schools based on a realistic perception of humanity, not on heady but unrealistic aspirations. But of course the reality is that we do have a public-spirited side too. And this is as true in for-profit education companies as it is in other areas of our lives. But it provides the icing on the cake. High quality educational opportunities do not depend upon it.

ADDING HUMAN VIRTUE

A few of the examples of the philanthropic programmes found in the global education companies include a commitment to student loans and scholarships, cross-subsidisation, seeking mutually beneficial relationships with the public sector, and social responsibility programmes.

NIIT have just introduced what they call the 'Total Freedom Scholarship', to celebrate India's 50th Anniversary. Each year they have funded scholarships for bright students from poor backgrounds. This scheme, however, they hope will be transformed into something more. The intention is to demonstrate to other companies a working model of a student loan system which could be replicated — and perhaps for some other company to take it over and extend its application. Students are selected using aptitude tests and two interviews, to find capable but poor applicants. They are then given a loan for tuition for a one-year compressed course (instead of taking the normal two years), followed by a one-year placement with an IT company (the personnel officer of which was normally one of the original interviewers). While working on the placement, the company, in addition to paying a small stipend to the student, pays back the loan to NIIT, including interest at current bank rates, in full.

In the Brazilian chains of schools (Pitagoras, COC, Objetivo, **Radial**), and in TECSUP (Peru), it is normal practice for there to be a cheaper course offered in an afternoon and/or evening shift. All on the morning course would pay full fees. But the facilities and tuition were avowedly the same in all three shifts, and hence it was apparent that the morning shift was to a certain extent subsidising the later shifts.

TECSUP's short course programme — aimed at employees and executives already in work, usually financed by companies — also charges fees which create a large surplus. This is then used in part to subsidise the 'core' programme, that is, young people taking their diplomas which will lead to work.

The **Varkey** Group, based in the United Arab Emirates, provides education to 26,000 school age students from the Indian sub-continent, whose parents in the main are guest workers in the Emirates, where state education is not available to non-citizens. The Varkey schools charge fees ranging from \$50 per month to sums in excess of ten times that amount. This means that virtually all the guest worker parents can afford an education for their children, the poorest being subsidised by the better off.

DPS, India, has a Village Schools programme. Government schools in the deprived area of Mewat have been taken over and upgraded, subsidised using surplus resources of the larger Core schools. A similar scheme is now beginning operation in the Punjab.

Educor has a 'black empowerment' partner, Nozala Investments, a women's economic empowerment organisation. Nozala has a right to acquire up to 10 per cent of Educor's shares, and has one seat on the Educor board and one seat on each of its subsidiary boards.

Pitagoras, Brazil, creates and distributes a free newspaper, in partnership with the *Jornal do Brasil*, to 150,000 students across Brazil. The edited newspaper includes news stories of national, international, economic, scientific and cultural significance, as well as sports news. It began in September 1997 with monthly circulation, and the aim is that eventually it will be circulated free of charge in every school in Brazil, weekly.

4. CREATING OPPORTUNITY IN THE UK

So how far should we allow the private sector into education? The argument of this paper is that we shouldn't balk at encouraging for-profit companies into the sector. Profit can encourage successful schools to expand, allowing many more children to benefit from the excellence of their approach. Profit can ensure that educational companies are demanding about quality control, and use proven techniques to this end, not politically correct methods. When strong, competing brand names develop in education, profit can solve the information problem. And research and development to create proven techniques for raising standards and extending access will be developed and, through competition, replicated throughout the market. Successful teachers can be properly rewarded, and outstanding communicators can be liberated from the current egalitarian straitjacket. Profit brings a concern for cost-effectiveness, which ensures that funds are wisely spent; this in turn attracts investors. Finally, the profit motive ensures that companies are concerned about the future destinations of their students, keen to help them succeed in their respective careers.

Can we bring the virtues of the profit motive into education in the UK?

I guess there are two viable approaches we might consider. One is to try to bring some of these virtues into the public sector, by bringing in private sector management into schools and local education authorities (LEAs). This is the Surrey approach with Kings' Manor School and the government's approach with Hackney. The Edison Project is a key exemplar of this approach around the world. It has contracts with school Districts — the American equivalent of our LEAs — and Charter Schools to manage 51 schools, and will probably double that number in the next year. It has succeeded in raising over \$120 million of new investment — in addition to the original \$40 million raised: that's \$161 million of new money into state education in America. The Edison Project has never been fired by a school district or charter school board of trustees, even though to do so is easy within the terms of their contracts. Indeed, every school district they are involved with has asked them to expand, because all their schools have waiting lists. Moreover, they really are catering to deprived youngsters — 65% of their pupils qualify for Title 1, i.e. are at or below the poverty line. In American public schools, these kids generally lose ground each year. On standardised tests (i.e., not Edison's own tests, but those administered by the district), 84% of Edison's classes have made statistically significant gains. On average for all classes, on norm-referenced tests, relating to all students in the country, students have gained 5 percentile points. Most school districts would claim that they were doing extremely well if they had a flat position.

We are likely to see similar moves in this country, with **3Es** paving the way in Surrey. As long as there are competing companies operating — for competition is the key — then there is nothing to stop all seven of these virtues coming into service in the state sector. And notice that this approach avoids any question, which might be lurk-

ing in some people's minds, about where funds for private education are going to come from: under this approach, schooling remains, as Peter Lilley insisted it should, publicly funded for all.

Second, there is a more radical approach, which I won't try to defend here, although I did in my earlier monograph *Education Without the State* (Tooley, 1996). This is to question why we need the state involved in education at all, and whether giving the market free rein would lead to competing chains of high quality, low cost private schools emerging — as they are doing in Brazil. A funding safety net — funded by philanthropy or the state — for those children who really need it would ensure universal access. Just as the fact that there are some parents who are too poor to feed or clothe their children doesn't imply that we have to have universal state kitchens for all, so the same principle could apply in education too.

However, it was enough to defend for-profit education today, without having to tackle that issue too! For-profit education is not an oxymoron. The reasons might sound hard-headed, but if we want education for all to improve, we mustn't be tempted by the reassuring spin that the public sector can hope to match the incentives of the private sector for innovation and efficiency. The way forward for education is to bring in the incentives that push forward quality and innovation in all other areas of our lives. Children, especially disadvantaged children, deserve more than to be trapped in an industry forever sidelined.

The Times Educational Supplement gave a piece of mine on this theme — that people in developing countries weigh up the pros and cons of private and state education, and are inclined to opt for the former — the heading: "The lesser of two evils". I remember the wisdom of Mae West on that one: "Faced with the choice between two evils, I always pick the one I never tried."

That's not the choice facing us in education now. The privatised alternative is being tried around the world. I commend it to you.

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