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Who stops market power?

Corona and distance learning have boosted technology and shadow education worldwide. The EU is incapable of intervening and encourages private influence without regard to long-term consequences. Researcher Tore Bernt Sorensen takes a close look at privatisation. It may even have consequences for the shortage of teachers.

The private sector has always been involved in education. Just think of teaching materials, books or the construction and maintenance of buildings, all over the world and certainly in liberal democracies. Yet education is increasingly seen as a huge potential market for investors and entrepreneurs. This trend has been driven globally by neoliberal ideas and policies since the 1980s (Ball and Youdell, 2008; Sorensen, 2017). However, this can have different effects nationally and locally, depending on circumstances and on the interweaving of the public and private sectors.

Privatisation has many flavours. For example, ideas, techniques and practices originally developed in the private sector can make education more flexible (so-called endogenous privatisation, such as free school choice, standardised assessments and performance-based funding for schools and teachers).

But educational sectors can also be opened up directly to the private sector (exogenous privatisation, for example through government subsidies or tax breaks for private schools). And in so-called policy privatisation, parties from the private sector (e.g. consultancies, such as McKinsey & Co, or Pearson) become involved in policy-making. In the Netherlands, for example, McKinsey advised in a report commissioned by the Ministry of Education, Culture and Science in September 2020 to invest substantially more in education.

International comparisons reveal patterns that we can also learn from in the Netherlands. If we are serious about equal opportunities and good education, governments will have to curb the power of private parties.

Corona times

Effective policies to curb privatisation are not easy (more on that later), and market players have cleverly used the corona time. When you think of corona, you probably think of empty classrooms and a rapid switch to distance learning. The latter is indeed the case: schools worldwide rushed to introduce digital (online) systems. This switch was largely facilitated by private companies with innovative products. The pandemic thus greatly amplified the momentum of a dynamic, globally burgeoning industry. The consequences for the way students learn and teachers teach are likely to be lasting (Williamson and Hogan, 2020).

This industry of education technology, or ‘ed tech’ for short, involves a hodgepodge of companies, as well as non-governmental organisations and even philanthropists. They are tapping into new markets worldwide with learning resources and systems for professional development or administrative support, for example. Important detail: in doing so, they benefit from governments calling for greater efficiency (Verger, Lubienski and Steiner-Khamsi, 2016). This entanglement of parties and interests during the coronapandemic raises the question of how to set limits to privatisation in education. As far as we are concerned: the ball is in the political court.

With the word privatisation, we also mean the advance of shadow education. Paid tutoring outside regular school hours is becoming more and more common. Last year, Mark Bray (2020, see also Bray 2011), professor at the University of Hong Kong, mapped out shadow education throughout Europe and describes how it is spreading in different parts of Europe:

1. Southern Europe, where Greece and Cyprus lead. Here, shadow education is traditionally the most entrenched, with high percentages of students taking tutoring classes. In Cyprus, the tutoring industry is so strong that it cannot be dismantled without seriously disrupting the economy and the labour market.
2. In Eastern Europe, shadow education gained a foothold after the fall of communism, mainly because teachers were looking for extra income alongside their regular jobs. Now, tutoring or following courses is considered the most normal thing in the world.
3. In Western Europe (including the Netherlands), there is a long tradition of private tutoring on a limited scale. But in the past ten years, shadow education has grown, as a result of increasing competition in education and society.
4. Even in Northern Europe, traditionally the least amenable to shadow education, it is gaining a foothold, especially in Sweden and Denmark.

Welcome extra income

Of course, there are differences within countries and regions. City children, for example, are more likely to receive private tutoring than their rural peers. Tutoring providers also vary widely, from companies offering services in multiple countries (and some even on multiple continents) - including Kumon (headquartered in Japan) and Kip McGrath (headquartered in Australia), which offer math and reading tutoring, and tutoring provider Acadomia (headquartered in France) - to individual teachers looking for a welcome extra income, students and those without professional qualifications.

Bray's study confirms the negative effects that we already know from previous research on shadow education. Shadow education increases inequality of opportunity because it requires extra time and money from parents and pupils, which not everyone can afford. Instead of supporting those who really need it, shadow education strengthens the competitive position of privileged students. In addition, according to Bray, it undermines public confidence in the professionalism of teachers and the consensus in Europe that teachers should be properly trained.

Shadow education then creates its own dynamics (see also the columns by Louise Elffers on didactiefonline.nl, ed.). After all, tutor providers have to meet demand but also fuel it further. By playing on the desires, concerns and fears of parents and pupils, they contribute to the commercialisation of learning.

Repel or allow?

To what extent should learning and teaching be protected from the market and the pursuit of profit? Not only in the Netherlands, but also elsewhere this is a subject of discussion. Bray argues that shadow education reflects, as it were, the strengths and weaknesses of a country's mainstream education system. Unfortunately, shadow education exists for a reason: it exposes (perceived) shortcomings in mainstream education and offers ways to compensate for them. But at the same time, shadow education often raises sensitive and perhaps painful questions for policy-makers and professionals. Why, for example, are parents prepared to pay for a service whose positive effect has not been proven? What, besides income, are the motivations of private tutors? What are the implications of the shadow education industry for the economy and the labour market?

Shadow education also exposes broader trends and norms in society: what do people mean by 'the good life', how do they think about school performance and careers? The fact that shadow education has grown significantly across Europe suggests that these beliefs are actually changing everywhere and that families are less confident than before that mainstream education can meet their needs. Moreover, the fact that shadow education remains limited in Scandinavia suggests that, compared to elsewhere in Europe, families there are more satisfied with what mainstream education has to offer.

The European digital market

Given the international nature of privatisation in education and the growing involvement of multinational corporations, it would be logical for international bodies such as UNESCO, the World Bank, the OECD and the EU to actively engage with questions on this issue.

In 2014, for example, the OECD launched an annual summit on the global education industry, pointing to the need for greater oversight and dialogue. It warned against excesses of a 'wild west sector' (Sorensen and Robertson, 2018). But the initiative was a toothless tiger and more of a showroom for ed tech companies; the political mandate of international bodies proved too limited to tackle them. Moreover, parties such as the OECD and the EU often prioritise economic interests, viewing education primarily as a means of economic growth.

The EU's education policy, for example, is particularly intriguing. The Lisbon Strategy, a development plan from 2000, emphasised the strategic importance of education - or more specifically, lifelong learning - as an engine for economic competitiveness. The EU's executive arm, the European Commission (EC), is committed to a strong European ed tech industry, with a major role for private companies (see also box below). In its view, European education policy is about Europe's place in the world, with human capital at stake and the education sector as an arena for investment and innovation.

The EC strives for public-private partnerships, advocates stronger links between education, business and research, and encourages entrepreneurs to tap into the potential of educational software in Europe. The prospects it outlines are very optimistic (for example in *Rethinking Education: Investing in Skills for Better Socioeconomic Outcomes*, 2012, page 9):

> *"Technology offers unprecedented opportunities to improve quality, access and equity in education and training. It is a key lever for more effective learning and to reducing barriers to education, in particular social barriers. Individuals can learn anywhere, at any time, following flexible and individualized pathways."*

BOX. Powered by the EU

The European Commission (EC) is luring private investors into education, as evidenced for example by the Juncker investment plan (2015 to 2017). Because of the coronapandemic, the EC declared in 2020 that it would strive for 'smart investments' via the Next Generation EU recovery plan, again with new injections attracted from the financial markets. The InvestEU programme (2021-2027), which mobilises public and private investment, should in turn generate at least €650 billion in additional investment (Sorensen, Grimaldi and Gajderowicz, 2021). There is also a wide-ranging action plan for digital education, recently extended to 2027, and the creation of networks such as the Digital Skills and Jobs Coalition, with more than 400 organisations from the public, non-profit and, of course, private sectors. The goal is a unified European digital market. Also, by 2025, a European Education Area with cooperating member states should have emerged.

All this may sound like a game on a high economic level, far removed from your school. But it could soon lead to a tutor or teacher in the Netherlands, Sweden or Italy, for example, clicking open a learning programme on the computer, powered by private capital and the EU. And it is also in line with the investments that ed tech companies themselves make in education. According to recent reports in NRC, based on the so-called European Transparency Register, 612 companies in the tech sector spend €97 million annually on EU lobbying. A quarter of that amount comes from the ten largest companies, including Apple (3.5 million euros), Microsoft (5.25 million), Facebook (5.5 million) and top player Google (5.75 million). They are by far the big spenders.

Holy Grail

The EC lures private investors and capital with bold financing models (see box), instead of countering privatisation in education and its possible perverse effects. On the contrary, it seems to encourage the participation of private venture capital: it wants to promote education as a vehicle for economic scoring and looks to the market to do so.

This is also because the EU can do little in terms of substantive education policy. Its mandate remains limited and it can do no more than support and complement the actions of EU Member States. It can only facilitate cooperation, organise programmes and provide financial support. When it comes to school curriculum and teacher recruitment, for example, its hands are tied: if teachers in a Member State earn little and are forced to supplement their salary with private tutoring or start a consultancy firm, the key to doing something about it lies with national governments.

But there is more to it than mere impotence. Because lifelong learning is central to the EU vision of a European knowledge economy. And the EC regards the almost endless possibilities of lifelong learning as a kind of holy grail that can remedy economic and social ills, from unemployment to populism and terrorism (Sorensen, Grimaldi and Gajderowicz, 2021).

In doing so, the EU embraces four things: ICT, quality education, public-private partnerships and privatisation, and equal opportunities for all. But therein lies the rub: these priorities go awkwardly together.

After all, anyone who relies excessively on the market when it comes to digital innovation and learning resources in and outside schools is knowingly accepting that citizens do not have equal opportunities: disadvantaged pupils in particular have less access to innovative digital learning resources and are only further disadvantaged. Like most governments, the EU condemns inequality. It does support education sectors with investment and funding, based on the idea of lifelong learning, and has been working for years on better professional development for teachers and the attractiveness of the profession. But all these pious actions, wishes and promises are tempered or contradicted by that other priority, the pursuit of an innovative European digital market.

Market justice

The intertwining of commerce and education does something to our view of the world around us. Commercial parties can respond to demand, but ultimately also shape prevailing views on education and justice. Over time, privatisation changes the public perception of means and ends. For example, in Western democracies, 'market justice' is slowly but surely taking the place of social justice (Streeck, 2014): a growing belief in the market as the provider of equitable and efficient education, rather than being negotiated in parliament. Shadow education is the prime example of this. Money buys education, and those who do not or cannot do so have not worked hard enough for their own success.

The tension between the pursuit of greater equality of opportunity and privatisation works out differently in each EU Member State, but everywhere social and educational considerations seem to be subordinate to short-term economic priorities. Promises of equal opportunities and good education for all pupils are then undermined by other policies, namely the pursuit of more innovation to improve the global competitive position of European countries and the EU as a whole (on the market and as measured by international rankings such as PISA and TIMSS). It is noteworthy that the EU barely considers long-term consequences, despite evidence from research showing the negative effects of privatisation on equality of opportunity and educational quality (Verger et al., 2016). And not only that. Considering that social inequality is linked to resentment, political disinterest, populism and fundamentalism, the EU's education policy is a self-defeating enterprise: lifelong learning is meant to alleviate the ills of European societies, but the privatisation that the EU is simultaneously promoting is likely to contribute to these very ills.

Mark Bray points out that the mere existence of shadow education makes official claims about public quality education and equal opportunities contradictory and perhaps even hypocritical. The characteristics and extent of shadow education reveal whether governments actually care about social inequality and whether they take action in response. Bray's study confirms that regulating and containing educational privatisation and the policy-making process surrounding it are complex, with a range of competing interests and priorities. Policy makers - governments but also the EU - have to weigh up economic, social and educational priorities and dilemmas. In practice, it proves difficult to move beyond mere rhetoric in striving for equal opportunities and good education for all students.

We see this contradiction in the Netherlands, for example with Squla, a private company that was kickstarted by the Dutch government (see *Zo kreeg Squla een kontje,* in *Didactief,* January/February 2021). A lot of things come together here: the embrace of public-private partnerships, the commercialisation of government agencies, the international ed tech industry, and the strategy of companies to cleverly play on parents' sense of responsibility and their desires and fears about the competitive position of their children.

Dynamics of shadows

Mark Bray has some sobering advice for policymakers on effective actions: first, they need to understand the dynamics between the mainstream education system and the system operating in its shadow. Rather than dealing with the symptoms 'in the shadows', their first priority should be to ensure that the mainstream school system has sufficient financial and human resources to enable schools and teachers to serve all students, thus reducing the incentive to move to the private sector. The status and attractiveness of the teaching profession also needs to be improved, so that teachers are less inclined to offer private lessons for extra income.

What is certain is that privatisation deserves a more serious debate nationally and at the European level, as it raises challenging questions about the limits to the education market. These are fundamentally political questions that must be considered in light of the ambitions of all EU member states to facilitate quality public education and to make the teaching profession more attractive.

The global education industry reminds us that education is intertwined with economic interests and priorities. Education budgets are one of the largest items in government budgets, and human capital, embodied in learners, is considered a predictor of future economic competitiveness in the global marketplace. This presents policymakers with the ultimate dilemma: How to balance economic, social and educational priorities? For now, there is a certain irony in the fact that EU Member States are formally sovereign in their education policies, while cross-border privatisation is allowed to undermine education as a public good.

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