

In Whose Interest? The UK's role in privatising education around the world

Policy brief

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This briefing provides an introduction to the UK's support for privatising education in the Global South, outlining how the rise of privatisation impacts on quality, equality and transparency. This briefing makes clear policy recommendations which offer a route-map to equal and high-quality education for some of the world's most marginalised children.

This resource has been produced by The Equality Trust and summarises research undertaken by Global Justice Now and the National Education Union in their 2019 report, In Whose Interest? The UK's role in privatising education around the world.

Summary

Over the past 20 years, international financial institutions (IFIs) and “developed” donor countries have increasingly promoted the private model of education as the solution to educating the 262 million children still out of school globally.^[1] But instead of improving access to high quality education, this shift is deepening inequality and producing schools that are run in the interests of big business first, pupils second.

Each year, the UK’s Department for International Development (DFID) spends millions from its aid budget to promote privatised education in the Global South.^[2] This includes supporting the roll-out of low-fee private schools (LFPS) which, despite their name, often exclude marginalised students. The UK is also supporting public-private partnerships (PPPs) which further entrench the private sector within public service provision. Time and time again, the evidence shows that these schools fail to reach the poorest and most excluded children, rely on unqualified, under-paid teachers, and lack accountability to communities or governments.^[3]

There are very clear parallels between the privatisation our Government promotes overseas and the academisation agenda in the UK. The growth of academies has resulted in a loss of democratic accountability, resulting in the exploitation of the system by private actors, undermined standards for young people and teachers, and deepened social stratification in England.^[4]

Overall, this pro-market, instrumentalist approach to international development is fundamentally at odds with an agenda which places children’s rights, welfare and public need at its core. The UK Government must promote and support free, quality, public education at home and abroad, and crucially, must put pupils before profit.

1 <https://sustainabledevelopment.un.org/sdg4>

2 <https://beta.parliament.uk/questions/boOHBkPy>

3 https://neu.org.uk/sites/default/files/2019-04/NEU1147%20For%20the%20Public%20Good%20Report_FINAL.pdf

4 https://neu.org.uk/sites/default/files/2019-04/NEU1147%20For%20the%20Public%20Good%20Report_FINAL.pdf

Background: the push for private

Since 2015, governments globally have committed to achieving the Sustainable Development Goals (SDGs); a universal framework of 17 global goals that includes eradicating poverty and creating a fair and healthy planet, with a range of ambitious targets to be met by 2030. SDG 4, the goal which calls on states and other stakeholders to ensure inclusive and equitable quality education for all, is central to the framework. Additionally, SDGs 5 and 10 call for the achievement of gender equality and the reduction of inequalities within and between countries respectively.

The process of Financing for Development (FfD) was introduced as a means of financing this bold set of goals globally. The FfD process signalled a shift towards greater emphasis on the use of finance made available through private sector investment.^[5] As a result, the private sector is increasingly being used as a key mechanism to bridge the “gaps” in financing needed to fund the developments in infrastructure and service provision necessary to meet the SDGs.^[6]

The UK is seen as a leader in development financing globally, being one of the few donor countries to meet the UN’s 0.7% Gross National Income target for aid spending. The UK also plays a significant role in financing education; in the UK’s Overseas Development Aid (ODA), education was the fifth highest recipient of the 2017 budget, with £785 million spent on education in total.^[7]

However, increasingly, the UK has used its ODA to support commercial interests which profit from

international development. DFID’s problematic reporting fails to break down spending on public and private providers of education, meaning there is a lack of clarity as to the exact figure DFID spends on private actors in education. However, a host of for-profit development consultancies are receiving DFID contracts (including Oxford Policy Management, Adam Smith International and IMC Worldwide) and substantial sums are involved.^[8] For instance, in Pakistan alone, over £100m has been channelled through for-profit businesses to deliver education services since 2016.^[9]

DFID’s policies explicitly state that the private sector plays a “vital role” in the UK’s delivery of aid.^[10] DFID’s practical support for privatisation takes many forms ranging from investment, to direct provision of schooling and support for pro-private research and reform. However, more prevalent than direct financing is DFID’s investment in PPPs to finance private education, which have been a key mechanism in supporting the roll out of LFPS in the Global South. The use of private contractors in DFID projects has also been a key tenet of the UK’s private education agenda. Although much of this spending is within the public education system, private contractors are nonetheless making huge profits from the aid budget as a result. For instance, Adam Smith International has secured at least £35m of contracts in education development since 2016.^[11]

5 <https://www.eurasia.undp.org/content/rbec/en/home/blog/2017/7/12/What-kind-of-blender-do-we-need-to-finance-the-SDGs-.html>

6 [https://siteresources.worldbank.org/DEVCOMMINT/Documentation/23659446/DC2015-0002\(E\)FinancingforDevelopment.pdf](https://siteresources.worldbank.org/DEVCOMMINT/Documentation/23659446/DC2015-0002(E)FinancingforDevelopment.pdf)

7 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/771136/Statistics-on-International-Development-Final-UK-Aid-Spend-2017-jan-revisions.pdf

8 https://neu.org.uk/sites/default/files/2019-04/NEU1147%20For%20the%20Public%20Good%20Report_FINAL.pdf

9 <https://beta.parliament.uk/questions/boOHBkPy>

10 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/750989/DFID-Annual-Report-Accounts-2017-18-amended-Oct18.pdf

11 <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-01-16/209407/>

The problems of privatisation

While private sector financing is regarded by IFIs and many European donor countries as a key mechanism to achieve the SDGs, there is a host of evidence to suggest that the risks associated tend to undermine progress towards achieving education for all and result in a number of negative consequences for both teachers and students.

Inequality

Economic inequality: Tuition fees charged by private schools are the most straightforward way in which barriers to accessing education are created for the poorest children. Paying for uniforms, books, exams and other hidden costs also contribute to the burden on families and make education more inaccessible for the least well-off. Moreover, the cost of private education doesn't just prevent access in the first instance. Poorer children already enrolled in "low-fee" schools are often excluded or suspended for delayed payments, disrupting their education, impacting the ability of these students to learn in a sustainable way and increasing the likelihood of dropouts.^{[12][13]}

Social inequality: The introduction of LFPS tends to deepen existing social stratification.^[14] Investments in elite, high-cost private schools stratify communities and bolster the middle- to upper-class, rather than engage the poorest and most marginalised, as the SDGs aim to do. Costly tuition fees also entrench other social inequalities by forcing parents to choose between which of their children they can afford to educate, which often means girls and disabled children are less likely to be educated as a result of stereotypes and social norms.^{[15][16]} The UK's promotion of privatisation therefore also undermines its stated

interests in supporting education for girls and disabled children.

Disability inequality: There is evidence that LFPS often fail to provide support for children with additional needs. When results are placed at the centre of funding, measurable outcomes are required to determine success. Some students, including disabled students and those with other additional needs, may not be those who are most able to 'deliver' results. This compromises equality and inclusion.^[17]

Geographic inequality: The inequalities, with regards to opportunities, resources and funding, already present between rural and urban communities in the Global South are exacerbated by a privatised education system. Where private schools are run for profit, there is an incentive for them to be based in urban areas where there is a large market of school-age children, as opposed to in the underserved remote areas that need new schools the most. As a result, LFPS tend to be located in areas where there are already large numbers of schools close by for cost-effectiveness.^{[18][19]}

Quality

The proponents of private education tend to claim that such schools are more efficient, higher quality and offer improvements in learning outcomes for students. However, the evidence for this is inconclusive. While some studies have identified positive effects on learning, others contend that the evidence is "marginal or non-existent".^[20] Moreover, there are significant concerns about teaching standards, a narrowed learning experience and unsustainability in the privatised model of education.

12 https://download.ei-ie.org/Docs/WebDepot/Bridge%20vs%20Reality_GR%20Report.pdf

13 https://www.ei-ie.org/media_gallery/c40d3.pdf

14 https://download.ei-ie.org/Docs/WebDepot/ei-ie_edu_privatisation_final_corrected.pdf

15 http://www.campaignforeducation.org/docs/reports/GCE_Submission_Privatisation_CEDAW_2014.pdf

16 https://www.right-to-education.org/sites/right-to-education.org/files/resource-attachments/GCE_Private_Profit_Public_Loss_2016_En.pdf

17 https://www.right-to-education.org/sites/right-to-education.org/files/resource-attachments/ISER_Threat_or_Opportunity_Public_Private_Partnership_in_Education_in_Uganda_2016_En.pdf

18 https://download.ei-ie.org/Docs/WebDepot/Bridge%20vs%20Reality_GR%20Report.pdf

19 https://www.ei-ie.org/media_gallery/c40d3.pdf

20 http://arkonline.org/sites/default/files/ArkEPG_PPP_report.pdf

Conditions for teachers: Evidence from education PPPs shows a decline in teachers' conditions, with examples of teachers earning far lower than the minimum wage and receiving limited training or support. Within some examples, schools have employed unqualified teachers and then subjected them to poor working conditions, long hours and job insecurity.^{[21][22][23]} Ultimately, given that teachers' salaries are the highest cost in education, private schools looking to maximise profits are incentivised to hire unqualified (or under-qualified) teachers and pay them poverty wages in order to boost profits at the top.

Learning experience: There are also worrying concerns that private providers draw on a narrow, rigid approach to education focused overwhelmingly on outcomes in standardised assessments and with a reliance on "rote memorization and teaching to the test".^[24] This approach naturally undermines vital but less easily quantifiable aspects of the educational experience, such as critical thinking, creativity and civic engagement.

Sustainability: LFPS are unsustainable. The model, which has a short-term focus, relies on income garnered through user fees. Therefore, if schools become unprofitable, or deemed in breach of laws or regulations, they will close and can leave those pupils who attended without access to education and staff without jobs.

Moreover, the inclusion of private actors seeking a return on investment adds an unwelcome level of accountability; accountability 'up' to shareholders, rather than 'down' to students and their families.

Undermining public education

Lastly, one of the biggest problems of privatisation is the impact it has on the public education system. Support for a parallel, paid-for sector drastically undermines the public system. Governments have the ultimate responsibility to fulfil the right to education, but funding and supporting the private sector can undermine their capacity to do so.

This phenomenon risks an unjust system stratified along social lines and once again entrenches existing inequalities. Wealthier students are more likely to attend the private schools that have marketed themselves as of higher quality, leaving the very poorest students in an under-funded and devalued public system.^[28]

Transparency and accountability

There is considerable evidence to demonstrate that involving private actors in the education system results in a major democratic deficit. Governments can face difficulty in ensuring private schools are abiding by public regulations, such as providing schooling for free. Meanwhile, private actors have been accused of corruption through inspections, misrepresentation, and routine violation of government agreements.^{[25][26][27]}

21 <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/620529/rr-education-ppp-punjab-pakistan-020818-en.pdf>

22 https://download.ei-ie.org/Docs/WebDepot/Bridge%20vs%20Reality_GR%20Report.pdf

23 https://www.ei-ie.org/media_gallery/c40d3.pdf

24 https://neu.org.uk/sites/default/files/2019-04/NEU1147%20For%20the%20Public%20Good%20Report_FINAL.pdf

25 https://issuu.com/educationinternational/docs/2019_ei_research_gr_bia

26 https://www.right-to-education.org/sites/right-to-education.org/files/resource-attachments/ISER_Threat_or_Opportunity_Public_Private_Partnership_in_Education_in_Uganda_2016_En.pdf

27 <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/620529/rr-education-ppp-punjab-pakistan-020818-en.pdf>

28 <https://www.cgdev.org/sites/default/files/partnership-schools-for-liberia.pdf>

Case study: Bridge International Academies

Bridge International Academies is a particularly high-profile for-profit education company that operates over 500 nursery and primary schools across Africa and Asia.^[29] CDC Group, the UK Government's development finance institution wholly owned by DFID, invested a total of \$7.1m (£5.3m) in Bridge in 2014.^[30] DFID itself also provided direct funding through a competitive grant awarded to Bridge for its work in Nigeria, totalling £3.45m, which enabled the company to open 23 Bridge academies in Lagos.^[31]

Bridge has faced significant criticism regarding its quality of teaching, its cost-cutting approach and its impact on social and economic inequality within local communities.

- Bridge teachers reported that students with additional or special needs were not supported by the schools and therefore were not admitted.^[32]
- Teachers are typically unqualified, and concerns have been raised about their working conditions. Bridge teachers can be pulled into marketing to promote the school, with their pay docked if they don't meet certain recruitment targets.^[33] Reports have also shown that many Bridge teachers experience long working hours, job insecurity and unfair pay.^[34]

Criticisms of Bridge's conduct have reached even further than the realm of civil society. Following an inquiry into UK aid spending on education, the Chair of the UK Parliament's International Development Committee (IDC) stated: "We would not recommend DFID make any further investments in Bridge until it has seen clear, independent evidence that the schools produce positive learning outcomes for pupils".^[35] Similarly, Uganda's high court ordered the closure of 63 Bridge schools in 2016, ruling that they provided unsanitary learning conditions, used unqualified teachers and were not properly licensed.^[36]

29 <https://www.bridgeinternationalacademies.com/what-we-do/>

30 <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2017-10-23/109188/>

31 <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2017-10-23/109188/>

32 https://download.ei-ie.org/Docs/WebDepot/Bridge%20vs%20Reality_GR%20Report.pdf

33 https://neu.org.uk/sites/default/files/2019-04/NEU1147%20For%20the%20Public%20Good%20Report_FINAL.pdf

34 https://download.ei-ie.org/Docs/WebDepot/Bridge%20vs%20Reality_GR%20Report.pdf

35 <https://www.theguardian.com/global-development/2017/aug/03/uk-urged-to-stop-funding-ineffective-and-unsustainable-bridge-academies>

36 <https://www.theguardian.com/global-development/2016/nov/04/judge-orders-closure-low-cost-bridge-international-academies-uganda>

At home and abroad: England's academy programme

The issues of education privatisation seen in DFID's work abroad are increasingly mirrored in England's domestic education policy. Reforms since 2010 have resulted in the mass 'academisation' of England's schools. An academy school is described by the Government as a "publicly funded independent" school that operates independently of its local authority.^[37] There are now more than 8,000 academies in England, with 72% of all secondary school pupils and 30% of all primary school pupils now educated within academies.^[38] England's academies have weakened and undermined democratically accountable local authorities, boosted the power of private actors in the state system, and increased scope for profiteering and commercial exploitation of education.

A wide range of private actors are now involved in running England's schools through academy sponsorship, including faith groups, universities and wealthy individuals, as well as private businesses, such as weapons' manufacturer BAE Systems.^[39] Academies face the same problem of accountability as is seen through private financing in the Global South: they are accountable to board members, not the pupils they serve.

The academy programme also represents a threat to both teaching standards and conditions for teachers. Academies are legally able to employ unqualified teachers and to diverge from national pay and conditions arrangements, accelerating the use of performance-related pay linked to pupils' test and examination results. Despite this narrow focus on pupil "success", there is no evidence that academies perform better than other state funded schools and plenty which shows the opposite.^[40] A recent four year study into Government reforms found the English school system "has become less equitable since 2010, with higher-performing schools admitting relatively fewer disadvantaged pupils."^[41]

Academies also represent a threat to educational equality, with a 2016 report by the National Children's Bureau finding that UK academies were turning away children with special educational needs and disabilities (SEND) in order to "cherry-pick" pupils who are likely to get the best results.^[42] The high rates of informal exclusion in academies has also been found to disproportionately affect socioeconomically disadvantaged pupils, with pupils in social care, SEND pupils, black pupils and poorer pupils all more likely to be excluded.^[43]

While academy trusts cannot make money directly from their operations, there have been serious concerns about individuals gaining commercial benefit from their involvement with academies. Where local authorities have had no option but to cut back on essential services, commercial opportunities for private operators have opened up. In some cases, academy chains themselves have set up their own companies to deliver services such as IT support or HR. Even more concerning, some academy trust directors, or their family members, have financially benefited through so-called "related-party transactions"—where an academy enters into a commercial relationship with an organisation that is related through common directors or family members. A total of £134m was paid out by academy trusts on related-party transactions in 2017-18, up from £122m in 2015-16.^[44] This profiteering is a product of a lack of transparency in the system.

While the academy reforms have not resulted in the wholesale privatisation of English schools, they are clearly part of a global shift towards privatisation within public education systems. In combination with funding cuts to local authorities and school budgets, these reforms are undermining England's state education system, while at the same time providing more profit-making opportunities for the private sector.

37 <https://www.gov.uk/types-of-school>

38 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719226/Schools_Pupils_and_their_Characteristics_2018_Main_Text.pdf

39 https://neu.org.uk/sites/default/files/2019-04/NEU1147%20For%20the%20Public%20Good%20Report_FINAL.pdf

40 <https://neu.org.uk/policy/academy-status-pupil-attainment-and-school-improvement>

41 <https://www.ucl.ac.uk/ioe/news/2018/jul/chaotic-government-reforms-are-failing-tackle-education-inequality>

42 <https://www.independent.co.uk/news/education/education-news/academies-turn-away-children-with-special-needs-to-cherry-pick-pupils-charity-warns-a6795001.html>

43 <https://inews.co.uk/news/education/pupils-unexplained-exits-schools-737591>

44 <https://schoolsweek.co.uk/academies-annual-accounts-2017-9-things-weve-learned/>

Policy recommendations

Education is chronically underfunded; evidenced by the estimated \$1.8 trillion gap in annual education spending in low- and middle-income countries, often used as a means to justify the involvement of private actors in education.^[45] It is imperative that UK aid is spent in support of the public sector - not at its expense. Ultimately, the privatisation of education at home and abroad will not support the realisation of SDG 4 and, in many cases, is undermining progress made towards SDGs 5 and 10.

Properly resourced public education systems are the only way to deliver on the SDG's promise to "leave no one behind". Investment in the public sector is central to reaching the poorest and most marginalised children in a sustainable way.

We recommend the following policies in order to achieve quality education for all by 2030 and prevent the exploitation of SDG 4 by private actors.

Stop promoting privatisation

- DFID must retract its stated support for PPPs and LFPS, including through CDC Group, and commit to phasing out all support for for-profit education providers in the Global South by 2025, in the meantime supporting strong regulatory human rights-based frameworks for private providers and financing.
- DFID must use its influential position internationally to encourage multilaterals to abandon privatisation and adopt a public education approach.
- DFID must continue and expand upon the commitment made in Article 12 of the European Parliament resolution of 13 November 2018 on EU development assistance in the field of education (2018/2081(INI)) to "not use ODA to support private, commercial education establishments, which do not uphold the Union's principles and values" after Brexit.^[46]
- DFID should refrain from participating in the

Education Outcomes Fund and use its influence on the global stage to persuade other donors targeted as outcomes investors to do the same.

Domestic resource mobilisation

Domestic resource mobilisation (DRM) is defined by the European Commission as "the generation of government revenue from domestic resources, from tax or non-tax sources (royalties, licenses, levies or other income)."^[47]

- DFID must commit to focusing on supporting domestic resource mobilisation and, in particular, progressive taxation to fund public education. DFID must support low- and middle-income countries to increase DRM and build strong, transparent and accountable financial structures within countries.

Tax justice

- DFID must support partner countries to build education systems that are better insulated against disasters, financial crises, and indebtedness by closing tax loopholes, reducing tax incentives, limiting exemptions, and supporting strong, fair and just tax systems.

End the academy and free school programme

- The UK Government must end the academy and free school programme and ensure all state-funded schools are democratically accountable to parents and local communities. In addition, all state-funded schools to be subject to the same regulatory framework covering pupil admissions and exclusions, curriculum, governance and staff pay and conditions, overseen by elected local authorities.

45 https://report.educationcommission.org/wp-content/uploads/2016/09/Learning_Generation_Full_Report.pdf

46 http://www.europarl.europa.eu/doceo/document/TA-8-2018-0441_EN.html

47 https://ec.europa.eu/europeaid/policies/financing-development/domestic-resource-mobilisation_en

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Contact us

The Equality Trust

Resource for London, 356 Holloway Road
London, N7 6PA, United Kingdom
+44 (0) 203 637 032

info@equalitytrust.org.uk
[@equalitytrust](https://www.equalitytrust.org.uk)
www.equalitytrust.org.uk

National Education Union

Hamilton House, Mabledon Place
London, WC1H 9BD, United Kingdom
+44 (0) 345 811 8111

international@neu.org.uk
[@neunion](https://www.neu.org.uk)
www.neu.org.uk

Global Justice Now

66 Offley Road
London, SW9 0LS, United Kingdom
+44 (0) 20 7820 4900

offleyroad@globaljustice.org.uk
[@GlobalJusticeUK](https://www.globaljustice.org.uk)
www.globaljustice.org.uk

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