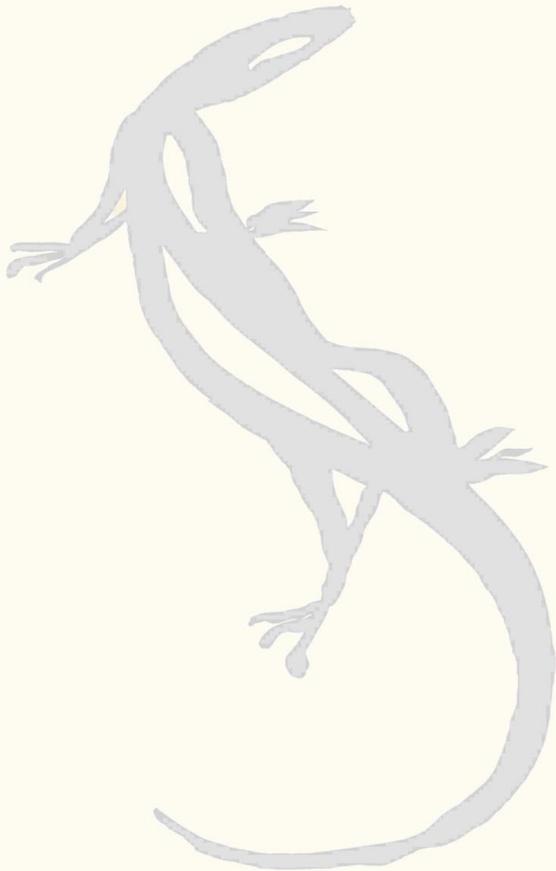


BARBARA PRESTON RESEARCH

**Privatising public schooling
its causes and consequences**

in Jill Blackmore & Jane Kenway (eds)
Gender Matters in Educational Administration and Policy
The Falmer Press, London

1993



21 Boobiulla Street
O'Connor ACT 2602 AUSTRALIA
0439478919 | barbara.preston59@gmail.com
www.barbaraprestonresearch.com.au

in Jill Blackmore & Jane Kenway (eds) 1993,
Gender Matters in Educational Administration and Policy,
 Deakin Studies in Education Series 11,
 Chapter 10 The Falmer Press, London

Privatizing Public Schooling: Its Causes and Consequences

Barbara Preston

'The state aid debate is dead.' That politically powerful assertion may be strictly true, but it serves to disguise a reality which is very much alive — the dynamic relationship between public and private schooling.

The height of the state aid debate in the early 1980s had its social basis in many people's lived experiences of that relationship. It was in large part an accident of the times that the political expression of concern arising from those experiences was the state aid debate. Yet the debate itself tended to focus on the fairly abstract principle of public funding of private institutions, rather than the concrete and complex consequences of that funding — which was the reality of people's experiences.

The state aid debate was destined to be lost by those opposing the public funding of private schools (though in reality the position was lost more than a decade earlier). The focus on 'state aid' kept the focus away from the complexities of the dual schooling system and the strength and consequences of the dynamic of residualization of public schooling. By the mid-1980s the concern with these other matters was coming to the fore — notably in the Commonwealth government's New Schools Policy (Commonwealth Schools Commission, 1985) which was intended to deny public funding to new or substantially changed private schools which were assessed as likely to have a significant detrimental impact on existing government and non-government schools. However, by then the powerful dynamic of residualization of public education was well entrenched, and the New Schools Policy could only ameliorate its worst excesses.

In this paper I shall seek to place the privatization of schooling over the past decade or so in context, both historical and within Australian society as a whole. I want to emphasize the central importance of the privatization of schooling for social justice, to show how it interrelates with general attitudes to the role of the state, and to make it clear that the privatization of schooling is a feminist issue.

Schooling and the Social Position of Children

Privatization of schooling — involving either expansion and strengthening of private schools relative to public schools, or the abrogation of responsibility by governments for aspects of children's education within the public system — has

some differences from privatization in tertiary and other forms of adult education because it involves 'children'. Thus it has some characteristics in common with other publicly provided children's services and benefits including child care, relevant health services and family allowances.

Centrally involved is the view held of children: either as the private possessions of their parents, or having citizen rights and with the community as a whole (through governments) taking some responsibility for them.

In the first view children are seen as an optional choice of their parents — if parents chose to indulge their desire to have children then they must bear the financial costs (though a charitable approach consistent with this view would seek financial support for the 'needy' — thus means-tested family allowances). In this view it is inappropriate for those on middle to high incomes to benefit from cash transfers, or free or subsidized children's services — if they do they are 'middle-class greedies'. A classic manifestation of this view of children as the private indulgences of their parents was in an *Australian Financial Review* editorial, 'The case against family allowances' (4 March 1987), in which a US economist was favourably cited as suggesting that 'children should be considered durable goods' with 'certain features in common with a boat or refrigerator — they are costly to acquire initially, last for a long time, give flows of pleasure during that time, but are expensive to maintain and repair, often do not live up to expectations and definitely have an imperfect second-hand market'.

Seeing children as citizens with rights, and for whom the community as a whole takes some responsibility (and seeing that children make their contribution to society currently and when they become adult) involves the notions of 'horizontal' and 'intergenerational' equity. That is, it is fair and equitable to make transfers from those without responsibility for children to those with responsibility for children (general taxation expended as universal family allowances, for example), and that it is fair and equitable to make transfers from those currently in the workforce to those too young (or too old) to gain substantial income from paid work.

These notions of equity are irrelevant if children are just the private possessions of their parents. Such a view was reflected in the British television series *Blind Justice* where two barristers are discussing a colleague. The conversation goes more or less like this: 'He takes a lot of legal aid work,' says the first. 'How does he pay his kids' school fees?' asks the second. 'They go to state schools,' is the reply. 'Aaah . . . the tax-payer pays,' comments the second in the contemptuous tone that is used for middle-class greedies with their snouts in the welfare trough supposedly reserved for the deserving poor. Thus we see public education being represented as 'middle-class welfare'. This view that those who can afford it have no moral right to send their children to state schools is perhaps of less direct relevance in Australia where most private schools are highly funded by the state, but it has a powerful influence all the same, manifest in the increasing view that public education is not the appropriate place for the aspiring middle class, and it is the other side of the coin of then Commonwealth Education Minister John Carrick's 1975 comment that 'government-supported public education exists in order that poor people may obtain an education'.

This thinking resonates through Australian society in attitudes to key aspects of the social wage. This lack of basic support for the social wage — seeing it as only appropriate for the failures of the private market-place, the deserving poor,

and not as something of relevance, value and rightful participation by all citizens — is a striking feature of Australia compared with many similar countries.

Origins of the Residual Social Wage

Positions taken by the Australian labour movement have played a central role in the development of the sort of public social wage (and its private competitors) which we have, and in the development of attitudes in the community to the public social wage.

The 'social wage' is public (government) expenditure which directly supports the standard of living (or, more generally, the quality of life) of individuals. Clearly included are cash transfers such as pensions and benefits; expenditure on public education, health, housing, transport, and expenditure on culture and recreation. Public expenditure on private education is also part of the social wage (though more akin to cash transfers to the individuals who benefit than to service provision by the public sector).

In general, people's living standards can be seen as largely maintained (in quantifiable, financial terms) by the industrial wage (wages or salaries paid to them or to a 'breadwinner' on whom they are dependent) and the social wage.

The historical approach of the labour movement in Australia to the support of the living standards of the working class is a labourist tradition, not a social democratic tradition. That is, people's living standards are to be supported and enhanced through the industrial wage system, not the state (via the social wage).

The formation of the Australian Labor Party arose from the industrial defeats of the 1890s and a belief that the union movement should get involved directly with the politics of the state if it was to adequately serve its members: direct struggle between labour and capital was not sufficient.

The labour movement supported a strong state role in incomes policy and industry policy, usually with the agreement of employers and conservative politicians. This may have seen the state as a legitimate site of trade union activity, but it was still 'labourist'. That is, it was based on the belief that the living standards of all members of the working class (broadly defined) should be maintained by the industrial wage, that the social wage had no significant role to play. Thus there was support for industry (and incomes) policies promoting full employment, but, at least until the human effects of the 1930s depression became apparent, little support for unemployment benefits; there was support for a 'family wage' but little support for child endowment, and so on. A 'social democratic' approach would have given a central place to a substantial social wage. (See Stuart Macintyre, 1986, for a more detailed discussion of the history of 'labourist' and 'social democratic' tendencies in the Australian labour movement.)

For the labour movement there are two alternative models for the support of most people's living standards: either the industrial wage paid on a family wage basis (and women denied equal pay, and the social wage being mean and meagre), or an industrial wage, equal for men and women and for those with and without dependants, plus a substantial social wage. These alternatives could be simply put as 'the family wage versus the social wage'. The family wage has played a central role in the history of Australian wage-fixing, and its influence remains.

Support for the family wage has been the most significant determinate of the labour movement's approach to the social wage. And a consideration of the family wage and its implications most clearly illuminates the nature of different roles the social wage can have in society, whether it is 'residual' or 'universal'. (See Table 1 for a listing of characteristics of more or less universal and residual public social services.) A family wage is a wage paid to a male breadwinner sufficient to support himself, a wife and several children. The family wage (or 'basic' or 'living' wage) is a minimum for all unskilled male workers. By implication women cannot receive equal pay, and those who fall outside the support of a family wage-earning worker are dependent on private charity or meagre state welfare.

In Australia the family wage notion developed through the late 1800s (Hutson, 1971, p. 33), but received its most influential expression in the 1907 'Harvester' judgment by H.B. Higgins, a person powerfully sympathetic with what he believed to be the interests of working people.

The Harvester judgment was not only the key 'family wage' case in Australia, but also arose from an integration of industry policy and wages policy — Deakin's 'New Protection' which matched tariff protection for manufacturers with guaranteed minimum wages for their employees (Rickard, 1984). The Harvester judgment embodied a coherent vision of society: industry was to develop behind protective tariff barriers, and the structure of society was formed by full employment and adequate wages for men and disincentives against women taking up waged work — assuring the proper rearing of children and thus the future of the nation.

The family wage not only implies unequal pay for women and the sex segregation of the workforce (because cheap female labour needs to be excluded from competition with male labour), but it also implies a high level of dependency on individual breadwinners by other individuals, and a lack of citizen rights of and community concern about the responsibility for those other individuals. As Eleanor Rathbone, a leading British campaigner for family allowances in the 1920s and 1930s, noted when commenting on male unionists' support for the family wage, 'Are they not influenced by a secret reluctance to see their wives and children recognized as separate personalities . . . instead of being fused in the multiple personality of the family with its male head' (Cass, 1983, p. 59).

The 1907 Harvester judgment has historically been held up by the trade union movement as a high point among wage decisions. Yet it laid the foundation for formalization and increasing levels of sex segregation in the labour market and unequal pay for women, and of a lack of support for the public sector and its continuing weakness. Thus the legacy of Harvester has created a supportive context for current privatization of social services generally. A weak state which provides meagre services is in itself less supportable, as well as having less political support in the community.

It is important to recognize this history, and its deeply unegalitarian, individualistic, anti-public sector, and patriarchal implications.

Out of this history arises the fact of Australia's more selective (that is, means-tested and otherwise restricted) and residual social wage relative to that of many comparable countries, and the belief that such a more selective social wage is more in tune with social justice. It is such a belief that is the base of much of the scathing attack on so-called 'middle-class welfare', the Commonwealth

Table 1 Universal versus Residual Social Services*

Tending to be Universal	Tending to be Residual
Social Value	
It is considered of value to the community as a whole (it has <i>collective value</i>), it is not just seen as of value to participating individuals.	It is only seen as having relevance or value to those individuals actually using it.
It is supported by the full social and cultural spectrum — the wealthy and powerful as well as the weak.	It is not supported by the whole community, even those who use it may not support it.
High-income earners have no objections to 'their' taxes supporting it — it has <i>financial solidarity</i> . (This ensures the first point above.)	The wealthy resent 'their' taxes supporting it, and may demand tax rebates or other more direct public financial support for private sector alternatives.
It is generally chosen in preference to private sector alternatives by all strata in society.	It is only used as a last resort. It has stigma attached. Those who can, choose the private alternative.
Funding and Provision of Service	
It is funded by governments at a level sufficient to provide a service of high quality.	It is not adequately funded by governments.
Private alternatives receive little (if any) direct or indirect financial or other government support.	Governments financially and in other ways support private alternatives which are in competition with the public service.
It is available to all irrespective of means and it is free. Targeting may be according to workforce status or age, or by nature, or location of service, etc.	It is only available on a selective means-tested basis, or it is provided on a user-pays basis (as in the private market-place).
There is sufficient quantity of the service for all who desire access (and are qualified for entry).	Access is rationed (by, for example, competitive exam results beyond determining entry requirements, quotas or simple first in, only one served).
Design and Nature of Service	
The service is provided on a <i>planned</i> basis (e.g., salaried doctors in a planned public health system).	It is allocated on a <i>market</i> or semi-market basis (e.g., fee for service medicine even if funded by a universal public insurance scheme).
It has a general <i>preventative</i> approach to problems (illness, learning difficulties).	It has a post hoc <i>curative</i> approach to social problems — attempting to patch them up after the event.

Table 1 (Cont.)

It has an <i>inclusive</i> orientation to those most disadvantaged — the content and structure reflect their culture, and thus success is possible without cultural alienation and stigma. The whole service is inclusive, not just a marginal or dead-end ghetto.	It has a <i>compensatory</i> orientation to those most disadvantaged, whose culture (etc.) is devalued and who are expected to fit the dominant norms. Where their culture is catered for it is in dead-end ghettos.
It is <i>participative</i> — participants (consumers) have a high degree of control over the nature and operations of the service through involvement locally and centrally.	It is <i>paternalistic</i> — participants (consumers) have no control over the service, and are not even consulted.
Social Role	
It socially defines and exhibits what is considered 'quality' in the service.	Quality is socially defined by the private sector alternative. The public is seen as inferior (whether or not this assessment stands up to disinterested and more objective scrutiny).
It determines and controls the relationships with and the transitions between it and the other services, institutions and practices.	The private sector determines and controls relationships/transitions, for example, the past control of the school-university nexus by elite private schools.
The public sector is not in any significant competition with private alternatives.	The public and private sector are in competitive relationship, with the private sector having the competitive advantage.
It manifests and promotes citizen rights and collective responsibility for all by all.	It manifests and promotes the view that responsibility for individuals is a private matter — for individuals alone or families.
It provides coherent social infrastructure for wider cultural, social and economic activity.	Services are discrete and play no positive social role beyond the services provided directly to individual users.

* Note: Not all characteristics are relevant to all aspects of the social wage. There is a complex and dynamic relationship between various characteristics — for example, there is mutual reinforcement between social value characteristics and funding and provision of services. Changes in one characteristic (whether or not resulting from government policy or intentional) can then influence other characteristics. Thus can be set in motion a 'vicious circle of residualization'.

government's decision to means test family allowances in 1987, and generally 'tighter targeting' of benefits and services.

Yet in fact a more universal and less selective orientation is generally more equal in final outcome in terms of income and wealth (as well as citizens' rights). This is because of the greater 'financial solidarity' of universal systems. That is, the community as a whole, especially the middle class, is more willing to pay taxes to fund a universal system than they are to fund a selectivist system with which they have no identification and from which they gain no benefit (see Saunders, 1987, and Table 1).

The selectivist, residual model for the social wage, complemented by an

industrial 'family wage', powerfully reinforces the financial dependence, political powerlessness and denial of citizen rights of women and children.

Now, to return to the privatization of schooling.

Origins of Strong Private Schooling

Compared with similar countries, Australia has a very large private school sector, the origins of which are several. First, there is the ideological climate and general social wage model already outlined. Second, there is the size of the Catholic population and its generally quite justified distrust of the Protestant-dominated state at the time schooling systems were established over a century ago. Third, the option of Catholic schools within the public system was never taken up as has happened elsewhere (a problematic and perhaps increasingly less feasible option); at the time the Catholic system's viability was most threatened (the early to mid-1960s), the resolution was public funding with negligible strings attached. Finally, for the non-Catholic sector, the wealth of individual families around the middle of the last century and the difficulty for the state in establishing schools (especially secondary schools) for a rapidly expanding population led to the establishment of many independent schools (Sherington *et al.*, 1987).

Once the private sectors were well established they used their political power to restrict public education and thus to enhance their own competitive position. It was well recognized that the advantages of one type of school were at the expense of others and their clientele. Victoria in the decades around the turn of the century provides an interesting example — a little more extreme than most other states, but there are certainly parallels elsewhere. In Victoria the independent school sector and other private schools (Catholic and schools for profit) were much stronger relative to the public sector right from the beginning. The wealth from the gold-fields and the developing grazing, manufacturing and financial industries led to the establishment of twice as many still existing independent schools in Victoria before 1872 as compared with New South Wales (Sherington *et al.*, 1987). Victoria continues to lead New South Wales and the other states in size of the private sector relative to the public sector. In Victoria currently only 67 per cent of students attend public schools, whereas nationally it is 72 per cent.

At the turn of the century in Victoria it was only the independent schools which provided a secondary education at matriculation level, a monopoly they jealously and forcefully guarded. The then Director-General of Education, Frank Tate, fought for the provision of full secondary education accessible to all with ability. Tate recognized that strengthening and broadening public secondary education was crucial because access to full secondary schooling was 'locked against the mass of people and can only be entered by the private stairways for which a heavy toll is charged'. In his 1905 annual report, Tate claimed that those who rejected full state secondary schooling did so 'because they regard such an extension as an attack upon their own class interest and privileges' (Selleck, 1982, p. 15), a frankness that is rare today. His attempts at opening up full secondary education in the public system were limited to agricultural high schools in the country and a teacher training school in the city. The power of the independent and other private school lobbies ensured that until the passing of the 1910 Victorian Education Act there was no formal and open establishment of public

secondary schools which provided an education through to matriculation level giving access to university.

Even after the passing of the 1910 Act, the interests of the private schools ensured only the very gradual establishment of public high schools, barely keeping pace with population growth, and the complete exclusion of public high schools from the inner south-eastern region of Melbourne until around the Second World War — the area where many of the most powerful middle and upper class still live. That 'interest' in restraining the strength of the public system continues. As Lyndsay Connors said in her excellent paper, 'A national framework for public schooling' (1989), 'Those who pay what they see as a higher personal price for private schooling will feel a vested interest in talking down and keeping down the value of what is provided publicly, in order to keep up the value of their own investment.' It is an interest which is seldom explicitly expressed, but that does not diminish its impact.

The more recent history of public-private school relations has seen the relative strengthening of public schooling to the mid-1970s, then, under the impact of public funding to private schools, a quite dramatic fall in the public sector's relative strength.

The government sector's share of enrolments hovered around 80 per cent until the mid- to late 1970s. In 1890, 83 per cent of Australian school students attended government schools. In 1900 it was about 80 per cent, 1940 79 per cent, 1950s around 78 per cent; some further dropping back took place in the early 1960s to 76 per cent, and then a strong growth to 78 per cent in 1970 and gradually moving through to about 79 per cent in 1977. Then we have a dramatic falling away: by 1980 it was down to 78 per cent, 1985 74 per cent, 1990 72 per cent, and in Victoria it is down to 67 per cent, with only 64 per cent of all students at the secondary level in government schools.

There is no doubt that it has been the financial support of non-government schools provided by the Commonwealth (and to varying degrees the states/territories) which has been the major factor leading to the decline in the share of enrolments held by government schools (see, for example, Williams, 1985).

Consequences of Privatization: Residualization

Such a change in enrolment share, combined with other factors, leads to an increasing lack of social coherence, a lack of understanding and appreciation of those from different backgrounds, and to greater social divisions and gaps between the more and less privileged. It undermines the quality of education received by the large majority of students (those in government schools), and makes less viable the further development and public understanding of schooling as a vital and effective social infrastructure for the economic, cultural and social future of Australia.

This is not a particularly radical view. The 1985 Report of the Panel of Commonwealth Schools Commissioners noted that 'to some extent, competition between schools is an inevitable outcome of a [publicly supported] dual system of schooling', and if there is strong competition 'based on economic, cultural or religious differences, then there is a risk of serious community conflict' (para. 38).

The effect on enrolment share of Commonwealth recurrent and capital

References

- CASS, BETTINA (1983) 'Redistribution to children and to mothers: A history of child endowment and family allowances', in BALDOCK, CORA V. and CASS, BETTINA (Eds) *Women, Social Welfare and the State in Australia*, Sydney, Allen and Unwin.
- COMMONWEALTH SCHOOLS COMMISSION (1985) *Planning and Funding Policies for New Non-Government Schools* (Report of Panel of Commonwealth Schools Commissioners) Canberra, Commonwealth Schools Commission.
- CONNORS, LYNDAY (1989) 'A national framework for public schooling', *The Australian Teacher*, 22, April, pp. 10-14.
- HUTSON, J. (1971) *Six Wage Concepts*, Surry Hills, NSW, Amalgamated Engineering Union.
- INTERIM COMMITTEE FOR THE AUSTRALIAN SCHOOLS COMMISSION (1973) *Schools in Australia*, (the Karmel Report), Canberra, Australian Government Publishing Service.
- MACINTYRE, STUART (1986) 'The short history of social democracy in Australia', in RAWSON, DON (Ed.) *Blast, Bludge or Bypass: Towards a Social Democratic Australia*, Canberra, RASS, ANU.
- PRESTON, BARBARA (1984a) 'Residualization: What's that?', *The Australian Teacher*, 8, May.
- PRESTON, BARBARA (1984b) 'Women and the accord: Reassertion of the family wage, and the need for a new industrial strategy', Paper presented at the Women and Labour Conference, Brisbane, 13-15 July.
- RICKARD, JOHN (1984) *H.B. Higgins: the Rebel as Judge*, Sydney, Allen and Unwin.
- SAUNDERS, PETER (1987) 'Past development and future prospects for social security in Australia', in SAUNDERS, PETER and JAMROZIK, ADAM (Eds) *Social Welfare in the late 1980s: Reform, Progress or Retreat?*, SWRC Reports and Proceedings, no. 65, June.
- SELLECK, R.J.W. (1982) *Frank Tate: A Biography*, Melbourne, Melbourne University Press.
- SHERINGTON, G., PETERSEN, R.C. and BRICE, I. (1987) *Learning to Lead: A History of Girls' and Boys' Corporate Secondary Schools in Australia*, Sydney, Allen and Unwin.
- WILLIAMS, ROSS (1985) 'The economic determinants of private schooling in Australia', *The Economic Record*, 61, 174, pp. 662-8.