



FREE MARKET FOUNDATION

PO Box 4056 | Cramerview 2060
011 884 0270 | gailday@fmfsa.org

Free Market Foundation Submission on Education Policy

To: Committee 1 (Triple Challenges of Inequality, Poverty and Unemployment)
High Level Panel on the Assessment of Key Legislation

By: Free Market Foundation

1. The Free Market Foundation

The Free Market Foundation (FMF) is an independent non-profit public benefit organisation founded in 1975 to promote and foster an open society, the rule of law, personal liberty, and economic and press freedom as fundamental components of its advocacy of human rights and democracy based on classical liberal principles. It is financed by membership subscriptions, donations and sponsorships.

2. Introduction

Education is central to the empowerment of South Africa's poor, and is thus central to the challenges of inequality, poverty, and unemployment.

In this submission the FMF hopes to convince the High Level Panel to revise the provisions in the South African Schools Act, 1996, as amended, which grant discretionary powers to the Minister, Member of Executive Council and Head of Department without adequate guidelines, limits and objective criteria relating to the powers that may be exercised. Wide discretionary powers are granted in section 5A, 6, 6A, 9(3), 12(3)(b), 18(1), 18A(1), 45(2), 50(1). Such discretionary powers create uncertainty and in many cases are unnecessary. The granting of excessive discretionary powers violate the separation of powers requirements of the rule of law and could therefore prove to be unconstitutional.

3. Standardised curricula

A curriculum invariably does not only include outcomes for what learners must achieve, but also prescribes how they must achieve it. This necessitates that curricula must be decided as close to the context of the individual learner as possible, in order to tailor what he will learn and how he will learn it.

With standardised curricula at the national or even provincial level, the opposite is done. Mistakes made in the curriculum-formulating process at the top level will filter down and be implemented by all the hundreds of schools and universities throughout the country. This compulsory implementation of mistakes is not optimal in a country where math and science are not widely-passed subjects. South Africa's education system has been riddled with problems which is seriously arresting the future potential of economic growth.

On the other hand, if South Africa rejects the standardised curriculum initiative and instead opts for a competitive market in curricula, it is logical that schools and universities will only buy into and tailor those programmes which work best for their customers and which produce the best results. When something does not work, it can be changed quickly, and a different approach can be tried. At primary and secondary levels, these decisions will be carried by the experts, i.e. the teachers themselves, and the caregivers, i.e. the parents who only want the very best for their children. Unfortunately, if curricula

are determined at the national level, local schools have no choice, under law, but to obey, regardless of circumstance or best practice.

4. Transforming the education of young people in South Africa

South Africa needs the most effective, low cost and efficient policy for transforming the education of South Africa's young people to ensure that the vast majority become numerate, literate, confident, capable young adults. Thousands of South Africa's young people are victims of "dumbing down" rather than raising up. The quickest and most effective solution to South Africa's education crisis is to introduce demand-led education by making education and training attractive to entrepreneurs. Entrepreneurs would teach real skills that would increase the demand for the services of young graduates, assuring them jobs once they have completed their training.

Government could purchase top quality schooling for the poor from competing private providers with taxpayers' money rather than having it squandered on non-functional government schools. A truly open education market would attract investment from a wide range of sources; South Africa could lead the way through education reform that encourages private investment in education. Under such a dispensation competitive entrepreneurs would offer a greater choice of better quality, more cost-effective, individually tailored, truly innovative learning options to students.

Education and training of young people will more closely track the real requirements of employers and the economy. Innovations that are likely to have a substantial influence on economic life will be speedily incorporated in education and training programmes for the youth. Competition in the provision of education and training will drive quality up and costs down. Education and training institutions that do not provide the learning opportunities that young people and their parents want, will either change or be forced to close down. The variety of learning options available to young people will increase exponentially, providing more highly diversified skills in the country. Overall effects of demand-led education are likely to include greater innovation throughout the economy, higher growth and lower unemployment.

5. Conclusion

It is in light of the above that the FMF proposes the following:

1. That the South African Schools Act, 1996 as amended be revised so as to encourage an entrepreneurial culture in the schooling of young people.
2. That the power to determine curricula and management of schools be given to individual schools, their teachers, and their governing bodies.
3. That the money follow the student in public schools to introduce competition between schools to encourage them to increased their standards and compete for students.

Attachments

1. FMF 2002 comment on the Education Laws Amendment Bill & the Higher Education Amendment Bill
2. FMF 2012 submission on the National Development Plan – Education



FREE MARKET FOUNDATION

Johannesburg

PO Box 4056 | Cramerview 2060

Tel 011 884 0270 | Fax 011 884 5672

Email fmf@mweb.co.za

Cape Town

PO Box 805 | Cape Town 8000

Tel 021 422 4982 | Fax 021 422 4983

Email fmf.ct@mweb.co.za

Durban

PO Box 17156 | Congella 4013

Tel 031 206 1416 | Fax 088 031 206 1416

Email urbach@telkomsa.net

National Development Plan

Chapter 9 – IMPROVING EDUCATION, INNOVATION AND TRAINING

- This comment is devoted to seeking the most effective, low cost and efficient policy for transforming the education of South Africa’s young people to ensure that the vast majority become numerate, literate, confident, capable young adults.
- Thousands upon thousands of South Africa’s young people are victims of a crime of vast proportions, the crime of “dumbing down”.
- The quickest and most effective solution to South Africa’s education crisis is to introduce demand-led education by making education and training attractive to entrepreneurs.
- Entrepreneurs would teach real skills that would increase the demand for the services of young graduates, assuring them jobs once they have completed their training.
- Government could purchase top quality schooling for the poor from competing private providers with taxpayers’ money rather than having it squandered on non-functional government schools.
- A truly open education market would attract investment from a wide range of sources; South Africa could lead the way through education reform that encourages private investment in education.
- Under such a dispensation competitive entrepreneurs would offer a greater choice of better quality, more cost-effective, individually tailored, truly innovative learning options to students.
- Education and training of young people will more closely track the real requirements of employers and the economy.
- Innovations that are likely to have a substantial influence on economic life will be speedily incorporated in education and training programmes for the youth.
- Competition in the provision of education and training will drive quality up and costs down.
- Education and training institutions that do not provide the learning opportunities that young people and their parents want, will either change or be forced to close down.
- The variety of learning options available to young people will increase exponentially, providing more highly diversified skills in the country.
- Overall effects of demand-led education are likely to include greater innovation throughout the economy, higher growth and lower unemployment.

The education chapter commences with the following inspirational words:

We are Africans.

We are an African country.

We are part of our multinational region.

We are an essential part of our continent.

We feel loved, respected and cared for at home, in community and in public institutions.

We learn together ... We love reading.

Each community has:

a school,

teachers who love teaching and learning,

a local library filled with the wealth of books,

a librarian.

All our citizens read, write, converse, and value idea and thought.

We are fascinated by scientific invention and its use in the enhancement of our lives.

We live the joy of speaking many languages.

If only these words were a true reflection of life in South Africa. What young people experience, see, and hear every day, negate the aspirations expressed in the above words, which is tragic.

Young South Africans are constantly exposed to negativity from the people around them, TV shows, radio broadcasts, and publications that sow dissension, racialism, envy and even hatred, and portray their world as miserable and without hope. They are faced with the dismaying news that more than 70 per cent of the unemployed people in the country are under 34 years old.

According to official reports many of them are trapped in dysfunctional schools, with teachers that do not have their interests at heart, and do not hesitate to desert their classes to go on strike. Most dispiriting of all is learning, on passing the matriculation examinations, that what is learned in matric has such little value that universities are compelled to run bridging classes to provide them with the academic competency required to cope with first year university studies, even for matriculants who excelled in their final examinations.

Professor Jonathan Jansen of the University of the Free State described the dire situation in these words: "If I had to make the choice with my own children today, I would seriously consider not sending my child to school in South Africa, for one simple reason: I do not trust a system that makes it possible for a child to pass Grade 12 with 30% in some subjects and 40% in other subjects. I would be filled with fear when I discover that you can get 32% in mathematics and 27% in physical science and still get an official document that says you can continue to study towards a Bachelors degree at university". Do students, under these circumstances, say, "*We feel loved, respected and cared for at home, in community and in public institutions*"?

A family member of mine recently embarked on a "rescue operation" to save a 10 year-old boy from life-destroying illiteracy and innumeracy. The boy was living in a squatter camp and attending a school that was not teaching what it should have been teaching. With the active involvement of the boy's mother, the good Samaritan found the child a new school that runs special classes for children that have fallen behind. The teachers told them that they had brought him to the school "just in time". After only two months, the change in the boy is astonishing. From being dull, rebellious, disinterested in learning and "mixing with the wrong crowd", the boy has become bright, well-behaved, anxious to learn, and reading, writing and doing calculations for the first time in his life. This young boy moved from a school that did not have, "*Teachers who love teaching and learning*" to one that does; with dramatically positive results.

How many such children are there who can be saved by a little bit of assistance and guidance? How many could be saved by the money that is set aside for them in the government's budget but is not being devoted to teaching them as they can and should be taught? Thousands upon thousands of South Africa's young people are victims of a crime of vast proportions. The crime of "dumbing down" – so called by award-winning New York teacher John Taylor Gatto, who maintained that children would be better off not attending school at all rather than having their self-esteem and learning ability destroyed by bad teachers.

The NDP quotes a survey that confirms what is happening in the schools. It says (p.270) that, "In the Southern and East African Consortium for Monitoring Educational Quality III (2007) survey of grade 6 mathematics and reading, South Africa performed below most African countries. An alarmingly high proportion of grade 6 learners had not mastered even the most basic reading and numeracy skills. Of the 15 countries in the study, South Africa had the third highest proportion of functionally illiterate learners (27 per cent), and the fifth highest proportion of functionally innumerate learners (40 per cent)."¹

The NDP also quotes (p.270) a study that attempts to identify the causes: "Two factors are largely responsible for the failings of the school system. The primary cause is weak capacity throughout the civil service – teachers, principals and system-level officials, which results not only in poor schooling outcomes, but also breeds a lack of respect for government. The mirror image of this weakness is a culture of patronage that permeates almost all areas of the civil service. Nepotism and the appointment of unsuitable personnel further weaken government capacity."² Another factor would be the effect of the activities of the National Education, Health & Allied Workers Union in organising teacher strikes, bringing teaching to a standstill, and destabilising schooling.

Given the dire consequences of learning successes and failures on the lives of all individuals, this comment focuses on what children could and should be learning through to young adulthood, which predominantly occurs in schools. In particular, it is devoted to seeking the most effective, low cost and efficient policy for transforming the education of South Africa's young people to ensure that the vast majority become numerate, literate, confident, capable young adults.

Bureaucracy disease

The main trouble with government schooling is that it suffers from "bureaucracy disease", a disease that to a greater or lesser extent afflicts all entities managed by governments to provide goods and services, whether their tasks are to provide schools, electricity, water, railways, health care, mining, roads, food or whatever else is designated to be an essential good or service.

Reasons for the inordinate amount of bureaucracy in government service delivery and some of its effects are:

- Government entities are not allowed, by their very natures, to be risk-takers. They are expected to proceed with extreme caution and can only adopt new ways of delivering services once the success of a method has been proved beyond all doubt.
- Senior positions in government are, with few exceptions, dependent on length of service and thorough familiarity with the "way things have always been done". This further entrenches systems and ensures that some urgently needed changes are either delayed or not made at all.

¹ Van der Berg, Taylor, Gustafsson, Spaull & Armstrong, 2011.

² Taylor S (2011) Uncovering indicators of effective school management in South Africa using the National School Effectiveness Study, Stellenbosch Economic Working Papers No. 10/11.

- While enduring sound principles are of great value, systems that do not adapt to changing circumstances can do great harm. Bureaucratic drag has held up the development of South Africa's ports, railways, telecommunications, electricity delivery, schools and a great deal more.
- Government officials have no incentive to innovate as they are unlikely to be compensated for the hard work that accompanies innovation, and are likely to pay a heavy price for attempted innovations that do not succeed.
- Senior government officials are not entitled to rely on their judgement as to the honesty or ability of their subordinates. They are consequently compelled to institute multiple layers of costly and time-consuming procedures and controls that absorb available funds and slow down processes.

Bureaucracy disease is endemic to government and there is very little that government teachers can do about it. School teachers tend to complain that they are forced to teach by rote, are instructed as to what to teach and how to teach it, and are prohibited from using their discretion or even fully utilising the teaching skills they were taught when training to become teachers.

Harm caused by the bureaucracy disease became patently obvious when the world could observe people with the same backgrounds, levels of education, languages and cultures, such as in East and West Germany, North and South Korea, China and Hong Kong/Taiwan, or Cuba and the large Cuban community who fled to Florida, USA, being subjected to very high levels of bureaucracy in one territory and a relatively low level of the affliction in the other or others.

Some same-country "experiments" reveal similar effects; poor economic results under heavy doses of the bureaucracy disease and better results when the affliction is reduced. West Germany, which had been badly harmed by the Nazi fascist bureaucracy, prospered when it threw off much of the disease after 1945. Britain, which was heavily bureaucratised during the 1939-45 World War, struggled on under a heavy dose of the affliction until some relief was effected by the Thatcher government. Even the less afflicted countries were not entirely free of the disease but the unintentional real live experiments show that less bureaucratically burdened economies far outstrip the economic performance of those that are more heavily burdened.

Schooling in most countries suffers from the bureaucracy disease. It is impervious to changes that take place in the rest of society because of the vested interests that benefit from an absence of change. The idea that all children should be compelled by law to attend school, to avoid the possibility that in the absence of the threat of force some parents might fail to educate their children, has been translated into a bureaucratic monstrosity that is detrimental to most children who pass through its processes. A stark demonstration of the accuracy of this observation is that schools today are fundamentally the same as they were more than a century ago.

Laws imposing compulsory schooling have brought with them bureaucratic rules and structures that prevent schools from educating children in a manner that will be more appropriate to the changing conditions under which they will live their lives. And more importantly, to provide the kind of education and training that individual students and their parents consider will best suit the students' personal interests, talents, characteristics and ambitions.

Government should be seeking the most effective, low cost and efficient policy to transform the education of South Africa's young people to ensure that the vast majority become numerate, literate, confident, capable young adults. The evidence is clear: remove bureaucracy and schooling will flourish in the same way as entire economies flourish in its absence.

Dump the strait-jacket of the imposed curriculum and allow education entrepreneurs to provide the schooling parents and their children want and need. Purchase top quality schooling for the poor from competing private providers with taxpayers' money rather than having it squandered on non-functional government schools. Today's children do not have to be tomorrow's desperate young adults. Apply these suggestions and see the remarkable change they will bring about.

Revolutionising the delivery of education and training to young people

The quickest and most effective solution to South Africa's education crisis is to make education and training of young people attractive to entrepreneurs. At a cost that is no higher than what government is currently spending per child on schooling, education entrepreneurs could rapidly resolve the crisis.

Entrepreneurs could do more than merely improve on the quality of schooling that is now being provided; they could teach real skills that could increase the demand for the services of young graduates, assuring them jobs once they have completed their training. In addition to ensuring that their students become highly literate and numerate, the entrepreneurs could impart knowledge and skills covering a wide range of potential careers. The range of skills chosen for the imparting of knowledge must be demand and not supply led. This means that the education entrepreneurs should respond to demands from potential employers that are picked up by parents and their children, encouraging the students to enrol for courses that will qualify them for the jobs where the greatest potential skills shortage will be when they complete their studies.

The notion that young people should follow a standardised curriculum through to matriculation and then only think of gaining specialised skills is archaic. Education pioneer Maria Montessori demonstrated that the average child is capable of completing a high level of fundamental education (literacy, numeracy and a wide general knowledge) by the age of twelve. From that age onwards, there is scope for great diversity, enabling the individual student to follow her or his special interests and to marry those interests with the demands for skills and knowledge that become apparent in the market place.

There is also scope for young people to become multi-skilled by the time they reach the current "school-leaving" age of 18 or 19. Instead of trying to fill their heads with information that is of no interest or value to students in their future lives, education policies should be developed that allow the students to follow their interests and develop their individual talents and skills.

Institution of student-based education requires policy makers to face up to a stark reality. They will need to place the interests of students above the interests of the teachers who are desperately attempting and will continue trying to keep the supply-dominated system in place, in which the school and the students in it are their "property" to manage for their benefit, as teachers have done for more than a century. No economic functions, such as education and skills-training, which are vitally important economic functions, can be effective if students and teachers are almost totally disregarding the purpose for which the entire exercise, twelve years of it, is being carried out.

Application of demand-led education

Current schooling, to use a sports analogy, can be likened to coaches spending years teaching all young players to play hockey when there is a demand for a wide range of sports skills in the real world beyond the sports school gates. No one will argue, least of all the students, that everyone needs to be numerate and literate, but students who have no intention of following careers requiring advanced mathematical or literary skills should be able to adapt their studies to meet their expected requirements.

Lamenting the poor mathematics and science results in schools while continuing to maintain an archaic schooling system, on the other hand, will not produce more mathematicians and scientists. Young people

need to be convinced by demonstration that proficiency in maths and science will allow them to achieve above-average earnings. Specialist maths and science institutions will be much more likely to achieve that objective through advertising the successes of their students.

Compelling highly sports-talented young people to spend the greater part of their time on academic subjects when all they really want to do is play sport, is cruel and counter-productive. This does not mean that sports women and men should not be educated. It does mean, however, that their priorities should be reversed. Sports should receive top priority, if that is what students and their parents prefer, and then numeracy, literacy and other important fields of knowledge should follow. Total earnings of athletes participating in a multiplicity of sports are huge and sport has therefore become a legitimate and highly-paid career for many people. In some sports peak ability is attained at a young age and the rules are generally bent for established young stars, but there will be many young people who are not exempted from the strictures of schooling, frustrating their careers as a result.

Specialised sports schools will have no problem in convincing their students that they need to be erudite and have highly-developed financial skills if they become sports stars. A curriculum might therefore include such items as training in the proper use of languages, handling radio and TV interviews, understanding the principles of contract law, learning about finance and investment, acquiring an understanding of the laws of their sports speciality, studying potentially useful foreign languages, and other studies that might be regarded as essential to the well-rounded sports star. Such an enlightened approach to the education and training of potential sports stars would not only make sense to them and elicit their enthusiastic participation in all its aspects, but would make a considerable difference to their chances of success.

Sport has been used as an example because many people will be familiar with real-life examples of the frustrations that some young athletes have suffered because they have not attended a school for the affluent, or been fortunate enough to have wealthy parents who could overcome the constraints that regular schooling hours impose on their sporting careers. However, the frustration that will be suffered by young athletes is merely a fraction of the frustration suffered by millions of young people who have their interests, aptitudes and wishes totally ignored.

A budding young motor mechanic who wishes to spend most of her time repairing motor vehicles, has no interest in regular schooling. She is likely to be an unhappy and disruptive student, but will spend hours studying every manual she can find on motor vehicles. In order to follow her interest she would become highly literate and would study whatever aspects of mathematics she would need in a career in motor engineering. Allowed to follow her interest, such a student would have every chance of becoming a highly competent and knowledgeable motor engineer, able to earn a comfortable living. There is probably no likelihood, however, of such a student being treated with the same indulgence as a sports star.

Again, the possible young mechanic is merely a hypothetical example of a much wider problem, which is thousands upon thousands of young people with an almost endless range of interests that have their preferences disregarded and are forced to go through endless days of frustration on school benches, just itching to be somewhere else carrying out very positive and worthwhile activities. If there were to be a large range of specialist education and training institutions competing financially on level terms with conventional schools, in other words with students having similar access to taxpayer funding, there is no doubt that they would over time attract the majority of students away from conventional schools. The reason is that specialist schools would provide the education and training that students actually want rather than what others decide to impose on them.

The role of education entrepreneurs

Young people desperately need entrepreneurs to become involved in education provision, marshal resources, both human and physical, and provide them with a diversity of educational choices that will allow them to develop their talents to the fullest. Many entrepreneurs are already involved in education and training in a peripheral way, but are hamstrung by statutory and regulatory barriers that prevent them from fully employing their entrepreneurial talents to offer young people an array of education and training courses.

Entrepreneurs currently active in other fields of endeavour would invest in education under the right conditions. All that is needed is the removal of barriers to entry into the education field. In a freely functioning market for education, entrepreneurs would scour the world for information, methods and materials to supply that market. They would constantly seek better ways to present the information to their customers. According to economist Israel Kirzner, the most distinctive attribute of the entrepreneur is "alertness to available yet unnoticed opportunities". The entrepreneur identifies "opportunities for gain that others have overlooked".

Alert entrepreneurs in the food industry ceaselessly strive to provide consumers with goods and services in a manner that will earn them the greatest return on their investments. They would do the same in an open education market. Yet, while striving for maximum profit, education firms would not necessarily charge high prices. Henry Ford revolutionised the motorcar industry, and transformed modern-day society, by constantly reducing the prices of his cars in order to make them accessible to an ever-increasing percentage of the population. Until Ford started building cars for the masses, they had been regarded as the preserve of the wealthy. Similarly, until Bill Gates and his colleagues developed software to enable the masses to use computers, they remained the preserve of trained experts in large firms and government departments.

In the food industry, likewise, supermarkets replaced many corner grocers because they turned to bulk buying and selling, low prices and low overheads to make low profits on their huge turnovers but high profits on their investments. They changed retailing totally and both they and their customers were the beneficiaries. In every form of business, competitors are constantly on the lookout for ways to attract customers away from each other. In every legitimate way possible, they will seek ways to undercut above-average prices or exploit the failure of their competitors to provide customers with good service and quality. Open competition is consequently the best safeguard that consumers have against high prices and poor service in any market, including a market for education.

Opening the education market to entrepreneurs

A truly open education market would attract investment from a wide range of sources. The education industry has the potential to become the largest investment sector on the world's stock exchanges. However, for this to occur, governments worldwide would have to relinquish their existing dominance over and control of education. South Africa could lead the way through education reform that encourages private investment in education.

Most people link investment with large firms whereas the aggregate value of business investments of small firms, ranging from one-person operations to firms with less than fifty employees, is significant. According to the European Commission, two-thirds of all jobs in the European Union and Switzerland are in SMEs, more than 90 per cent of them in micro enterprises with less than ten employees. Education of young people offers a huge opportunity for the establishment of a plethora of small education entities but only if the laws, regulations and government policies are changed to accommodate such a development.

Some of the changes that would need to occur are:

- Education and training entities that are established for the express purpose of teaching special skills should be exempted from applying standard school curricula, conditional on their students achieving levels of literacy and numeracy comparable with that achieved in acceptably-performing government schools. Testing for literacy and numeracy could be carried out by testing agencies appointed by government to carry out the tests but paid by the training schools. Economist, Professor EG West, suggested that literacy and numeracy tests could be conducted in the same way that drivers of motor vehicles are tested for proficiency in driving.
- Students from low-income families wishing to learn special skills could be granted government subsidies, possibly in the form of education vouchers, to pay for their tuition. As long as the subsidy is less than the total cost of providing schooling for the student in a government school the cost to taxpayers would be reduced.
- Teachers carrying out specialised training should not be expected to have standard teaching qualifications. Their task would be to carry out training in their specialised skill, in which parents of students would expect them to have above-average proficiency. For instance, expecting a well-qualified plumber, athletics trainer, carpenter, golfing instructor, electrician, or motor mechanic, to obtain a teaching diploma before commencing teaching special skills to students, would be ill-advised.
- A training establishment wishing to establish its credentials would turn to testing agencies to verify the quality of its teaching by testing the proficiency of students in the special skills being taught and to issue certificates of proficiency to students and to the training establishment.

Under such a dispensation competitive entrepreneurs could start offering a greater choice of better quality, more cost-effective, individually tailored, truly innovative learning options to students. Child labour laws would need to be revised to allow young people to simultaneously work, learn and earn, legalising 'working to learn' programmes that are conducted in a manner that is patently beneficial to the participants.

Far-reaching changes such as those described in this paper will require the co-operation and support of politicians, public officials, educationalists and anyone else who may have influence in the matter. Above all, interested parties would have to place the interests of students before their own. Many people benefit from the fact that the child is currently a captive of the schooling system and they will argue that she or he should be kept so, never mentioning their own vested interest.

Educational entrepreneurs would not need to be educationalists themselves. Their ability lies in bringing together the skills, knowledge, facilities and capital that allow them to offer consumers what they want, and occasionally, what they never dreamed was possible. Given the opportunity, teachers at government schools could transform their schools to better serve the communities in which they are based.

Private education in developing countries, as documented by Professor James Tooley, provides extensive evidence of what entrepreneurs can achieve in education, even in poor countries. Critics of excellent private schooling repeatedly censure the inaccessibility of such schooling to the poor. Those who pass judgement in this way do not factor into their comparisons the fact that the total real cost per student at government schools in most countries is higher than the fees charged by all but the most expensive private schools. This means that governments could purchase, for all their students, better schooling at lower cost from competitive private schooling providers.

A factor that is also not considered is that the government cannot possibly provide the variety of different types of education and training that is really needed to provide young people with the information and skills they need to conduct their later lives. All that government can do is provide a general education that

is thought to be adequate for the “average” student. Some students will not be adequately challenged by the schooling provided while others will not be able to cope with it, doing a disservice to both the academically capable and the non-academically inclined students.

Professor Tooley discovered that private education in China has thrived over the past thirty years after being banned for many years. In 1998, for instance, 1,236 (54 per cent of) tertiary institutions, and a much lower percentage of schools of all kinds, were private. The Deputy Director of Education of the Beijing Municipality described the five main reasons for the emerging support given to private education by the Chinese authorities:

- Private education could make up for the lack of government funds, recognising that the government could not cater for the demand for education.
- The government wished to promote innovation and recognised that the private sector was better at it than the public sector.
- Private education could “ease unemployment” because the private sector was better at responding to the market demand for training from business and industry.
- The private sector would “stimulate education consumption” because it was better at exploiting market opportunities and making them available to the public.
- Private education would help close the gap between rich and poor because in China, as in many other developing countries, government education benefits the higher income groups and higher education disproportionately – “If richer groups buy private education, then state resources will be available for the poor”.

Improved all round quality is implicit in the items listed by the Deputy Director, especially the relevance of education and the development of diversity. The approach of the Chinese authorities, as reflected in his comments, displays an attitude that appears to place sound education above the ideological considerations that previously dominated Chinese education.

Entrepreneurial private schools in India provide primary schooling to children of poor parents. Quality comparisons between these private schools and government schools in poor communities provide a useful insight into the demands placed by poor people on private suppliers of services. A Public Report on Basic Education in India described “malfunctioning” government schools for the poor but did not find the same problems in private schools in the same areas. Researchers calling at a random sample of government schools, found “teaching activity” happening in only 53 per cent of them. They had poor physical facilities and high pupil-teacher ratios. Head teachers were found to be absent from the schools much of the time and the report found a deep lack of accountability in the government schools. Although the private schools also had relatively poor facilities, the survey found “feverish classroom activity” in most of the classrooms they visited. Private schools for the poor are to be found on almost every street corner in poor areas, despite the fact that they charge fees that are “not insignificant” amounts for poor parents to pay, and are competing with government schools that charge no fees and even provide bowls of rice at lunchtime.

In their most recent *Student First News*, the Centre for Civil Society in India reported that, “Government seeks expressions of interest from firms to open 2,500 secondary schools over the next five years. Following a road map laid out in the budget, the Union government has invited proposals from companies to open secondary schools, amid increasing concern over the quality of education being imparted in India’s class rooms. The human resource development (HRD) ministry, which oversees education, has sought expressions of interest from companies in joining the public-private partnership (PPP) project to open 2,500 schools over the next five years.”

Both the Chinese and Indian governments are turning to private companies to help provide the education needed by the young people in their countries. The South African government should consider following a similar route, not only to solve the current crisis in schooling, but to develop a great diversity of high quality education and training institutions that can provide the youth of the country with education and training that will ensure that they are capable of obtaining and holding down good jobs or opening and conducting their own businesses. Rapid solutions to the dual crises of poor schooling and mass unemployment, with 70 per cent of the total of 7.5 million unemployed people being under 34 years of age, must be found. Changing from supply-driven to demand-driven education will make a substantial contribution towards solving both problems.

If government were to embrace the suggestion that private individuals and companies should be invited to join in the task of improving education and training, we will be able to say we have:

*...teachers who love teaching and learning,
a local library filled with the wealth of books,
a librarian.*

All our citizens read, write, converse, and value idea and thought.

We are fascinated by scientific invention and its use in the enhancement of our lives.

We live the joy of speaking many languages.

Advantages for students of demand-led education and training

- Students will have a greater likelihood of being able to follow their interests, develop their inherent talents, and be successful in their pursuit of knowledge and skills.
- New innovations and developments in the fields of interest of students will be incorporated in their training programmes as they occur.
- Students and their parents will be the customers and will be treated with greater courtesy, which they will reciprocate because of the voluntary relationship that will exist between student and teacher.
- Students will not be locked into one service provider and will be able to change with ease to a competing provider.
- The variety of learning and training options will be as great as the number of unique potential careers that people discover, often by accident, during their working lives.
- The possibilities offered by entrepreneurship are likely to feature strongly during demand-led education and training.

Advantages for the country of demand-led education and training

- Education and training of young people will more closely track the real requirements of employers and the economy.
- Innovations that are likely to have a substantial influence on economic life will be speedily incorporated in education and training programmes for the youth.
- Education and training institutions that do not provide the learning opportunities that young people and their parents want, will either change or be forced to close down.
- Competition in the provision of education and training will drive quality up and costs down.
- The variety of learning options available to young people will increase exponentially, providing more highly diversified skills in the country.

- Overall effects of demand-led education are likely to include greater innovation throughout the economy, higher growth and lower unemployment.

Advantages for government of introducing demand-led education and training

- Demands on government in respect of the education and training of young people will decline as the new options become available to them.
- Government schools will be able to devote more attention to the education of students who do not seek alternative options and budgetary costs should decline.
- Competition from alternative education and training entities will cause government schools to become more competitive by improving the quality of education they provide.
- Those government schools that do not improve the quality of the education they provide will steadily lose students – if this does not encourage them to change they will be compelled to close down.
- The diversity provided by demand-led education and training entities is likely to have a spill-over effect, encouraging government schools to be more responsive to the requirements of students.
- Greater diversity in education and training will be likely to foster a spirit of entrepreneurship among the country's people.

Eustace Davie
Director
Free Market Foundation



THE FREE MARKET FOUNDATION

of Southern Africa

progress through freedom

Comment on the Education Laws Amendment Bill, 2002 and Higher Education Amendment Bill, 2002

INTRODUCTION

Was the anti-apartheid struggle in vain? It appears increasingly that freedom is being equated with the mere absence of apartheid, rather than the absence of oppressive government *per se*.

For concepts like democracy, freedom, liberation, empowerment, rule of law, due process, GEAR, African Renaissance, MAP and NEPAD to have any meaning the South African and other African governments have to walk the talk. They have to remain true to these precepts and faithfully implement them. Desire is not enough. Real concrete changes have to be made. These changes have to increase personal and economic freedom.

Did South Africa have a struggle for freedom or a struggle for power? Have black South Africans become the victims of *amandla* (power) or the beneficiaries of *nkululeko* (freedom)? Many people make the false assumption that erosions of liberty do not affect the poor or black South Africans, particularly because protests are first heard from the affluent or whites. But if some members of society lose some of their liberty, all have lost, even though they may not realise it.

The kinds of centralised planning and stifling controls being introduced by the Department of Education amount to a conscious choice to deny black South Africans true freedom, and if this type of governance is implemented pervasively it will condemn them to enduring poverty. Personal and economic liberty, always and everywhere, results in prosperity, and its absence, always and everywhere, results in oppression and poverty. The evidence is now so overwhelming that the matter can no longer be a subject for informed debate.

One of the many paradoxes of the new South Africa is that the government has repeatedly announced generalised policies to promote personal and economic freedom such as GEAR and NEPAD but while some departments have implemented far-reaching reforms in the right direction, others march resolutely in the opposite direction. Imaginative reforms have given South Africa one of the freest agriculture sectors in the world, a flourishing private housing market for low-income communities, and thousands of black South Africans have had their apartheid land tenure upgraded to full ownership. In sharp contrast, other departments and most local authorities have intensified stifling controls at the direct expense of the poor and in direct contradiction with proclaimed government policy.

The Department of Education appears to be intent on banning all choice in education and all educational diversity and innovation. Its latest particularly distressing plan is to curtail the academic freedom even of universities by prescribing common curricula and qualifications. A free society would move in precisely the opposite direction where education policy would be devolved to regional and local levels, where private education would be private, and where parents and students would have freedom of choice. In a free world, educators compete by offering innovative, diverse, and better education to people who purchase it with their share of the governments education budget and whatever private funding they wish to add.

Johannesburg

2nd Floor, Export House, cnr West & Maude Sts, Sandown
PO Box 785121, Sandton 2146
Tel: (011) 884 0270 • Fax: (011) 884 5672 • Email: fmf@mwweb.co.za

Cape Town

2nd Floor, Church Square House, 5 Spin Street, Cape Town
PO Box 10074, Caledon Square 7905
Tel: (021) 465 1856 • Fax: (021) 465 1860 • Email: fmf.ct@mwweb.co.za

Website: www.freemarketfoundation.com

THE SECTIONS OF THE BILL THAT ARE PROBLEMATICAL

The sections of the Bill listed below are authoritarian in nature and appear to be designed to erode the choices of parents, students of all ages, lecturers and teachers in all educational institutions, and owners of all educational and training institutions. The proposals are unwise as they ignore the mounting evidence that good educational results are not produced by imposed curriculums, reduced choices, a lack of competition between suppliers, and a lack of diversity in educational offerings. Most importantly, it is not the way to improve the opportunities for advancement of the poorest and most needy members of our society. Authoritarian prescriptions do not uplift a nation and the following sections therefore need to be reconsidered:

Admission age, curriculum, assessment and regulations

South African Schools Act, 1996

- 1.1 The proposed section 5 (4), which prescribes the minimum admission age for learners entering public schools.
- 1.2 The proposed section 6A, which provides that the Minister must (accent added) determine a national curriculum and a "national instrument" (not defined) for assessment of learner achievement in the Republic.
- 1.3 The proposed section 45A, which prescribes the minimum age of admission for learners entering independent schools.
- 1.4 The proposed section 61, which empowers the Minister to make regulations –
 - "(d) to prescribe a national curriculum applicable to public and independent schools;
 - (e) to prescribe a national instrument for the assessment of learner achievement;
 - (g) to prescribe the age norm per grade in public and independent schools;
 - (h) to provide for norms and minimum standards for school funding."

Further Education and Training Act, 1998

- 1.5 The proposed section 38A(1)(a), which provides that the Minister must determine a national curriculum;
- 1.6 The proposed section 38A(1)(b) which provides that the Minister must determine a national instrument for the assessment of learner achievement;
- 1.7 The proposed section 47(2)(b) which states that the Minister may prescribe a national curriculum applicable to public and private further education and training institutions;
- 1.8 The proposed section 47(2)(c) which states that the Minister may prescribe a national instrument for the assessment of student achievement for public and private further education and training institutions

Adult Basic Education and Training Act, 2000

- 1.9 The proposed section 18A(1)(a), which provides that the Minister must determine a national curriculum statement;
- 1.10 The proposed section 18A(1)(a), which provides that the Minister must determine a national instrument for the assessment of learner achievement.
- 1.11 The proposed section 18A(2), which provides that the Minister must determine the curriculum and instrument contemplated in 18A(1) must be applicable to public and private centres.
- 1.12 The proposed section 41, which empowers the Minister to make regulations consistent with the Act and relating to –
 - "(d) a national curriculum applicable to public and private centres;
 - (e) a national instrument for the assessment of learner achievement for public and private centres;
 - (g) any matter applicable to public and private centres as contemplated in section 3 of the National Education Policy Act, 1996 (Act No.27 of 1996.)"

The above mentioned proposed legislation will:

- Empower the Minister to dictate standardised curriculums for all private and public schools and all private and public further education and training institutions.
- Empower the Minister to dictate standardised "instruments" for the assessment of learner achievement in all private and public schools and all private and public further education and training institutions.
- Take away the right of parents and educators in private and public schools to decide on the school readiness of individual children for entry into schools or to shift children to grades that better suit their capabilities.

That these clauses are being proposed must mean that the Minister intends to use them. If he does so, he will interfere with the democratic right of the citizens of South Africa to freedom of choice over the education of their children. Also with the democratic right of young adults to choose freely from a variety of institutions competing not only on content and quality, but also on being innovative in subjects offered. He will remove choices available to schools and other education institutions to decide for themselves how to assess the capabilities of their students. And he will interfere in the crucial process of evaluating the readiness and progress of children and deciding what grades are appropriate for their capabilities.

Looking behind the proposed legislation and regulations an observer may be forgiven for suspecting that the intention is to:

- Abolish the Independent Examination Board
- Prevent foreign universities and other educational institutions from offering courses and examinations in South Africa
- Prevent private schools and other education institutions from being more responsive to the needs of learners, offering higher quality and better content and so out-competing government-owned and government-funded institutions

If these are the objectives, they show a total lack of respect for the democratic rights of South Africans and a lack of respect for individual citizens. They also indicate a tendency to treat children as state property and adults as its captives rather than as the final arbiters, as voters, in the affairs of the state. There appears to be a lack of appreciation that the people own the state and not the state the people.

NATIONAL CURRICULUM

Centralised control of education places strict limitations on what may be taught and how it may be taught. Invariably a curriculum is imposed which dictates not only what subjects must be taught but also the detailed contents of the subjects. The most serious problem with the imposition of such a curriculum is that there is no way of establishing the "truth" or the "optimal method" of conveying that truth. There is also no selection method that could successfully determine an "optimal content" for a curriculum that would be suitable for more than a small fraction of the students on whom it is imposed.

In the United Kingdom an attempt was made to establish a basic syllabus that would allow schools a great deal of flexibility in deciding what to teach and how to teach it. The national curriculum that resulted caused much frustration and anger amongst educationists and proved to be what a British educationist Dr James Tooley described as a "bureaucratic monstrosity". Five years after it was imposed, Sir Ron Dearing was appointed to slim it down and simplify testing. His proposals met with a storm of protest from all sides and the government eventually decided to place a five-year moratorium on any additional changes.

Dr Tooley argues that a national curriculum neither raises standards nor promotes equality of opportunity. What is needed for both is improved teaching techniques and targeted resources. Problem schools, he maintains, need specific solutions, and a national curriculum does not help them in any way. Using probability theory he demonstrates that a committee charged with setting a national curriculum is highly likely to make at least one mistake, and perhaps more. These mistakes are then implemented in all schools and are much more difficult to reverse than errors at the individual school level. He concludes that decisions regarding the curriculum should be taken at the school level where the decision-makers are continually interacting with pupils and are aware of the multiplicity of their experiences. They can respond quickly if either problems or opportunities arise, and can more successfully innovate, learn from successful experience elsewhere, rapidly reject failed experiments, and adapt to the particular needs of individual students. The comments of Dr Tooley are equally applicable, and perhaps even more valid, in respect of tertiary education and training.

Teaching methods are crucially important, and prescriptions regarding method are as counter-productive as prescriptions regarding curriculum. Prescribing a method of teaching or an evaluation system on a vast scale is problematical. If it is not successful, it will have a detrimental effect on the country for generations. The development of many private-enterprise alternatives should therefore be encouraged.

If private-enterprise educational establishments, including schools, learning centres, tertiary education facilities and training facilities, were allowed to develop without interference, parents and students would demand that they focus on turning out young adults with income-earning skills. As literacy, numeracy and communication skills are essential to income-earning, these basics would be a fundamental part of parents' demands. Myriad skills-training courses could then be on offer, covering a vast spectrum of income-earning possibilities. As most people today have many distinctly different careers during their lifetimes, students could acquire multi-disciplinary skills. On the other hand, they could specialise at an early age, as a modern young Mozart would probably insist on doing.

Some educationists may contend that parents do not have enough knowledge to guide their children in the selection of subjects. Illiterate parents, especially, would be at a disadvantage. Yet illiterate people find their way around large cities, purchase items ranging from property to everyday necessities, and run businesses. They have to compensate for their illiteracy by being astute in obtaining guidance from people around them. In a society in which private enterprises provide most of the education, there would be place for agencies that provide information on education and other learning centres. Parents would consult ratings such as the "Top National Schools" list prepared by the *Sunday Times*, and they would also solicit information from parents of children already attending the schools they are considering. School leavers would consult similar guides dealing with tertiary education and training.

What may prove worrying is the possibility that schools and training institutions may make invalid claims about their capabilities. Naturally, any institution that professed to offer what it patently could not deliver would lay itself open to criminal prosecution for fraud. Just as the media are very involved in monitoring the services provided to consumers in other fields, they would probably monitor very closely the services provided by education institutions. Extensive publicity for both good and bad institutions would be of great value to parents and students.

LIFE AND EDUCATIONAL NEEDS HAVE CHANGED

The days of choosing a career in one's youth and remaining in it until retirement are over. Most people make numerous career changes during their working lives, yet conventional schooling persists in the myth of a career-for-life. The only feasible way in which young people can be introduced to the vast number of potential careers available to them in the modern world is to allow the development of a multiplicity of competitive learning centres. These could vary from one-room one-instructor establishments to more formal centres with numerous instructors. The creation of a friendly statutory and regulatory environment is all that is necessary to spur the development of flourishing educational establishments providing much-needed education and training services to the young. Such a course of action would bring about a rapid improvement in the educational standards and capabilities of the South African population.

Anyone preferring to pursue a purely academic education would have more choice under the proposed system than is presently available. Entrance to university could depend on passing the existing examinations. On the other hand, South Africa could follow the USA in developing tests similar to their Scholastic Aptitude Test (SAT). The proposals contained in this submission are aimed at securing a greater number of educational choices for children, creating a highly competitive learning environment in which children's abilities as well as their hopes and dreams are taken seriously, and making teaching once again the demanding but well-paid and highly respected profession it used to be.

CHANGING THE CURRENT EDUCATIONAL ENVIRONMENT

The proposed legislation appears to be aimed at imposing greater bureaucratic control over education in South Africa. Existing legislation is already a barrier to entry which prevents some educational enterprises from entering the education field altogether, and prevents those that do enter it from utilising the best methods available worldwide for teaching literacy, numeracy, communications skills, specific income-earning skills and other subjects. This is unfortunate. If more enterprises were involved in education, competition would impose greater discipline on education providers and ensure that they supply a high-quality service. Moreover, a larger variety of providers would give parents and their children greater choice and increase their chances of finding a learning environment that is most suitable for the special needs of the individual child. Some skills-training organisations may wish to employ children as part of the skills-training process, and the prohibitions on such employment should be removed to encourage this.

The present funding system emphasises the school and the teacher instead of the pupil. Studies have shown that increased government funding is generally used to pay escalating administration and other costs rather than being spent on improving the quality of education. Private education organisations spend far less per child on administration.

The government's plans for improving schooling in South Africa will not rapidly reduce the gap between the skilled and the unskilled. The reason is very simple: the proposals say nothing about utilising the skilled to train the youth, yet a massive transfer of skills is precisely what South Africa needs to develop a highly trained workforce. Without it, any education plan is doomed to fail.

Learning to think entrepreneurially – i.e. to recognise opportunities for profit when they arise – should be an essential part of every child's education. The best way to teach this is on the job in an entrepreneurially-oriented private enterprise, but children are not given the opportunity to acquire such experience as part of the learning process.

EMULATING THE PREVIOUS KNOWLEDGE REVOLUTION

The "Knowledge Revolution" of the 18th and 19th centuries came to be known, somewhat unfortunately, as the "Industrial Revolution", the accent on industrialisation obscuring the great leap forward in literacy, knowledge and skills that was made by people who, in previous generations, would have remained illiterate.

In England and America, the countries that led the revolution, schooling was voluntary and provided almost exclusively by private enterprises. Most children attended school, and according to economic historian EG West, levels of literacy in those years compared favourably with current literacy rates. All pupils paid fees, including those attending church schools. The so-called "dame schools" were the backbone of the English system. These schools generally consisted of one room in the teacher's house set up as a classroom, an arrangement that was convenient for all concerned.

An important aspect of the knowledge revolution was the flood of "how to" publications that appeared on the market. People with special skills wrote manuals on every conceivable subject, imparting knowledge to the general public that had previously been reserved to the fortunate few who were members of guilds. Increased literacy enabled many people to acquire skills and lift themselves out of the grinding poverty in which their ancestors had toiled for centuries. This is a good example of the role that private enterprises can play in transferring knowledge cheaply and effectively to large numbers of people.

As private enterprise is able to deliver higher quality services at lower cost than government is capable of doing, it is probable that a voucher system could be implemented within the existing education budgets, especially once unnecessary layers of bureaucracy are removed.

EDUCATION IN A FREE SOCIETY

Parents in a free society have the right to choose freely from alternative education options that they believe are most suitable for their children, and education suppliers have a concomitant right to offer the choice of services that children and their parents demand. Parents in a free society also have the right to determine at what age their children will commence their schooling. Similarly, adult students have a right to choose from a range of education and training options offered by competitive suppliers and those suppliers have an equal right to offer the education and training desired and demanded by their customers.

Both the proposed bills intend to trespass on the rights of parents, children, adult students and education suppliers. They plan to prescribe to the customers and owners of private institutions what they will be compelled to do and what they may and may not do. Some measure of government prescription may be justified regarding the management of public schools, as long as it does not infringe on the inalienable rights and freedoms of the individual in a free society, although even here centralised and authoritarian decision-making is having disastrous consequences worldwide. However, there is no justification whatsoever for government to prescribe to private institutions. There is even less justification for government to prescribe to students and their parents who pay their own hard-earned money for a better quality education, improved choices, and the right to manage their own lives and provide their children with superior care.

Inner-city children in the USA who have been given vouchers to attend private schools of their choice have markedly improved their educational results. Poor children in India, who attend private schools as a result of their parent's sacrifices, outperform their peers who attend government schools at no cost. All over the developing world, low-income parents who wish to provide their children with better education opportunities than they themselves experienced are choosing the private education option. If South Africa wishes to become a competitive nation it should not swim against the tide. It should dispense with all authoritarian measures, especially in the education field, and encourage a vibrant, competitive education environment, providing maximum choice and diversity.

THE PROBLEMATICAL PROPOSED LEGISLATION

The problematical sections as listed in this submission should be excised from the Bill.

Prepared by:

Temba Nolutshungu and Eustace Davie
Directors
Free Market Foundation
PO Box 10074
Caledon Square
7905

Tel: (021) 465 1856
Fax: (021) 465 1860
e-mail: fmf.ct@mweb.co.za

15 May 2002