

AN ASSOCIATION FOR UK EDUCATION BUSINESSES

James Stanfield

When Milton Friedman was recently asked if he believed education will be provided exclusively by the for-profit sector in his future vision of schooling, he replied 'No, I see competition. Let parents choose'. In an open market he would expect a variety of schools including for-profit, charter, parochial and government schools, where survival will depend on satisfying customers. He concluded, 'Neither you nor I is imaginative enough to dream of what real competition, a real free market, could produce, what kind of innovations would emerge'.¹

When a future UK government eventually gets round to guaranteeing all parents their fundamental right to choose in education (achieved by simply redirecting all public funds from schools to parents), they will also be responsible for ensuring that parents actually have a variety of educational opportunities to choose from. The government must therefore develop and maintain an attractive regulatory framework that will encourage a competitive market in education to develop, allowing for unknown innovations to emerge.

But what will this regulatory framework look like? How can the government promote competition in education and encourage world-class education companies to invest in the UK? The answers to such questions will not be found in the Department for Education and Skills (DfES) but will emerge from the market itself and from the day-to-day experience of those education companies already operating within the existing regulatory framework. Their role within the policy-making process is therefore crucial and the successful transition from a government monopoly to a free market in education may well depend on the ability of existing education companies to work together to help improve the sector's competitiveness. It is for this reason that a professional business association for education companies operating in the UK is now urgently required.

In terms of how a new association should operate, there is much to learn from existing associations, both in the UK and abroad. The DTI's *Model Trade Association* suggests that a successful association should work proactively to improve the sector's competitiveness, supply sound information and advice for members, and finally promote good public relations, training and education, standards and product/service quality, innovation and technology transfer. The new association can also draw inspiration from a similar organisation established in the USA in 2002 – *The Education Industry Association (EIA)* –

whose mission is to 'expand educational opportunities and improve educational achievement for learners of all ages by infusing American education with market-based drivers of service, innovation, and results'. The strategic goals of the EIA are to foster the development of a vibrant education industry by (a) enhancing accountability and quality throughout the industry by promoting industry standards, professional development and networking opportunities, (b) promoting public policies that ensure equitable and fair access to the education marketplace, and (c) educating the public about the contributions of the education industry to improved service, results and innovation.²

The primary purpose of the new association will be to bring education companies together to participate in the promotion of private-sector interests within the policy-making process. Market-based reforms will have to be sold in the political marketplace and their success may well depend on how they are presented and communicated to the appropriate audience. The publication of an annual *Deregulation in Education Report* will allow the association to survey its members on a regular basis to find out how existing laws and regulations are affecting their ability to compete and increase investment. Together with representing education companies within the policy-making process, a future association will also have to work hard at redressing decades of discrimination against private education within the media and especially within the trade union movement.

Once an association is established, opportunities may also arise for education companies to collaborate on a variety of issues including joint research projects, private teacher training courses and private alternatives to the existing qualifications framework. The new association could also assist (perhaps in conjunction with the Institute of Directors) in developing an *Education Investment Club*, providing regular opportunities for education companies and educational entrepreneurs to discuss development opportunities with potential investors. Organising an annual national conference will also help to raise the profile of the association and its members within the media and investment community, and will allow members to discuss and debate issues of mutual interest.

1. M. Friedman (2003) 'Choice & Freedom', *Education Next*, Winter.
2. EIA website: www.educationindustry.org/about/mission.php.

James Stanfield – University of Newcastle