

EVERY CHILD COUNTS

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Summary

- *This paper puts forward a bold, inventive and free-market policy to improve the lives of the bottom third of the income distribution in the UK;*
- *It identifies the policy area of education and private tuition as the starting point to introduce new market-based policies that have the power to change the economy and society and lead to a free-market revolution in the developed world;*
- *It assesses how the private tuition 'industry' is changing education in the UK, exposing the flaws and inequities in the current UK education system and the opportunities this new 'industry' in education presents to implement free market initiatives;*
- *It proposes the 'Every Child Counts' policy: a widespread and sustained provision of a means-tested voucher system, funded through the Pupil Premium, empowering the families of the bottom third of the income distribution to purchase additional education support;*
- *It analyses why a free-market policy in private tuition is needed to increase economic freedom, economic prosperity and improve the social outcomes for the bottom third. Furthermore, it analyses previous tuition voucher policies in the UK and internationally, and how to successfully implement this policy in the UK.*

Introduction

Free markets, competition, choice and enterprise have lifted millions of people out of poverty throughout the world. Over the past couple of decades, however, policy-makers have simply failed to produce bold and inventive free-market policies to improve the lives of the bottom third in advanced economies.

Nowhere is the absence of market-based policies more clear than in education policy. Education in the UK has increasingly been held back by educational inequality worsening, the widening gap in attainment between advantaged and disadvantaged students, growing private tuition markets working only for already advantaged students, and geographical proximity's importance in determining pupil allocation to schools. These trends expose the flaws in the UK education system that are set to perpetuate the current two-tier system in education between advantaged and disadvantaged students.

Unless proponents of free markets directly and boldly take on two of the biggest issues since the Great Recession in 2007/08, namely social mobility and widening inequality, the British people and those of the bottom third in particular, will lose faith in the power of the free market. I believe it is only through free-market solutions to education reform that we can open up new and innovative ways to improve the prosperity of the bottom third in the UK.

The topical return to grammar schools can be seen as a step in the right direction.¹ Introducing more grammar schools, however, simply does not go far enough in fundamentally rethinking, from the ground up, how the UK is going to be a competitive country in the twenty-first century and increase the economic freedom, economic prosperity and improve the social outcomes for the bottom third of the income distribution. But real change requires real change, not new rhetoric while doing more of the same old thing. Propping up the failed past at the expense of future generations leads to squandered potential and poverty for too many children in the UK and around the world.

As much as the growing private tuition 'industry' is changing education in the UK, it is also a symptom of an inadequate education system and has the power to realign education in the UK, for better or worse. The implications of this new landscape for educational inequalities, policy making and free-market initiatives merit exploration. Bold new market-based policies have the power to change the economy and society and give rise to the free-market revolution that the bottom third in advanced economies so desperately need. All it takes is a single policy incentive to begin this free-market revolution, and it is for that reason that I propose the 'Every Child Count' policy: the bold, widespread and sustained provision of a means-tested voucher system, funded through the Pupil Premium, empowering families in the bottom third to purchase additional education support.² This will act as an initial step in reinstating education as the number one factor in Britain's prosperity, the number one factor in restoring the cohesiveness of British society, and the number one factor in ensuring all young people in the UK have the right to economic freedom, economic prosperity and a decent future.

Private tuition in the UK

The Sutton Trust's report, which assesses how multiple aspects of the UK private tuition market intersect with issues of social mobility, suggests that private tuition³ in the UK is significant and appears to be developing into an 'industry'.⁴ Across England

¹ Given that education is always somewhat selective and under grammar schools, education is at least selective in relation to academic ability, rather than economic means as is currently the case in the UK, grammar schools are a step in the right direction.

² The pupil premium is additional funding for publicly funded schools in England in an effort to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers.

³ In this paper, private tuition is referred to as academic teaching outside of state provision, for which the tutor is remunerated, generally by the parents of the child receiving tutoring. Broadly speaking, tutoring involves a tutor assisting a student in enhancing their subject knowledge, or in preparation for selective secondary school or university entrance examinations.

⁴ Kirby, P. (2016), *Shadow Schooling: Private tuition and social mobility in the UK*. London: The Sutton Trust.

and Wales, approximately 25 per cent of state-educated 11-16 year olds have ever received private tuition at some stage; that is to say, about 700,000 pupils. Over the last decade, the proportion of 11-16 year olds who have ever received private tuition in England and Wales has risen from 18 per cent to the current 25 per cent figure. Of those parents who do not pay for private tuition, about a third (35 per cent) claimed that, 'Private tuition is too expensive'.⁵ Moreover, according to YouGov polling in the Sutton Trust report, *Parent Power?*, privately-educated students are twice as likely to receive private tuition as state-educated pupils – 27 per cent of respondents with a child at a private school claimed that they had paid for private tuition outside school, compared to 14 per cent of parents with a child being educated through state schooling.⁶ Therefore, while private tutoring is worsening existing educational inequalities, it offers scope for free-market policy initiatives to expand and open up educational opportunities for the bottom third in the UK, undoing growing education inequalities and barriers to social mobility. It is the job of free-market thinkers to ensure that market-based policies are applied to private tuition which, in turn, will make it as widely available as possible.

Private tuition exposes many of the realities about the UK education system and the increasingly uneven playing field that is failing many of our nation's children. The absence of market alternatives entrenches advantage for the children of parents who can afford private school tuition or benefit from proximity's importance in determining pupil allocation to good comprehensive and grammar schools. This undermines the free-market principle of school choice as it relates to increasing education quality and is a major barrier to social mobility. Moreover, research suggests that, in addition to the advantages offered to those not in the bottom third in terms of a higher likelihood of being able to afford private schooling and the benefits of proximity to pupil allocation, private tuition markets disproportionately consist of the children of the middle classes.⁷ Indeed, as is pointed out elsewhere in this paper, parents from poorer backgrounds claim that they would purchase private tuition for their children if they were able to afford it. It is essential, therefore, that the government introduces a radical, market-based policy for the bottom third who cannot afford private tuition, rather than let private tuition become another driver of educational inequality.

Furthermore, data presented in *Parent Power?* suggest that there is demand for additional tuition from 'those parents with the lowest levels of education'. The more readily available access to private tuition supplied by free-market policy initiatives would therefore be welcome. To cite but one example amongst many, regarding the statement, 'To what extent do you agree or disagree with the following statement: "If we/I could afford to do so, I would pay for my child to have a tutor" (N=806), those [parents] with the lowest levels of education were significantly more likely to agree than those with higher levels (43% of those with Level 2 and below v 22% of those with degrees). These are arguably the families that most need additional tuition, but

⁵ YouGov (2015) YouGov/ EdPlace results. London: YouGov.

⁶ Francis, B. and Hutchings, B. (2013) *Parent power? Using money and information to boost children's chances of educational success*, London: Sutton Trust.

⁷ Ireson, J. and Rushforth, K. (2004) 'Mapping the nature and extent of private tutoring at transition points in education', paper presented at the British Educational Research Association Conference, UMIST, Manchester; Smyth, E. (2009) 'Buying your way into college? Private tuition and the transition to higher education in Ireland', *Oxford Review of Education*, 35(1): 1-22.

for whom disposable income precludes it'.⁸ Free-market ideas such as the sale of council housing, free trade and privatisation have been applied before to open up opportunity to those without it. It is time to do the same with education.

Previous examples of private tuition policies

There have been previous attempts at education reform in the form of voucher systems to counteract the flaws and shortcomings in various state education systems, and to improve social outcomes of the bottom third of the income distribution in the UK and other advanced economies. Every time I discuss the state of the British education system with someone, however, I always hear the same things: how the system is failing, our low rankings compared with our industrialised peers and how poorly teachers in the UK are treated. Yet whenever a free-market idea is put forward, you often hear the same replies: 'isn't education too important to be left to the market?', 'who will educate our children?' and, most importantly for this paper, 'what about the poor?' Candidly, most people cannot conceptualise market-based policies for our education system. However, if most people were to simply look at some of those countries outperforming the UK, they would see how the free market can help improve the British system. Anyone who has looked at the OECD's Programme for International Student Assessment (PISA) will know that South Korea is an academic powerhouse, with students in Korea ranked seventh worldwide in maths and reading.⁹ Compare Korea with the UK's rankings of 21st and 27th in reading and maths, respectively.¹⁰ Even more disconcerting, according to the data, is that some 22 per cent of 15-year-olds in the UK do not reach Level 2 - the baseline level of achievement - which means they cannot solve problems routinely faced by adults in their daily lives.¹¹ As this paper will now explore, what is amazing is not the achievement of South Korea in relation to countries such as the UK per se, but rather how it was achieved by market alternatives.

A fundamental part of the Korean model is the 'shadow education system' that supplements a student's primary education. This shadow system functions as a private, after-school tutoring service and is similar to how a free-market system would enable a company to operate: compete to provide the highest quality of goods and services, and make those goods and services as widely available as possible to the most amount of people at the lowest possible cost.¹² In addition, the South Korean 'shadow education system' innovates in terms of engaging the parents by updating them on their child's academic progression. This aspect of the programme is crucial given that parental involvement leads to improved educational outcomes. And this approach to education differs radically from the experiences of most of the bottom third in Britain, who cannot afford private tuition and drop their children off at school without any real incentive to engage and monitor their child's progression. The incentives

⁸ Francis and Hutchings, op. cit.

⁹ The Programme for International Student Assessment (PISA) is undertaken once every three years and tests 15-year-olds' abilities in the core academic disciplines of reading, maths and science.

¹⁰ <http://www.oecd.org/pisa/pisa-2015-results-in-focus.pdf> (accessed 31 December 2016).

¹¹ OECD (2016), PISA 2015 Results (Volume 1): Excellence and Equity in Education, <http://dx.doi.org/10.1787/9789264266490-en> (accessed 31 December 2016).

¹² Moreover, this market-based approach enables students to choose their own tutors and provide feedback; they have a personal stake and investment in the programme (and feedback about a teacher can be a reliable evaluation of a teacher's performance).

unleashed by the market-based features of this policy provide both accessibility and motivation: as they compete for more students, tuition providers have to market their prices accordingly to attract more parents. Despite the different demographic, cultural and social factors at play, South Korea is effectively preparing their children for the competitive global economy, while the UK is falling behind. To not pursue a free-market approach to education reform would hurt the bottom third who are the most vulnerable in this age of globalisation and competition.

Other Anglophone countries have previously created policies centred on subsidies for private tuition for either low-income students or students of low achievement. For example, in the United States the 2002 *No Child Left Behind*¹³ policy enabled spending on private tuition in some cases.¹⁴ Furthermore, in other countries such as Australia, the *Tutorial Voucher Initiative*, unveiled in 2004, allowed parents who qualified under means-tested conditions to spend a certain amount of money to acquire tutoring for their children. Following on from this policy, three years later a second Australian scheme was introduced, *An Even Start*.¹⁵ Similar to *Making Good Progress* in England, students who qualified for this initiative were those who did not reach national benchmarks in reading, writing or numeracy.¹⁶ These are clearly problems other developed countries face. Let the UK be an example to them and lead the way in free-market education reform.

The Sutton Trust's report suggests that while the efficacy of such schemes is difficult to quantify (for the same reasons that private tuition in any context is hard to assess), the two main independent reviews of the UK's *Making Good Progress* scheme have been positive, showing noticeable outcomes in the achievement of participants.¹⁷ The good start made by the *Making Good Progress* scheme can be seen as further evidence to suggest that the inventive, market-based provision of means-tested tuition vouchers for students of low-income backgrounds should be the next step for policymakers in expanding access to private tuition and, in turn, lowering barriers to social mobility. The precise delivery of such a policy is what this paper now turns to in the following segment.

How to make this policy work in the UK

It is important that the implementation of a means-tested voucher system for private tuition embodies and lives up to free-market principles in education: school choice, competition, freedom to innovate, specialisation and responsiveness to incentives, as well as accountability to credible measures of achievement and reputation. I propose the 'Every Child Counts' policy: the bold, widespread and sustained provision of a means-tested voucher system, funded through the Pupil Premium, empowering the

¹³ This policy has subsequently been replaced with the Every Student Succeeds Act, which devolved duties at the state rather than federal level.

¹⁴ Bray, M. (2013) 'Shadow education: Comparative perspectives on the expansion and implications of private supplementary tutoring', *Procedia – Social and Behavioral Sciences*, 77: 415.

¹⁵ Bray, M. (2009) *Confronting the shadow education system: What government policies for what private tutoring?* Paris: UNESCO.

¹⁶ http://www.det.act.gov.au/_data/assets/pdf_file/0004/22738/AnEvenStartFactsheet.pdf (accessed 31 December 2016)

¹⁷ Kirby 2016: 36, op. cit.

families of the bottom third students of the income distribution to purchase additional education support.¹⁸ The Pupil Premium, which currently throws money at failing government schools, would be replaced by this programme and would only apply to government-run, state secondary schools from years 7 to 11. The yearly budgeted amount for the pupil premium would be divided among those that qualify for the programme as part of the bottom third in the UK, and such households could then use the funds allocated to them to pursue private tuition for their children.¹⁹ For example, parents might wish to use the funds as part of more regular group tuition at a lower cost over a longer period of time or, alternatively, in the form of one-to-one tuition less frequently. This policy will empower parents and allow them to take a more active role in their children's education.

With reference to how such a programme would be distributed, parents who qualify for this programme as part of the bottom third of households on the income distribution would first have to identify private tuition companies, and after receiving government approval of the institution, the government would use the allocated funds to pay for the composition of the private tuition as decided by the child's parents.²⁰ Notwithstanding my proposal that this voucher policy should be both national and universal, the introduction should be steady and regionalised in order to regularly conduct strictly randomised tests and examinations of the programme. Regionalisation will also minimise the disruption to this 'industry' by the steep increase in demand for private tuition brought about by this policy.

The 'Every Child Counts' policy will largely act as assistance to government schools and reduce barriers to social mobility. However, it should also simulate regular markets as closely as possible, for instance engaging parents in the financial transaction process.²¹ Furthermore, one condition that should be put in place for the voucher programme is a provision that recognises that subject tuition will have broader positive effects on a student's academic ability and knowledge base. Tutoring for entrance exams is more tactical, however, with less attention directed to maintainable and more generally useful forms of learning. Therefore, reading and mathematics will primarily be targeted by this voucher programme and this will help, in particular, to rectify the OECD shortcomings of educational attainment by British pupils. The success of the policy will initially be measured by regionalised testing of academic performance in areas where the policy is implemented - both policy-specific testing and secondary education examination results over a number of years, and longer-term in the UK's ranking in the OECD measurements for educational attainment in reading and maths by country.

¹⁸ Ideally such a voucher programme would be able to function as a system that could identify an optimal combination of both students from the bottom third of households on the income distribution and low-achieving students (either instead of or in addition to bottom third students who might not require such a programme), but such a system is problematic to operate and seemingly not feasible.

¹⁹ This policy will initially be aimed at improving education only in England, because education policy-making has been devolved to the respective parliaments of Scotland, Wales and Northern Ireland. In the event of the policy being successful, however, one would hope to see such parliaments either opt-in to such a programme or implement similar ones for their own countries.

²⁰ In the case of households with more than one child, the Pupil Premium will be divided amongst the overall total number of children with the bottom third households that qualify.

²¹ <http://cmre.org.uk/uploads/publications/Incentivising-excellence-executive-summary.pdf> (accessed 31 December 2016).

Conclusion

In conclusion, it is clear that the simple, radical market-based policy ('Every Child Counts') would, on the one hand, reduce the degree to which private tuition worsens educational inequalities between the bottom third and the rest of British society and, on the other, apply market-based principles to make private tuition as widely available as possible and uphold the market principle of preserving parents' choice to employ private tutors if they wish.

This single policy initiative would increase the economic prosperity and improve the social outcomes of a substantial segment of the bottom third of the income distribution. Equipping students with the skills needed to adapt and compete in this age of competition is more important than ever. The proposal would address squarely the absence of incentive policies in the growing private tuition market and the differing distribution of private tuition according to social class with radical yet simple market-based policies that open up the private tuition market to lower background students. It is all too easy to get left behind in the absence of market-based education policies and free-market thinkers need to prove themselves to all members of British society.

This policy would also increase the economic freedom of the population as a whole because it would set off and lead to a revolution in British education. School choice and market-based policies in education would be demystified, and the benefits of such policies for all pupils, especially those from lower socio-economic backgrounds, would be clear for all to see. Successive UK governments can then push ahead with implementing school choice and competition to increase attainment throughout the entire education system.

The short- to medium-term impact of this policy is to improve the lives of the bottom third of the income distribution. The medium-to-long term impact is to release a free-market revolution in education, not only in the UK but also all across the developed world. This would ensure that every child has the right to learn, the right to achieve and the right to a decent future.