

UNDERSTANDING PRIVATIZATION

Ontario's public education system is our most valuable resource. It is fundamental to our democracy and our economy. Nonetheless, threats to that system come from several directions. We are all familiar with the challenges posed by under-funding, for example. This glossary provides a quick introduction to another threat: privatization. Privatization comes in many forms and it is important to recognize and challenge privatization wherever it threatens our public system.

What do we mean public? What do we mean private?

OSSTF/FEESO's 2018 election platform and lobby day materials lay out our vision for public education. Fundamentally, we believe public education is a PUBLIC GOOD. That means everyone benefits from a strong public education system. In contrast, privatizers want to treat education as a private good. That is, a good that benefits individuals separately rather than the entire province collectively. Here is a quick summary of the differences:

	Education as a Public Good	Education as a Private Good
Who or what benefits?	<ul style="list-style-type: none"> • Everyone • Democracy • Economy 	<ul style="list-style-type: none"> • Individuals: students and/or their family • Employers • Education businesses
Desired Outcomes	<ul style="list-style-type: none"> • Content learning – general as well as focused • Members of communities • Citizens 	<ul style="list-style-type: none"> • Content learning – tailored • Workers • Taxpayers • Consumers • Profit
Key Principles	<ul style="list-style-type: none"> • Universality • Comprehensiveness • Proficiency • Accountability 	<ul style="list-style-type: none"> • Efficiency • Choice • Rights

Who advocates for privatization? Basically, there are three categories of privatizers, although some might fit in more than one category.

- Profit-makers: those who look at Ontario's \$20 billion education budget and want to take a piece of it home as profit.
- True believers: those who – naively and/or mistakenly – believe that school choice and privatization will actually improve education.
- Ideologues: those who are committed to principles of free markets and individualism in all areas and who simply transpose that commitment onto education.

For an overview of how privatizers push their agenda, look at OSSTF/FEESO's "The Privatization Playbook." These are the steps consistently taken to undermine support for public education and open the door for privatization.

Corporate Intrusions and Artificial Intelligence

As our public education institutions struggle with inadequate funding, we have seen corporate interests offer to fill the gap in exchange for access to students and parents. In the current environment, this could easily move beyond beverage companies funding sports fields in exchange for naming rights or gaining a monopoly on selling their product in school buildings. We are likely to see intrusions into basic education resources. For example, Ontario's auditor general has suggested that schools should approach local companies to obtain donated computers for students.

OSSTF/FEESO has established a work group to examine the threat of corporate intrusion in more detail and a report will be available soon.

In addition, artificial intelligence and virtual education may be the next wave of education privatization. Artificial intelligence and virtual learning offer new opportunities for businesses that haven't previously been involved in education and Ontario offers a prime laboratory for AI experiments: a relatively tech friendly population, reliable infrastructure, a large student population and schools that have been suffering from funding shortages for over two decades.

Artificial intelligence and virtual learning advocates promise efficiency, personalization and reduced burdens on education workers. The reality, though, is that AI is fundamentally premised on turning students into sets of data to be mined and on reducing human interaction. Even worse, artificial intelligence in education threatens fundamental elements of public education: social and emotional development. Individuality is best fostered within communities of learners, not through isolated interactions with algorithms.

Contracting Out/Outsourcing

In its simplest form, “contracting out” involves an employer taking a service currently provided by their employees and sending that work to a private firm, resulting in job losses for current union members. An example in our schools and on our campuses would include our custodial and plant services being contracted out to a company like ServiceMaster. Contracted employees would then replace our federation members – generally for lower salaries and reduced benefits.

We have witnessed contracting out threats to other education employees as well: IT services, skilled trades’ positions, food service and cafeteria staff have all either already been affected by contracting out or are potential targets for contracting out.

Rather than contracting out or outsourcing directly, the government could choose to move services that are currently provided within the public education system to private providers. This threat would apply to services that are not mandated by the *Education Act*, particularly work done by Professional Student Services Personnel (i.e. psychology, social work and speech-language pathology). Funding could be moved to another ministry (e.g. the Ministry of Health), who would then contract with outside agencies to deliver these services. While school boards may allow use of school space they would have little to no control over how services are provided.

Tax Schemes

Using tax dollars to facilitate privatization have been used in a variety of ways in Canada. While amounts vary British Columbia, Manitoba, Alberta, Saskatchewan and Quebec currently provide some funding for private or independent schools. This diverts hundreds of millions of dollars from the public education system each year and weakens confidence in the broader public service.

Ontarians for example, may be granted a tax credit amount for private school tuition fees. In 2000-2001, the last Conservative government introduced an “Equity in Education Tax Credit” which would increase in value over a five-year period from \$700 to \$7,000 annually! This would have cost taxpayers up to \$500 million had it been implemented fully. Currently in Ontario, approximately 6% of students are either attending private schools or are home schooled. This number could rise dramatically if tax rebates, credits or subsidies were provided to parents.

Once instituted for a period, newly elected governments may be reluctant to remove these kinds of tax incentives and therefore the drain on public funding becomes more permanent.

Voucher Programs

School voucher programs are a relatively straight-forward mechanism for shifting public dollars to private institutions. With traditional voucher programs, students are given a voucher that they can take to the school they choose from a list of acceptable options. The government then provides funding directly to the private school on the students’ behalf.

As with charter schools, voucher programs have not been shown to be an effective way of improving education.

- Studies have shown that voucher schools do not improve academic achievement.
- Voucher systems undermine public schools by diverting funding to private schools but do not save taxpayers money. While money is diverted to private schools, the public system must still be maintained.
- Vouchers do not offer real choice. Rural areas lack actual school choice. Students with special needs are often told they cannot be accommodated. Low-income students often cannot afford the additional costs of attending these schools.

Because traditional voucher systems are very clearly transfers of public dollars to private institutions, they have been unpopular in the United States. Voucher programs disguised as tax credits and scholarship programs have been more politically successful.

Charter Schools

At their core charter schools are a sort of bargain. Governments allow charters to operate using public dollars but without the rules, regulations and (often) collective bargaining constraints placed on traditional public schools. In return, charters agree to be held accountable to the province or district and to the market choices of parents. In theory, successful charters are 'scaled up' and reforms that enhance student learning are adopted by public schools. In fact, Charter schools originated as a strategy to empower teachers to develop innovative ways to deliver education.

In reality, education workers have been disempowered by charter schools.

- They are paid less than in the public system.
- This is starting to change, but education workers in charter schools generally don't have access to union membership or collective bargaining.
- Education workers in charter schools are often not required to have formal certification or qualifications.

On the whole charter schools don't do any better than public schools. When the socio-economic status of students is taken into account, charter schools perform about the same as traditional schools. They also bring additional baggage.

- Charters are a drain on the public system. Analysis of one school district in the U.S. found that for every student that moved to a charter school, the public system lost \$6,600 in addition to the forgone per-pupil state funding.
- Lack of transparency and accountability means charter schools have been plagued by scandals, ranging from fraudulently taking state money for students who no longer attend the school to shady real estate dealings. Visit networkforpubliceducation.org/another-day-another-charter-scandal/ for a comprehensive list of scandals.
- Charter schools in the U.S. have left the school system more segregated than it was before the now than before the U.S. Supreme Court mandated racial desegregation of schools in their *Brown vs. The Board of Education* decision.
- Charter schools tend to exclude students with complex and/or multiple disabilities.

Public-Private Partnerships (P3s)

P3s are essentially financing schemes that create a win-win for governments and private companies. There are various models, but at the core they are the same: the government contracts with a private company or consortium of private companies, who finance and deliver public infrastructure or public services. The private companies win because they get massive, profitable infrastructure and service projects. Governments win because they are able to move the cost of financing these projects off their books.

Unfortunately, everyone else loses.

- To make profits, P3s reduce labour costs – especially by getting rid of unionized workers – alongside reduced quality.
- P3s are notorious for cost over-runs.
- P3 consortia cannot borrow money as cheaply as governments.
- In 2014, Ontario's Auditor General found that 74 P3 projects cost Ontario a combined \$8 billion more than they would have if they had been built publicly.
- In 2017, Nova Scotia decided to buy back 10 P3 schools because it would be cheaper to own them than lease them. The province would have saved \$52 million building schools the traditional way rather than through finance.
- In fact, a report from the Columbia Institute called *Back in House* documents 15 examples of municipalities contracting back in P3 projects and other forms of privatization because of cost over-runs and low quality.

The Conservative government has already shown signs that they will pursue privatization in education, health care, and other public services. OSSTF/FEESO and our members must be prepared to defend the values and benefits provided by vibrant and properly funded public systems.