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Author

Meredyth, Denise

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The Futures Market

review Simon Marginson, *Educating Australia: Government, economy and citizen since 1990* (Cambridge University Press, 1997) \$29.95; *Markets in Education* (Allen & Unwin, 1997) \$35

Denise Meredyth

More than ever, Australians are preoccupied with educational choices and chances, whether for themselves or their children. All workers face a future of 'lifelong learning' and retraining, and most parents can look forward to supporting grown children through school, training or university and to increasing calls on their time from the 'school community'. Many are caught in the wake of a massive swing to private schooling, encouraged by the increased subsidies brought in by the coalition government. Those with a commitment to state schooling face hard choices: should they act on their personal convictions, or would this place the chances of their child at risk? The choice extends beyond that between state, denominational and independent private schools: increasingly, parents can choose between state schools, shopping for those that offer optional extras, better resources or a compatible philosophy. The worriers can buy self-help books and consumer guides. But there are few books that explain the current enthusiasm for market choice, outline the economic theories behind these policies and explore their long-term impact. This is the contribution made by Simon Marginson's two new books.

Marginson is the most authoritative academic commentator on Australian education policy. A veteran of education and industrial politics, he knows the debates of this period backwards—and even better, can explain them backwards. He is able to provide readable

contemporary history of four decades of complex disputes and decisions across government and independent schooling, higher education, training and broader social and economic policy. He tells a good story, evoking the optimism of the sixties, when schooling led to new lives; the doubts of the seventies, when education no longer led to a job; the eighties' spiralling education demand and realization that some families would have to accept downward mobility; and the nineties creed of consumer sovereignty and the rights of choice.

These books should be widely read, certainly by teachers and educationists, but also by those concerned with citizenship, participation, consumerism and cultural self-definition. They will find here an admirably concrete exploration of those themes, combining cultural commentary and advocacy with empirical scholarly substance. The most obvious comparison, in terms of appeal, is Michael Pusey's highly influential *Economic Rationalism in Canberra*. Marginson owes a good deal to this work, but supplements its emphasis with a more sophisticated theoretical analysis and a more substantial engagement with the historical relationships between economic doctrines, bureaucratic governance, state interest and politics (both party-professional and popular).

Educating Australia and *Markets in Education* differ from one another in scope, pitch and emphasis. The former is more accessible and more general. It is both a social history and an excellent undergraduate education textbook. The book offers a narrative history of Australian education policy since 1960. Working backwards from the current pressures on consumer choice and marketing in Australian education, it tells the story of the change from universal public provision of education to market systems, focusing on the ways in which the meanings of participation and equity have changed. The education expansion of the 1980s and early 1990s is contrasted with that of the postwar period culminating in the 1960s. Whereas the earlier growth was supported by generous public spending, the later is funded by a proportionally meagre share of GDP. The shift is explained in terms of the transitional rationales of the 1970s, typified in the 1973 Karmel Report, which expressed the then-current confidence that expenditure on education promoted

productivity, improved wages and economic growth. This expansionism, supported by economic theory, political will and popular aspirations, led to massive public spending on both government and private schools, on the principle of 'equal economic resources for all citizen-students'. As it turned out, this also funded the increasing gap between state and private schooling.

From the mid-1970s, so the story goes, education discussion was dominated by the rise of the New Right, by concern with unemployment and educational standards, growing pressure from parents and the post-Karmel growth of government-subsidized private schooling. These trends continued from the mid-1970s to the 1990s, promoted by the centralist programs of economic reconstruction and centralist coordination. The shift to market-oriented education policies is made from the mid-1980s to the present. During these decades the emphasis on universal services for all citizens was replaced by 'targeting at the margins' of social disadvantage, and by the promotion of education and training as an alternative to unemployment. The shift was one from 'social incorporation' to 'market equity', as market liberal conceptions of consumer sovereignty established themselves as policy orthodoxy (EA 181).

This theme is taken up in *Markets in Education*, in a more internationally pitched examination of market liberal positions on education and the economy. Again, the book is partly a narrative, but the theme and scenes are more abstract. The emergence and evolution of 'economic knowledge about education' is traced to the longer history of the relationship between political economic 'knowledge-power' and rationalities of liberal government. From the eighteenth century new forms of 'liberal government' emerged as states developed the means to build populations and monitor national economies as measures of national security. These rationales made use of liberal philosophical doctrines of personal autonomy and freedom from state interference in order to remake populations as self-governing subjects pursuing civility, commerce, order, health and wealth in the interests of their own security and that of the state (ME 69). The autonomous economic agent, the choosing subject and the dynamics of the market are thus the self-governing products of government operating 'at a distance', though the degree of distance varies.

For Marginson, this helps to explain the central point that education markets and market actors are created by government, even when market liberal tactics of government seek to exercise that control 'in the name of a spontaneous market order' (ME 71).

The second part of the book moves between historical accounts of the articulation of the neoclassical economic theories of Friedman, Hayek, Buchanan and others in the 1940s and their eventual success in the 1970s in undermining the Keynesian consensus on government intervention, building a crusading New Right and forming contemporary market liberal government. Keeping his eye on the current predominance of economic fundamentalism and market liberal theories in government, Marginson describes the generative enthusiasm of the New Right in the 1940s. Crusading anti-Keynesian free enterprise market liberals such as Hayek and Friedman established intellectual initiatives that eventually transformed public opinion, as economic doctrine was 'recycled in seminars, bulletins, think tanks, books and newspaper articles', was revived during the 'global political-economic crises' of the mid-1970s and established itself in public policy during the 1980s (ME 53).

Finally, in its third part, *Markets in Education* reviews the formation of education 'quasi-markets' during the 1990s, cutting across schooling, training and higher education. Chapters review the effects of the rhetoric of choice, competition and 'market democratisation' on schools, TAFE and universities. These include the expansion of government-subsidized private schooling, the drift of enrolments away from state schools and the creation of market competition between government schools, driven by the rhetoric of community participation, choice, responsiveness and entrepreneurial flexibility.

Marginson makes some telling points about what is at stake in the current government's rhetoric about the need to free the education consumer and community from bureaucratic red tape and liberate choice and market competition. Both books were written before the 1996 federal election but revised thereafter, and *Educating Australia* frames its reappraisal of the Hawke/Keating Labor years with a preface and postscript addressed to the more strident economic fundamentalism of the current government. This retrospective allows for a degree of ambivalence about Labor's style in government.

The 1980s and early 1990s period, with its ambitious bureaucratic efforts to build a national education and training system and to internationalize the Australian economy and labour market, is described as a product of New Right alliances between conservatives and market liberals, spurred on by pressures of international governing agencies and global markets. The historical alternative, for Marginson, is a Keynesian conception of citizenship and solidarity, seen as offering an unrealized potential for egalitarian social redistribution. Australian governments abandoned this emphasis, by supporting inequities between state and private schools and by equating citizens' rights with rates of participation in education, training and the labour market (EA 206). Having talked up expectations of social mobility through schooling, government then found them hard to limit (EA 33). The right to compete was 'a formula for an ever-growing provision, in which private demands for education and its social supply by governments would spiral upwards after each other' (EA 12). In the face of this escalating demand, he argues, government has faced a threefold choice: resourcing and/or restraining this demand, developing a mixed market/government system and opening education up to the market. The Hawke/Keating Labor government tried all these options: the current government aims for the last, but may find it difficult to implement. But whatever the political party in power, Marginson argues, we are seeing a long-standing international trend in advanced liberal governance: not the withdrawal of government, but the advance of markets as an artefact of government.

Markets in Education spells out the implications of this analysis more fully. Focusing on the effects of government-made markets, Marginson debunks economic fundamentalist conceptions of market freedoms: 'education markets are government-constructed and market development constitutes certain effects in public policy, and markets are self-generating and both markets and government are shaped by the interest and schemes of powerful social groups not reducible to government' (ME 25). At the same time, he shrugs off any suggestion that government could operate without the calculative instruments of economic planning and projection. He goes further, putting aside nostalgia for a golden age of solidaristic social policy:

'It is no longer viable for critics and opponents of markets in education to base their strategies on a return to the old non-market structures and conditions. The road to something better must now pass through the marketized systems, and will be affected by their evolution and implosion' (ME 281).

This is a vigorous move on from standard sociological critiques of 'economic rationalism' and economics in general—objections that too often depend on debunking the erroneous or 'ideological' assumptions behind economic theories. Marginson is fascinated by the ways in which market liberal theories have infiltrated government, but he largely avoids assuming that policy programs are direct expressions of ideas, interests or ideology or that exposing this underbelly will kill the beast. He argues convincingly that market liberalism is too well established in international and national policy-making to be embarrassed by sociological revelations about its dodgy past or unfounded assumptions. Its effectiveness does not depend on its theoretical coherence, but on its usefulness, its capacity to provide prescriptions for rule.

Developing this theme, *Markets in Education* offers Australian education policy studies a much needed digest of recent scholarly developments in political history and historical sociology. Marginson deftly steps between Marxist sociology, political economy and post-Foucauldian work on 'governmentality', such as that developed by Nikolas Rose, Colin Gordon, Graham Burchell, Barry Hindess and Ian Hunter. Arguing that much post-Foucauldian work over-emphasizes government at the expense of market-government relations, global markets and consumerism, he draws eclectically on Marxian political economy and on the Keynesian Hirsch. The book digests substantial debates on 'power-knowledge', government and the history of political thought—some of which sit heavily in the stomach. But this does not detract from its most interesting sections, where Marginson sets to work empirically on the blueprints of political economic theorists and the blue books of government.

At its best, this combination provides acute and original analysis of pressing policy problems, from user payments, international marketing and vouchers in higher education to devolution and de zoning in state schooling. The third part of *Markets in Education* gives a

convincing account of the effects of increasing market competition within and between state, denominational and independent schooling (ME 177–80). Placing statistics on funding levels in the sectors next to indices of family income and putting university entrance patterns beside types of school attended enables Marginson to make some significant comments on the effects of government-created market dynamics and on the limits facing efforts to secure social mobility and egalitarian outcomes through choice and competition.

Currently, he notes, families invest in private schooling or in optional extras in state schools partly in order to ensure that their child is shaped by particular kinds of intellectual, moral or disciplinary environments. Many also do so as security against the risk of unemployment, or to position their child in education selection, vocational chances and social advantage (ME 157). But despite the meritocratic rhetoric of choice and competition, and despite massive increases in education retention and participation, only a minority will be able to realize these aspirations for upward mobility (ME 133). The elite independent schools offer substantial advantages in the competition for university selection—reinforced by the resources of families and school communities and subsidized by continuing and increased government assistance. The elite sandstone universities have an equivalent security against competition, despite some pressure from the vocationally oriented universities of technology. The encouragement of meritocratic competition and consumer choice in education may take the pressure off government—the pressure that government itself created in escalating educational aspirations. However, there is little prospect that increasing either participation or choice will produce more social mobility (ME 173).

Similar points are made about the expectations pinned on the privatization and deregulation of training. *Markets in Education* outlines the shift between the optimism that attended Labor's efforts to establish a national training market and the coalition's economic fundamentalist efforts to redefine TAFE as a market sector, through competition with private training providers. Both depend on exciting the individual worker's desires for credentials 'as the means to relative advantage and upward mobility', promoting individual 'self-management and self-empowerment' on the promise that training

will provide higher incomes and status, as well as greater productivity in the labour market (*ME* 213). Marginson regards this as an illusion, given the competitiveness of credentialling. While training reforms might modernize the link between training and the labour market, creating more multiskilled and flexible workers, it cannot increase the opportunities available in the workforce: all it does is to promote competitive credentialism (*ME* 216). In the late 1980s, governments intervened directly to create training programs, on the basis of 'human capital' assumptions that education had direct economic benefits in improving productivity. As retention and enrolments spiralled, with no immediate improvement in productivity and employment, that assumption was abandoned. Increasingly, governments have opted for a market solution. Individuals invest in training at their own expense, gambling that it will open paths to employment, but risking choices that take them into a vocational cul-de-sac.

Marginson's important point is that, for all the effectiveness of current efforts to make schools entrepreneurial and encourage parents to be discriminating investors, marketizing the education system will not make it more responsive to customers and consumers. Competition and selection are endemic features of mass education, despite egalitarian hopes that mass schooling will achieve social redistribution. Citing Ian Hunter's work, he notes that one of the key social achievements of schooling is to use common norms and common environments to distinguish between performances, recognizing the 'equal right to be treated as unequal' for the purposes of allocating social and vocational statuses (*ME* 133). Marginson adds to this observation a useful political economic vocabulary for describing the unequal distribution of educational places and social outcomes within marketized education systems.

Drawing from Hirsch, he adapts the term 'positional competition' in order to describe the rivalry between individuals and families for prestigious educational places and social and vocational outcomes—for the 'educational, social and positional goods' that schools, training institutes and universities have to offer (*EA* xiv). His point is that competition for prestigious social and vocational places will not make them more widely available, since they are 'scarce in absolute terms'. There are only so many places in the

prestige professions or in positions of 'social leadership' and only so many points of access to them. The elite independent schools or the sandstone universities define themselves as offering exclusive access to these scarce social and professional positions—hence they have a monopoly on 'positional goods'. These institutions at the upper end of the 'positional market' have no incentive to expand their places or to be more 'responsive' to consumers, since the length of the queues outside their gates insulates them from market pressure. On the contrary, it is in their interests to remain highly selective in their intake, to protect the scarcity of their positional goods and to distinguish them from those offered by other exclusive institutions.

This 'positional logic' has a domino effect, creating layers of institutional competition on a scale of institutional prestige and selectivity (*ME 43*). Increasing retention rates and educational participation does not alter this logic: 'the greater the level of participation in education, the wider its role as an allocator of position. But there remains an absolute scarcity of positional goods at each level of position' (*ME 40*). Competition only operates in an orthodox manner in the bottom segment of the market where positional values are relatively low (*ME 45*). In the upper segment, the laws of supply and demand do not operate, while in the lower segments 'there is a positional ceiling on the social value of educational goods'. The outcome of market reform is 'to preserve and strengthen the segmented advantage already enjoyed by elite institutions and social interests, rather than creating the singular, universal, merit-based competition imagined by market liberalism' (*ME 46*).

Critical educationists will welcome this cogent and thorough analysis of the implications of market-oriented policy. Marginson's is already an influential voice, and these books will no doubt become classics of Australian education studies. It remains to be seen whether their challenge will be taken up: the challenge to find intelligent and economically literate responses to marketization and privatization. As Marginson points out, educationists concerned with equity and citizenship cannot afford to dismiss market rationalities and to depend on nostalgic evocations of the social democratic past. The road forward leads through the conjunction between government,

markets and politics. Finding a way may involve making persuasive arguments that governments committed to markets still have a responsibility to monitor the social effects of educational and vocational distribution. It may involve finding a vocabulary compatible with that of market rationalities, in which to put the case that consumers require protection against risks, and that some risks have social cost implications. It may also entail research and political work on apparently arcane areas such as choice and the capacity to choose, or legal-administrative work on consumer rights and protections (*ME* 281). Such work depends, however, on an informed engagement with the ways in which mass education has been transformed and with the governmental technologies and political rationalities that made these changes thinkable. These books make possible a more intelligent and informed debate on a central area of Australian life and social policy. Together, they represent a significant personal achievement and a real political contribution. We will need this kind of information, judgement and intellectual adventurousness in the period ahead.

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