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## Neoliberalism and Education Policy

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### Synonyms

Market fundamentalism; Free markets; Educational choice

### Introduction

Neoliberalism and the neoliberal social imaginary have become the dominant way in which people conceptualize society and, in particular, the economy and education. Its dominance reflects the ability of the wealthy to assert their power to restructure society and government to their benefit (Harvey 2005). They have transformed the political decision-making process from one which was primarily public and hierarchical to one in which the distinction between the public and private decision-making processes is now blurred and where private interests influence the political process through various means. In education, for example, Bill Gates, the world's wealthiest individual who heads the largest philanthropic organization, the Bill & Melinda Gates Foundation, uses his wealth to promote his neoliberal vision of corporate control over education, to place people in influential governmental and nongovernmental

positions, and, not coincidentally, to increase Microsoft's earnings and his own wealth. Similarly, Teach for America and its 36 franchises in 25 other countries prepare teachers and promote policies that undermine teachers' professionalism, teachers' unions, and public schools. Lastly, Pearson, the world's largest education corporation, aims to control education globally, from curriculum development to assessment and professional development. Neoliberals have changed the nature of governance and, therefore, transformed who and how education policy is made to the advantage of the rich and powerful and the detriment of everyone else.

### A Brief History of Neoliberalism

Neoliberalism has become the dominant economic policy across the globe, while remaining a term unknown to many people. However, people are more likely to be familiar with the notion that we have no alternative than to embrace the neoliberal principles that economic and other decisions should be market rather than government based and that public services should be, as much as possible, privatized. These ideas have become so dominant that they now compose the social imaginary, the way in which people look at the world not based on theory, but their lived experience regarding the role of government and the nature and scope of political authority. Many

perceive that there are no alternatives to free markets and privatization, to neoliberalism.

Neoliberalism, as a term, is less well known among the public, in part, because neoliberalism differs by place and time, continues to evolve, and is contradictory and contested. Therefore, we need to begin by asking: what is meant by neoliberal? In the United States, but less so elsewhere, the term neoliberal is often confusing because it is often thought of as a new version of liberalism in the tradition of Franklin Roosevelt and the rise of governmental social welfare policies in North America and Western Europe following World War II. In that form of liberalism, often referred to as social democratic liberalism and sometimes as the welfare state, governments intervened to direct the economy through spending and tax policies and increased spending on social welfare, including education at all levels. In addition, laws were passed to promote social equality, such as voting rights, and protect individuals from harm, such as environmental protection (Harvey 2005).

Instead, neoliberalism harks back not to the social democratic liberalism of the 1930s but to the liberalism of the seventeenth and eighteenth centuries in which the working and emerging middle classes pushed back against the power of the monarchy and the church. Liberalism, then, stood for the individual's right to own property and freedom from religious and political constraints. Neoliberalism, then, more closely resembles conservative ideologies emphasizing individualism and economic freedom (e.g., see Locke's *Two Treatises of Government* and Adam Smith's *The Wealth of Nations*) than the postwar social democratic liberalism that elevated the common good over the individual.

However, neoliberalism emerged partly in response to the social democratic liberalism of the 1930s and the economic theories of John Maynard Keynes, the most influential economist of the Great Depression. For Keynes, government had three functions: to supply the goods and services that could or should not be supplied privately (education, utilities, law enforcement, the military), to alleviate and regulate the failures of the market, and to arbitrate between competing

groups and social classes. Keynesian policies are reflected in Roosevelt's policies increasing federal spending during the Great Depression by increasing employment through projects such as the Works Progress Administration and the Civilian Conservation Corps, initiating social security to protect the elderly and regulating the banks through acts such as the Federal Deposit Insurance Company and the Glass-Steagall Act. Keynesian economic policies sought to increase the economic resources of the unemployed and poor, in part so that they could purchase goods and services and contribute to economic growth, but also as an issue of social justice (Peck 2010).

Neoliberal thought emerged during the Great Depression, expanded after World War II, was first put into place in Chile in the 1970s under the dictatorship of Augusto Pinochet and was realized during the Reagan and Thatcher administrations in the 1980s. The two centers for neoliberal theorizing were in Europe and the United States. In Europe, the center of the neoliberal movement was what came to be known as the Mont Pelerin Society, named for the city in Austria where its proponents met. In the United States, neoliberalism's center was the economics department at the University of Chicago, which subsequently became known as The Chicago School of Economics.

Of the scholars who met in Mont Pelerin, the most renowned was Frederick von Hayek, an Austrian and British economist and philosopher best known for his defense of classical liberalism. Hayek feared that the rise of democratic socialism and Keynesian economics in Europe as it rebuilt after World War II was the first step toward tyranny and totalitarianism. Therefore, in Hayek's 1944 book, *The Road to Serfdom*, he extolled the virtues of markets and competition and warned of government intervention undermining the efficiency of markets. Hayek assumed that markets were inherently more efficient at allocating resources and goods than individuals. In fact, Hayek described markets as having knowledge that individuals could not possibly possess and as knowing better than any individual what is best for them.

Neoliberalism = Absolute Freedom for Rich/Businesses

USA + UK  
MULTIPLIED  
TENS OF  
HUNDREDS  
OF PEOPLE

This is the RELIGIOUS - METAPHORICAL  
BULLSHIT of "guided by an  
invisible hand"

even when the govt = "free trade agreements" that destroy NATURAL jobs

This is bull shit & becoming increasingly wrong  
Need govt help.

Hayek also viewed social democratic liberalism as dangerous because it aimed to reduce inequality. For Hayek, economic and political inequality is not only necessary but also beneficial. He understood inequality is a necessary characteristic of the market system and any effort to alter the outcome would violate the natural order of the market and, therefore, be counterproductive. For neoliberals, individual competition within unregulated markets is the best way to promote efficiency and social welfare.

In the United States, Milton Friedman, from the University of Chicago, was the most vocal and well-known proponent of neoliberal thought. Like Hayek, he promoted markets, privatization, competition, and individualism. Unlike Hayek, his ideas were well promoted by the political and economic elite and well received by the public as indicated by the sales and ubiquity of his publications, *Capitalism and Freedom* (1962) and *Free to Choose: A Personal Statement* (1980).

Friedman was also vocal regarding the policy implications of his economic theories. He argued that the purposes and processes of education should not be decided through public discussion but should be determined through competitive markets. He proposed eliminating public schools, which he denigrated as "government schools," and suggested that students' parents/guardians be provided with vouchers so that they could choose the private or religious school that best reflected their values. Consequently, people would be free to individually choose what kind of education they wanted and, therefore, "vote with their feet." The market would determine what kind of education to provide as those schools that best responded to the public's demands would thrive while those that attracted too few students would close.

The emphasis on individual choice has, for neoliberals, the further advantage of shifting responsibility for the individual's welfare away from society and onto the individual. Under neoliberalism, if an individual falls short of his or her goals – if they end up in less- or ineffective schools or un- or underemployed or underpaid – they have no one other than

themselves to blame and cannot demand that government alter the situation.

Neoliberalism, then, changes the relation between the individual and society. It conceptualizes the individual as not only making choices, but as an autonomous entrepreneur responsible for his or her own self, progress, and position and responsible for his or her own success and failure. Individuals are transformed into entrepreneurs of themselves and those who succeed are seen as successful entrepreneurs. *aka Trump, the btm way*

The neoliberal social imaginary has become so dominant that for most people, it is natural and unquestioned. Under neoliberalism, the welfare of the community has been replaced by the welfare of the individual, democratic deliberation by market choices, and qualitative messiness by quantitative "certainty" (Ball 2012).

Moreover, and perhaps more insidious, neoliberalism has become dominant while at the same time, it is often not even recognized or named. Rather, neoliberal theories are often referred to as free markets or market fundamentalism, which, while similar, vary in meaning. In the United States, "free markets" is the term more likely to be used by the general public, including journalists, politicians, and some academics. The term "free markets" may be preferred because it emphasizes freedom, as in free trade and choice, and references some, but not all, of the other characteristics of neoliberalism, in particular, decreasing the size and role of government in society and privatizing public institutions and agencies, such as prisons, airports, highways, and, of course, schools.

Market fundamentalism (Block and Somers 2014) is heard less often, but refers to what is described as an unfounded faith in markets as the best and most efficient way to make decisions. However, markets are hardly self-regulating and cannot account for values or input that are other than monetary. A moment's reflection that the lack of regulation almost caused, in 2008, the collapse of the financial system reminds us that not only does self-regulation not work but also minimal regulation is required. Furthermore, the rise of neoliberalism and the dominance of markets are neither natural nor inevitable.

Cult of Capitalism

## NL and Education Policy

Education has been profoundly transformed under the ascendancy of neoliberal principles. The emphasis on markets transforms how government's role is conceived and policy is made. Neoliberals aim to decrease the size of government by, as much as possible, privatizing governmental services, including education. Furthermore, since government's role is decreased and local control undermined, corporations, nongovernmental organizations, and philanthropic organizations play a larger role in setting policy. Lastly, education and other governmental organizations are to be transformed into market-based institutions.

Moreover, how schools are administered is transformed as the new public management replaces the older bureaucratic structures that are deemed to be too slow to respond to market pressures. New public management shifts the focus from inputs and processes, including funding and standards, to output and performance, to be achieved efficiently through standardized exams and other quantifiable measures. New public management provides the rationale and means for using standardized exams to hold teachers and students accountable, what is sometimes referred to as "governance through numbers."

Neoliberals also aim to replace government, which is hierarchical and carried out through bureaucratic methods, with governance, which is the authority of diverse and flexible networks. Hierarchical public policy making had been replaced by the rise of networks and heterarchical and often private policy making. Moreover, decision-making has shifted from the local and the provincial scales to the national and international scales, making it easier for the wealthy and connected to impact and benefit from the decision-making process (Ball and Junemann 2012).

The rise of heterarchical networks has enabled a shift in how and where policy decisions are made, advantaging individuals and organizations that are economically and politically powerful. For example, in the United States, up until the turn of this century, policies were generally made at the lowest levels appropriate, generally

either the local, community, or the state, with the federal government intervening only where necessary. However, policies now tend to be formulated and made at the national and international levels not by citizens or elected representatives, but by officials from organizations that are unelected and unaccountable, including philanthropists, such as the Bill & Melinda Gates Foundation; corporations such as Pearson; nongovernmental organizations, such as Teach for America or Teach First; and global organizations, such as the Organization for Economic and Cooperative Development (OECD).

The Gates Foundation, which may have the greatest influence of any individual or organization over US policy, achieves their influence through who and what they choose to fund, their access to people in powerful places, and their ability to place their own personnel in administrative positions elsewhere. As one example, Bill Gates is largely responsible for the development and adoption of the Common Core State Standards by providing billions of dollars to nongovernmental and educational institutions who support Common Core. They also fund numerous nongovernmental organizations that support creating more charter schools and have managed to place administrators from those programs in senior positions in the US Department of Education.

Likewise, nongovernmental organizations like Teach for American (TFA) do not merely train and place teachers in positions to teach for 2 years. TFA often contracts with urban school districts to replace the more highly paid unionized teachers with TFA teachers who are underprepared, unorganized, and underpaid. TFA's influence does not stop there as TFA organizes their alumni to lobby governments to expand school privatization and support standardized testing and other neoliberal reforms.

In addition, Pearson Inc., which is now the world's largest education corporation, aims, according to their web page, to be an "integrated education company" that provides digital content and service globally. Their business portfolio provides textbooks, texting and assessment products, online learning and software solutions, and



customizable and integrated services. They currently operate in more than 80 countries and have more than 40,000 employees. In the United States, they own most of the textbook companies and produce and administer most of the standardized tests. Pearson's goals include dominating the education market by collaborating with Microsoft to deliver the Common Core curriculum and assessment on Microsoft technology.

Using standardized exams to hold teachers and students accountable shifts the way in which teachers are controlled. Rather than controlling teachers directly through rules and regulations enforced at the local level, teachers are controlled indirectly from a distance. Teachers do not need to receive specific directives but, instead, know that their task is to prepare the students for the standardized exams.

Lastly, neoliberals aim to privatize or eliminate services, such as transportation, healthcare, and education and, where possible, subject them to the discipline of the market. Therefore, as Friedman advocated decades ago, neoliberals seek to privatize public schools by converting them into charter schools or eliminating them altogether in favor of private and parochial schools or providing vouchers to pay for part of the cost of tuition to a private school. The Obama administration, under Race to the Top regulations, has required that states support the creation of charter schools and increase their number by eliminating any limits (Hursh 2011). New York State's Governor Andrew Cuomo, echoing Friedman, "aims to end the public school monopoly" by increasing the number of and funding for charter schools (Hursh 2016).

However, charter schools are increasingly supported not only or even mostly because they might improve educational outcomes for students but because they are perceived as places in which administrators receive exorbitant salaries and investors' excellent monetary returns. In New York, ostensibly philanthropic organizations, like the Gates and Walton Foundations, have worked with hedge fund managers to develop a lobbying strategy to increase the number of and funding for charter schools. Other groups, such as Education Reform Now, Students First NY, Families for

Excellent Schools, and NY for a Balanced Albany, have contributed millions of dollars to Cuomo's election campaigns and the campaigns of other legislators with the aim of influencing legislation (Hursh 2015).

Neoliberals claim to desire reducing the size of government, in part by privatizing much of what the government does. However, many of their policies result in increasing the size of government. For example, charter schools would not exist if the government did not create a process to award charters and a means to divert public funds to charter schools. Furthermore, while standardized testing provides a means for governments to control teachers and steer schools from a distance, developing and administering the standardized tests and assigning scores to schools and implementing disciplinary measures require a large bureaucracy and significant funding.

Therefore, neoliberalism is less about reducing the size of the state and more about reorganizing the state in the service of capital. Therefore, we can investigate how and what education policy is made in terms of who gains power and benefits financially. As described above, the beneficiaries have been large corporations and philanthropists who use their philanthropic wealth as investments, heads of nongovernmental organizations, hedge fund managers and other Wall Street brokers, and politicians willing to implement the policies. At the same time, educators, parents, students, and community members are increasingly marginalized and teaching becomes de-professionalized.

While neoliberals claim that markets, high-stakes standardized exams, and privatization will improve education, there is little evidence to support their claim. Charter schools perform no better than traditional public schools. Moreover, since privatization is touted as the solution to improving education outcomes, underlying societal problems such as poverty, lack of meaningful and decent paying work, and inadequate healthcare are dismissed as irrelevant.

Further, high-stake testing as required under No Child Left Behind and Race to the Top has reduced the curriculum to what can be measured on a standardized test. Subjects like science,

social studies, and the arts are slighted and interdisciplinary learning becomes nonexistent. Topics that are complicated, which have no one right answer, such as how should we respond to climate change, are unlikely to be addressed because they will not be tested. Education is reduced to what is known, eliminating what is unknown but crucial to explore.

That neoliberalism favors the already rich and powerful and results in schooling that fails to examine central social and environmental questions is becoming increasingly apparent to parents, students, teachers, and community members who are pushing back against standardized curriculum, testing, and schooling. Critics of neoliberal policy are also working to implement social democratic processes encouraging dialogue and debate over the purposes and methods of education, which results in the process of developing education policy becoming educative in itself.

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