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Why Gove is right to back for-profit schools [1]

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A report in the Independent [3] based on alleged leaks by Department for Education civil servants suggests that Michael Gove is preparing plans to allow academies and free schools to be run as profit-making institutions, bringing cash into education from hedge funds and venture capitalists. Although many on the left are hostile to the idea of profit-making schools, as they are to profit-making in general, the evidence suggests that Gove is right, and that this could result in the rapid expansion of free schools delivering a high quality education.

It is obviously a good thing when parents, teachers and local businesses work together to establish a free school, and there have already been several examples that point to an extension of educational opportunity as a result. But they only have the motive to do this once and in their own area. Any lessons they learn stay relatively local, and the numbers of such schools set up depends on the availability of capital. The advantage of for-profit schools is that they bring investment. The cash needed to set up a new school is a major hurdle to be climbed, and outside investments helps it to be climbed. Secondly, the lessons learned can be applied to other schools set up in other areas by the same investors. Once there are chains of schools, the successes achieved by each can be extended to the others and built upon. When for-profit investment is allowed, the numbers of new schools will increase dramatically.

In Sweden, which pioneered free schools and permitted for-profit ones to be established, the free schools are now one in five of the total, and 65% of the independent ones are for-profit schools. Since the mid-90s free school numbers have gone from 122 to 1,091, and parental satisfaction with the for-profit schools there is far higher than it is for the government schools.

The argument that for-profit schools "divert money out of the classroom," as opposition spokesman Stephen Twigg has alleged, is absurd. This is akin to saying that for-profit food stores divert money from the table. In fact our food is supplied both plentifully and cheaply and of high quality by suppliers doing it for profit. That is why it has attracted the investment to make it widely available. We do not need to imagine what food would be like if it were provided at state outlets on a non-profit basis. We do not need to imagine

it because we saw the example in the Soviet Union: low quality, short supplies and interminable queues. If the leaks are correct, Gove should be applauded for doing the one thing that will give millions of children an alternative to the low quality education that still pervades parts of the state system.

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