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National Development Plan

Chapter 9 – IMPROVING EDUCATION, INNOVATION AND TRAINING

- This comment is devoted to seeking the most effective, low cost and efficient policy for transforming the education of South Africa’s young people to ensure that the vast majority become numerate, literate, confident, capable young adults.
- Thousands upon thousands of South Africa’s young people are victims of a crime of vast proportions, the crime of “dumbing down”.
- The quickest and most effective solution to South Africa’s education crisis is to introduce demand-led education by making education and training attractive to entrepreneurs.
- Entrepreneurs would teach real skills that would increase the demand for the services of young graduates, assuring them jobs once they have completed their training.
- Government could purchase top quality schooling for the poor from competing private providers with taxpayers’ money rather than having it squandered on non-functional government schools.
- A truly open education market would attract investment from a wide range of sources; South Africa could lead the way through education reform that encourages private investment in education.
- Under such a dispensation competitive entrepreneurs would offer a greater choice of better quality, more cost-effective, individually tailored, truly innovative learning options to students.
- Education and training of young people will more closely track the real requirements of employers and the economy.
- Innovations that are likely to have a substantial influence on economic life will be speedily incorporated in education and training programmes for the youth.
- Competition in the provision of education and training will drive quality up and costs down.
- Education and training institutions that do not provide the learning opportunities that young people and their parents want, will either change or be forced to close down.
- The variety of learning options available to young people will increase exponentially, providing more highly diversified skills in the country.
- Overall effects of demand-led education are likely to include greater innovation throughout the economy, higher growth and lower unemployment.

The education chapter commences with the following inspirational words:

We are Africans.

We are an African country.

We are part of our multinational region.

We are an essential part of our continent.

We feel loved, respected and cared for at home, in community and in public institutions.

We learn together ... We love reading.

Each community has:

a school,

teachers who love teaching and learning,

a local library filled with the wealth of books,

a librarian.

All our citizens read, write, converse, and value idea and thought.

We are fascinated by scientific invention and its use in the enhancement of our lives.

We live the joy of speaking many languages.

If only these words were a true reflection of life in South Africa. What young people experience, see, and hear every day, negate the aspirations expressed in the above words, which is tragic.

Young South Africans are constantly exposed to negativity from the people around them, TV shows, radio broadcasts, and publications that sow dissension, racialism, envy and even hatred, and portray their world as miserable and without hope. They are faced with the dismaying news that more than 70 per cent of the unemployed people in the country are under 34 years old.

According to official reports many of them are trapped in dysfunctional schools, with teachers that do not have their interests at heart, and do not hesitate to desert their classes to go on strike. Most dispiriting of all is learning, on passing the matriculation examinations, that what is learned in matric has such little value that universities are compelled to run bridging classes to provide them with the academic competency required to cope with first year university studies, even for matriculants who excelled in their final examinations.

Professor Jonathan Jansen of the University of the Free State described the dire situation in these words: "If I had to make the choice with my own children today, I would seriously consider not sending my child to school in South Africa, for one simple reason: I do not trust a system that makes it possible for a child to pass Grade 12 with 30% in some subjects and 40% in other subjects. I would be filled with fear when I discover that you can get 32% in mathematics and 27% in physical science and still get an official document that says you can continue to study towards a Bachelors degree at university". Do students, under these circumstances, say, "*We feel loved, respected and cared for at home, in community and in public institutions*"?

A family member of mine recently embarked on a "rescue operation" to save a 10 year-old boy from life-destroying illiteracy and innumeracy. The boy was living in a squatter camp and attending a school that was not teaching what it should have been teaching. With the active involvement of the boy's mother, the good Samaritan found the child a new school that runs special classes for children that have fallen behind. The teachers told them that they had brought him to the school "just in time". After only two months, the change in the boy is astonishing. From being dull, rebellious, disinterested in learning and "mixing with the wrong crowd", the boy has become bright, well-behaved, anxious to learn, and reading, writing and doing calculations for the first time in his life. This young boy moved from a school that did not have, "*Teachers who love teaching and learning*" to one that does; with dramatically positive results.

How many such children are there who can be saved by a little bit of assistance and guidance? How many could be saved by the money that is set aside for them in the government's budget but is not being devoted to teaching them as they can and should be taught? Thousands upon thousands of South Africa's young people are victims of a crime of vast proportions. The crime of "dumbing down" – so called by award-winning New York teacher John Taylor Gatto, who maintained that children would be better off not attending school at all rather than having their self-esteem and learning ability destroyed by bad teachers.

The NDP quotes a survey that confirms what is happening in the schools. It says (p.270) that, "In the Southern and East African Consortium for Monitoring Educational Quality III (2007) survey of grade 6 mathematics and reading, South Africa performed below most African countries. An alarmingly high proportion of grade 6 learners had not mastered even the most basic reading and numeracy skills. Of the 15 countries in the study, South Africa had the third highest proportion of functionally illiterate learners (27 per cent), and the fifth highest proportion of functionally innumerate learners (40 per cent)."¹

The NDP also quotes (p.270) a study that attempts to identify the causes: "Two factors are largely responsible for the failings of the school system. The primary cause is weak capacity throughout the civil service – teachers, principals and system-level officials, which results not only in poor schooling outcomes, but also breeds a lack of respect for government. The mirror image of this weakness is a culture of patronage that permeates almost all areas of the civil service. Nepotism and the appointment of unsuitable personnel further weaken government capacity."² Another factor would be the effect of the activities of the National Education, Health & Allied Workers Union in organising teacher strikes, bringing teaching to a standstill, and destabilising schooling.

Given the dire consequences of learning successes and failures on the lives of all individuals, this comment focuses on what children could and should be learning through to young adulthood, which predominantly occurs in schools. In particular, it is devoted to seeking the most effective, low cost and efficient policy for transforming the education of South Africa's young people to ensure that the vast majority become numerate, literate, confident, capable young adults.

Bureaucracy disease

The main trouble with government schooling is that it suffers from "bureaucracy disease", a disease that to a greater or lesser extent afflicts all entities managed by governments to provide goods and services, whether their tasks are to provide schools, electricity, water, railways, health care, mining, roads, food or whatever else is designated to be an essential good or service.

Reasons for the inordinate amount of bureaucracy in government service delivery and some of its effects are:

- Government entities are not allowed, by their very natures, to be risk-takers. They are expected to proceed with extreme caution and can only adopt new ways of delivering services once the success of a method has been proved beyond all doubt.
- Senior positions in government are, with few exceptions, dependent on length of service and thorough familiarity with the "way things have always been done". This further entrenches systems and ensures that some urgently needed changes are either delayed or not made at all.

¹ Van der Berg, Taylor, Gustafsson, Spaul & Armstrong, 2011.

² Taylor S (2011) Uncovering indicators of effective school management in South Africa using the National School Effectiveness Study, Stellenbosch Economic Working Papers No. 10/11.

- While enduring sound principles are of great value, systems that do not adapt to changing circumstances can do great harm. Bureaucratic drag has held up the development of South Africa's ports, railways, telecommunications, electricity delivery, schools and a great deal more.
- Government officials have no incentive to innovate as they are unlikely to be compensated for the hard work that accompanies innovation, and are likely to pay a heavy price for attempted innovations that do not succeed.
- Senior government officials are not entitled to rely on their judgement as to the honesty or ability of their subordinates. They are consequently compelled to institute multiple layers of costly and time-consuming procedures and controls that absorb available funds and slow down processes.

Bureaucracy disease is endemic to government and there is very little that government teachers can do about it. School teachers tend to complain that they are forced to teach by rote, are instructed as to what to teach and how to teach it, and are prohibited from using their discretion or even fully utilising the teaching skills they were taught when training to become teachers.

Harm caused by the bureaucracy disease became patently obvious when the world could observe people with the same backgrounds, levels of education, languages and cultures, such as in East and West Germany, North and South Korea, China and Hong Kong/Taiwan, or Cuba and the large Cuban community who fled to Florida, USA, being subjected to very high levels of bureaucracy in one territory and a relatively low level of the affliction in the other or others.

Some same-country "experiments" reveal similar effects; poor economic results under heavy doses of the bureaucracy disease and better results when the affliction is reduced. West Germany, which had been badly harmed by the Nazi fascist bureaucracy, prospered when it threw off much of the disease after 1945. Britain, which was heavily bureaucratized during the 1939-45 World War, struggled on under a heavy dose of the affliction until some relief was effected by the Thatcher government. Even the less afflicted countries were not entirely free of the disease but the unintentional real live experiments show that less bureaucratically burdened economies far outstrip the economic performance of those that are more heavily burdened.

Schooling in most countries suffers from the bureaucracy disease. It is impervious to changes that take place in the rest of society because of the vested interests that benefit from an absence of change. The idea that all children should be compelled by law to attend school, to avoid the possibility that in the absence of the threat of force some parents might fail to educate their children, has been translated into a bureaucratic monstrosity that is detrimental to most children who pass through its processes. A stark demonstration of the accuracy of this observation is that schools today are fundamentally the same as they were more than a century ago.

Laws imposing compulsory schooling have brought with them bureaucratic rules and structures that prevent schools from educating children in a manner that will be more appropriate to the changing conditions under which they will live their lives. And more importantly, to provide the kind of education and training that individual students and their parents consider will best suit the students' personal interests, talents, characteristics and ambitions.

Government should be seeking the most effective, low cost and efficient policy to transform the education of South Africa's young people to ensure that the vast majority become numerate, literate, confident, capable young adults. The evidence is clear: remove bureaucracy and schooling will flourish in the same way as entire economies flourish in its absence.

Dump the strait-jacket of the imposed curriculum and allow education entrepreneurs to provide the schooling parents and their children want and need. Purchase top quality schooling for the poor from competing private providers with taxpayers' money rather than having it squandered on non-functional government schools. Today's children do not have to be tomorrow's desperate young adults. Apply these suggestions and see the remarkable change they will bring about.

Revolutionising the delivery of education and training to young people

The quickest and most effective solution to South Africa's education crisis is to make education and training of young people attractive to entrepreneurs. At a cost that is no higher than what government is currently spending per child on schooling, education entrepreneurs could rapidly resolve the crisis.

Entrepreneurs could do more than merely improve on the quality of schooling that is now being provided; they could teach real skills that could increase the demand for the services of young graduates, assuring them jobs once they have completed their training. In addition to ensuring that their students become highly literate and numerate, the entrepreneurs could impart knowledge and skills covering a wide range of potential careers. The range of skills chosen for the imparting of knowledge must be demand and not supply led. This means that the education entrepreneurs should respond to demands from potential employers that are picked up by parents and their children, encouraging the students to enrol for courses that will qualify them for the jobs where the greatest potential skills shortage will be when they complete their studies.

The notion that young people should follow a standardised curriculum through to matriculation and then only think of gaining specialised skills is archaic. Education pioneer Maria Montessori demonstrated that the average child is capable of completing a high level of fundamental education (literacy, numeracy and a wide general knowledge) by the age of twelve. From that age onwards, there is scope for great diversity, enabling the individual student to follow her or his special interests and to marry those interests with the demands for skills and knowledge that become apparent in the market place.

There is also scope for young people to become multi-skilled by the time they reach the current "school-leaving" age of 18 or 19. Instead of trying to fill their heads with information that is of no interest or value to students in their future lives, education policies should be developed that allow the students to follow their interests and develop their individual talents and skills.

Institution of student-based education requires policy makers to face up to a stark reality. They will need to place the interests of students above the interests of the teachers who are desperately attempting and will continue trying to keep the supply-dominated system in place, in which the school and the students in it are their "property" to manage for their benefit, as teachers have done for more than a century. No economic functions, such as education and skills-training, which are vitally important economic functions, can be effective if students and teachers are almost totally disregarding the purpose for which the entire exercise, twelve years of it, is being carried out.

Application of demand-led education

Current schooling, to use a sports analogy, can be likened to coaches spending years teaching all young players to play hockey when there is a demand for a wide range of sports skills in the real world beyond the sports school gates. No one will argue, least of all the students, that everyone needs to be numerate and literate, but students who have no intention of following careers requiring advanced mathematical or literary skills should be able to adapt their studies to meet their expected requirements.

Lamenting the poor mathematics and science results in schools while continuing to maintain an archaic schooling system, on the other hand, will not produce more mathematicians and scientists. Young people

need to be convinced by demonstration that proficiency in maths and science will allow them to achieve above-average earnings. Specialist maths and science institutions will be much more likely to achieve that objective through advertising the successes of their students.

Compelling highly sports-talented young people to spend the greater part of their time on academic subjects when all they really want to do is play sport, is cruel and counter-productive. This does not mean that sports women and men should not be educated. It does mean, however, that their priorities should be reversed. Sports should receive top priority, if that is what students and their parents prefer, and then numeracy, literacy and other important fields of knowledge should follow. Total earnings of athletes participating in a multiplicity of sports are huge and sport has therefore become a legitimate and highly-paid career for many people. In some sports peak ability is attained at a young age and the rules are generally bent for established young stars, but there will be many young people who are not exempted from the strictures of schooling, frustrating their careers as a result.

Specialised sports schools will have no problem in convincing their students that they need to be erudite and have highly-developed financial skills if they become sports stars. A curriculum might therefore include such items as training in the proper use of languages, handling radio and TV interviews, understanding the principles of contract law, learning about finance and investment, acquiring an understanding of the laws of their sports speciality, studying potentially useful foreign languages, and other studies that might be regarded as essential to the well-rounded sports star. Such an enlightened approach to the education and training of potential sports stars would not only make sense to them and elicit their enthusiastic participation in all its aspects, but would make a considerable difference to their chances of success.

Sport has been used as an example because many people will be familiar with real-life examples of the frustrations that some young athletes have suffered because they have not attended a school for the affluent, or been fortunate enough to have wealthy parents who could overcome the constraints that regular schooling hours impose on their sporting careers. However, the frustration that will be suffered by young athletes is merely a fraction of the frustration suffered by millions of young people who have their interests, aptitudes and wishes totally ignored.

A budding young motor mechanic who wishes to spend most of her time repairing motor vehicles, has no interest in regular schooling. She is likely to be an unhappy and disruptive student, but will spend hours studying every manual she can find on motor vehicles. In order to follow her interest she would become highly literate and would study whatever aspects of mathematics she would need in a career in motor engineering. Allowed to follow her interest, such a student would have every chance of becoming a highly competent and knowledgeable motor engineer, able to earn a comfortable living. There is probably no likelihood, however, of such a student being treated with the same indulgence as a sports star.

Again, the possible young mechanic is merely a hypothetical example of a much wider problem, which is thousands upon thousands of young people with an almost endless range of interests that have their preferences disregarded and are forced to go through endless days of frustration on school benches, just itching to be somewhere else carrying out very positive and worthwhile activities. If there were to be a large range of specialist education and training institutions competing financially on level terms with conventional schools, in other words with students having similar access to taxpayer funding, there is no doubt that they would over time attract the majority of students away from conventional schools. The reason is that specialist schools would provide the education and training that students actually want rather than what others decide to impose on them.

The role of education entrepreneurs

Young people desperately need entrepreneurs to become involved in education provision, marshal resources, both human and physical, and provide them with a diversity of educational choices that will allow them to develop their talents to the fullest. Many entrepreneurs are already involved in education and training in a peripheral way, but are hamstrung by statutory and regulatory barriers that prevent them from fully employing their entrepreneurial talents to offer young people an array of education and training courses.

Entrepreneurs currently active in other fields of endeavour would invest in education under the right conditions. All that is needed is the removal of barriers to entry into the education field. In a freely functioning market for education, entrepreneurs would scour the world for information, methods and materials to supply that market. They would constantly seek better ways to present the information to their customers. According to economist Israel Kirzner, the most distinctive attribute of the entrepreneur is “alertness to available yet unnoticed opportunities”. The entrepreneur identifies “opportunities for gain that others have overlooked”.

Alert entrepreneurs in the food industry ceaselessly strive to provide consumers with goods and services in a manner that will earn them the greatest return on their investments. They would do the same in an open education market. Yet, while striving for maximum profit, education firms would not necessarily charge high prices. Henry Ford revolutionised the motorcar industry, and transformed modern-day society, by constantly reducing the prices of his cars in order to make them accessible to an ever-increasing percentage of the population. Until Ford started building cars for the masses, they had been regarded as the preserve of the wealthy. Similarly, until Bill Gates and his colleagues developed software to enable the masses to use computers, they remained the preserve of trained experts in large firms and government departments.

In the food industry, likewise, supermarkets replaced many corner grocers because they turned to bulk buying and selling, low prices and low overheads to make low profits on their huge turnovers but high profits on their investments. They changed retailing totally and both they and their customers were the beneficiaries. In every form of business, competitors are constantly on the lookout for ways to attract customers away from each other. In every legitimate way possible, they will seek ways to undercut above-average prices or exploit the failure of their competitors to provide customers with good service and quality. Open competition is consequently the best safeguard that consumers have against high prices and poor service in any market, including a market for education.

Opening the education market to entrepreneurs

A truly open education market would attract investment from a wide range of sources. The education industry has the potential to become the largest investment sector on the world’s stock exchanges. However, for this to occur, governments worldwide would have to relinquish their existing dominance over and control of education. South Africa could lead the way through education reform that encourages private investment in education.

Most people link investment with large firms whereas the aggregate value of business investments of small firms, ranging from one-person operations to firms with less than fifty employees, is significant. According to the European Commission, two-thirds of all jobs in the European Union and Switzerland are in SMEs, more than 90 per cent of them in micro enterprises with less than ten employees. Education of young people offers a huge opportunity for the establishment of a plethora of small education entities but only if the laws, regulations and government policies are changed to accommodate such a development.

Some of the changes that would need to occur are:

- Education and training entities that are established for the express purpose of teaching special skills should be exempted from applying standard school curricula, conditional on their students achieving levels of literacy and numeracy comparable with that achieved in acceptably-performing government schools. Testing for literacy and numeracy could be carried out by testing agencies appointed by government to carry out the tests but paid by the training schools. Economist, Professor EG West, suggested that literacy and numeracy tests could be conducted in the same way that drivers of motor vehicles are tested for proficiency in driving.
- Students from low-income families wishing to learn special skills could be granted government subsidies, possibly in the form of education vouchers, to pay for their tuition. As long as the subsidy is less than the total cost of providing schooling for the student in a government school the cost to taxpayers would be reduced.
- Teachers carrying out specialised training should not be expected to have standard teaching qualifications. Their task would be to carry out training in their specialised skill, in which parents of students would expect them to have above-average proficiency. For instance, expecting a well-qualified plumber, athletics trainer, carpenter, golfing instructor, electrician, or motor mechanic, to obtain a teaching diploma before commencing teaching special skills to students, would be ill-advised.
- A training establishment wishing to establish its credentials would turn to testing agencies to verify the quality of its teaching by testing the proficiency of students in the special skills being taught and to issue certificates of proficiency to students and to the training establishment.

Under such a dispensation competitive entrepreneurs could start offering a greater choice of better quality, more cost-effective, individually tailored, truly innovative learning options to students. Child labour laws would need to be revised to allow young people to simultaneously work, learn and earn, legalising ‘working to learn’ programmes that are conducted in a manner that is patently beneficial to the participants.

Far-reaching changes such as those described in this paper will require the co-operation and support of politicians, public officials, educationalists and anyone else who may have influence in the matter. Above all, interested parties would have to place the interests of students before their own. Many people benefit from the fact that the child is currently a captive of the schooling system and they will argue that she or he should be kept so, never mentioning their own vested interest.

Educational entrepreneurs would not need to be educationalists themselves. Their ability lies in bringing together the skills, knowledge, facilities and capital that allow them to offer consumers what they want, and occasionally, what they never dreamed was possible. Given the opportunity, teachers at government schools could transform their schools to better serve the communities in which they are based.

Private education in developing countries, as documented by Professor James Tooley, provides extensive evidence of what entrepreneurs can achieve in education, even in poor countries. Critics of excellent private schooling repeatedly censure the inaccessibility of such schooling to the poor. Those who pass judgement in this way do not factor into their comparisons the fact that the total real cost per student at government schools in most countries is higher than the fees charged by all but the most expensive private schools. This means that governments could purchase, for all their students, better schooling at lower cost from competitive private schooling providers.

A factor that is also not considered is that the government cannot possibly provide the variety of different types of education and training that is really needed to provide young people with the information and skills they need to conduct their later lives. All that government can do is provide a general education that

is thought to be adequate for the “average” student. Some students will not be adequately challenged by the schooling provided while others will not be able to cope with it, doing a disservice to both the academically capable and the non-academically inclined students.

Professor Tooley discovered that private education in China has thrived over the past thirty years after being banned for many years. In 1998, for instance, 1,236 (54 per cent of) tertiary institutions, and a much lower percentage of schools of all kinds, were private. The Deputy Director of Education of the Beijing Municipality described the five main reasons for the emerging support given to private education by the Chinese authorities:

- Private education could make up for the lack of government funds, recognising that the government could not cater for the demand for education.
- The government wished to promote innovation and recognised that the private sector was better at it than the public sector.
- Private education could “ease unemployment” because the private sector was better at responding to the market demand for training from business and industry.
- The private sector would “stimulate education consumption” because it was better at exploiting market opportunities and making them available to the public.
- Private education would help close the gap between rich and poor because in China, as in many other developing countries, government education benefits the higher income groups and higher education disproportionately – “If richer groups buy private education, then state resources will be available for the poor”.

Improved all round quality is implicit in the items listed by the Deputy Director, especially the relevance of education and the development of diversity. The approach of the Chinese authorities, as reflected in his comments, displays an attitude that appears to place sound education above the ideological considerations that previously dominated Chinese education.

Entrepreneurial private schools in India provide primary schooling to children of poor parents. Quality comparisons between these private schools and government schools in poor communities provide a useful insight into the demands placed by poor people on private suppliers of services. A Public Report on Basic Education in India described “malfunctioning” government schools for the poor but did not find the same problems in private schools in the same areas. Researchers calling at a random sample of government schools, found “teaching activity” happening in only 53 per cent of them. They had poor physical facilities and high pupil-teacher ratios. Head teachers were found to be absent from the schools much of the time and the report found a deep lack of accountability in the government schools. Although the private schools also had relatively poor facilities, the survey found “feverish classroom activity” in most of the classrooms they visited. Private schools for the poor are to be found on almost every street corner in poor areas, despite the fact that they charge fees that are “not insignificant” amounts for poor parents to pay, and are competing with government schools that charge no fees and even provide bowls of rice at lunchtime.

In their most recent *Student First News*, the Centre for Civil Society in India reported that, “Government seeks expressions of interest from firms to open 2,500 secondary schools over the next five years. Following a road map laid out in the budget, the Union government has invited proposals from companies to open secondary schools, amid increasing concern over the quality of education being imparted in India’s class rooms. The human resource development (HRD) ministry, which oversees education, has sought expressions of interest from companies in joining the public-private partnership (PPP) project to open 2,500 schools over the next five years.”

Both the Chinese and Indian governments are turning to private companies to help provide the education needed by the young people in their countries. The South African government should consider following a similar route, not only to solve the current crisis in schooling, but to develop a great diversity of high quality education and training institutions that can provide the youth of the country with education and training that will ensure that they are capable of obtaining and holding down good jobs or opening and conducting their own businesses. Rapid solutions to the dual crises of poor schooling and mass unemployment, with 70 per cent of the total of 7.5 million unemployed people being under 34 years of age, must be found. Changing from supply-driven to demand-driven education will make a substantial contribution towards solving both problems.

If government were to embrace the suggestion that private individuals and companies should be invited to join in the task of improving education and training, we will be able to say we have:

*...teachers who love teaching and learning,
a local library filled with the wealth of books,
a librarian.*

All our citizens read, write, converse, and value idea and thought.

We are fascinated by scientific invention and its use in the enhancement of our lives.

We live the joy of speaking many languages.

Advantages for students of demand-led education and training

- Students will have a greater likelihood of being able to follow their interests, develop their inherent talents, and be successful in their pursuit of knowledge and skills.
- New innovations and developments in the fields of interest of students will be incorporated in their training programmes as they occur.
- Students and their parents will be the customers and will be treated with greater courtesy, which they will reciprocate because of the voluntary relationship that will exist between student and teacher.
- Students will not be locked into one service provider and will be able to change with ease to a competing provider.
- The variety of learning and training options will be as great as the number of unique potential careers that people discover, often by accident, during their working lives.
- The possibilities offered by entrepreneurship are likely to feature strongly during demand-led education and training.

Advantages for the country of demand-led education and training

- Education and training of young people will more closely track the real requirements of employers and the economy.
- Innovations that are likely to have a substantial influence on economic life will be speedily incorporated in education and training programmes for the youth.
- Education and training institutions that do not provide the learning opportunities that young people and their parents want, will either change or be forced to close down.
- Competition in the provision of education and training will drive quality up and costs down.
- The variety of learning options available to young people will increase exponentially, providing more highly diversified skills in the country.

- Overall effects of demand-led education are likely to include greater innovation throughout the economy, higher growth and lower unemployment.

Advantages for government of introducing demand-led education and training

- Demands on government in respect of the education and training of young people will decline as the new options become available to them.
- Government schools will be able to devote more attention to the education of students who do not seek alternative options and budgetary costs should decline.
- Competition from alternative education and training entities will cause government schools to become more competitive by improving the quality of education they provide.
- Those government schools that do not improve the quality of the education they provide will steadily lose students – if this does not encourage them to change they will be compelled to close down.
- The diversity provided by demand-led education and training entities is likely to have a spill-over effect, encouraging government schools to be more responsive to the requirements of students.
- Greater diversity in education and training will be likely to foster a spirit of entrepreneurship among the country's people.

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