

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

PRESS RELEASE 562#

CHILE'S EDUCATION BILL: POWER TO THE PEOPLE

AN EXAMPLE FOR AUSTRALIA

The battle for public education - free, secular and universal - is being fought in Chile by teachers and students. They are winning. Their example is an inspiration for supporters of public education in Australia.

The current policies of the Pyne/Nixon education ministers promise to impose a Chilean style voucher system on Australia – at the same time that Chile is fighting its way out of this grossly inequitable system.

Chilean education suffered grievously under Pinochet's market oriented policies. The dictator imposed the market ideology on Chilean education. In the same way our Lib/Labor politicians have imposed the Thatcher/ Reagan market ideology on education in this country.

In Chile, as in Australia, the voucher system, funding of private schools and the market ideology has proved disastrous. But in Chile, students and teachers have fought back. They have made themselves heard! Free Education as a right was promised by President Bachelet at her last election, and an Education Bill is currently before their Legislature. The Bill appears to deal with for-profit institutions but has not tackled religious schools.

The grass roots reaction commenced as early as 2006. But tens of thousands of college and high school students have been demonstrating for change of Chile's market-based education system since 2011, demanding the end of "educational segregation" that separates poor students from rich students in terms of equal opportunities in education.⁶ The President's Education Bill still does not go far enough for the student protesters. Police expelled tear gas and fired water cannons on 2,500 student demonstrators on May 21st 2014, arresting 33 individuals for disorderly conduct.³ Meanwhile in Santiago, high school and college students organized street blockades and an overnight sit-in protest at a school in the capital city.⁶

THE NEW DEAL IN CHILEAN EDUCATION

Bachelet presented her proposed bill to Chilean lawmakers pledging to change the fundamentals of the historically “market-ized” education system, making a quality education a right instead of an exclusive, purchased commodity.² The bill is focused on primary and secondary education and was submitted to Parliament on May 19th.¹ Bachelet’s proposal seeks to expand education opportunities by making all primary and secondary schools free. Due to the market structure imposed in the 80s during the Pinochet era, the Chilean education system is socioeconomically segregated, favoring private, for-profit schools with nearly 52% of enrolled students attend them.³ Eighty percent of these schools operate on “shared funding,” meaning they receive government funding (in equal terms with their public, non-profit counterparts) and are also supplemented by parent contributions.¹ The socioeconomic bias in the educational system is intensified by both the buy-in arrangement and Chile’s extremely high rate of inequality, scoring a GINI index of 52.1, the highest among the 34 OECD member countries.¹ The bill plans to cut all public funding to private for-profit schools by 2017 unless they achieve non-profit status. Bachelet promises to replace parent copayments to these schools with increased subsidies and government funding.²

The bill also bans selective admission for primary schools that receive state funding; these admission policies have been traditionally discriminatory against low-income families and low-academic level students.¹ In addition, the president included plans to increase kindergarten funding, create new public universities and establish an accountability mechanism for schools. The government promises to publish public school rankings based on student performance, allowing parents to be both better informed and have a wider selection of schools to choose from. She also assures the government will create nationwide teaching standards and sanction schools that underperform.¹

Although the majority of the student protesters agree the bill is a step in the right direction, they are not pleased. Many claim the bill is not fully satisfying their demand for free and equal education, needs to be more transparent in its course of action, and leaves the intense debate of university education to be dealt with later in the year.⁶ During her campaigns, Michelle Bachelet promised to make all education free by 2020.¹ All Chilean universities are supposed to be non-profit, but there is evidence that some owners are making returns on profits, validated by international powerhouses such as Apollo Global Management, who has purchased Chilean universities in the past.¹ The bill is almost entirely addressing primary and

secondary education, but leaves the issue of low-quality, low-employability college degrees to continue to foster protest among student groups.

The international community expected continued demonstrations by Chilean students, but a new group has joined the protest. The Chilean president plans to finance this supposed USD \$2 billion educational reform through a tax hike.² She proposes to increase business taxes from 20% to 25% in the next two years. Such an increase would increase government revenue by \$8.2 billion annually, nearly 3% of the country's GDP.⁵ Since Congress approved this measure last week, business leaders and the right have been threatening protest. Chilean big business has been profiting from a program called FUT, which granted them tax exemption if they reinvested their profits. The education reform bill erases this program. Business leaders and the right are furious about this measure and warn it will hurt job creation and stifle the economic growth Chile has been experiencing.⁴ The President and other supporters of the bill claim the reforms will promote long-term growth in all sectors while working to solve an unavoidable issue; Chile's education system is lacking in both quality and equality.

Bachelet was well aware that the student protesters would be determined and difficult to please before she even entered office. The education reform bill she has announced is revolutionary; it completely uproots the system's basic structure with hopes to change the benefits of education from an affluent minority to the deserving majority. However, the proposed plan to finance the bill has created another influential dissenting group, the conservative business sector. Will the combined pressure overtake the bill's momentum and send Bachelet back to the drawing board in terms of fundamental structural adjustments and their financing?

Sources:

1) Bellei, Cristián. "Sweeping Reforms Set to End For-Profit Education in Chile."

The Conversation. 20 May 2014. Web. 22 May 2014.

2) "Chile President to End Profitmaking in Subsidized Schools." World Bulletin. 20

May 2014. Web. 22 May 2014.

3) "Chilean Students Protest Education Reforms." Agence France-Presse. 22 May

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4) Dube, Ryan and Martin Arostegui. "Chile's Businesses Fight Presidential Tax Reform." Wall Street Journal. 21 May 2014. Web. 22 May 2014.

5) Esposito, Anthony. "Chile's Bachelet to Send Key Education Reform to Congress." Reuters. 19 May 2014. Web. 22 May 2014.

6) Rivero, Daniel. "Student Protesters Clash With Police." Fusion. 9 May 2014. Web. 22 May 2014.

Also see:

<http://www.telesur.tv/english/news/Chilean-President-Guarentees-Free-Education-20140722-0020.html>

See <http://www.ilovechile.cl/2014/07/23/bachelet-promises-free-education-technical-schools-universities/115600>

And

<http://www.panoramas.pitt.edu/content/chilean-education-reform-bill-meets-two-tier-protest>

Trevor Cobbold of *Save our Schools* also has an article dated 24 July at <http://www.saveourschools.com.au/choice-and-competition/chiles-failed-free-market-education-system-faces-overhaul>

Chile has one of the oldest large scale universal school voucher programs in the world. It was established under the Pinochet dictatorship during the 1980s as part of a policy to create a free market in education through decentralization and privatization of the education system.

The system of school vouchers created a school system organized under three main types of schools: public-municipal, private-voucher and private-paid (independent) schools. Families and students were provided with vouchers to study attend either public-municipal schools or private-voucher schools that could be religious or non-religious and non-profit or for-profit.

In theory, public schools are free and open to all types of students. They are mandated to accept all students who apply. However, public schools in better-off areas tend to enrol

students from better-off backgrounds and exclude low-income students by setting admission criteria or by transferring students to other schools if they are retained in a grade. Private schools are permitted to use parental interviews to select students.

Chile had a tradition of public financial support of private education, mainly of Catholic schools, before the implementation of the voucher system in the 1980s. A significant feature of the Pinochet changes was that each student received the same government funding to attend a public or private-voucher school.

Private-voucher schools and public high schools can charge a monthly tuition fee limited to 1.6 times the voucher payment. Over half of private-voucher schools charge fees and there has been a significant increase in the number charging fees since 1990. About 80 per cent of students in private-voucher schools pay fees. Many of these schools are for-profit schools. About 25 per cent of students in public high schools pay fees.

In 2008, the voucher law was amended to allow for the higher costs of educating disadvantaged students. An extra per-student payment of 50 per cent of the base voucher payment was introduced for students classified as disadvantaged and for schools with a high concentration of disadvantaged students.

The voucher system has resulted in a large shift in enrolments from public-municipal to private-voucher schools. Between 1990 and 2012, enrolments of public-municipal schools dramatically decreased from 59 to 39 per cent. In comparison, private-voucher schools expanded from 33 to 53 per cent of total enrolments. The number of private-voucher schools has more than doubled while more than 200 public schools have closed.

The voucher system has promoted a high degree of social segregation between schools. Chile's education system is a form of education apartheid. In 2012, 43 per cent of Chile's students were in socially disadvantaged schools and 34 per cent were in socially advantaged schools. The proportion in socially disadvantaged schools is the highest of all 64 countries participating in PISA except for Luxembourg and Macao. The proportion in socially advantaged schools is the highest of all countries except Luxembourg, Montenegro and Qatar.

Only 23 per cent of students are in socially-integrated schools compared with an average of 47 per cent across OECD countries. This is the lowest percentage of all OECD countries and is one of the lowest of all the countries participating in PISA – only Luxembourg, Macao and Qatar had lower proportions in 2012.

This extreme social segregation between schools is reflective of social segregation at all levels of Chilean society, with vast income inequality within the major cities and between regions. Chile has the highest Gini coefficient (a measure of income inequality) in the OECD and amongst the highest in the world.

Chile's average reading, mathematics and science results are in the bottom quarter of the countries who participated in PISA in 2012. Fifty-two per cent of students were below the international proficiency benchmark in mathematics. Only Mexico had a higher proportion below the benchmark.

Yet, Chile is not a poor country by world standards – it is after all a member of the world’s club of rich countries, the OECD. Many countries with a much lower income per head do better than Chile in PISA.

For the past several years, students have waged a campaign of protests and strikes about education inequality and seeking free education from elementary school through to university. The students have kept up the protests under the new government of President Michelle Bachelet. Tens of thousands of students demonstrated in Chile’s major cities in May in support of free public education.

The President announced a major overhaul of Chile’s education system in May and has sent a new education bill to the country’s Congress. The President said that the bill is designed to give Chileans a quality, free and comprehensive education. The changes include ending public funding of private for-profit schools, making all primary and secondary education free, and prohibiting selective admission processes in schools receiving government subsidies.

However, student protests continue because they say the President’s plan does not go far enough. They want a ban on all for-profit schools and universities. They also say that the phase out period for the ending of the co-payment system is too long. In order to reach a comprehensive education bill, students and teachers demanded to be part of the drafting process. The Education Minister has presented a new bill to the Congress to grant citizens and student organizations a voice in education reform.

The President has proposed to fund the changes by increasing the basic corporate tax rate from 20 to 25 per cent and an additional 15 per cent will apply as income is earned, rather than when distributed as at present. These changes were opposed by major business interests and overseas investors, but last week a negotiated compromise was passed by the Senate and will go back to the lower house for approval.

The education bill is still before the Congress and opposition to it is building from private school interests, that is, Chile’s rich families.

Sources:

1) Bellei, Cristián. “Sweeping Reforms Set to End For-Profit Education in Chile.”

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Reform.” Wall Street Journal. 21 May 2014. Web. 22 May 2014.

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6) Rivero, Daniel. “Student Protesters Clash With Police.” Fusion. 9 May 2014. Web.

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Through marches, strikes, and school occupations, the Chilean movement for education reform is trying to pressure the government to enact deeper reforms than those that President Bachelet has proposed.

Chile’s high school students first marched through the streets and occupied their schools to demand high-quality public education for all back in 2006. The movement grew even more in 2011 when high school and university students banded together to work for change.

President Michelle Bachelet promised to respond to the students’ demands and make education reform one of the three central priorities of her second term, but student leaders say her proposals fail to do away with the voucher-based education model introduced by dictator Augusto Pinochet in the 1980s. Melissa Sepúlveda, the president of the University of Chile Student Federation, says Bachelet’s reforms continue to treat education as a commodity rather than a right.

“In the concrete proposals that Bachelet has made, one can see that there’s not a real desire to make progress and to end the neo-liberal education model: an education model that promotes individualism, that promotes the direct relationship between education and the market,” says Sepúlveda.

Since returning to office in March, Bachelet has introduced three bills dealing with education. Two have generated very little debate. But Chileans on both the left and the right have found fault with the bill that addresses primary and secondary education. Objections to the bill’s finer points led Chile’s biggest teacher union to strike on Wednesday, says union president Jaime Gajardo.

“We agree with the goals, and with the education reforms that the government has proposed and is promoting,” explains Gajardo. “We just want the stated goals to be consistent with and the fine print of the laws.”

The controversial bill has three aims. First, it would prohibit the owners of subsidized private schools from using government education funds for personal profit.

Gajardo says the current bill includes an obvious loophole that would allow school owners to continue to reap profits from public funds. Second, the bill would put an end to tuition payments at subsidized private schools. Currently, the government pays both public and

subsidized private schools a certain amount of money for each enrolled student. Under the proposed system, the government would increase these payments and eliminate the tuition paid by families. But Gajardo says this change still doesn't level the playing field for Chile's public schools, which often have dilapidated buildings and overwhelming debt.

"Subsidized private schools would continue to have an advantage over public schools," according to Gajardo. "So we say, let's strengthen the public schools. That would mean paying them enough to cover their operating expenses. It would mean paying off debts and advancing projects."

The bill would also eliminate the rigorous entrance exams students take to gain admission to Chile's most prestigious public high schools, known as "liceos emblemáticos." In Chile, there are about sixty of these schools, which often educate the children of the country's elite, while the majority of Chile's public schools are low-quality, neighborhood-based, and attended mostly by the children of poor families that can't afford the tuition payments at a private or subsidized private schools.

Bachelet's proposal would allow the "liceos emblemáticos" to replace their entrance exams with admissions based on applications from the top twenty percent of students from each of Chile's primary schools. Students at several of Santiago's most prestigious high schools have occupied their schools to protest the end of the entrance exam.

Other students, such as those at Manuel Barros Borgoño High School, have occupied their schools to object to other aspects of the government's proposals. Alberto Cid is the student government spokesperson at Barros Borgoño.

"The reform only talks about issues of financing—never about educational quality," Cid notes. "And that worries the students [here]. Also, it worries them that the reform was written behind closed doors, without the participation of the students, who were the principal driver that brought education reform to the table in the first place."

Back at the teachers' union headquarters, Jaime Gajardo says the striking teachers and the students who are occupying their schools have many goals in common.

"They agree that the tuition payments at subsidized private schools should be ended, that using public funds for profits should be ended, that it's necessary to orient and redirect so that education is a social right and not an economic good," says Gajardo. "And on those fundamentals we absolutely agree."

On Saturday, June 28, the teachers' union will meet with student leaders to discuss their goals and strategies for coming months.

Meanwhile, Congress is discussing the bills presented by the Bachelet administration, which hopes to pass the bulk of the education reform through Congress by 2016. But, if the government tries to forge a consensus in Parliament without including the drivers of the education reform movement in dialogue, they're likely to see more marches down the Alameda.

<http://fsrn.org/2014/06/chile-schools-closed-as-teachers-strike-calling-for-real-education-reform/>

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