Privatisation in Education and Commodity Forms

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Abstract

To date research and scholarship on privatisation in education lacks critical depth and intensity. Many accounts have been largely descriptive, focusing on how privatisation takes places, or on the threat of privatisation, or its insertion within education systems. Furthermore, work on educational commodification has been substantially dissociated from studies on privatisation in education. This paper builds on this last point. Writing and research on privatisation in education has largely avoided what it represents and calls forth: the development of capital, the deeper capitalisation of education. Furthermore, discussion on educational privatisation typically ignores its implication in the social production of labour-power. Therefore, with reference to Karl Marx, this contribution drives the critique of privatisation in education forward by focusing on commodity form(s) in education and their relations to the capitalisation of educational services and labour-power. Consequently, the points of resistance to privatisation in education are sharpened as anti-capitalist weapons. These points of resistance are derived from aspects of the capitalisation of education: marketisation, privatisation and other related aspects. On the basis of the analysis in the paper, anti-capitalist education is only a first step, it is argued; anti-capitalism in education based on an anti-affirmationist outlook flowing from negativity toward the capitalisation of education, is also required.

Keywords: privatisation, commodity forms, capitalisation, anti-capitalism, affirmationism

Introduction

Privatisation in education is not essentially about *education*. It is about the development of capitalism and the deepening of the rule of capital in particular institutions (schools, colleges, universities etc.) in contemporary society. Of course, this is not how the situation appears in the relevant academic literature. Privatisation in and of education is typically framed within a discourse regarding whether it 'works', or not; or whether aspects of education – standards, equity and efficiency in particular – are enhanced or threatened by privatisation in educational institutions. Focus on the marketisation of education is particularly to the fore in writing and research on educational privatisation. Finally, and politically significant, is that privatisation is posited as a threat to public, state-financed education. The very 'publicness' of education is at issue (Miron, 2008).

What remains largely uncovered in these standard academic approaches is the nature of the commodity forms that are worked on, developed and expanded in processes of educational privatisation. This article starts out from these commodity forms in order to set a path for the critique of the privatisation of education that delves deeper than mainstream academic accounts. Starting from commodity forms opens a shaft on the insidious and grubby underworld of capital's mingling with education: capitalisation, the becoming of capital in educational institutions, is uncovered.

Current theoretical work on the privatisation of education is inadequate as a starting point for understanding what is at stake in the critique of educational privatisation as capitalist development. As Francine Menashy (2013) indicates, three of the most 'commonly adopted approaches' for analysing educational privatisation are the neoclassical-neoliberal, social primary goods, and rights-based approaches (p.13). She finds all three inferior in their explanatory power regarding privatisation in education when compared to her own theoretical choice: the capability approach. Meanwhile, Verger, Fontdevila and Zancajo (2016) advocate a 'political economy perspective' (p.6) for analysing educational privatisation, as opposed to the critique of political economy.

There is no space to critically explore these five theoretical bases for analysing educational privatisation in detail here. However, it makes sense to avoid all these approaches as they each fail to address the theoretical disconnect between privatisation in education, commodification and commodity forms. Instead, this article is grounded in the ideas of the most profound writer on the commodity and its forms in contemporary society: Karl Marx.

Commodity Forms

Without expanding on the nature of the commodity in capitalist society or the notions of form and social form, what can be asserted is that, for Marx, there are two distinct commodity forms. This is most apparent in *Theories of Surplus Value: Part 1*(Marx, 1863) when Marx notes that:

> Labour itself, in its fundamental being, in its living existence, cannot be directly perceived as a commodity, but only labour-power, of which labour itself is the temporary manifestation. …[…]… A *commodity* must therefore be conceived as something different from labour itself. Then, however, the world of commodities is divided into two great categories: On the side, labour-power. On the other side, commodities themselves (p. 171 – original emphasis).

Thus, there is labour-power, the unique ‘class of one’, the only commodity in capitalist society that can create new value, surplus-value, as it is transformed into labour in the capitalist labour process; and, on the other hand there is the general class of commodities, all other commodities *except* labour-power.

Labour-power is a strange commodity as it exists within the body of the labourer, whereas all examples of the general class of commodity are situated external to the labourer, according to Marx.Yet this rift is breaking down in contemporary society; heart pacemakers, artificial joints, hearing aidsand other life-enhancing products are lodged within some humans today. I leave scholastic arguments concerning whether these aids to human functioning are ontologically incorporated as elements of the bodies of humans, or if they are ontologically distinct, aside here. Marx defines labour-power in the following way in the first volume of *Capital*:

> By labour-power or capacity for labour is to be understood the aggregate of those mental and physical capabilities existing in a human being, which he exercises whenever he produces a use-value of any description (Marx, 1867, p.164).

What should be noted here is that this description of labour-power is broader and more general than the array of attributes typically constituting ‘human capital’ in human capital theory. Furthermore, as I have argued elsewhere (Rikowski, 2000 and 2002) in terms of the ‘mental capabilities’ of labourers, work and social attitudes must be incorporated within a conception of labour-power. This is because labour-power is under control of the labourer’s will; a most unsatisfactory situation for human representatives of capital. The labourer has to be cajoled, incentivised, encouraged and forced (within the laws of contract, employment and criminality) to expend effective and efficient labour in the capitalist labour process in the quest for surplus-value production.

What is important to register here is that in the academic literature on educational privatisation the privatisation of labour-power production is invariably ignored. Education and training institutions are involved in the social production of labour-power (Rikowski, 1990). Thus, when they are privatised then the pedagogical activities, processes and forms involved in labour-power production within them are *necessarily* also privatised.

Turning now to the general class of commodities, although in the first volume of *Capital* Marx uses 'hard' physical commodities as examples in his illustrations regarding the nature of the commodity and the formation of exchange-value, the general class can include *immaterial* as well as solid, material commodities (such as boot-polish, coats, linen and wheat etc.). Commodities in the general class may be immaterial, fragmentary or have a strictly time-limited existence – such as drama performances or transport. Marx examines such cases in depth in the first part of *Theories of Surplus Labour* (Marx, 1863), and Fiona Tregenna (2009) argues convincingly that what can be called 'services' (e.g. hairdressing, garage services but also education and health services) could also be commodities for Marx (pp.7-9). As Ryder (2017) indicates:

> Marx's examples [in *Capital*, volume I] are usually physical products, like coats or tables, but … the same dynamics apply to writing codes or teaching or musical performances or whatever (p.4).

Indeed, in *Capital* Marx raises the example of private schools being means of production for the creation of value. They can be like 'sausage factories' (Marx, 1867, p.477).

The essential point is that commodities incorporate value (which appears as *exchange-value* when they are compared through the money-form as price), and, from the perspective of the functioning and expansion of the system of capital, *surplus value*. The *nature* of the commodity in this process is irrelevant for Marx. Thus: 'commodities are not limited to physical goods, and similarly 'production' is not limited to the physical production of a tangible object' (Tregenna, 2009, p.8).

Privatisation in Education

This section deals with the notions of privatisation in general and privatisation in education in particular. This is preceded by a brief discussion that situates privatisation in its historical and contextual background.

The fortunes of capitalist society changed radically with the end of the post-War boom in the early-mid 1970s. As Andrew Kliman (2012) has indicated, since the mid-1970s capitalist society has been faced with a falling rate of profit in the manufacturing sector. When the Berlin Wall came down and Russia and the Eastern Bloc were further incorporated into the capitalist world system, along with China's capitalist development, there was a triumphalist response from pro-capitalist forces. This was quickly dampened by the recession of the early 1990s and economic crisis in the Far East (e.g. South Korea). The millennial fanaticism with computerised technologies and the associated dot.com boom from 1997-2001 likewise evaporated with a major shakeout of internet-based companies in 2000-2002. A heavier blow to capitalist development came with the Great Recession of 2007-09 and the following Great Depression (Roberts, 2016). Reluctant bank bailouts, quantitative easing (QE), falls in the living standards for workers and sovereign debt crises held negative consequences for manufacturing investment, though QE helped banks and finance capital regarding investment in real estate and shares (with record highs in many world stock markets in the last year).

According to Kliman (2012), the only way profit rates in contemporary capitalism can be raised is either by a serious war and the destruction of significant amounts of capital worldwide, or a decision by the international capitalist community and associated nation states manufacturing an economic collapse that would obliterate vast swathes of capital, devalue surviving capital and undermining the value of labour-power through massive wage cuts on a scale never seen before in capitalist history. As Kliman argues, neither of these options appeals to the human representatives of capital; the political risks are too great. Therefore, the capitalist system limps on.

The current situation is compounded by two related factors. First, recent work on effects of the onward march of computer technology (e.g. Srnicek and Williams, 2015; and Mason, 2016) indicates that labour-power will be shifted out of manufacturing, but also from the services sector, in coming years on a heightened scale. This will have a further negative impact on profit rates as labour, the source of new value, is displaced from capitalist labour processes. Secondly, the displacement of labour means that not enough value is being created to sustain capitalist development and civilisation (Kurz, 2016).

In these desperate circumstances for global capital, the state funding of education appears as a tempting source for siphoning off money. The value of the world education market was $4.9 trillion (US dollars) in 2015 (Verger *et al*, 2017, p.325). Venture capital investment in education was nearly $2 billion

(USD) in 2014 in 2014, showing a 45% increase 2009-14 during the years of the Great Depression (Ibid.). In these circumstances, a business takeover of education seems unsurprising, spurring on its privatisation.

So, what is privatisation in education? This is not as simple a question as it seems. A key focus in the academic literature has been on certain stock concerns or the negative consequences of actual or potential privatisations in education, which are used to fix its nature by implication. These stock concerns that pose privatisation in a negative light include, for example: that educational privatisation will undermine standards of teaching, learning and educational outcomes (CASE, 2011; Klees, 2006; Muir, 2012; TUC, 2014);reduction in teachers' pay (Muir, 2012; and Klees, 2006) and working conditions will be worsened (TUC, 2014); classroom assistants and support staff are more liable to be sacked (TUC, 2014); planning (locally, regionally and nationally)is more difficult (CASE, 2011, Heartfield, 2009); trade union representation is at risk (Verger *et al*, 2017; and Klees, 2006); curriculum and pedagogy become more standardised (to save costs) and less inspiring for students (McMurtry, 1991; and Verger *et al*, 2017);public service values are corroded (Muir, 2012); corruption is more likely (McMurtry, 1991; Saltman, 2006; Spreen *et al*, 2006; and TUC, 2014); equity and equality are compromised and discrimination more common (Spreen et al, 2006; and TUC, 2014); and segregation (by race and ethnicity in particular) increase with privatisation in education (CASE, 2011; TUC, 2014).

Listing the negative consequences and features of privatisation in education says something of its features, and adding its purported positive aspects might give a more rounded account, yet this procedure avoids dealing with the nature, the mode of existence, of either privatisation or its phenomenal forms. Few educational theorists attempt definitions or characterisations of privatisation and educational privatisation. When they do so, it is mostly in relation to their various dimensions, forms or types. The heart of the matter, the nature of educational privatisation, is generally avoided. Thus, here the gaps are filled, whilst also indicating the limitations of existing conceptions.

As a starting point, it can be noted that there are two basic forms of privatisation. First, there is what could be called Classical Privatisation, as exemplified in the Thatcher regime's privatisation of public utilities (e.g. gas, electricity and water) in the UK in the 1980s. This could also be seen as 'direct' privatisation. It involves selling off public assets directly to some combination of corporations, groups of investors and single investors from the 'general public'. Therefore, Saltman (2007) is incorrect when announcing that 'The most direct privatization initiatives include companies running public schools for profit', which he calls "performance contracting" (p.269), a claim he had made a year earlier (Saltman, 2006, p.341). Saltman's approach confuses the issue of ownership / control of educational institutions or processes in the advent of privatisation. But even with Classical Privatisation, government regulatory bodies, with varying powers over price, quality of delivery and ownership with monopoly avoidance and competition for providers as stated aims, might be instituted by states. However, this route is not typically followed for privatisation in education in advanced capitalist nations.

In the second form of privatisation, transference of the ownership of assets from public to the private sector does not take place. Instead, outright ownership of educational institutions is avoided and *control* of them comes to the fore. This is what I have called elsewhere (Rikowski, 2003) the 'business takeover' of education, as opposed to its direct privatisation. When writers and researchers on education point towards 'privatisation' in education it is this they typically allude to; the business takeover of education short of ownership. Of course, this might be a stage on the road to full, or Classical and direct privatisation. At the base of the business takeover of education is the contract. This may be between local, regional or national governments and their agencies and private providers of education. Such contracts will variously stipulate targets to be met (with penalties for failure), profits may be capped (or uncapped), contracts may be linked to various government policy initiatives or priorities, and they may sanction various forms of deregulation (e.g. of teachers' pay, recruitment procedures, against trade union recognition, for the estate and buildings and so on). These contracts are typically very secretive, so the precise details are usually unknown. The essential point is that the private provider makes a profit from the difference between payments made by local, regional or national governments to run educational institutions or services and what it costs to run them. There is a drive to run these educational services and institutions below contract price in order to make a profit – with associated squeezes on teachers' pay, conditions, educational aids etc. – and related attempts to realise further profits through sales of land (e.g. playing fields) or letting out institutional resources (e.g. rooms for meetings and events). Thus, the notion that the privatisation of education is more efficient than state-run provision, as advanced by many of its supporters, is counter-intuitive. Profit is an extra cost that public providers do not have (though obviously they have to work within budgets). Therefore, the need to squeeze and sweat teachers' labour becomes a necessity post-privatisation, and the search for other cost-saving measures a priority.

This second form of privatisation, the business takeover of schools, could be broken down itself into a number of forms, perhaps starting with the privatisation of educational services as the educational encounter between teachers and students itself – where teachers could be agency workers or employed by a corporation – and then exploring the means of educational production (buildings, books, classrooms, gym equipment). This makes the analysis more complex but it jumps ahead of several key ideas which need to be articulated first.

The main point at this stage in the analysis is that focusing on the Classical (direct) / business takeover of education distinction does not go to the heart of privatisation in general or educational privatisation in particular. This is that both these forms rest on *the conversion of state revenue into private profit* via the 'magic of money'. Money changes its form, its mode of existence in the privatisation of education (or any other public service or utility). It is transformed into profit. Corporate interests, various investment funds and private individuals seek to skim off some of the $4.9 trillion (USD) of public funding for education and turn it into profit through running or buying educational institutions and services. Saltman (2014, pp.249-250) gets this point whilst confusing the issue by claiming that it is the redefinition of 'public goods and services as private ones' that is the key point (p.252), rather than a transformation in the social form of money. Fitz and Beers (2002) get nearer the mark when they argue that privatisation involves the 'transfer of private *money* or assets from the public domain to the private sector' (p.139 – emphasis added, in Verger *et al*, 2016, p.7), though the transformation of state revenue into private profit is obscured in this formulation. Money is not *private* until after it has been transformed from state revenue into private profit.

It is this development that highlights the fact that the *privatisation of education is not really about education*: it is about siphoning off state revenue and turning it into profit. Unless this point is kept in view then the politics of privatisation in educational institutions and services becomes opaque. Thus, the vast amount of keyboarding that has gone into debating whether privatising education increases educational standards (or not), or helps various groups of students compete in labour markets (or not), misses the essential point, and these arguments are going off on tangents. The politics of educational (or any other form of) privatisation is about making profits, which in turn is based on the *capitalisation* of educational institutions and services; education *becoming capital*. It is about capitalist development in education. Thus, to start off discussions of educational privatisation from its main forms (as outlined above) is also inadequate in terms of grasping the essence of privatisation: the conversion of state revenue into private profit.

The Fragility of Privatisation in Education

Making money out of educational institutions, teaching and learning encounters, labour-power production, and educational policies is a fragile process. This fragility rests on at least three considerations.

First, there is the problem of state regulation – either over-regulation from the perspective of capital; that is, too much 'red tape' that gets in the way of profit-making in the privatisation in education; or, models for skimming off state revenue and turning it into private profit have not been sufficiently developed (which may rest substantially on the first point as the state 'gets in the way' of profit-friendly models). Thus, for the USA, Saltman's (2010) observations hang on both factors:

> To date, the evidence shows that it is not possible to run schools for profit while adequately providing resources for public education (p.19).

Saltman notes that this is the case whatever the form of educational privatisation. He also indicated that it is counter-intuitive to think private sector operators could make a profit without depressing teachers' pay, worsening conditions and benefits and persecuting unions – and yet reconcile this with raising educational standards. Saltman (2007) pointed out that by 2002 the business press had realised that significant profits were not to be made through running educational institutions. In 2009, Stephen Ball noted that the ‘institutional outsourcing market in education in the UK is virtually moribund at present’ and ‘the education businesses are pessimistic about the political will for future growth’ in the business takeover of education (p.84). The UK government, apparently, was not de-regulating educational institutions sufficiently for private investors to gain a significant foothold. As Ball stated: ‘Privatisation and the state need to be thought together’ (2009, p.97). Yet these studies of the USA and UK tell only part of the story. In other parts of the world, local, regional and central government, teacher unions, media and academic critics and other groups of privatisation-resisters did not present such a block to profit-making in education. Thus, Verger *et al* (2016) point to a ‘global education industry’ (GEI) in their monumental study of educational privatisation. Verger *et al* (2017) indicate the ‘apparently inexorable growth’ in the GEI. Nevertheless, the cases of the USA and the UK show that the development of the GEI is fragile in some advanced capitalist countries.

A second problem is that not all experiments in educational privatisation are successful or sustained (Ball, 2009). Saltman’s (2005) classic study of the rise and fall of Edison Schools in the USA is a case in point. Instances of corruption, nepotism and cronyism (TUC, 2014, p.4) when businesses have been let loose in schools in England add to the tenuousness, moral turpitude and political opportunism underpinning the fragility of educational privatisation. On shear rip-offery, the recent example of the Wakefield Academies Trust in England looting and asset-stripping its schools is a case in point (Perraudin, 2017).

Thirdly, criticisms from trade unions, sceptical journalists (often enlisting teachers in their reports), and, especially, academic researchers, theorists and commentators have plagued the educational ‘privatization movement’ (Rizvi, 2016, p.3). This highlights its fragile existence. Of course, in academic circles in particular there have been fierce debates over the desirability and effectiveness of educational privatisation. Pro-privatisers have hit back through lobbying governments, radical right think-tank reports, pro-capitalist and right-wing academics, and in some cases education ministers (e.g. Michael Gove, UK Education Minister, 2010-2014) championing educational privatisation.

The problem for the protagonists of educational privatisation is that 'they need to communicate and convince the other stakeholders in education in the *language* of education' that privatisation is a good thing (Verger *et al*, 2017, p.331 – emphasis added). Even if they can convince policymakers, these same policymakers then have to convince other educational stakeholders that a privatising reform is 'good for the learner, or even better, improves learning outcomes' (Ibid.). The evidence is not on the side of the privatisers. Verger *et al* point to 'fierce battles of ideas and evidence' where pro-privatisers in education, especially government supporters, have to convince that their ideas on educational privatisation will 'work' (2017, p.336). Menashy (2013) argues that the rise of private provision in education through public-private partnerships and low-fee private schools has 'engendered a consequent rise in criticisms' (p.21).

Despite the fragile condition of educational privatisation projects, especially in many of the advanced capitalist counties, it is to be expected that the lure of worldwide state education budgets will energise investors and corporations to keep knocking on the doors of governments for market access in education. As capitalism decomposes (Jappe, 2017) desperate searches for new sources of value will drive corporations into inhospitable areas for profit-seeking. This is in line with the becoming of capital, its expansive and intensive development.

The Becoming of Capital and the Capitalisation of Education

In the *Grundrisse*, Marx indicates that the development of capitalism can be viewed as a process, the 'becoming of capital' (1858, p. 310). In relation to education, the becoming of capital therefore refers to the processes involved in its *capitalisation*: education becoming capital. In order to understand the development of capital, how it emerges, changes, spreads and intensifies argues Marx, we need to grasp the 'dialectical process of its becoming …[which]… is only the ideal expression of the real movement through which capital comes into being' (1858, p.310). For Marx, capital is *always* in a process of *becoming* as it continually develops and mutates. However, when it expands into relatively new fields, such as state (or public) education, then capital's *real movement* can be observed. Stopping, terminating or at least resisting this 'real movement' is a possibility. As Marx notes:

> The conditions and presuppositions of the *becoming*, of the *arising*, of capital presupposes precisely that it is not yet in being but merely in *becoming* (1858, p. 459 – original emphases).

Thus, privatisation in education is in a state of *becoming* in this sense: the products of educational institutions are in the process of being *capitalised*, becoming capital.

Privatisation (in either Classical or business takeover forms) is only one dimension of education becoming capitalised. Capitalisation of education includes at least the following further developments. Commodification is also essential: the generation and formation of the two commodity forms (labour-power and the general class) as noted earlier. Then there is marketisation – markets in educational commodities must be established. Whilst in the academic literature there is ample focus on processes of marketisation in education this typically fails to connect with either commodification and even more so with the becoming of capital, the capitalisation of education. In the Anglophone literature of the 1980s and 1990s the obsession with educational marketisation almost totally ignored what the actual commodities exchanged in education markets were! Thus, I wrote a paper called *Education Markets and Missing Products* pointing out this bizarre situation (Rikowski, 1996). Furthermore, there is a tendency to claim too much for education markets; to give them over-importance in relation to the other dimensions of capitalisation. For example, Saltman begins one of his articles with the following statement:

> The privatization of education involves the transformation of public schooling on the model of the market (2007, p.269).

Capitalisation remains unrecognised. Sure, the establishment of education markets is crucial for the capitalisation of education but they are insufficient for its realisation. Commodification must go hand in hand with marketisation, and other dimensions must be developed if capital is to effectively subsume education within its orbit.

Commercialisation is another aspect. This has a number of features. Commercialisation in education is essentially concerned with advertising and the art of persuasion. Thus, it covers attempts by networks of pro-privatising representatives of capital, PR machines, lobbying organisations, sympathetic media outlets, public statements by senior managers and executives of corporations, right-wing think tanks, and the promptings of government supporters of privatisation in education to convince regarding a perceived *need* for policies promoting it. Privatisation's superiority to public provision is also argued for, and 'evidence' assembled. Statements by those such as Fazal Rizvi, when he says that 'education can no longer be entirely funded and provided by the state' (2016, p.1) open the door to these ideas. The privatisation of education policy itself is relevant here. As Ball (2009) has shown, corporations such as Price Waterhouse Coopers are engaged in a substantial amount of research, evaluation, advisory, auditing and consultation work with the Department for Education in England. It would be naïve to assume that their recommendations to the Department would be entirely impartial regarding the capitalisation of education. Secondly, there is commercialisation *in* education. This includes advertisements in exercise books and IT products, in school corridors, on TV programmes watched in schools, and various forms of sponsorship and philanthropy that advertise products or the supposed merit of philanthropists who contribute to education by throwing in some of their millions (e.g. Bill Gates). Thirdly, when schools, colleges and universities develop their own educational commodities or corporations develop them in partnership with educational institutions (e.g. examination aids, educational videos, videos of lecture, computer software) then these need to be advertised for sales generation. Fourthly, corporations selling educational products engage in advertising campaigns aimed at practitioners and senior managers. Fifthly, there is the growing market for information technology for such things as marking, assessment, monitoring (e.g. attainment, attendance, coursework submission) and surveillance (e.g. CCTV) that requires marketing. No doubt there are other forms of commercialisation in addition to these, but this huge effort does two things: first, it supports the capitalisation of education in general; secondly, the capitalisation of education is augmented by a whole range of commodities deemed to be essential (in terms of managerial control, surveillance, cost and status-enhancement) to performance in contemporary educational settings.

Monetisation is another aspect of the capitalisation of education. Activities, products, processes and procedures are *priced*, given monetary value. Of course, monetisation is a process that can go on independently of capitalisation, but it is also an essential feature of it. Furthermore, it can be linked to (but not reduced to) what has been called *financialisation* in education, a concrete example being the institution of higher education student fees in England and other countries. Monetisation in education is also linked to measurement of educational services, which in turn can be broken down into standardisation, quality assurance and control, value-for-money and many other subsidiary concepts.

Finally, capitalisation can be diversified on the basis of the distinction between the *means of educational production* and its commodities. Thus, the means of production for educational commodities can themselves be commodities (e.g. school playing fields, which can be sold).

Understanding the capitalisation of education involves grasping the *connections* between all of these dimensions. In mainstream academic discourse these are typically separated. Hence, there will be a focus on privatisation with scant reference to commodification; or, marketisation without enquiring into the educational commodities being exchanged and circulated in education markets – all to the detriment of *recognising* capitalisation. This theoretical and empirical fragmentation in the academic literature constitutes avoidance and evasion regarding uncovering the social force of capitalisation in education. Whilst Left criticisms of privatisation, for example, can seem radical they are superficial and evasive if they fail to relate it to the other dimensions of capitalisation, thereby obscuring the capitalisation of education, the *becoming* of capital in educational institutions. This is most convenient for human representatives of capital. But worse, it situates resistance to the capitalisation of education on a weak and partial basis; the real significance of privatisation, marketisation etc. is lost on the failure to recognise their mode of existence as dimensions of capitalisation.

Finally, Marx's views on capitalisation as a progressive and 'higher' moment in capitalist development will now be explored. This shows that radical opponents of privatisation typically misrecognise the full implications of what is going on. In the *Grundrisse*, Marx (1858) indicates that the most developed form of capital and capitalism is not when the conditions making for the *social reproduction* of capital are financed out of state revenue, but when capital *directly produces* socially reproductive processes. Marx notes that:

> The highest development of capital exists when the general conditions of the process of social reproduction are not paid for out of *deductions from the social revenue*, the state's taxes – where revenue and not capital appears as the labour fund, and where the worker, although he is a free wage worker like any other, nevertheless stands economically in a different relation – but rather out of *capital as capital*. This shows the degree to which capital has subjugated all conditions of social reproduction to itself, on one side; and, on the other side, hence, the extent to which social reproductive wealth has become *capitalized*, and all needs are satisfied through the exchange form; as well as the extent to which the *socially posited* needs of the individual, i.e. those which he consumes and feels not as a single individual in society, but communally with others – whose mode of consumption is social by the nature of the thing – are likewise not only consumed but also produced through exchange, individual exchange (Marx, 1858, p.532 – original emphases).

Taking England as an example, the schools system is a socially reproductive form in contemporary capitalism. This is because it is involved in producing labour-power (the capacity to labour). At one extreme, the state finances (out of taxation) the running of schools and also runs them directly, through both the central state and/or through local or regional states, or through various relations of these. Though value and maybe even surplus-value is generated in this process, any portion of surplus-value is not transformed into *profit*. Hence, to this extent capital has not fully subjugated education in England

On the other hand – during the 'highest development of capital' – capital owns and runs schools out of *capital itself*, underpinned by payments (fees) from the buyers (parents, employers or students), and generates value, and surplus-value. Some of the latter is socially transformed into *profit* – which finds its way into the hands of definite individuals or groups of people (be they owners of the school, shareholders or institutions). This is when capital acts *as capital* in the schools system in a more *developed* fashion. As Marx notes in the first volume of *Capital*, the nearer schools approach these circumstances then the more do they become 'teaching factories':

> Capitalist production is not merely the production of commodities, it is *essentially the production of surplus-value*. The labourer produces, not for himself, but for capital. It no longer suffices, therefore, that he should simply produce. He must produce surplus-value. That labourer alone is productive, who produces surplus-value for the capitalist, and thus works for the self-expansion of capital. If we may take an example from outside the sphere of production of *material* objects, a schoolmaster is a productive labourer, when, in addition to belabouring the heads of his scholars, he works like a horse to enrich the school proprietor. That the latter has laid out his capital in a teaching factory, instead of in a sausage factory, does not alter the relation (Marx, 1867, p.477 – my emphases).

Even some currently constituted private schools, which have charitable status in England, do not approach the status of 'teaching factories' in Marx's sense as there is underdevelopment of the category of profit. However, operators such as GEMS and Cognita in England, which run chains of private schools, more readily approach the form of schooling that Marx describes as the 'teaching factory'. In these schools, surplus-value and especially profit attain more effective and clear social definition.

As can be seen in the Marx quotation on ‘the highest development of capital’ (Marx, 1867, p.477), Marx described the capitalisation process as where aspects and areas of life become subjugated by capital, and function as value and surplus-value generating sites and practices. He notes particularly that the *higher* the development of capital then the more ‘all conditions of social reproduction’ (which would include education, health and other social services) become *capitalised*. He also emphasises in the same quotation that the other side of this development is that communal activities (such as education) are simultaneously transformed into individualised modes of consumption and produced ‘through exchange, individual exchange’ (Marx, 1858, p.532). Thus, *markets* are correspondingly developed as these formerly communal and activities are transformed (over time) into commodities incorporating surplus-value. Furthermore, the greater the development of capital, the more capitalisation takes hold of a social and communal activity, then the more the market is required to facilitate the realisation of profit in individual exchanges. As Marx notes:

> The product becomes a commodity, leaves the production phase, only when it is on the *market* (Marx, 1858, p.672 – original emphasis).

In addition:

> The more developed the capital […] the more extensive the market over which it circulates, which forms the spatial orbit of its circulation, the more does it strive simultaneously for an even greater extension of the market and for greater annihilation of space by time (Marx, 1858, p.539).

Hence, the significance of the *global* education industry becomes clear. Furthermore, in the movement away from a state system of schools towards a business takeover of schools, the development of *markets* in the schools system *facilitates the development of capital in the schools system*. The processes are linked. As Marx notes, there is a tendency within capital to 'create the world market' which is 'given in the concept of capital itself' (Marx, 1858, p.408). Indeed, a 'constant *expansion of the market* becomes a necessity for capitalist production' (Marx, 1866, p.967 – original emphases). On this basis, the privatisation of education, as a dimension of its capitalisation indicates a *higher* phase of capitalism as compared with state-run, public educational institutions and processes. Therefore, to block privatisation is at once hampering capitalist development in education, as curtailing and destroying any of the other moments in the capitalisation of education would be. Anti-capitalist politics in education, therefore, should focus on *these* considerations, which have the effect of attacking capitalist development head on.

Privatisation in Education and the Two Classes of Commodities

Before concluding, we come full circle: back to the two commodity forms – and a brief expansion regarding their significance. First, labour-power: the wondrous commodity that has the capacity, when labouring in the capitalist labour process, to create value over-and-above its own value as represented in the wage – surplus-value. The social production of labour-power is institutionally fragmented into various types of nursery, school, college, and higher education institutions, together with work-based learning and training, training organisations and many other institutions of learning and training. In addition, labour-power is enhanced through actual work in the capitalist labour process itself. Thus, some parts of the social production of labour-power might be in the hands of the capitalist state whilst others are organised on a charitable or for-profit basis. However, it should not be concluded that instances of labour-power production by the state are unproblematic. Capitalist state organisations shape, mould and form labour-powers for exploitation in capitalist labour processes. Representatives of capital, mainstream media, economists (e.g.

human capital theory) and academic researchers pressurise and lobby capitalist states to utilise public education institutions for various forms of labour-power development. Since the Second World War, public education systems and institutions have increasingly been reduced to *labour-power producers*, often at the behest of governments. Prioritising sciences over the humanities and the ideology of 'employability' are some of the results. On this basis, given its involvement in labour-power production, the capitalist state is not a haven of anti-capitalism. Indeed, Marx argued in *Critique of the Gotha Programme* (1875) 'Government and church should … be equally excluded from any influence on the school' (p.31). Of course, defending the jobs, pay, unionisation and conditions of workers in state education institutions is essential, but this should not be confused with struggles against the reduction of education to labour-power production.

Secondly, on the general class of commodities, if a private operator bought a university, or ran it on a for-profit contract, then they would have obtained a "bundle of commodities". This is so for two reasons. First, it cannot be said that the company 'bought education' or higher education. That would confuse education processes (as labour process) with education commodities. Secondly, and more importantly, the university produces a vast range of commodities or incorporates *potential* commodities – from teaching, to research and various commercial commodities (e.g. patents, information, big data, conferences etc.). These could be sliced and diced into sub-bundles or launched as singular commodities. Overall, the situation is more like derivatives in the financial industry where mortgages and loans are "bundled up" into commodities which are sold on the market. Furthermore, parts of a university's operation could be commodified (e.g. provision for overseas students learning English, of which there are a number of examples in UK universities). This consideration applies less to colleges, schools and nurseries where the range of potential commodities is narrower, but it is nevertheless relevant: for example, the delivery of different lessons such as mathematics and biology in schools could be sub-contracted to different companies.

Conclusion: Privatisation in Education and Capitalist Development

This article has argued that privatisation of education is essentially about *capitalist development*: the *capitalisation*, the 'becoming of capital' in education. Turning state revenue into private profit is its core feature. In halting privatisation in education, we are blocking capitalist expansion and intensification. The privatisation of education is *not* primarily about education itself. The capitalisation of education proceeds through its commodity forms, labour-power and the general class of commodities, and brings together privatisation, marketisation, monetisation etc. as internally related phenomena. There is no salvation in falling back on a politics of 'saving' public education, as this misreads what is going on.

As Dave Hill has argued for many years, capital and its human representatives – capital acting through a class supporting its expansion – have for many years waged a 'war from above' on public institutions and the organisations of labour. Some prefer to call this a neoliberal offensive, neoliberalism being a particular regime of capital manifested as an array of policies for running capitalist society in general and capitalist education in particular. However, to recognise it for what it is, then *capitalist* offensive would link most profoundly with what is happening. Thus, on our side, what is required is not just a defensive programme not a 'war on capital' and its human representatives in education and in the whole of society. While liberal and some radical educators and Left academics might shrink from such invective Dave Hill's insight is correct in my view. Anti-capitalism in education is insufficient to meet the challenges of capital; what is also required is anti-capitalism *in* education, to thwart the expansion of capital in education: to combat capital in education.

This article has indicated the many ways in which this can be done. Capital is vulnerable along all of the dimensions of capitalisation: commodification, marketisation, privatisation etc. Thus, to focus merely on one of these – as with marketisation in the academic and radical educational literature of the 1980s – is to fight on one front only, when we face a foe that is many-headed, like the hydra, and persistent in the fact of failure.

Furthermore, we should not lapse into affirmationism – a very common tendency of those engaged in struggles against capital in educational institutions. Affirmationism in the context of the configuration of phenomena explored in this article refers to an emphasis on the *positive* aspects of education in capitalist society: for example, its ‘publicness’ (hence a need to save public education), the ‘wonders of learning’, how capitalist education can aid equality, well-being, social worth and so on. Affirmationism in education, the affirmation of these and other positivities in capitalist education, downgrades critique and anti-capitalism (following Noys, 2012, p.25). We need to focus, therefore, on capital as a *negative* force with education, for ‘if we do not think capitalism then capitalism will certainly think us; (Noys, 2012, p.173). The *negativity* of capital and its commodity forms in education should be the basis of our critique of capitalist education, not any of its supposed positive features. As Noys (2009) notes:

> … it is only through the reconfiguration of negativity as a *practice* that we can develop more supple and precise forms of resistance and struggle within and against capitalism (p.xi).

Once analytical discourses on privatisation in education turn into the path of 'education' they are lost in a sea of illusions, delusions and dead-ends. The intellectual fogs and swamps of 'public education', 'education-for-its-own-sake', 'liberal education', and the like direct attention from the subsumption of educational institutions, processes and policies by capital, spurred on by its human representatives and their deceptive ideas.

The future for a postcapitalist education must therefore reside in alternative forms: cooperative, concretely communal (as opposed to 'community' established on the basis of capital), and run by teachers and students and other educational workers. Initially, until the money-form of capital has lost its power, these alternative forms of education should be financed (but not run or co-ordinated) by the capitalist state and set on a postcapitalist trajectory.

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