

Is it possible to profit from education...?!?

Ladislav Žák, D-tax s.r.o., member of INSOL Europe

www.zaking.cz

The question of possible effective financing of education is, as the former Czech president would say, absolutely and one more time absolutely misleading. And we are talking especially about the higher or following “Bologna” tertiary education. It is not only a partial question but also a silly one because by its nature it just can’t be answered in a reasonable way which would offer an intelligent and feasible solution. *In my opinion, it is a consequence of incorrect but the more persistent behaviour of politics and media. They keep labelling the important social systems such as education, health, social care, safety and justice as suitable environments for investments which could and should guarantee profit. Simply that it is true that one can make money by inserting private money into the public systems.* It is the same nonsense as when the pension payouts are considered to be pure costs or even an economic loss. This is associated with a political and media cliché that pensioners are the ones who lower our salaries and there would be enough money for everything without them. It leads us to a situation in which the educational system is being distorted to become an environment for private business, which gains weight from the education without contributing to its quality. On the contrary, it destroys it, similarly as the private sector destroys the system of social housing.

From any point of view, the Bologna Process led to a degradation of European scholarship. It is because the eurocrats think that Europe can be strengthened by its unification to total unity, while *Europe has always been strong because of its variety, its diversity and everything what comes out of it. Education should be the keystone of this diversity and in its basis should be leading to diversity, variety and to tolerance at the same time, origin of which is in an ability to find new similarities in differences.* Education should also fulfil another requirement – to contribute to the fact that still wiser story-tellers could tell still more beautiful, more sophisticated and at the same time more believable stories to still wiser listeners. This is the essence of the social progress which could be hardly filled with never-ending soap operas, virtual reality or slushy romance...

Strange is that *apostles and architects of investments to education often can’t learn one’s lesson from the field which is closely connected to education and it often shares one*

ministry in Europe. As it is also in our case, the field is sport. In this field it is, based on a long-term experience, relatively accurately known when it is worth to take young talents as subjects of investments. It depends on many factors but it is clear that financing young sportsmen up to certain age and performance is just not profitable. Nevertheless, public as well as private financing of sport is very desirable because it brings many desirable social effects. These, of course, include reducing the public costs on many undesirable phenomena such as obesity, illnesses, drugs or youth criminality. However, it is hard to imagine that money from a private donor to the children's and youth sport would be compensated from the government budget. It could definitely affect its tax duty. However, it is true that *the apostles of investments to the human capital, based on education, should learn from sport officials, scouts and managers. They would explain to them where and more importantly how to find the magic boundary where the hope that the money will come back starts.*

Thus, *financing of the broad base of education* has to be natural and organic activity that ensures self-reproduction and survival in every normal society. *The quality of the financing is the answer to the question if the society has enough will to survive.* This will affects the care of youth, including its production, upbringing according to traditions of the particular society and sufficient level of education, which enables the communication within the society and with the outer world. But the will also affects the respect towards the old people. It is about the ability to be energetically *self-sufficient society with a sustainable level of conflicts with its environment.* This society has already "saved" on teaching the ability of defence and now it purchases contractors for big money. It calls them the Czech Army but in fact it is just the Army of payments. When the money is up, we go home. Just like at the White Mountain.

The idea that the money inserted at the one side of the education process will multiply on the other side is just silly and childish. It doesn't change the fact that there are many private schools which make huge profits. But there the education is not the priority; although, their quality is often at a very high level. The graduates are intended for certain leading and well-paid positions in civil service or private sector. However, this is not about investment to education but about a ticket to the elite club.

If we are talking about the area of the current Czech Republic, during the dark ages of totality, the only school with such statute was the Political University of the Communist Party of Czechoslovakia (Vysoká škola politická ÚV KSČ), so called "Sorbonne from Vokovice". In fact, there was one more university like that – the Charles University at the time of Emperor

Charles. The university was meant to fill the high positions in Czech state with locals and not with graduates from foreign universities. *Today, similar money factories are especially private high schools, which make it possible for the graduates to study at top foreign universities, especially the Anglo-Saxon. The parents put trust in these universities, hoping they will provide for a better future to their children, in a better society. The question is, whether the future that they see isn't already the past.* We will see how and if at all will these graduates break into management of Czech society. Hopefully, it will be better than the times when these positions were occupied by the graduates of Soviet academies and universities together with the graduates from the Political University of the Communist Party of Czechoslovakia.

I just can't omit the thesis that we have maybe exaggerated with the education and that it makes us less able to compete with countries like China where the secondary education as well as health or social insurance are not mandatory. Let me bring up a quote by one of Czech industry leaders. While he was watching Korean people marching in a very disciplined way he sighed: "I wish I had this in my factory". I heard such sigh in totality as well as in today's flowering democracy. The leader was the same but a generation older, because there is always a lack of the real leaders. The thing is that while in Czech Republic it is an exception that proves the rule, e. g. in Russia the thesis that lowering the education will bring higher efficiency and ability to compete really exists as has a significant impact and support.

On the other side there are representatives of the childish opinion that investments to education will help to overcome some current crisis. The cycle of these investments is too long to manifest positively at the time of crisis. We know that thin years are suitable for investing already from the Biblical advices of Joseph from Egypt to the Pharaoh in which he compared the seven thin and fat cows, or years. But investments to education cannot bring positive effects so quickly. The only exception is that during crisis people can see elites thinking about future. Therefore, they might be more easily mistaken that their leaders are not totally stupid and they are in a better mood. Cutting the budget for education is not just the sign of lack of money but also of lack of spirit and last but not least the signal that we don't have a vision of future and maybe we don't have the future at all. In contrast, the investments to education indicate that the crisis is temporary and we are preparing for better future. Moreover, finding out that children have a new school, computer or stuffed owl makes a stronger hope that we will cheer up not only the stock markets and rating agencies but also

many families. *If there was enough money in school system to prevent children from passing out from hunger, it would be almost everything to make parents happy.*

The amount of money that should go to the education system is maybe bigger than it appears to be from the state of teachers, schools and results of the education process. The problem is not the amount but the disastrous way of distribution. A significant part is given on the transaction costs of the continuous reforms. It has become some kind of habit that these reforms are mostly provided by the private sector. *On the other side stands the horrible performance of the education part of the civil service.* The example could be the inability to solve the failures like problem at the Pilsner law faculty or the role of state secondary school final exams and private Scio tests in admission system to universities. *The school directors are chosen according to the political circumstances* and this topical bad impact of the party oligopoly is pretty much the same as the former party monopoly. The difference is that the monopoly had the use of enough people with the desired qualification and practice, while the oligopoly has mostly the use of upstarts and rectal alpinists who just want the power.

The tragic consequence of the low quality of people responsible for management of the education in our country is the project called “optimizations of school network”. In this project the material and technical base of the primary and secondary school system, which has been built for centuries in this country, is being destroyed. *We put two schools together, sack the teachers and sell the building. Then we put three schools together, sack more teachers and sell two buildings. That’s basically maximum what today’s municipal and regional politics can do.* In few years, someone will miss these buildings. If it won’t be the education system it will be some other public service. Moreover, the school building is a natural centre of social and cultural life in municipalities, especially the smaller ones.

These issues, which were earlier related to lower levels of school system, spread into tertiary education like malignant metastasis. The malignant growth holder is not just the horrible level of high school graduates but especially the mentioned *stupid and not qualified part of civil service responsible for the tertiary education.* The consequences are *continuous changes of rules for financing the scientific, pedagogical activities* as well as other activities within the tertiary education but now primarily the *total incompetence to derive the European money* to increase the total budget for education. If they manage to obtain some money for education, it is for totally insignificant projects which have no or rather negative impact on the competitiveness and total quality of education. They are various allegedly

social rehabilitation projects which prefer various allegedly disadvantaged minorities from nationalities to women on the maternity leave. *A system approach to the possibilities of the future development is a task above the mental capacity of the Czech political elites. A primitive task – to allocate available money to increase the technical education is for the Czech civil service insolvable.*

The conclusion of any analysis, which is at least a little objective, has to be that *the main reason of the lack of money in education is neither a simple theft nor corruption (more or less sophisticated). It is mainly a hardly believable incompetence of the responsible people which is a result of their long-term selection, which should guarantee the obedience to their pimps, known as godfathers.* The intention of these people is to get as much as they can from the public money into their pockets. However, now the incompetence starts to affect the pockets of the godfathers-pimps because their puppets are so stupid and feckless that they can't even get the offered money or money allocated to us. The requirements for loyal fools were simply "too much".

Another conclusion is evident. *Any financial means, private or public, that are inserted to such poor system of education process produce just another disintegration of education – of the key social system.* This article is not meant to be against the participation of the private sector or individuals on any level of education. It just has to follow clear rules which are set in advance and it should increase the quality of the education system. *There are exceptions but the private money is mostly just a source of problems caused by intentionally distorted schemes for distribution of public budget.* Using the ministerial argot: "...it is about the badly set processes and the thing is to set the processes better..."

To sum up the conclusions:

First, education as a whole *is not and cannot be a subject of investments and profit and it is a condition of the society survival.*

Second, education cannot be effectively or objectively measured. The only *criterion of quality of education is the level of social cohesion in society and satisfaction* of its members.

Third, if we won't try to make the education process a subject of business and rating, *there will be enough money for it and it will also increase the level* of education itself.

The key requirement is, though, that the distribution of public money into education should be first aimed at the rehabilitation of the basic needs at the level of “teacher-student” relationship, which is the natural basis of the education process. The quality of this relationship is totally different than in the case of the relationship “education service provider – client”, which is promoted so often and causes a degradation and destruction of the core of the education process.

Current attitude of the responsible people doesn't form this key relationship “teacher-student” and it doesn't even support it. It stresses both sides of this relationship and puts them in positions of suspicious business partners. *Thus, thanks to the destructive impact of stupidity, incompetence, money and trade-like approach our educations heads towards the state in which service provider (former teacher) will be collecting money or at least eggs and wood bundles from the clients (former students).* All of the public money will be in pockets of those who have nothing in common with education.

It is no more about stealing from something common and beneficial for public. It is about having something common and beneficial for public at all. And that is the question...