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COMPETITION COMMITTEE****Working Party No. 2 on Competition and Regulation****Summary of Discussion of the roundtable on Publicly funded education markets****Annex to the Summary Record of the 67th Meeting of Working Party 2 on Competition and Regulation**

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This document prepared by the OECD Secretariat is a detailed summary of the discussion held during the 67th meeting of Working Party 2 on 3 June 2019.

More documents related to this discussion can be found at
<http://www.oecd.org/daf/competition/publicly-funded-education-markets.htm>

Please contact Mr Chris PIKE if you have any questions regarding this document
[Chris.PIKE@oecd.org]

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Summary of Discussion on the Roundtable on Publicly Funded Education Markets

By the Secretariat

The Chair started by explaining that the session would consider the link between antitrust and education. The five speakers were introduced: **Simon Burgess**, Director of the Centre for Market and Public Organisation at the University of Bristol; **Professor Miguel Urquiola** from Colombia University; **Nicola Dandridge**, the CEO of the Office for Students – which is the UK regulator for students; **Kathryn Skelton**, Chief Strategy Officer of FutureLearn; and **Dirk Van Damme**, Counselor to the OECD Economic Education Department. He invited Mr Van Damme to speak first on the topic of choice in education, and the OECD’s recently published work on the topic.

Mr Van Damme commenced by describing a recently published OECD report on balancing school choice and equity concerns in education based on PISA results. He explained how the presentation would primarily focus on schools and K-12 education.

He highlighted the diversity of school systems in different countries and the varying degrees of school autonomy. He said that there are a lot of countries where private schools are part of the public system, but very few OECD countries where for-profit firms have a role in the education market. He gave the example of Belgium where there is the constitutional freedom of education, freedom to start school, and freedom for parents to choose the school that they like. The system is composed of 75% private schools, established by private not-for-profit entities that are part of a public system, and hence completely regulated by public law.

He explained that there is a general trend towards increasing the opportunities for parents to choose schools and parental choice is now an important policy objective in many countries.

He presented some PISA 2012 data on choice and competition and focused in particular on a question for school principals where principals are asked to consider whether they compete with other schools. He also noted that there is a trend towards greater school autonomy. A slide was presented which showed that when countries give more autonomy to schools, PISA outcomes improve. Therefore fostering school autonomy has a strong relationship with better learning outcomes.

Distinguishing between within-school variation and between-school variation in outcomes, Mr Van Damme made the point that in both autonomous and highly centralized systems you can still have high within-school variation in outcomes. The case of Sweden was illustrated whereby a report from the OECD was requested due to a fall in PISA scores. However, the report found that there was not an enormous increase in between-school variation as expected by those that opposed the introduction of competition, but rather within-school variation had increased. The drop in PISA was not caused by low quality provision in private schools, or segregation, but by the lack of pedagogical framework conditions to help certain types of students.

Mr Van Damme explained that PISA assesses whether state or private schools do better. He said they found that once we account for the socioeconomic status of students, state schools do better than private schools. However, this is not always clear because private

schools engage in cream-skimming and take more pupils with higher socioeconomic status. These pupils obtain better outcomes in absolute terms regardless of the school they attend, however if they attend a private school they improve by less than they would if they had attended a state school. Nevertheless, despite this success, he noted that in many countries state schools' task is made more difficult by the fact that private schools cream off the high performing students.

Next, Mr Van Damme explained that a lot of discussion concerns the impact of choice and competition on equity issues and that this was the focus of the recently OECD report. A sophisticated analysis was conducted on the PISA data as there are many different ways in which competition and choice can be used in education so the details of implementation really matter. He concluded that there appears to be more segregation in education systems with academic selection and with private schools. However he identified that socio-cultural factors (for example religious status) appear to be more important than financial criteria in driving segregation.

Mr Van Damme explained that where there are attempts to deliberately mix students from differing socio-economic, cultural and ethnic origins (as in both Belgium and the Netherlands), and so have less segregation in schools, the impact of socio-economic status on PISA learning outcomes decreases (social mobility improves).

Mr Van Damme concluded that it is not a question of more, or less, competition; more, or less, school choice. It all depends on the framework conditions and the way that choice and competition are implemented. He said that in general the OECD education directorate favors the introduction of choice and regulated competition, but that it should be done carefully. He said that if you are introducing choice, make sure that it can benefit all parents, that all parents can make use of that opportunity, including those at a disadvantage, not only in terms of finances, but also in terms of access to information. This means introducing checks and balances in order to prevent more choice and competition leading to more inequality and segregation, because it is perfectly possible to ensure that more competition does not lead to segregation. He said this was important because he did not see that segregation had any benefit. He also noted that even if countries do not want to pursue school choice, for example if there is not political support for more choice and competition, it still makes sense to make schools much more demand-sensitive.

The **Chair** then queried whether private schools were free in Belgium.

Mr Van Damme clarified that they call them 'government-dependent, legally private schools' which are established by private entities but which rely on public funding. The barrier to enter the public system and have access to public funding is so low that most private providers do it and receive funding from the state and so do not charge tuition fees themselves.

The Chair moved the discussion on and introduced **Professor Burgess** to talk about competition and the market for education in the UK.

Prof. Burgess started by outlining how he would be talking about choice and competition in the market for school education. The two main questions he wanted to focus on were explained as being; 1) how do market forces work in the schools' market, and whether there is an actual market or not; and 2) how should we think about regulating the schools' market?

Prof. Burgess asked why do we have competition in education? A reminder was given of the two ways in which competition improves outcomes. Firstly if a firm is trying to sell

products then if it has a poor product, nobody is going to buy what it produces and it will go out of business. On the other hand if it does a good job, it will make more profits and do better. The threat of being put out of business, and the promise of a reward, makes the firm work harder and work better. The second mechanism is simply a reallocation mechanism, that if a market has some good products and bad products, competition works to increase demand for good products. Price of those good products goes up, the producer makes more profit and they expand. They expand into whatever the efficient scale is. Then maybe they start a new facility.

How competition works in schools will depend on what the market rules are he said. And the most important rule is: “what determines which kids go to which schools? What is the assignment mechanism?” the main options being: a geographic mechanism, an examination based mechanism, or choice. He went on to emphasize that choice is neither necessary nor sufficient for competition to work. You could instead have competition between schools to be the local monopoly. He said that for competition between schools to be effective in raising pupil achievement a number of conditions have to be met.

These include the need for choice to be feasible, there must be choices and the choice must in most cases be decisive (that is the chooser must have a reasonable prospect of obtaining the option that they choose). Second, choosers must also value the outcome of interest, and be able to identify those outcomes across different schools. Finally, there is the need for the popular providers to respond to being popular by providing more of the service, and the less popular providers must shrink within the market.

He considered that the debate about whether competition works or not, as being not very helpful. There is a need he said instead to understand how markets work and then to try to understand if we want to regulate it and how we want to regulate it.

He focused on England which is of interest due to its long running system of choice. Choice must be feasible and he suggested this was true in England. Parents also value pupil attainment and school performance tables also allows parents to view this themselves.

The final condition however is problematic. There is unmet demand and unwanted supply and people therefore get frustrated with the system. Popular providers are not expanding and someone always ends up going to low performing schools which undermines the competitive threat they face. If you are a low performing school, and you know that regardless of whether or not you improve you will in any case not have to decline in size since there is nowhere else for kids to go, then the competitive threat a school faces is reduced. He therefore sees a disconnect between popularity and growth. This undermines both channels by which competition improves outcomes – the reallocation effect by which more pupils attend the better schools, and the incentive effect by which all schools are incentivized to improve to attract more pupils.

Prof. Burgess said one reason schools might not want to expand is perhaps that they want to stay smaller and good (perhaps there are diseconomies of scale). If there is such a maximum efficient size of a school then growth must come through takeovers and the creation of chains of schools. This opens up questions of which schools should be allowed to form groups with each other and how you preserve competition and choice between these groups. What if schools do not want to takeover others? Do we need regulation for high performers to give direction to low performers or can this come about organically? Should we have performance management of school groups? How would this be made up. Should school groups share leadership? Prof. Burgess noted that school chains appeared to be seen by policymakers as a good thing per se, when in fact it would depend on which school was

making the acquisition, how well equipped they were to make the merger a success, and whether the merger gave them a local monopoly that removed any competitive constraints that might have existed. He therefore suggested that it was important to assess the effects of these mergers.

Prof. Burgess said that the fairness of the school system is something people worry about a lot. School assignment in England is not fair he said and definitely biased in favour of richer families. However, the recent OECD PISA report on equity in education showed that the school system in UK is one of the fairest in Europe which extends the view that you cannot simply say that choice and competition will produce an unfair system when using the UK example.

He noted that there is a concern that competition may lead to increased segregation, and noted concerns in the UK over off-rolling by which some schools seek to exclude pupils that adversely effect the school's performance in league tables. However he noted that segregation in English school is not increasing, at least not over the last 15 years (for which there is data). He finished by identifying a host of important regulatory questions: What rules should govern market entry? Who is allowed to set up schools? Who decides which schools should close? Who should decide what closure should mean? How are we to form school groups?

He concluded by saying that he thinks we need to move beyond the question of should we/should we not have market competition? It should be more about how the market works, should we regulate, and if so how should we regulate.

The Chair asked about when to close schools and compared it to when hospitals close.

Prof Burgess elaborated on how hospitals and schools are very similar, and explained that schools can be closed on performance criteria. Action would be taken if the poor performance were a long running issue.

The secretariat then asked what 'regulated expansion' was and Prof Burgess explained that it might involve a takeover of other schools in a community by a high performing school that wins a competitive tendering process.

The Chair moved on to Russia. He explained how in the Russian school system, the state seems to have a role in identifying the minimum level of education that schools have to offer, but gives schools flexibility in the curriculum. The question put to Russia was: is the state as a provider of education just supplying the basic level of education, or is state really active in all levels of this market for education?

Russia explained that the state is fully responsible for children receiving education in the Russian Federation. However, in Russia one can choose either public or private schooling like in other countries as well as homeschooling. The main controller of the educational service in the Russian Federation is the Ministry of Education but Russia is also a lawmaker in this sphere, and FAS Russia takes charge for controlling the competition situation in the education market.

Russia said that when the law on education was modernized, FAS took an active part in modernizing the law. The main point that FAS Russia stipulated to be included in law was equal access to public and private schools in the Russian Federation, and to universities as well. FAS also carries out anti-monopoly controls over executive bodies like the Ministry of education, and indeed in 2015 it deemed the department to have violated competition law.

FAS also looks at the implementation of a road map for competitive reform and has therefore developed quality measures aimed at facilitating competition in the school and general education markets, and the complex education equipment and educational services market.

Modernization that FAS has overseen includes: study of existing practices; supporting a level playing field for private educational organizations; implementing educational programs of pre-school education and also implementing clarifications of the rights of teachers of private educational organizations.

The Chair moved the topic along to financing of schools and gave the floor to Professor Urquiola.

Prof. Miguel Urquiola remarked on how many countries have implemented either small or large-scale voucher systems and lots of countries have allowed the private sector to grow a lot. What does the evidence tell us about the impact he asked? The puzzle or quandary he sees is that people are being given a choice of schools but it is not obvious whether things improve or not. A paper that he has written with Bentley McLeod focuses on why is it we give people choice and introduce competition but not much happens?

He thinks it clear parents like schools that have higher absolute achievement - i.e. schools where children do very well, but less clear that they like schools that have higher value-added. The problem is that as policy makers or as people who deal with markets, he said they would prefer people to choose schools on the value-added criteria. This is the school's productivity and he said that as policymakers we want children to go to schools where they will gain more skills, but that this may not be what parents sought. Instead, they might prefer that their children attend schools that perform best against absolute measures, but which add little value.

Prof. Urquiola gave as an example Chile where information is given to parents about absolute achievement. He said that parents might want information about absolute achievement, rather than value added, and if that is true, it may be very hard to have the logic that says "as soon as you introduce choice, things will improve a lot." He explained the ways in which education is a different market to that of consumer goods: 1) education is an investment into human capital and is not a consumer good, 2) there are "premiums" in the labour market for working for some firms. This means individuals might have the same skill for example but one earns more due to working for (or being matched with) the "right" firm. 3) distance influences school choice and school placements.

An intuition for absolute achievement preference even when the value-added score is low may be because a school serves two functions: 1) teaches the child and 2) matches them to an employer so therefore a parent trades off these dimensions. Therefore, some would choose a school which teaches badly but has good employer matches.

Another side of the intuition is employers want very good workers and they don't care where the skill originates from. He cited Antonin Scalia who was asked how he choose his clerks? To which he said: "by and large I'm going to go to the law schools that basically are the hardest to get into. They admit the best and the brightest and they may not teach very well, but you can't make a sow's ear out of a silk purse. If they come in the best and brightest they're probably going to leave the best and the brightest." Prof. Urquiola said this messes with their system as we want a system that rewards people, and schools that teach very well.

He said competition is not the silver bullet solution as the free school and university markets may get stuck in scenarios in which lower value-added schools experience excess demand, even if there were full information on school value-added. This creates big incumbency advantages. Once a school builds a reputation as a destination for certain types of recruiters it tends to retain it. He also noted that many of these schools do not want to grow, and that are trying not to expand.

Prof. Urquiola did not think policy can solve anything easily. One answer was to limit school selection as is happening in Chile. He said this made sense (though it involved some costs). He recalled that the market is complicated because it is not a market for a consumer good, but a market for an investment good, and that we know as soon as you have assets and asset valuation, things get messed up.

The Chair asked about the implication that the reputation is sort of fixed and how true that is.

Prof. Urquiola spoke about the importance of reputation and that one reason education firms do not expand is to protect their reputations. The example of Yale is given and considering they look out for their reputation the most rational thing to do is keep things as they are, limiting size and make it hard to get in. Incumbency is important and it makes sense not to grow.

The Chair moved the conversation along to financing of the adult education system in Australia where its financing program was changed recently to allow subsidized students to have a grant. The Chair asked about the role of the Ombudsman there and the 10 000 complaints received.

Australia started by saying theirs was a case study on what not to do, what to be careful of when you are establishing a regulatory system for education, and then how to fix it when gone bad. They believe the second round of reforms to fix the system are a big improvement and it includes the establishment of an office within the broader ombudsman.

Most of the complaints were from students affected by the scheme initially reformed in 2011 who received financial aid in that period until reforms in 2016 which largely fixed things. He explained then what had gone wrong to cause this and about the big flaw with the 2011 reforms.

The 2011 reforms had been intended to give greater access to students to vocational education and training by giving funding to do courses to help develop skills. The big problem with these reforms was that the providers only had to show that the students had enrolled and some providers only had 3% of students go on to graduate yet they were still charging very large fees being paid in advance, and students were being left with very high levels of debt.

The Chair asked if the low graduation rates could be down to students not showing up.

Australia clarified that often the courses were online and spoke of how you could charge AUD 19 000 for an online course.

It explained the review happened after the ACCC started to get complaints from students and stakeholders. Cases were taken up against providers whose activities were seen as unscrupulous such as in bribing students. These cases were successful, and reforms were then made. Caps were put on loans, the Ombudsmen was introduced and active engagement of the ACCC on the consumer protection side has helped clean up scheme and to serve its initial purpose.

The Chair moved on to the UK and welcomed **Nicola Dandridge**, the UK regulator who was asked about the purpose of its creation in terms of the UK having an independent regulator in the university market.

Nicola Dandridge explained that the Office of Students was established in legislation as a market regulator, with a statutory responsibility to promote choice and competition. Their mission is to ensure every student whatever their background has the fulfilling experience of higher education that enriches lives and careers.

Their focus on students is really emphasized with regards to universities in the UK and how perhaps there was a sense that universities may have a focus in prioritizing research function over students, and the Office of Students was created to reverse this. Next, she listed the four objectives: 1) participation looking at who gets into university and socio-economic status and equality; 2) what happens to students when they go to university; 3) outcomes for students and 4) value for money.

A further reason for needing a regulator was the shift in the university funding model with the tripling of tuition fees, and the fact the mass market where 50% of students go to university needs a different regulator from what before oversaw much smaller numbers. They were also set up to deal with a frustration in politics and wider society that social mobility was not moving in the right direction.

How the Office for Students regulate was the next topic and one way is at the level of the individual provider where there are common thresholds the universities have to meet. Ms Dandridge said that they are very engaged in the debate about value-added or absolute values and noted that while their 24 minimum regulatory conditions relate deliberately to absolute values, they are looking at ways of incentivizing the enhancement of teaching above the threshold.

At sector level systems are developed to make markets work and addressing of market failures such as social mobility and she said they work to provide better information, advice and guidance to students to ensure they make better choices.

Next she focused on quality and how consumer rights are embedded in their regulatory model, and she said they drew on good work done by the CMA to make sure the reflection of students as consumers is built into this regulatory model.

Ms Dandridge said they explicitly reference the CMA guidance and require accurate information from universities in how they describe their courses. They also think about how best to strengthen student contracts, to protect and enhance the student's ability to make the right choice and decide what they want out of university – and she said they want to make sure that's part of the information provided. Students knowing what they are getting should drive up quality of experience and a sense of value for money.

Next she asked why England has approached higher education as a market and how various features about the English system though not perfect make the market a meaningful way of approaching higher education. The tradition of students being mobile, and the diversity of providers means choice is feasible. There are no regulated caps on student numbers and so successful universities can expand at the expense of less successful ones.

A large focus they have is also on managing contracting or failing universities and the collateral fall out of this in terms of the effect on students and communities. They are therefore looking at how these places can contract but not fail.

Ms Dandridge moved on to talk of areas where the Office for Students is working. It is managing to produce a greater focus on the experience of students, the student voice is louder in identifying their priorities and outcomes is pivotal. They want to encourage diversity of provision to challenge incumbency and have had 67 new providers apply for licenses.

Ms Dandridge ended by looking at ongoing challenges. One being that it is not a traditional market - there is little price competition and students do not want to categorize themselves as consumers even though they are. She said they are being very vocal in defining value-added as well as absolute performance. She saw their role as saying to students that if you want a brand and you do not mind about the quality of teaching then go to university X, but if you care about getting the skills and experience to get you a job, then you may want to go to university Y. Despite the risk that absolute performance measures undermine efforts to improve quality, Ms Dandridge said that some students would focus on brand and others on quality of teaching and that was fine.

Another big challenge that was identified was that increased competition had introduced undesirable behavior by providers with all sorts of offers and incentives publicized but that is why the regulator is provided she said. Managing contracting providers will use up a lot of time. They also need to look at the model of independent governing bodies at autonomous universities often having to oversee financially struggling institutions and who often did not think this would be their role.

She concluded that the market model is not perfect, but said that she expects to be able to demonstrate that it is better than the alternatives.

The **Chair** asked about the huge increase from 1990-2019 in students entering higher education and how that was possible?

Ms Dandridge spoke of the political appetite to see more students going to higher education, and it was seen as a mechanism to address social mobility, more money was put into the system and universities were encouraged to expand and there were new providers. It was all underpinned by a significant financial investment in higher education. She also explained that retention is high in England generally and they now also have extremely vocational courses quite removed from the academic intensive elite of old which has expanded the field.

The Chair then introduced **Kathryn Skelton** from **FutureLearn** to talk about the challenges, hopes and risks of the digital economy's impact on the higher education market.

Ms Skelton gave some background about FutureLearn being set up six years ago by the UK Open University as a British entry in the world of MOOCs. She said they have a quarter of the world's top 200 universities among their partners. Ms Skelton said MOOCs have really exploded in the higher education market in the last six years and attracted 100m students in total worldwide. MOOCs have given many universities their first experience of online learning delivery and potential for scale and reach which digital can provide.

She then outlined the rise of micro-credentials and another theme is the unbundling of the degree – breaking up of the 180 or 360 credit entities into component short courses and micro-credentials to create more flexible options for different audiences. Why do they care about the impact of MOOCs on higher education and why the fuss about digital disruption and teaching online she asked?

Ms Skelton explained that with changing socio-economic conditions, over 30m new students per year are predicted to enter the higher education market around the world, every

year for the next ten years and the number of new physical university campuses to support this probably isn't likely to happen. She said they care about how organizations like themselves and the models they offer can help to reach more people with the best learning experiences available.

Next, she outlined a plus point as being helping universities get into online learning for the first time as many universities want to embark on this but it is hard to get started alone and this is where they help. Seekers can start by joining FutureLearn as associate partners and produce a couple of online courses to get started. Then they can network with other universities.

Another plus point is helping more experienced universities push the boundaries of what higher education can mean. Ones that want to innovate and be pioneers can use the platform and technology to do what they do best in terms of teaching and learning.

Another positive impact was suggested as being commercial, and by using FutureLearn these universities aim to maximize their reputation, impact and return on investment. They can also use FutureLearn's global reach to help diversity into new markets.

Furthermore, positively speaking universities want to work with them for outreach. FutureLearn can help connect universities with particular audiences by offering access to their courses at anytime.

The impact is not all positive and she then focused on criticisms directed at organizations like them. One of which is the rise of Online Program managers (OPMs). In starting to deliver degrees, platforms like FutureLearn have been accused of becoming OPMs and taking over control and revenue shares from universities. Some issues, which have been a problem in the US market, include unethical student recruitment, lack of concern for outcomes and relentless focus on competition which is seen as a factor in contributing to student debt. Generally, a criticism of commercial organizations is they encourage universities to rake in new online students for high fees, which are then split with OPMs, instead of returning cost savings back to students.

Examples of transformative change and positive elements were looked at. For example, in India, new legislation strongly encourages universities to use MOOCs as part of their degree. In addition, some universities are starting to work together to reach new audiences. The European MOOC platforms that's FutureLearn, Firm and Edu Open and the European Association of Distance Teaching Universities have come together to agree a common framework for micro-credentials to try to ensure consistent transferability and recognition of these new products.

Ms Skelton said the UK Government is also getting involved to help fund online education for those who need it. There is the Study UK campaign, which gives free access to courses for learners from countries in receipt of official development assistance. She says for them it is about collaborating with university partners and combining their expertise in teaching and learning with their own in technology, user experience and online pedagogy.

The Chair asked about the challenges of testing online.

Ms Skelton said the testing issue could be solved and testing models that exist presently try to replicate methods that are available in face-to-face space. She said digital makes you think about general assessment more and how university partners are now thinking about using more ongoing assessments.

The Chair enquired as to whether the courses they deliver are recognized degrees.

Ms Skelton clarified that degrees delivered on FutureLearn with universities they partner with, are genuine university degrees and are subject to the same type of regulation process as the normal online campus degrees would be. The universities think about the experience given by the online mode and implications of this making it equivalent or in some ways better than face-to-face.

The Chair brought **Spain** into the equation and asked how the authority was consulted on a project of reform of education. He asked why this happened in and if there was a clear request by government to introduce competition in education? In addition, he asked about the Aragon region case.

The delegate from **Spain** said consultation with the competition agency in Spain is a standard process. They mention how there is no doubt that competition is a key ingredient in education markets of course but that they are not often consulted as regards education reforms, and maybe this time just because of the size of them. The reforms introduced some competition principles hence their consultation.

In one case in the Aragon region, there was only one public university, and a private university opened and started offering its services in the region and it started gaining market share. The public authorities were concerned over the possibility of cream skimming by the private university. So the regional government passed a decree where it prohibited the creation of new degrees, new studies, by private operators and prohibited the creation of degrees that competed with those that were being offered in small campuses located in low populated urban areas. In addition, for the creation of all the degrees, the decision was made conditional on gaining approval from the regional government and this approval was conditional on proving that there was social and economic demand for those new studies. The competition authority (CNMC) challenged this as an anti-competitive regulations before the courts, and they were successful in this case. However, the regional government then put the restrictions into a law, and the competition authority cannot challenge laws - only things which are a rank immediately below the law.

The Chair then offered the floor to the United States.

The **United States** referred to a number of cases in the past including back in 1991 when the DOJ sued a group of Ivy League colleges. This was due to price fixing in the main, and most of the colleges settled with them apart from the MIT who decided to go to trial. They ended up losing and appealed to the Third Circuit Court, which emphasized that it had to be decided if education was a separate type of activity to which the antitrust law should not apply. It was concluded that the payment of tuition for educational services was a commercial activity and should be fully subject to antitrust laws and using the rule of reason approach.

A case presently regarding medical schools was then highlighted and their 'no poach agreements' which had upset medical professors due to the effect of suppressing wages. The DOJ intervened here also.

The Chair asked about the role of the DOJ in such cases.

The United States said it is traditionally very rare for them to intervene at the trial level or even court of appeals level, and it is more commonly at the Supreme Court level that this occurs. However, in the last couple of years, they have tended to intervene in many district court cases at the trial level to spread views of what the proper interpretation of the law is so the judge is aware of what they think.

The UK then interjected that the OFT had similarly has a price-fixing with some independent schools sharing fees information among themselves. The schools had considered that competition law did not apply to them due to their charitable status. The OFT found there to be a breach of competition law and minimal fines were imposed, but a scheme was set up where the schools paid into a fund to reimburse students.

The Chair looked to round up the debate and said that we have heard that competition can play a role in trying to meet the objectives that education providers try to achieve. Among these include social mobility, openness, and having transparent choices.

He said we also heard of the challenges in introducing competition, especially the issue about absolute achievement and value-added and the difficulties of reputation in this market compared to normal markets where the rules of expansion do not apply in the same way.

The Chair concluded by mentioning that the OECD are thinking of developing and expanding the competition assessment toolkit to consider publicly funded markets (such as education and health) which are subject to different challenges and intricacies. This could include advice on how to promote and introduce competition in such markets.