# LIFELONG LEARNING, MARKET AND FRANCHISES. TURNING EDUCATION INTO A BUSINESS

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#### INTRODUCTION

In the following lines we try to reflect about Lifelong Learning and the implications of new social and economical framework. Nowadays we are witnessing privatization processes of public services in order to empower the private sector, not only in the educational system but in other branches of our society: for instance Health System.

If we take a look some years ago in Spain we can remember different companies and institutions that belonged to the state (to society) and now belong to investors and lobbies very closed to the different governments of Spain during last decade. We can remind cases of companies as Telefónica, Repsol Butano (Repsol YPF, Petrol), Astilleros Españoles (Spanish Shipyards).

Also we are witnessing an empowerment of private sector: Private Health is continuously increasing its number of clients. This is also motivated because public budget for this issue is not enough and its organization and management is not the best.

Educational system is being affected by this new trend. Private schools and universities are also increasing their clients and is becoming in an interesting and fruitful market for investors. In these schools is very usual to pay monthly fees over 900 € (including transport).

In this framework, a commercialization process of our society is taking part in front of our eyes. We will try to explain which are the different mechanisms and strategies of commercialization of our environment and explain different cases of mercantilism in non formal education. Also we would like to talk about franchises, a new way of growth of companies without risk the capital.

# BEGINNING OF EDUCATIONAL SYSTEM FOR EVERYBODY. AN HISTORICAL APPROACH.

During last centuries the education has been linked to religious orders and to Church who indoctrinated and trained the population, rich population overall. It means that education has been linked to private sector during centuries. Of course the poor people had no opportunities to be educated.

During the French Revolution (1789) there appears the feeling that education should be a right for all the people. In Spain, this feeling appears during the Cortes de Cadiz (First Constitution 1812). The first law that regulated the educational

system was the Public Instruction Law (Known as Ley Moyano1857). This law provided with a general scope that consolidated the educational system in Spain. It was really important during more than a hundred years, actually the following law that ruled and regulated the educational system was the General Law of Education in 1970. Of course before the Public Instruction Law several projects of laws and reports were written by Jovellanos (1808) and Quintana (1813) to support and manage the educational policy of education of the Cortes de Cádiz.

In our opinion, it is very interesting the point of view of Rivas Duke (He was a very important politician and poet in this period). He wrote a Public Instruction Plan in 1836. He defined very clear both public and private education, and the relevance of educating all social classes. Of course he justified that each class should be educated according to his origin. In other words, wealthy people would attend to further education and poor people would only receive the basic instruction to work.

The generalization of education for all people, from 6 to 14 years old, was introduced by the General Law of Education (1970) but until the 80's this did not take place. This goal was written in the law but the social reality of 70's and the end of the dictatorial period, a turbulent period, did not permit the complete application of the law until the following decade (M. Collado 2005).

During more liberal periods, as Cortes de Cádiz or I and II Republic, politicians wrote laws in order to increase the number of people involved in education. But the social reality did not permit this goal. The access to education of poor social classes was not possible since they had to attend their duty: That is, the work.

During the 80's of 20th century the access o education of all the population was possible due to the new democracy that had this goal among its ideas.

# WHAT IS EDUCATION? FOR WHOM IS EDUCATION? WHO DOES EDUCATION SERVES TO?

First we have to make an epistemological reflection and take position from an ethical and Philosophical point of view concerning education. What does education means to us? Who serves education? Whom for is education? What is its goal?

# **EDUCATION AS AN ETHICAL APPROACH**

We could bring up many definitions of the concept education. The etymological meaning of education is to take somebody to a place or to guide somebody (educere, Latin). Other sense of this word is to socialize, but we are not going to extend in the explanation of the concept because it can be looked up in dictionaries and books.

In words of Manuel Collado "To educate is to prepare a person to provide his own responses, made by himself. On the other hand to train is to prepare a person to provide responses made by another person. (Collado 2002).

From our point of view, to educate means to prepare somebody to be person, to be singular and unique, to be a citizen, to be critical, to think and to question. On the other hand to train is to prepare somebody to be subject, to be consumer, to be a client or a customer, to be standard, to be submissive, docile and obedient, and to do not ask. To educate means to take out from some body the best of him.

From this point of view looking at the definitions above in most of the cases the school has been training the population instead educating. The population has been trained for the sake of the domineering classes, as Rivas Duke argued in 1836. Nowadays this kind of training is still taking part in our society but now the domineering classes are the big multinational companies, big capital stocks, and the market.

Along the History, when the people worked the land, it was enough to learn the basic tasks of the occupation. Some centuries later it was necessary to learn reading and writing to fulfil new occupations as office worker or postman. Nowadays, after the technological revolution and the globalization of the economy more specific and technical knowledge are needed: computing, languages, etc. Because of that a qualified worker need to learn more skills and to attend to courses, vocational training or university. But if a person who get a university degree want to develop a job related to his degree or try to work in a position were the decision making take place is a necessary condition (sine qua non) to spend an important quantity of money in a Master Degree. Not any Master degree but a degree of a well-known business school. Depending on the importance of the business school the job that the person will develop will be better or worse. These business schools are the field where the future managers of the society make good contacts.

Some decades ago it was enough to get a university Degree. That was the way to set high the standards. But now, after the schooling of all the population and the increase of the Bachelors and university degrees as a consequence of good educational and social policies, the system establishes a new barrier: the expensive Masters degrees. Then the managers' recruitment processes of big multinational companies begin in business schools.

This elite education is impossible for the majority and only the chosen people can study in these business schools: the best people. But, who are the best? Are the best those who can pay more that 30.000 € in a Master degree to make high public relation? This kind of learning, is education or only training? A business school is going to prepare the students to provide their own responses? Of course it will prepare the student to provide the response planed by the company.

## EDUCATION FOR WHAT AND FOR WHOM?

When we use the term competition it means that two individuals are fighting for the same goods. Only one of them will get the goal. There is an absolute winner and an absolute loser. On the contrary when we talk about cooperate or collaborate there is a certain justice in order to pay attention to the different existing needs. Cooperative model is not a rigid model, but adapt to different needs. On the contrary the competitive model is a model where always take priority who wins. Because of that this model excludes one of the individuals. To win is the most important issue, and it is not important the damage in the other person. (Punset 2005).

The following question that we make ourselves is for what the people must be educated. The people must be educated to be the best and to compete with others to win and to get a better social and economical position? Is better to educate to cooperate towards a common goal or instead is better to educate to compete and to get the goal before than another person?

## **EDUCATION FOR ALL AS A MERCANTILE BUSINESS**

As we have seen in the previous lines education is turning into a business as another product. It has been transformed into goods and is leaving the sense of a need or a social welfare that prepare for be free and that take out from a person the best of him. This means that the market laws and the supply and offer laws are the most important issue for the companies that trade with this "product". For instance elite schools, business schools, franchises of training.

#### DEVELOPMENT OF FRANCHISES

During last years we have witnessed an increasing number in our cities of different types of firms called franchises. They have removed the traditional shops of our neighbourhood: the bakery, the laundry or the academy. The first impression when we watch these shops is the same that if we were in a big company with delegations in different cities and countries because we have seen the brand in those places.

But, what is a franchise? Why this kind of business is growing up? Which products or services could be sold under this model? Who benefits and who damages this type of trading?

In the next pages we will try to explain all these issues.

### WHAT IS A FRANCHISE?

During the Middle Age there existed the Cities with Frank Card (free tax cities). This Frank Card guaranteed the cities and their citizens certain privileges and rights.

The concept of franchise turned up in 1850. It was born, of course, in the United States of America when the company SINGER & CO designed a new magical formula of distribution and sale of his sewing machines. Nowadays they continue with this kind of trading. Also in 1898 General Motors included the franchise as new strategy of expansion of its network of distributors.

Meyer, H. defined franchise as a contractual agreement between a parent company (franchisor) and another company or an individual (franchisee) the right to make business in certain conditions.

The free dictionary defines the term as an authorization granted to someone to sell or distribute a company's goods or services in a certain area.

Our opinion concerning this concept is the following: The franchise is a contract between two persons (company or individual) that compel to some duties. The franchisor is the owner of a make that is provided to the franchisee. Theoretically this brand should be solid and well known in the market. Also, the franchisor must provide the franchisee with a "know how", a method, a production process, in short the secret of the success of the company. An advertising and training support must be also provided. Finally, the key is that the franchisor must provide a continuous support.

In the other hand the franchisee has to pay a registration fee. This is only to get the right of being a member of the "club" of this company and to trade with their products o services. Also there is a monthly fee called royalties that normally is a percentage of the turnover.

#### A VERY GOOD BUSINESS FOR THE FRANCHISOR

This kind of business involves an advantage for the franchisor because of the following issues:

- Involve no risk for the franchisor because the investment is done by the franchisee. Sometimes the franchisor provides with a small economic support to the franchisee during a short time in order to encourage him to be involved in the business. But is the franchisee the responsible of paying the registration fee, the monthly fee, the wages of the employees, the renting of the shop (store), etc.
- The expansion of the company (franchisor) is done with staff of the franchisee and the labour relation is not with the franchisor. In other words we are witnessing a new way of colonization.
- In this kind of business a strong brand image take place because there
  is a multiply effect. But most of the resources do not belong to the
  company.

In this framework a McDonaldization (The term McDonaldization of Society was introduced by George Ritzer, author of The McDonaldization of Society, editor of the Journal of Consumer Culture, and professor of sociology at the University of Maryland.) process of the society is taking place. This kind of business is growing up also in the educational system. In the following lines we are going to number some of the educational franchises as Sylvan learning centres, Opening English School, Aidea, Kumon Educational, System Training Centres, etc.

#### WALL STREET INSTITUTE

This is a firm dependent on the North American group Sylvan Learning Systems. They teach a methodology for the learning of English (English classes for adults). It is distributed in different levels of a self-learning computer programme. They grew up during the end of 90's and the beginning of this century. They complement the self-learning process with group classes with native supervisors.

### SYLVAN LEARNING CENTERS

This firm belongs to Sylvan Learning Systems, as Wall Street Institute. They "sell" a tutoring method for children. Also they teach English and computing to children.

## **OPENING ENGLISH SCHOOL**

This was a company that belonged to the Spanish CEAC Group. It was a copy of Wall Street Institute. They invested a big quantity of money in advertising and got a big relevance in the market of languages training during the second half of the 90's. This company crashed as a consequence of its investment plans concerning advertising.

## KUMON EDUCATIONAL

Probably this is the biggest company of training in the franchising sector. There are 74.080 centres around the world and 4,13 million of student that pay each month their fees. (Information extracted from "Que Franquicia". Barbadillo y Asociados). The headquarters are in Osaka, Japan. They teach a method of learning based on calculus and mathematics. Also they introduced methods to study Japanese, Spanish and English.

#### CONCLUSION

Education for all is an issue that interested to society since long time ago as a way to get the people economical and social prosperity. However domi-

nant social classes have been worried in maintaining the *statu quo* perceiving education as a tool that must be customized to each social group. In post-industrial societies where the capitalist economy and economic liberalism are the unique and principal reference, the philosophy based in this unique thinking has involved too the educational world.

The commercial model based on franchising has influenced most of the commercial activities of our society and also other activities, for instance education, has been turned on a marketable product or a brand. Because of that also is possible to franchise education. This means that lots of educational organizations are being incorporated into big multinational companies' structures.

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