THE FREE MARKET APPROACH TO EDUCATIONAL REFORM

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"Research tentatively suggests that improvement in student outcomes, both cognitive and noncognitive, may require sweeping changes in the organization, structure, and conduct of educational experience."¹

I. INTRODUCTION

It is a notable irony that in this presumably most free enterprising of all nations, the idea of a "free market approach" has only in recent decades been seriously considered as a potential basis for organizing or reorganizing the provision of primary and secondary education for the vast majority of American children.² Although most Americans appear to accept free enterprise in the production of goods and services, the "capitalist road" has been generally considered inappropriate for the more important task of educating their children. That this radical departure from the tradition of publicly provided education (which though only about a hundred years old, seems practically coeval with American democracy) has been under consideration outside of academic economics, testifies to the great dissatisfaction felt by many Americans with the contribution of the public schools to their children's education. It is even more surprising that this is occurring given the aura of undemocratic elitism which surrounds non-publicly provided education.

Controversies over public finance, social inequality and racial integration have unsettled the relationship between the citizenry and their schools. Pervasive problems involving deteriorating academic performance; insufficient or excessive discipline and order; lack of interest and respect by students, teachers and administrators for their own endeavors; bureaucratism and its corollary, educational faddism; teacher unrest and depersonalization of the educational experience, are some of the wellsprings from which has erupted a
literature highly critical of public education. This provocative body of work condemns most current educational institutions, processes and interactions between pupils and teachers as inhibitive and destructive to genuine understanding, thoughtfulness and self-development. Through the influence of the "hidden curriculum," schooling is seen to have pernicious effects on intellectual and moral attitudes, habits and values. Proposals for structural reform of American education range from innovative re-arrangements within present classrooms to Ivan Illich's call for a total "deschooling" of society.

One important perspective on educational reform, not directly concerned with the philosophy or processes of learning, seeks to alter the structure of education by enlarging the possibilities for educational "liberation" and innovation. The method proposed is an application of traditional American values (reliance on freedom and choice, individuality, personal and family responsibility) to the organization of primary and secondary educational services and institutions. "Free" or "free market" education is defined as a method of extending both parent and pupil choice and control over educational services and institutions, either by abolishing taxes for education thereby "allowing" each family to select and support its own children's education, or by redistributing educational taxes directly to parents for them to spend on the schools of their choice. Proponents of this view contend that American education will be revitalized through the market mechanisms of "consumer choice," "entrepreneurial competition" and "profit and loss."

The leading strategy for enlarging the scope of the free market in education, the "voucher" system, is supported by thinkers of widely divergent political persuasions. Although there are many proposed variations to the voucher idea, particularly with respect to criteria of eligibility and the character of governmental restrictions on conditions of use, the basic proposal is to give each parent of school-age children a yearly certificate or "voucher" worth more or less what it currently costs to educate a pupil in the public school system. Parents could "spend" their vouchers for education in
whatever schools they chose and the recipient schools would turn them in for actual payment from public funds. ³ Voucher proponents generally agree that this system will bring forth competition, innovation, diversity, more relevant and higher quality education and greater parent and student satisfaction. They disagree as to its presumed consequences for equality of opportunity, the transmission of common democratic values and racial and socioeconomic stratification.

Despite substantial interest in the voucher idea, there are some formidable social forces opposed to "free education."⁴ One of the most important is the common view that this alternative to the present system of public schools is anti-democratic and inegalitarian, and will have deleterious effects on socioeconomic stratification and racial segregation. Another, and perhaps ultimately more powerful force is the perceived self-interests of important institutions within the contemporary education "industry," which fear that the market for their "products" and teaching certificates will evaporate. Administrator's and teacher's organizations and unions in particular fear a loss of position and security. Attitudes hostile in general to the ideas and institutions of a market society, as well as a loss of faith in individual self-determined activity and responsibility for solving or ameliorating social problems tend to foster both academic and popular disinterest in the free education alternative. Paradoxically, many of those who are ideologically unwilling to argue for reliance upon individual responsibility and creativity in educational affairs often resent those very institutions (government, corporations, educational "establishments") which they view as inhibiting individuality.⁵

Theoretical shortcomings, terminological ambiguities and misplaced emphases within free education analyses also limit a more widespread acceptance of this approach. Although market concepts and assumptions can constructively reshape thinking about key aspects of educational reform, they are often too narrowly economistic to encompass the moral and idealistic elements in educational life. In this respect, contemporary free education theorists have something to learn from Adam Smith, the founder of liberal political economy, who
is also widely believed to be the intellectual progenitor of the voucher idea. The purpose of this essay is to extend and enrich the discussion of educational reform by reassessing the free market approach and examining its presumed origins, leading implicit and explicit justifications, key notions and potential social consequences.
II. THE HERITAGE OF ADAM SMITH

The first major discussion of the operation of free market principles in relation to education is to be found in Adam Smith's classic work, the *Wealth of Nations*. Contrary to general belief, however, Smith did not originate the voucher idea and in at least one important respect he proposed a more extensive public provision of educational services for children than many admirers of the free market would find acceptable today. Yet his reflections on the fundamental questions of the purpose and organization of education in a liberal constitutional order offer a valuable introduction to understanding and evaluating contemporary theories of free education.

Smith's view of free education raises four fundamental questions regarding government and basic education. (1) What is the moral justification for government concern with education? (2) Why might government assistance to education be necessary? (3) How should public assistance be rendered? (4) What are the "external benefits" of education and how are they related to the purpose of education?

1. Moral justification: According to Smith, the nature of work in a social economy founded on an intensive division of labor and specialization, particularly in combination with the employment of children at an early age, tends to result in the moral and intellectual stultification of the great body of the people. Economic growth tends to confine the skills demanded of working people "to a few very simple operations," thereby "benumb[ing] the understanding of the labouring poor." He foresaw the possibility of large numbers of individuals "without the proper use of the intellectual faculties" and therefore "deformed" in an "essential part of the character of human nature." In economically developing societies, the "invisible hand" apparently does not produce a requisite level of moral and intellectual vigor. Smith believed that the community and government have a legitimate interest in the education of citizens in order to
protect individuals from the injurious consequences of modern economic activity.

According to Smith, the purpose of education is to develop the intellect and character of individuals, and not "social utility." He believed that education enriches the purposive abilities of individuals, strengthens one's capacities for reflection and stimulates one's interest in "speculative" and "ornamental," as well as "useful" knowledge. He argues that people ought not to be prevented from fulfilling these human needs or be deprived of the possibilities of employing their leisure in self-enriching ways because of lack of opportunities for education.

2. The problem: Since the middle and upper classes are generally willing and able to educate their children ("If they are not properly educated, it is seldom from the want of expense laid out upon their education; but from the improper application of that expense"),

8 public policy must concern itself only with those who are too poor to provide at least some minimum level of education for their offspring. To this end, he proposed to use public authority and funds to "facilitate," to "encourage" and to "impose."

3. The solution: Most important, the education of the poor should be facilitated and encouraged by the establishment of schools, "where children may be taught for a reward so moderate that even a common labourer may afford it." Each district or parish would be required to have a school (built with public and/or charitable funds), and poor parents of school children would be expected to contribute to the salary of their teachers. This, it can be seen, is by no means a voucher system. It is, in effect, a system of public and charitable subsidies for local schools, making education available to poor children. 9 No legal compulsion to attend was to be involved. Furthermore, examinations in "the essential elements of education" would be required of all individuals at some point, such as before they enter employment. This is what Smith meant by "imposing" education on the people. 10 Education would also be encouraged by public awards and recognition for pupils who excel in their studies.
4. Social benefits: Although Smith's primary justification for public assistance to education relates to the necessity for preserving and enlivening human abilities and potentialities, he recognized the importance of what contemporary economists refer to as the positive 'externalities' or 'neighborhood effects' of an educated citizenry. He believed that mass education would lead to an improvement in the quality of political life by engendering greater mutual respect among members of the community and greater regard by those in positions of authority toward other citizens and by enhancing the powers of the people to judge public policy.

Smith also recognized certain beneficial economic consequences of education. The abilities of all the members of a community are, in a sense, part of a society's "capital." The skills acquired during the course of an individual's education and study, "as they make a part of his fortune, so do they likewise of that of the society to which he belongs." A person's acquired knowledge and abilities obviously benefit others and society. But unlike many modern analysts, Smith clearly distinguishes the essential individualizing moral and intellectual purpose of education which justifies government action, from other beneficial consequences. "Though the state was to derive no advantage from the instruction of the inferior ranks of people," he argued, "their education would still be a proper concern of government."

In summary, according to Adam Smith, the operative principles which ought to guide the use of legal authority and public resources in support of basic education are as follows: (a) The essential public purpose is individual enlightenment and development. Beneficial neighborhood effects such as increased political wisdom, better citizenship, political stability and economic progress are to be expected and welcomed. (b) Public policy should be "target specific." It must seek out the actual hindrances to desired goals, and eliminate or ameliorate them. In this case, the aim is to remove the impediment to the fulfillment of the natural desire of parents to educate their children, i.e., a lack of adequate resources. (c) Public authority should accomplish its educational goals in such a
way as to respect parental liberty, choice and responsibility and not undermine the freedom and ability of families to provide for their own educational needs in their own way and with their own resources. Coercion should be avoided to the greatest extent possible.

(d) Private means and controls should be combined with public aid and authority whenever possible. Even in publicly provided schools, parents should be responsible for some direct payment to the school in order to encourage the diligence of teachers, promote efficiency and quality and enhance parental interest and influence. (e) Public money should not be employed to displace or compete unfairly with private educational services and institutions.

In Smith's system, as a result of parental choice, payment and influence and the competition of private education, public schools would be open to change and innovation and to those natural transformations that might over time be produced by increasing parental knowledge and growing family incomes. Publicly subsidized schools would provide a socially agreed upon minimum level of education without inhibiting future educational growth. Changes in types of schools, patterns of curricula and methods of instruction could evolve in accord with the actual knowledge, desires and resources of parents and not according to what small numbers of educationists and political officials and influentials determine to be the "needs" of society or the economy.

It is remarkable, however, that even Smith's modest public policy proposals in support of education appeared to be unnecessary in order to attain the level of education of the masses which he had proposed. A system of public support for the education of poor children, primarily through providing school facilities, was already in existence in Scotland during Smith's time. During this same period, almost all Scottish parents were voluntarily paying very substantial educational fees. Similarly, in New York, as in other states, the vast majority of parents were paying to send their children to school. "Schooling in the early 19th Century [in New York] was already almost universal without being compulsory. Moreover, although it was subsidized, it was not free except to the very poor."
Even in England, where the Scottish system of parish schools did not exist, there occurred an extraordinary growth in the numbers of children in school in the years following the publication of the Wealth of Nations in 1776. Between 1818, the first year for which comprehensive school statistics were available, and 1828, the school population doubled. By 1834, the 1818 figure of 478,000 had increased to 1,294,000 "without any interposition of Government or public authorities."

When the government made its debut in education in 1833 mainly in the role of a subsidizer, it was as if it jumped into the saddle of a horse that was already galloping. The question was: would the new rider improve its speed and if so, could this be done without injury?\textsuperscript{14}

E. G. West has recalled the warning by Henry Brougham, head of a parliamentary Select Committee on education at the time when public subsidies to schools were first getting underway:

Where we have such a number of schools and such means of education furnished by the parents themselves from their own earnings, and by contributions of well-disposed individuals in aid of those whose earnings were insufficient, it behooves us to take the greatest care how we interfere with a system which prospers so well of itself; to think well and long and anxiously, and with all circumspection and all foresight, before we thrust our hands into machinery which is now in such a steady, constant, and rapid movement.\textsuperscript{13}

Private schooling continued to grow by leaps and bounds. By the 1870s, before the policy of establishing universal education was implemented, almost all English men and women had acquired some education. Literacy was nearly universal and most of this had occurred without the necessity for government to "facilitate," "encourage" or "impose" as Adam Smith had thought.
III. THE MORAL BASIS OF FREE EDUCATION

Economic science cannot of itself illuminate either the purpose of education or the desirability of those moral and political aims that might legitimately require the use of legal compulsion and taxation for the purposes of educating the children of a community. Yet all who are concerned with the relationship of government to education must have some views regarding the purpose or purposes which necessitate the education of children and may necessitate the involvement of government. Smith's legacy argues for the primacy of individual enlightenment, but his successors are more inclined to favor societal development. Milton Friedman gives two reasons which, in his view, justify a role for government in education: (1) positive externalities or "neighborhood effects" and (2) "paternalistic concern for children." Like most contemporary economists, however, he is almost exclusively preoccupied with the first reason. While Friedman does emphasize socio-political benefits, there is a strong tendency in current economic thought not only to emphasize the economic benefits of education, but to assume that this is its major purpose, even to the extent that "educational investment" should be directed to "the social goal of maximizing future economic growth."16

The most common, and for many, the most decisive justification currently given for government intervention is based on the observation that a person's education accrues to the benefit of society or "yield(s) significant gains to other individuals for which it is not feasible to make them compensate him."17 Although this does not, in fact, seem to provide a logical rationale for the use of public authority or funds to require and pay for individuals to obtain education, it is argued that since the economic abilities and skills of the better educated, "yields benefits to society as a whole,"18 government should subsidize schooling.

Yet the principle of externalities would seem to militate against such a conclusion, for when individuals and families use their own
resources to become more educated, private and public interest and benefit would seem to coincide to an extraordinary degree. Others and society gain a "free" benefit, i.e., without restrictions on liberty and without public cost. Education is an important example of the constructive operation of Adam Smith's "invisible hand" principle. The more that families pursue their own and their children's "self-interest" in bettering their condition through education, the more the actual "public interest" in an enlightened, thoughtful, creative, diverse, democratic society is attained. This is so, even though the parent or student involved usually "neither intends to promote the public interest, nor knows how much he is promoting it." To closely paraphrase Smith:

By preferring its own child's education and by directing its efforts in such a manner as to result in the greatest knowledge, a family intends only its own gain. But in this, as in many other cases, it is led by an invisible hand to promote an end which was no part of its intention....By pursuing its own interest, the family frequently promotes that of the society more effectually than when it really intends to promote it.19

Since society has so much to gain from private educational endeavors, a beneficial effects theory should lead to a "classic liberal" public policy of encouraging private education, at least to the extent of removing all legal and political impediments to its operation, but not to the extent of subsidizing it, except for the socially agreed upon minimum level required of all.

Two questions lie at the heart of liberal free market approaches to education: (1) should schooling be required (enforced and subsidized) by the state, and for what reason(s), and (2) should additional education for some people be subsidized (though not required), and for what reasons?

One of the major confusions in contemporary theoretical justifications for free market education, such as Friedman's, involves the divergent moral and policy implications of the fundamental liberal distinction between "required" or basic, and "additional" schooling.
This confusion is related to a paradoxical (for "liberals") emphasis on "neighborhood effects" as a political justification for government subsidy for educational services (whether required or additional). For example, Friedman states:

What forms of education have the greatest social advantage and how much of the community's limited resources should be spent on them must be decided by the judgment of the community expressed through its accepted political channels. 20

But liberals who argue for maximum freedom and choice in education must carefully distinguish the education required of all citizens from any additional schooling (however socially beneficial), because the first involves elements of coercion, i.e., school attendance or examinations and taxation to pay for the education of the poor. However difficult it may be to ascertain where the exact line between the minimum required education and additional schooling should be placed, the logic of free market principles tends to resist high socially enforced minimums. The higher the required level of schooling or education, the more important and extensive are the coercive elements of enforced attendance and taxation, the more individual and family lives are directed by the requirements of public authority and the greater the danger that some persons will not benefit from additional formal education as much as they might from other self-chosen activities. The opportunity costs of education rise and the ability to do other things is restricted.

The neighborhood effects justification for government involvement in education raises even more difficult questions. It can readily be seen that "paternalistic concern" (a poor choice of terms, I should think, for a free market economist) and beneficial social, political or economic effects may both justify a role for government in the basic education of young people. Yet the character and implications of these two justifications are radically different. The first, predicated on the belief that "children have a value in and of themselves," is oriented toward individuals and is concerned with their intellectual and social development. The purpose of 'child centered'
education is open ended; no overriding particular social goal is possible and any necessary elements of coercion (requirements and subsidies) are morally justified on the basis of protecting children from ignorance and equipping them to be members of the community and choosers of their own goals and paths.

On the other hand, the neighborhood effects justification contradicts the principle of liberal political-economic theory as applied to education in general and to "additional" education in particular. Neighborhood effects is a social utility argument dressed in economic clothes. It shifts the purpose of government support for education from personal to societal development, i.e., better social and political leadership, economic progress or equal group achievement. It provides a principle for unlimited and arbitrary involvement of government authority in education and it replaces the sense of common purpose inherent in the question, "what is good for children?" (under which a great variety of educational approaches can flourish), with the factional political question of whether and how the education of children may be directed and supported for the purported benefit of society, however that may be defined at any given time.

The ambiguities, contradictions and dangers of the neighborhood effects argument are most visible in the sphere of education in which this sort of justification is most emphasized; i.e., mandating and/or subsidizing education beyond the minimum required of all members of a community. For example, Friedman and others object to state governments' providing higher educational opportunities for residents on the condition that they attend state institutions. But is it equitable to provide subsidies for those youths who wish to finish high school or go to college, and not for others who choose to do something else? This illustrates one general objection to all social utility theories: the tendency to foster reliance on the assumed superiority of public over private judgment which is antithetical to liberal economic theory. In this case, it is decided that secondary or higher education is to be more socially useful than other activities, and therefore inducements to youth to undertake further schooling, at public expense, are said to be justified.
Yet in a liberal political economy, how can political determinations based on socially desirable neighborhood effects by themselves provide sufficient moral justification for government taxation and investment in education? One is left with a very peculiar "free marker" in which persons do not have the right to "underinvest" in education, as they do in so many other goods that might be beneficial to society—such as physical fitness, art works or planting flowers in the curbs before their homes. Moreover, by what explicit criteria can the social costs and benefits of public investment in education be ascertained in order to determine whether there is in fact a net social benefit? On what grounds could one determine what to invest in or subsidize? Does mandatory schooling to age sixteen, rather than to age fourteen, for example, contribute more to the development of a creative, critical, literate and independent citizenry? Would subsidizing newspapers and periodicals, the Boy Scouts, early employment, etc., better enhance the development of civic virtues? Does it contribute more to "economic growth" which has, for many, replaced "civic values" as the primary desirable external effect of further education? Perhaps withdrawing public funds from the last year or two of high school and supporting a more extensive program of evening classes might better enhance civic virtue as well as economic growth. Can a social utility principle help to decide between these alternatives? Where, as at present, most families are effectively prevented from directly using their own resources for educational purposes, and where government is already determining the level of educational investment, there would seem to be insuperable difficulties in the way of establishing the view that more money should be taxed away from families because public investment in education rather than private investment or private spending will contribute more to social stability, democratic values, better leadership or economic growth.

The principles of a liberal polity and market economy would seem to contradict a social utilitarian justification for the involvement of public authority in education, however persistent this tendency may be or have been in the public philosophy of American education. Within the liberal framework, concern for the protection and
development of children remains the most defensible justification for taxation and the intrusion of government into free education, and it would seem to be the least divisive. A central question of public policy is then whether this aim is or can be adequately achieved by relying on parental responsibility and private institutions. Are parents willing and able to obtain a socially and legally acceptable level of education for their children? To the extent that the answer to this question is yes, then there is no reason for public provision and financing of education. To the extent that the answer is no, a basis for the legitimate use of public authority and money exists. If parents really cannot provide a socially adequate education, the use of public funds is necessary.

Past experience provides a useful basis for speculating about the possibilities for successful free education. Long before the establishment of public school systems, the record of self-assumed responsibility of parents for educating their children was remarkable. In 1813, James Mill asserted that:

From observation and inquiry assiduously directed to that object, we can ourselves speak decidedly as to the rapid progress which the love of education is making among the lower orders in England. Even around London, in a circle of fifty miles radius, which is far from the most instructed and virtuous part of the kingdom, there is hardly a village that has not something of a school; and not many children of either sex who are not taught more or less, reading and writing. We have met with families in which, for weeks together, not an article of sustenance but potatoes had been used; yet for every child the hard-earned sum was provided to send them to school.21

A few years later, the report of a Select Parliamentary Committee stated:

There is the most unquestionable evidence that the anxiety of the poor for education continues not only unabated but daily increasing; that it extends to every part of the country, and is to be found equally prevalent in those smaller towns and country districts, where no means of gratifying it are provided by the charitable efforts of the richer classes.22
In America, the Commissioners authorized to look into the questions of establishing Common Schools in New York State reported in 1812:

In a free government, where political equality is established, and where the road to preferment is open to all, there is a natural stimulus to education; and accordingly we find it generally resorted to, unless some great local impediments interfere. 23

It can hardly be argued that today, in a society which is much more affluent and interested in education, the vast majority of parents would not devote substantial resources to this purpose, perhaps more than what they are now paying in taxes to support the public schools. This would seem to be supported by the increasing numbers of parents who are paying very much more than their taxes, in order to send their children to secular or religious private schools. 24
IV. EDUCATIONAL REFORM AND MARKET CONCEPTS

The responsibility of those involved in public policy activity is to formulate and help establish that system of education most suitable to a liberal democratic society and a free economy, which public opinion will tolerate. The task of formulating principles for such a system is often regarded as both hopeless and fruitless because public support for radical educational reform is not very widespread and because there is no consensual agreement on principles. Nevertheless, whether acknowledged or tacit, all educational reform is guided by an "ideal" or paradigm; and it seems necessary, then, to elucidate the principles of a "system" of education consistent with free market theory. These would include:

1. Effective reliance on parental concern, responsibility, knowledge and resources for obtaining the education most suitable to their children.

2. Educational pluralism: encouragement, through reliance on parental choice, of a rich variety of school contexts, approaches, subject emphases and methods of education in order to fit the diverse abilities, educational needs, and special problems of children and youth, as well as the desires of their parents.

3. A legal minimum of education (perhaps 8th- or 9th-grade equivalent?) enforced preferably through the mechanism of required examinations, years of schooling or a combination of both. No one should be legally forced to obtain additional education or schooling.

4. Public assistance to those families who, in an educational free market are unable to pay for a socially required education for their youngsters, provided in such a manner as not to undermine the above principles. Assistance is justified on the grounds that the liberal concern with protecting children from ignorance should not require that, as in Mill's day, some families live only on "potatoes"
in order that "for every child the hard-earned sum [be] provided to send them to school."

These principles would radically revise the relationship between government and education. Publicly provided education would become extinct. Publicly supported education for the poor alone, perhaps in the form of voucher grants, would enable them to purchase educational services. This "selective" voucher system would seem to be the method of assistance most consistent with liberal principles. It subsidizes the poor without taking away from them the dignity of choice, responsibility, and real influence over the education of their children. The "universal" voucher system, which allocates to all parents, irrespective of income, public funds for the purpose of paying educational costs is less satisfactory. And given the present concerns and resources of most parents, it seems unnecessary. Moreover, it is inequitable to require nonparents to contribute not only to the education of the very poor, which is justifiable, but to the education of youngsters from middle-class and high income families. Furthermore, under the selective voucher system most people would be spending their own personal funds, surely with more care, alertness, and wisdom than they would a "free" government voucher. This in itself should tend to reduce the inflated price of schooling and substantially enhance the responsiveness of educators.

Although the concepts and language of free market economics have enriched contemporary analyses of the problems of educational institutions, their use has also tended to subtly distort or repress important aspects of the liberal argument for free education. To some extent this may be unavoidable when "economic" terms are applied to what are essentially moral and political questions. The comments which follow are intended to offer some necessary corrections regarding the meaning and implications of market concepts for analyzing educational reform.

CONSUMER CHOICE

The notion of consumer choice is pervasive in market approaches to educational services. Yet the relationship between parent, child,
and education is fundamentally not that of product or service and consumer. Education is not something that is "used up." It is an odd consumption that results in one having more of the product after it is consumed. And it is an odd product, which the owner still possesses after selling it. Parental choice is not synonymous with consumer choice. Any plausible theory of free market education must argue that it enables one to be a better parent. The ordinary notions of consuming and producing cannot adequately illuminate the process by which parents should be allowed to seek the "right" education for their children. When "consumer choice" is emphasized in discussions of educational reform, it tends to oversimplify and denigrate what it is that many economists are actually concerned about, i.e., improving educational choice and the quality of education. Also, one wonders if it doesn't subtly repel people who do not equate the activities of parenting and consuming.

"Choice," on the other hand, has very different implications. Children do come in a great variety of aptitudinal, intellectual, artistic, cultural, religious, and ethnic shapes and sizes. Some differences are unavoidable. Others are considered legitimate in a constitutional democracy. Therefore, the ability to choose and be "fitted" into a variety of educational institutions, within a framework of certain common requirements, would seem intrinsic to a liberal social order. Any society which takes seriously its own liberal principles can hardly justifiably repress their operation in the sphere of education. A belief in the desirability of citizens being able to choose is an essential element of the faith that sustains liberal democratic society. The exercise of choice is at the heart of liberal polity, liberal economy, and liberal education. If it be said that because they lack "information" and/or "expertise," parents are incapable of selecting an appropriate education for their own children about whom they know a great deal, then it must be concluded that they are even less capable of choosing appropriate officials, about whom they know much less, to provide suitable educational arrangements for most children about whom these officials know almost nothing.
COMPETITION

For the vast majority of parents the public school system is, in effect, a monopoly supplier to compulsory clients, and it is an economic axiom that monopolies do not ordinarily have much incentive for increasing the quality and variety of their goods and services. The advocates of voucher systems and other means of degovernmentalizing primary and secondary education write glowingly of the benefits to be gained from the competition which would inevitably ensue. However, a stress on competition for more students or higher profits tends to distort the picture of what it is that would be relied upon to improve our system of education. It may be true that "the forces of competition between schoolmasters would increase educational quality, variety and innovation," yet there are important elements in education which do and will inhibit competition.

Religious attachment, commitments to particular philosophies and methods of education and the existence of endowments, inhibit the willingness or ability of headmasters and teachers to compete and of parents to go elsewhere. Furthermore, if the goal of competition among schools is for a greater share of the "student market," it must be noted that most private schools cannot expand very much without damaging or destroying the qualities that make them attractive or unique. This limited ability to compete for more students may turn out to be one of the virtues of free education, if the relatively small size of classes and greater personal attention to students in contemporary private schools is any indication.

In order to transform and improve education, the free market approach would appear to rely not so much on competition as on the release of creative educational energies repressed by the present system of public schooling in which so many of the participants feel trapped in a web of little freedom and much control. New opportunities to liberate the idealism, dedication, imaginations and abilities of teachers, students, and parents are an essential feature of free education. The creativity of teachers and other educators, given the stimulus of greater choice on the part of parents, is one of the most interesting findings of the quasi-voucher experiment that was conducted
under the auspices of the federal government's National Institute of Education in Alum Rock, California. Although parents were permitted to choose from only the relatively few public schools which had agreed to participate in this experiment, the development of one or more "mini-schools" within each elementary school led to greater scope given to teacher initiative and responsibility. Pupils and parents were thereby provided with a greater diversity of educational approaches and emphases. 27

Furthermore, under a system of free education, teachers, parents, educators, and other individuals, as well as cultural and religious societies and philanthropic foundations now prevented by the "narrowness of the market" from setting up schools, would have greater opportunity to create institutions to further and improve the education of young people. American society seems abundantly supplied with educational energies, abilities, and concerns. But it is liberty and choice, now so restricted, and not competition for money and more students which will permit these educational resources to transform American education.

PROFIT AND LOSS

In market terms, the problem of competition necessarily introduces the question of profit. Can one expect that this essential market incentive could or would be a very important stimulus to creating new schools and improving educational services? Profit, either in the entrepreneurial sense or as return on capital investment, has not often been an object sought in the founding of elementary and secondary schools in America. Like private universities, these schools have almost invariably been nonprofit institutions. While the spirit of social engineering and reform has been prominent in American education, the entrepreneurial spirit has not. Although usually hopeful of "making improvements," schools are generally satisfied to cover their expenses in the long run. Failing this, they tend to seek contributions or endowments, cut services or lower the remuneration of faculty and staff in order to continue to operate. Elementary and secondary schools could be profitable enterprises but
their mission as institutions of learning does not comfortably co-
exist with this as a primary aim and their successes and failures can
hardly be evaluated in business terms. It does not seem likely, as
some market economists argue, that "profit maximization" would be the
motive for success and that this "would require that a school meet
the needs of its students better than its competitors for any given
cost."²⁸

Perhaps the most instructive example of the procrustean character
of profit and loss in respect to educational institutions is the
tendency to oversimplify the complexity of teacher motivation and
incentive. In the literature on vouchers and other aspects of free
market education, "economic man" reigns supreme, and the "better
teachers" go where they can get "more money."²⁹ Yet, according to
the most important study of post World War II nonpublic education,
most certified nonpublic school teachers could have done better in
terms of salary and workload by shifting to the public schools.

We found Catholic, Protestant, and independent school
teachers agreeing most closely on the following reasons
for preferring a private school: the educational philos-
ophy of the school; a greater sense of community and
freedom from impersonal bureaucracy; the freedom to design
and teach courses; the quality of the faculty and of the
school head.³⁰

Salary was one of the characteristics which appeared to have "sur-
prisingly little influence on teachers' choices."³¹ The findings of
this study tend to verify the commonly held belief that good teachers
often leave public schools to teach for less money but with greater
freedom in private institutions.

Given the history and present character of American private
schooling and the motivations of most of the people involved in
creating and sustaining them, it is doubtful that proposals for
alternatives to the public school system which are guided by such
business concepts as "profit maximization" and "educational entre-
preneur" can contribute much to an understanding of the dynamics of
free education. Moreover, free market analyses of educational reform
remain defective unless they take into account the idealism of teachers and educators. And, the possibilities of free education would undoubtedly be enhanced if the free market approach appealed to the idealism of those professionally involved in education, for unless educators come to believe that, far from being a "threat," free education serves their own "self-interest" as teachers, the educational establishment can be expected to more vigorously reject free market experimentation and implementation.
V. FREE EDUCATION AND DEMOCRATIC VALUES

Social reformers rarely emphasize the social significance of the family, perhaps because it is the institution least amenable to "social" reform. Those who argue for more and more legally mandated and tax-supported education always stress the desirable sociopolitical consequences which will result. But we are now rediscovering that social factors recently assumed to be very heavily shaped by schooling (e.g., crime, socioeconomic status) are much more closely related to family, neighborhood, cultural, and religious influences. This is one of the most important implications of Coleman's famous Report on Equality of Educational Opportunity as well as Jencks' study on Inequality. Yet this should be no surprise, for the nature of these fundamental formative institutions is such that their values and mores must penetrate and largely determine the content, character, and impact of every community's educational system.

Still, the difficulties of clearly ascertaining the sociopolitical consequences of schooling are formidable. And those who are interested in educational reform must address themselves to the common belief that the free education alternative would adversely affect widely held desiderata, such as the transmission of common democratic values, social (income class) mixing, racial integration, and equality of opportunity. Friedman believes that the existing facts of social stratification point unambiguously to the desirability of a free market in education which would, at least, permit parents and children to escape from the present inequalities that are powerfully reinforced by public school systems. But other proponents of voucher systems believe that the free market approach to schooling would "widen the present disparity between the opportunities afforded the privileged and the disadvantaged" and "would probably lead to great racial and social segregation of pupils among schools than presently exists."32 Furthermore, Levin suggests that "it is not clear that a set of largely autonomous schools could provide the common set of values and
knowledge necessary for the functioning of a democratic society." What is clear, however, is that free education will be judged to a significant extent by its anticipated consequences regarding these important questions.

RESPECT FOR DEMOCRATIC VALUES AND INSTITUTIONS

It is reasonable to believe that "a stable and democratic society is impossible without a minimum degree of literacy and knowledge on the part of most citizens and without widespread acceptance of some common set of values [and that] education can contribute to both." But is it reasonable to assume that the schools can or should carry the primary burden for political socialization? Insofar as parents (especially) and teachers have respect for common democratic values and institutions, these attitudes are inevitably transmitted to children in the home and school. Can formal instruction undertaken for the purpose of political socialization ever be more than marginally effective? On the contrary, there is reason to believe that in the secondary schools classes required for this purpose often seem to "turn off" students to civic ideals and responsibilities.

The impression that private schools are somehow "anti-democratic" is endemic, although there is little evidence to sustain this prejudice. It would require an extraordinary degree of imagination today to maintain that the graduates of the nation's private elementary and secondary schools have less interest in the American past, less respect and loyalty to democratic values and institutions, less understanding of our constitutional order, less acceptance of change, diversity, and compromise, and less willingness to undertake social responsibilities and political leadership than those who have been educated in the public schools. To the contrary, one might readily conclude that it is the bureaucracy, impersonal relations, and preoccupations with discipline and order within the public schools which are un conducive to engendering the qualities of thoughtful choice, independent-mindedness, responsibility, and creativity which are capable of inspiring commitment to American values. As one scholar has remarked, "Of all American institutions it is particularly ironic
that the one institution charged with the mission of teaching democracy is usually perceived by the student as the one that leaves him powerless." 35

In reply to the weighty argument that the public school system is necessary for forming and sustaining political community in the United States, one must remember that "the common set of values and knowledge necessary for the functioning of a democratic society" was forged and became operational in conjunction with "a set of largely autonomous [private] schools." The reintroduction of more direct and extensive parent-student choice, responsibility and influence into education, by tending to enliven this area of our democracy, might enhance the transmission of common values and the democratic spirit.

"SOCIAL MIXING"

Perhaps one of the most persistent myths about the public schools is that they promote "social mixing," a euphemism which generally refers to familiarity and interaction among children from different economic classes. Whatever validity the older town or neighborhood school had with regard to this aim, urbanization and suburbanization have unintentionally, though no less effectively, reinforced segregation of pupils by socioeconomic background in accordance with residential patterns.

The rich, or those families prepared to make considerable financial sacrifices, can largely determine with whom their children will associate in school. Many have chosen (and paid) to send their youngsters to schools where they will mix with at least some children from much poorer families, who are often brought to the school on scholarships contributed by richer parents and alumni. The private sector has always helped some children from low-income families to escape poor schools and the social environment of other disadvantaged children. The process of transforming public into private education could open much greater choice regarding social mixing to all strata of the population—especially for the poor—and break the virtual monopoly of the rich on this particular good.
Those who believe that the vast majority of American parents, if given the choice, would rush to enroll their children in schools where they would come into contact only with rich or other middle-class children, profoundly misjudge the values and temper of the American public. On the contrary, most parents want their youngsters to be in schools with children (and teachers) from different socioeconomic backgrounds. This is one of the most important reasons why they continue to be loyal to the public school ideal. Under a system of free choice of schools, the desire for a varied student body could be an element in the educational decisionmaking of parents to a far greater extent than at present. However, it must be remembered that, as America has become more "middle class," poor (especially white) children have become a scarce "good" and parents in most cases may have to be satisfied with ethnic and religious rather than sharp economic differences among their children's schoolmates.

Furthermore, as Professor West has noted, it is likely that when parents are responsible for choosing a school, such characteristics as its philosophy and methods of instruction, approach to discipline, intellectual standards, subject emphases, traditions, and reputation tend to become the critical elements of the decision. Since lower-income parents will often be attracted to the same school qualities as higher-income parents, this should result in a greater degree of class mixing than is now possible in most city school systems. Undoubtedly, this would be attractive to many teachers as well, and those familiar with private schools are very aware that it is not uncommon for headmasters to feel frustrated because, under present conditions, they are unable to obtain a more "balanced" student body.

RACIAL INTEGRATION AND THE EDUCATION OF BLACK CHILDREN

The education, or rather the undereducation, of black children from low-income families is undoubtedly the greatest disaster area in public education and its most devastating failure. This is doubly tragic for it has always been the official ethic of public schooling that it was the poor and the oppressed who were its greatest
beneficiaries. Although the public schools can hardly be blamed for the oppression of black Americans, the extent to which they have been and still are part of the problem, and not part of the cure, is yet to be recognized.

Public education is a monopoly. Black people have no alternative to public education. They are trapped in public schools until they are old enough to drop out....Boards of Education...are not responsible to the community in black areas.36

Without the public school principle, segregation and discrimination against black children in all areas of the nation, including the South, might not have been so thorough and inflexible. Black parents, locked financially if not legally into the public schools, were in effect prevented from "escaping" and sending their children to schools which were willing to integrate (as well as other types of alternative schools), particularly when prejudice and discrimination gradually began to weaken in past decades and acceptance of equality and in integrated society grew. In the absence of public school systems, might it not have been easier for reform-minded institutions and individuals who were or would have been willing to pioneer integrated education, to have more readily done so?

One wonders whether, even within the general framework of segregation and discrimination, black youngsters as well as educators might have benefited if black headmasters, teachers, and parents had had the freedom and responsibility for "doing their own thing" educationally, free from the financial control and oversight of white school boards. It is noteworthy that in some cities, the board's neglect and indifference towards black schools "permitted" outstanding black educators to provide a superior education to their students; i.e., to establish and maintain schools which were both separate and excellent.37

In the North and West, as with class mixing, only more so, the public school principle reinforced school segregation based on residential patterns. It practically guaranteed that relatively few blacks would escape segregated poor schooling, though there were more possibilities for them to do so. Those who did usually went to religious
or secular private schools. At present, research into public school attempts to overcome residentially based segregation by mandatory busing among public schools indicates neither improvement in the educational attainments of black children nor progress in racial attitudes among all children. 38

In light of the past and present contribution of the public school system to sustaining social and racial segregation, it is somewhat surprising to read that the "free market approach would probably lead to a greater racial and social segregation among schools than presently exists." 39 This assumption, which is shared by the authors of the report on education vouchers for the Harvard Center for the Study of Public Policy, seems to be based upon the view that the great majority of the American people wish to escape integration just as they seek to avoid social mixing. Yet the report itself refers to the fact that "comparable surveys taken in 1942, 1956 and 1963 showed a marked growth in the proportion of whites who have pro-integration attitudes," 40 and recent data, including comprehensive surveys of parental attitudes in a number of major cities, show consistent support for integrated schools and that few white parents object to their children attending schools with very substantial minority enrollment. 41

It seems time to recognize that at present it is not all "black," but all "poor" education that prevents blacks from competing well and integrating into the larger society. For example, a recent study shows that a striking number of graduates from the totally segregated but first-rate Dunbar High School in Washington, D.C., have gone on to become leaders in and out of "white society." Professor Sowell concludes that the creation and support of quality education for black children requires the "widespread involvement of individual parents as such," "a sense of purpose, a faith in what can be achieved, and an appreciation of the hard work required to achieve it," as well as a "dedicated nucleus of people in a setting where their dedication can be effectual." 42 This clearly points to the necessity for the kind of radical transformation in the structure of educational activity and opportunity which can encourage the growth and expression of these ideals.

Theodore Sizer and others propose that free education be initiated for the poor alone. Under this plan, schooling alternatives
for poor black families would be greatly enhanced through a system of tuition vouchers. The section of our population that suffers most from segregated schooling would then be able to send their children to schools of their own choice, within or outside their neighborhoods.

Those who would argue that our proposal would destroy the public schools raise a false issue. A system which destroys rather than develops positive human potential now exists. It is not in the public interest. And a system which blames society while it quietly acquiesces in, and inadvertently perpetuates, the very injustices it blames for its inefficiency is not in the public interest. If a system cannot fulfill its responsibilities, it does not deserve to survive. 43

Sizer's proposals might also be a method of gradually initiating a system of universal free education, as well as a test of its results on a relatively small scale. 44

EQUALITY AND INEQUALITY

According to certain less than satisfactory criteria such as per-pupil expenditure and facilities, achievement test scores and numbers of students going on to college, American public education is thought to provide highly unequal opportunities to American children. A decade of research on the subject of "equality" and "inequality" of educational opportunity has shown to be erroneous the widely held assumption that unequal expenditures and facilities are at the root of unequal education. Neither per-pupil expenditures nor teacher-pupil ratios show any direct relationship to academic achievement, and the widespread idea that "minority" schools are financially deprived is inaccurate. As a result of these important findings, a revolution has occurred—in the definition of "equal opportunity." Henceforth, output will replace input and if the results of schooling are unequal, ipso facto, that means the existence of inequality of educational opportunity. 45

The vulgar notion of equality of educational opportunity measured in terms of money and resources, however, has not had a central position in American thinking on education except during the last few decades. It gained currency when most educators agreed not to disagree
on questions of educational philosophy, value, and purpose. They agreed to forego them altogether, in favor of getting on with the "business" of education. Since nature abhors a teleological vacuum, the more superficial aspects of the American spirit filled this vacated intellectual space with "growth means more," "more is better than less," "new should replace old," and "big is beautiful." These business-like notions found powerful institutional support in the continuing efforts by public school officials and administrators to defend and enlarge their budgets and powers.

The problems and confusions respecting inequality have not been dissipated. If equality of opportunity is to be replaced by "equality of results," what are to be the criteria of results: equal test scores, everyone going to equivalent colleges, equality of future happiness or future income, or an equally "critical" view of American society?

The new and predominant school of thought on this question regards equal educational opportunity as an educational system in which a child born into low socioeconomic circumstances will have as high a probability of attaining high academic (or occupational) credentials as a child born into high socioeconomic circumstances.46

And, according to Coleman, schools only provide equal opportunity when they make academic achievement equal by "compensating" for different backgrounds. In this view the nation should accept the goal of "equal educational opportunity defined as approximately equal distributions of achievement (but not just for cognitive skills) for the different ethnic/racial groups."47

A purposive disarray plagues education. In part, this seems a result of Dewey's instrumentalist philosophy and its sequelae which have opened the door to numerous quasi-educational rationales, from "social adjustment" to "social reform." The preoccupation with "group achievement" as an "official" aim of equal educational opportunity marks another revolution in the American view of education--one not unconnected with the recent and unprecedented emphasis on money and resources.

The older notion of equal opportunity was individual and not group-centered. It prescribed that each child have the opportunity to learn,
commensurate with individual abilities and desires. Its goal was optimal individual educational achievement and it placed considerable responsibility on pupils and their families for utilizing these opportunities. But it did not view education or what was made of educational opportunities as divorced from or superior to the formative influences of family, religion, and culture. The children of Jewish and Italian immigrants, for example, by and large had very different educational experiences and made something different in terms of socioeconomic status out of their opportunities. Should one conclude that they did not have "equal" educational opportunity?

In recent years it has been thought both possible and important to demonstrate that American schooling has failed to result in greater intergroup equality of socioeconomic status. This is the ultimate standard of "achievement" by which the schools are to be judged under the newer approaches to equality of educational opportunity. But the proposition that "our schools shoulder the primary burden for...decreasing disparities in incomes and opportunities associated with race and social class" is by no means self-evident, and it will come as quite a surprise to millions of parents who have worked all their lives to raise their own and their children's prospects and living standards. The more basic question, however, is: What can it mean to accept future equality of income among groups as a purpose of education and the schools? Cannot equal sense be made out of requiring that the economic system be directed to assuring every person a liberal education?

Nevertheless, to the extent to which it is true that the quality of one's education correlates positively with socioeconomic occupational achievement, a system of free education would seem likely to contribute to equalizing opportunities to attain higher occupational positions and socioeconomic status. The presently disadvantaged poor and minorities are likely to benefit relatively more than others from their newly acquired opportunity to escape the poorest schooling. Free education can also be expected to allow "black excellence" more room to flourish. It would tend to undermine the perceived necessity for, as well as the present ability of, policymakers and public officials to manipulate the schooling of black children. This is particularly important because black Americans in their struggle to advance
within American society, unlike the other major ethnic groups, must overcome the special burdens created by the "help" of misplaced public policy experiments and the lucrative social reform industry.

Current thinking about inequality and education will continue to be confusing and self-contradictory in the absence of a consistent vision of the purposes of education and schooling; namely, the ideal of guiding one's pupils, to help them "learn to think clearly and independently," and to draw out their capacities for knowledge and self-expression in ways that are not calculated to alienate them from family, religious, and ethnic influences. The fulfillment of this ideal requires an equal interest, concern, respect, and love for all children, and this means, among other things, teachers and principals who, as Silberman has expressed it, "really believe that their students can learn." Have American public schools not failed badly and unequally enough in this, their educational endeavor, that they must be burdened with still other "inequalities" and "failures"? Liberated from the onus of social reform, can education be freed to pursue the ideal of universal encouragement to learn? Can educational equality be achieved under the present system of public schools, or would the free market remedy enable American education to more closely approach the goal of equal interest and concern with the education of every child?
FOOTNOTES


4. The phrase "free education" is somewhat ambiguous and usually connotes systems of publicly provided educational services and institutions. However, since "free market education" is essentially a means to the organization of educational institutions befitting a free society, I prefer to use the term "free education" to refer to the end sought by free market reforms.

5. This was especially evident in the reform movements of the 60's.


7. Ibid., p. 740.

8. Ibid., p. 736.

9. This type of educational subsidy, especially by religious and charitable institutions, was very common in England until the establishment of the state school system in the last decades of the 19th century.

10. A current variant of this old idea, "proficiency testing" for public school students, is now the "hottest reform movement in U.S. education" according to Newsweek, (Jan 9, 1978) p. 65.


12. Ibid., p. 740.

14. ______, *Education and the State* (London: Institute of Economic Affairs, 1965), pp. 137-138. For many poor families, this was an extraordinary sacrifice since it meant not only paying school fees but was also a decision to forego the income which could be derived from the employment of young children.


25. "Free tickets" or vouchers are not new. They were used to enable poor parents to obtain schooling for their youngsters in the 19th century. The voucher option was embodied in the legislation which created the public school system in England in the 1970's. But the voucher principle was subverted and eventually abolished in the interests of public school establishments which did not relish the idea of subsidizing "the other side."


29. See Center for the Study of Public Policy, *Education Vouchers* (Cambridge, CSPP, 1970), p. 31; Levin, *op. cit.*, p. 34. The following statement is more explicit than most but its spirit is not uncommon: "A teacher is...no different. To get the greatest wealth it is easier for him to specialize in teaching. This means he must devote himself earnestly to the needs of his
customers—the pupils—for only by so doing will he be certain of retaining them. For thereto, competition enters to force the teacher to hew rigorously to the line of giving the students what they want and need...thus the teacher, through self-interest must give his best to the pupils." Oscar B. Johannsen, "Private Schools for All"; pamphlet (Wichita, Center for Independent Education, 1976), p. 6.


31. Ibid., p. 150.

32. Levin, op. cit., p. 35.

33. Ibid., p. 36.

34. Friedman, op. cit., p. 86.


38. See especially the summary of relevant studies by David J. Armor, in "Sociology and School Busing Policy," The Rand Corporation, P-5714 (September 1976), pp.4-5.

39. Levin, op. cit., p. 35.


43. Sizer and Whitten, op. cit., p. 62.

44. A good place to start might be with black school children who cannot be brought to integrated schools even by mandatory busing in large school districts such as Los Angeles.


47. Mosteller and Moynihan, op. cit., p. 45.

48. Levin, op. cit., p. 34.

49. "All teacher groups agree in attaching the greatest importance to the academic goal of helping students 'learn to think clearly and independently.' It functions as a common denominator, an aim inherent in the very idea of 'school' conceived as something more than a means of indoctrinating the young in the ways of the tribe." Kraushaar, op. cit., p. 151.
