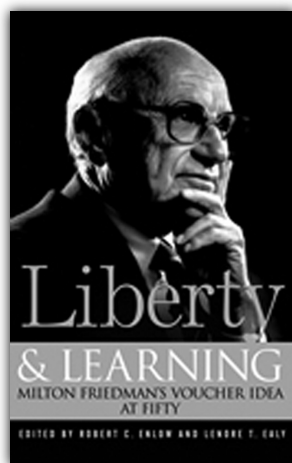


Ten Views on Vouchers



School choice causes controversy even among its supporters, writes **Jennifer Buckingham**

Liberty and Learning: Milton Friedman's Voucher Idea at Fifty

Edited by Robert C Enlow and Lenore T Ealy
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In 1955, Milton Friedman wrote an essay called 'The Role of Government in Education', questioning the extent to which education is a public good and, therefore, the extent to which government funding of education is justified. He concluded that general school-level education satisfies the criteria of a public good because it is necessary for a stable democracy, but rejected the prevailing orthodoxy that schooling must also be provided by government.

Friedman argued that education, like all other goods and services, would be improved by a competitive market. He proposed that families should be able to choose among many providers of education, and that their entitlement to government subsidy should not be dependent on the type of establishment they choose. Two enduring concepts arose from Friedman's essay—'school choice' and 'vouchers'—which generate enormous debate fifty years after Friedman introduced them to a wide audience.

The scale of the controversy over what seems such a straight-forward idea is brought into sharp focus by a collection of essays published by the Cato Institute last year. *Liberty and Learning: Milton Friedman's Voucher Idea at Fifty* contains ten essays, flanked by a prologue and epilogue by Friedman himself. The authors in *Liberty and Learning* reflect on Friedman's 1955 essay and discuss whether it has stood the test of time.

The different sides of freedom

Editors Robert Enlow and Lenore Ealy have achieved their stated goal with this book, to 'create open and honest dialogue that enhances our understanding of liberty and learning'. Enlow and Ealy have not included essays from people opposed to choice in schooling, which makes the difference in opinion in the book all the more stark.

All of the writers are in favour of the principle of school choice but approach it from a variety of angles. With few exceptions, the essays are written persuasively, to the extent that my own thinking was swayed from one essay to the next.

The lack of coherence and agreement in this collection of essays is its strength. There are differing perspectives on the very essence of Friedman's 1955 essay. In Enlow and Ealy's introduction, they claim that improving education is the 'centrepiece' of Friedman's 1955 paper. Yet Friedman's prologue explains that this was not his initial motivation for the voucher proposal, that he was more interested in efficiency. To make things even less clear, John E Brandl claims in his essay that Friedman's true goal was freedom, because freedom itself is inherently good.

Reading Friedman's original 1955 paper does not resolve the matter. Friedman wrote 'I shall assume a

Jennifer Buckingham is a CIS Research Fellow.

society that takes freedom of the individual, or more realistically the family, as its ultimate objective', however most of the paper explores the potential impacts of choice on society. Jay Greene points out in his essay that this belies the perception that Friedman was unconcerned with the social aspects of a voucher system, an accusation levelled at many choice advocates.

This close analysis of Friedman's motivations might appear incidental, but the varying emphases placed on freedom by proponents of school choice, including the authors in *Liberty and Learning*, have important ramifications.

If it seems too simple, it probably is

Myron Lieberman vigorously takes up the cause of freedom in what is, for me, the most thought-provoking contribution to the book. Part of the reason is that Lieberman's perspective is in direct contrast to the preceding articles, but it stands out mostly for its incisiveness.

In the first half of the book, essays by Abigail Thernstrom, John Brandl and John Coons put forward persuasive arguments that if school choice is to be widely accepted, its proponents must use the rhetoric of justice, equity and democracy rather than the language of liberty and freedom. Brandl and Thernstrom advise that support for choice turns on the challenge of educating disadvantaged children, while Coons writes that notions of liberty have no resonance with people concerned about the common good and 'the welfare of real children'. Taking choice even further out of the realm of free market principles, Brandl and Thernstrom suggest that choice creates a sense of community, and it is this rather than competition that pushes up the quality of schooling.

This all sounds very convincing. You start to think that maybe popularising and achieving school choice is really that simple, until you read Lieberman and you come crashing back to earth. Lieberman warns that that way leads to certain doom.

The danger of compromise

Unlike many choice advocates, Lieberman sees no room for compromise. His essay is a forceful admonition that to sacrifice any of the fundamental principles of free markets dilutes policy and

therefore jeopardises the chance of ever achieving true educational choice. His is an important warning, one echoed by Eric Hanushek and John Merrifield, that choice programmes operating in the United States today fall well short of the ideal. These include public school choice, charter schools and targeted vouchers. None has the elements of an open, competitive education market envisaged by Friedman.

The danger of endorsing limited school choice programmes is that too much weight will be given to their results and then extrapolated to real choice. When limited choice programmes achieve disappointing results, the reason is most likely to be because necessary market mechanisms such as competition and independent sources of information are absent, but instead choice is seen as a failure.

Lieberman describes a division in the school choice ranks between 'equalitarians' and 'free marketeers'. One big difference between the two is their position on private funding of schools. Equalitarians are against parents adding funds to vouchers while free marketeers (including Friedman) can see no good reason to stop parents spending money on education. Lieberman laments that equalitarians are dominant in the school choice debate at present, and he encourages free marketeers to defend the fundamental principles of choice lest the quest be lost.

Union opposition to choice

This is not to say that I am wholly in agreement with everything Lieberman has to say. There must be room for negotiation between equalitarians and free-marketeters because generating support for school choice is a battle for hearts and minds. Government control over essential services like education and health is so entrenched that people cannot imagine life without it. Vested interests like unions have played on people's fear of change, spreading misinformation and blocking attempts at reform.

Indeed, the major stumbling block for choice identified in almost all the essays in this book is the opposition from teachers unions. Friedman predicted in his 1955 paper that unions would oppose policies that put more power in the hands of parents, but Hanushek writes that

Friedman did not fully anticipate the strength of the resistance to choice. Teacher unions have an interest in retaining maximum numbers of members, and hence maximum revenues. School choice threatens the monopoly of the public school system and therefore the viability of public sector teacher unions.

Unions have no direct authority, they exercise their power through their alliance with social democratic parties. The Democrats in America, just like the Labor Party in Australia, are highly dependent on unions' voting influence and financial support. Brandl explains that although there is much support for school choice in the wider community, the unions are more organised than ordinary 'blue America'.

There is reason for optimism, however. There is a ground swell of support for choice, mostly generated by the charter school movement, among the black and Hispanic Americans who attend the country's worst public schools. The Hoover Institution's Terry Moe has speculated that as these 'minority' groups grow to approach a majority, at some point the Democrats will be forced to reconsider whose side they are on.

Friedman's prescience

Does Friedman's 1955 essay stand the test of time? The short answer is yes, but the long answer is worth discussion.

In 1955, Friedman did not have research evidence to support his ideas. His essay was necessarily speculative but is no less powerful for it. The Cato Institute's Andrew Coulson describes Friedman's essay as a work of pure reason.

Research to test the ideas came later. And although school choice programs to date do not represent the 'gold standard' (as described by John Merrifield) of universal vouchers, the evidence suggests that choice works even when it is hampered by limitations on vital features of choice such as competition, access and information.

Jay Greene and Eric Hanushek have played an enormously important role in evaluating and analysing empirical evidence on education reforms, including reforms and programs that increase parental choice of schools. Because the reforms are limited, the findings are sometimes limited. The ambiguity is with regard to the size of the effect

of choice—ranging from insignificant to highly positive. Tellingly, few studies show negative effects. Greene and Hanushek's contributions to the book provide support for the potential benefits of expanded choice.

Importantly, the positive effects apply to both the academic and social spheres. One of the most notable aspects of Friedman's 1955 essay is its focus on the potential social impacts of vouchers and school choice. Friedman knew that criticism of school choice would concentrate on how it might exacerbate existing social inequities or undermine the 'public good' purpose of the common school. It is interesting to note that even now debates over the merits of school choice are preoccupied with the same social issues. Very rarely is it seriously suggested that academic outcomes would diminish as a result of school choice.

Support for choice comes not just from limited-scale programs in the US. James Tooley's chapter describes how private education is thriving in developing countries like India with little or no government funding. Tooley's work demonstrates that the desire for good schools and the ability to find them are not confined to the well-educated and well-to-do. Some of the poorest people in the world are willing to pay for their child's education. It also shows how a market in education, with private providers and private money can produce better efficiency and quality, even in the most straitened circumstances.

Friedman's 1955 essay was remarkably prescient. Empirical work has provided support for his theories. He correctly predicted that apprehension about school choice policies would centre on in its social impacts, and he anticipated that unions would oppose vouchers (even if the strength of their antipathy was underestimated). There was, however, one weakness. Friedman did not foresee the rise in sectarian schools and the critical role they would play.

Religious tensions

Friedman acknowledged concerns that sectarian religious schools could be 'a divisive rather than unifying force', but Friedman expected a decline in sectarian schools with more parental choice, because schools run for religious purposes would be less efficient than those exclusively concerned with core educational objectives.

Of course, there was no way that Friedman could have anticipated the level of community anxiety about religious freedom generated by fanaticism and terrorism decades later. But there is no doubt that religious schools represent a particular challenge for believers in educational freedom. Sectarian schools pose a dilemma because their values and teaching could run counter to the civic values that universal general education is intended to engender. How much freedom is too much? Can the freedom to inculcate religious doctrines in schools lead to infringements of the freedoms of others? These are questions that are yet to be properly resolved.

The situation in Australia, where a quasi-voucher system has created a non-government school system almost totally comprised of sectarian religious schools, is more a manifestation of Lieberman's warnings than a flaw in Friedman's theories. The schooling market in Australia is hampered in the following ways: it is overly regulated, entry and exit is limited, it has provider-capture, there is insufficient information for parents, and competition is minimal. As a result, the market has become lop-sided and inefficient. Religious schools have prospered partly because they are better able to raise the extra money required to supplement government funding and partly because of public schools' timidity on instilling discipline and traditional civic values.

A protean and radical view

The editors of *Liberty and Learning* conclude that taken together, the essays in the book 'provide a compelling affirmation that Friedman's concept of choice has withstood the test of time.' This is true, but only in the broadest sense. The concepts of choice and vouchers proposed by Friedman in 1955 were remarkable and deserve a volume such as *Liberty and Learning*, but do not represent what we now think, nor what Friedman eventually thought.

As noted above, Friedman began thinking of school choice primarily from the perspective of liberty and the sanctity of the family. He initially advocated universal vouchers—available to every child to cover the full cost of schooling.

Friedman's views on vouchers were later influenced by the work of E G West and others who showed that long before schools were

government funded, the large majority of parents were having their children educated at their own expense or through charitable organisations. Friedman came to believe that the compulsory education pretext for full government subsidies was unfounded and moved toward favouring targeted vouchers that would ensure access to education for the poor and maximise private expenditure. This was a big departure. Vouchers were already considered radical by many, even though they were basically a reorganisation of public funding. Reducing public spending to targeted vouchers for the poor, with the remainder of school funding coming from private sources, was not even on the radar.

Friedman came to realise this and revised his thinking yet again. He returned to publicly advocating the idea of full vouchers as the best policy, believing it to be more pragmatic. Yet there is evidence that he remained 'radical' at heart. On the 1980 TV series *Free to Choose* he insisted that a voucher scheme was not an assault on the public school system, but more a challenge to 'put up or shut up' that could reinvigorate public education. In a letter to John Merrifield in 1996, however, Friedman described a voucher system as a 'transition device' to move to a system where 'the government is not running any schools.'

If Friedman had not argued for education vouchers and school choice, someone else eventually would have. Yet it is extremely unlikely that anyone else would have had so much influence. Friedman was able to make unorthodox ideas seem like common sense. He was able to foresee, with few exceptions, what the arguments and criticisms against his ideas might be, and denounce them even-handedly and logically. He applied this ability to many areas of economic and social policy but eventually put most of his efforts into education, setting up the Milton and Rose D Friedman Foundation with his wife in 1996 to promote school choice.

Liberty and Learning was not meant to be a tribute to Milton Friedman. It is not a chorus of voices calling for recognition of his work and is not a 'let's all work together' manifesto. But it is an uncannily timely offering with much depth and substance and has certainly given me much to ponder.