

ENVISAGING A FREE MARKET IN EDUCATION

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Whatever its other faults, the principal deficiency in our education system is revealed by the fact that while virtually all children respond enthusiastically to the prospect of starting school, after a few years most of them would prefer not to be there (at least not for the purpose of being educated).

Children are initially enthusiastic about education because it is natural for newcomers to the world to be curious about their surroundings. Young children ask questions *ad nauseam*. Their incessant "why" questions demonstrate their eagerness for knowledge. But noting this fact does not imply that children should be compulsorily detained for eleven years in institutions of which they may or may not approve or be forced to learn subjects in which they may or may not be interested. Such incarceration is nothing

short of slavery and, no doubt, many children view it as such. Children ought to be left free to pursue or not pursue the education which they desire when and as they see fit.

FREEDOM FOR CHILDREN

The last point needs to be examined more closely. How free should children be? How much control, if any, should their parents have? At present, parents have a greater or lesser degree of choice of school but little or no choice over the content and methods of instruction. For the most part children have even less choice than this.

The best way to tackle these questions is by a consideration of property rights. Essentially children should have as

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FOR LIFE, LIBERTY AND PROPERTY

much freedom as their parents allow them to have subject to their not being, for example, physically abused. This derives from the fact of parents' property rights over their children. Parents provide their children with love, food, clothing, comfort and protection and the price that children have to pay for this is to be subject to the authority of their parents. On the whole, this is a price that children are willing to pay (at least, until they reach a certain age). Those who are not willing to pay this price run away from home. Children ought to be free to do this and ought to be allowed to seek alternative "parents". But then they are obliged to be subject to the rules of those new parents while under their protection. Children who do not desire any "parents" would have to fend for themselves. This is, of course, in the main, a harsh alternative as can be seen from the present plight of homeless teenagers on our city streets. It is an alternative which they might not have chosen if it were possible for them to have chosen alternative parents. Undoubtedly many of them would have made such a choice many years earlier had it been available to them.

So freedom in education means freedom for parents to find the educational institutions they desire for their children, and freedom for children to find alternative sponsors for their education if they should reject the authority of their parents. In the early years choice in education would largely fall to the parents since it is not to be expected that very young children would be able to make meaningful positive choices. They would only be able to express their dissatisfaction with a particular school. But it's unlikely that they would not want education of some sort. In the later years, in most cases, parents would leave it up to their children to decide on the educational institutions and the subjects which they wished to study.

THE FREE MARKET OPTION

Freedom in education means a free market system of non-compulsory education. At present we have endless disputes about the best way of teaching this or that subject. Are progressive methods better than traditional? Is the "look-say" method of learning to read better than the phonetic method? Intuitively, I would expect the phonetic method to be superior in the same way that algebra is more powerful and more general than arithmetic. But I could be wrong. Perhaps we should use bits of the two methods. Perhaps some pupils are suited to the "look-say" method and others not. It is not easy to tell in advance what is going to work and not easy for educationalists to eliminate or even acknowledge methods which don't work. A parent can only see that his child is passing or failing his exams, for example. A pupil can only see that he is understanding what he is being taught or not. Whatever happens a teacher can only say that he needs more resources and it is difficult to refute this claim.

However, free market educational institutions in competition with each other would search out the best educational methods and the poorer methods would be weeded out. The fact that the consumers can vote with their feet enables the market to discover what the best methods are. The endless squabbles over parental control, local authority control, or teacher control would be ended. The market would simply discover the most efficient ways of running the schools. The chances are that there would not be much direct parental control for the same reason that when I buy a Pioneer

stereo I do not have to interfere with the Pioneer chief engineer's design decisions. My "control" comes from the fact that I could buy my stereo from JVC instead. Similarly parental control would come from the fact that parents can withdraw their child, and thus their fees, from a particular school if they are unsatisfied with the service.

Private schools would both improve quality and cut costs in the same way in which, say, the consumer electronics industry improves quality and cuts costs. Since they would have to meet a profit-and-loss test of valued service to the consumers efficiency would tend to be better than that supplied by the current state institutions, where it does not matter if they provide a poor service.

State schools cannot go bust. If the schools are failing and/or the teachers are failing, it's just too bad. In practice middle class parents, being themselves more educated and articulate, can exert some influence over the schools to which they send their children, whether state or private. Parental control is more effective for them, so there are better state schools in the suburbs and worse ones in the inner cities. Moreover, most teachers, given the chance, would prefer to work in schools where more of the pupils are eager to learn. In a market system the articulateness, or otherwise, of the parents would not matter.

TEACHERS' PAY AND THE QUALITY OF TEACHING

Teachers' remuneration would be determined by market criteria so this would produce a variation in salaries across subject disciplines and from school to school. But competition would tend to standardise market rates in the salaries offered for a particular subject. In other words, for example, mathematics teachers of a certain level of experience would find that their salaries fell within a narrow range, other things being equal. And they might earn more than, say, history teachers. You would not get the nonsense of teachers being paid the same regardless of the demand for their services. What would happen would be similar to what happens in private industry at present. Differentials in the pay of, say, offshore structural engineers tend towards a standard market rate until the influx of new market data. Differentials might be set up by a certain company winning a design project (this would correspond to new market data) and then offering above-average wages to attract workers from other companies. But this tends to push up the wages of the workers left behind in those companies, thus stemming the outflow of personnel.

The fact that, other things being equal, a physics teacher might be paid considerably more than a teacher of African Art is probably offensive to most members of the current educational establishment. But for those of us who operate outside the public sector this is commonplace. All it would mean is that the services of the physics teacher were generally valued more highly by the consumers than those of the African Art teacher.

The quality of teaching would rise as a consequence of competition. Institutions would strive to raise the quality of their teachers in order to increase or maintain their market share. They would probably offer periodic training courses for their teachers to keep them up to date with the latest educational techniques.

INCREASED EFFICIENCY AND DIVERSITY

The greater efficiency of private schools would mean that pupils would not need to spend as much time in school as they do now to achieve the same standard, so costs would fall. They would also be lower as a consequence of the schools being run more efficiently in terms of resource allocation. Since attendance would be voluntary and there would be no regulation of the curriculum, a wide range of schools and curricula would be offered. Pupils would not be forced through the same educational machine regardless of abilities, aptitudes and interests. At present, schools are geared to sending all pupils through the same educational mill of GCSEs and A-levels. By these criteria of success four out of five pupils emerge uneducated.

In a market system pupils would not be forced to study a broad curriculum like the national curriculum. Some would choose such a curriculum. Others would choose particular subjects as and when they desired to. Some schools would specialise, with a particular emphasis on music, mathematics or science, for example. Some would only cater for high-ability pupils. Others might be “all-in”. Virtually every type of school which consumers were willing to pay for would be supplied. If some parents want their children to be taught socialism “greedy capitalists” would supply such schools or, if they did not, socialists could pool their resources and set up the schools themselves. The same applies to all other tastes for which there was a demand.

Of course, education does not have to take place in school. It could take place at home. Parents could pay for private tutors in particular subjects if they felt that their child was not suited to school, because of a problem with bullying, say. Or, in these days of rapidly advancing high-tech, they could educate their children via TVs and computers. They could enrol them in correspondence courses similar to those of the Open University. These would tend to be more suitable for the older pupil because it is more difficult to hold the attention of infants by such methods. But no doubt market innovation can circumvent this problem. One can envisage some courses being offered on a correspondence basis together with some attendance at an institution, perhaps for practical project work. Or there could be a choice between correspondence-based and attendance-based courses with lower fees for the former. Educating children away from school, via electronic and written media, is cheaper than educating them in schools, so I would expect especially the poorest members of society to opt for this.

WHAT ABOUT THE POOR?

Some parents would be unwilling and/or unable to educate their children. Let us first consider the case of those parents who are unwilling. If the child also does not want to be educated then there is no problem. This would tend to lower his chances of decent remuneration, which would probably make him change his mind at some stage. The chances are that he would at least want to learn to read and write. He would probably need these skills just to be able to get the most out of his toys. But it's quite likely that some children (as is the case today) would not desire any education beyond this. Well, so be it. Society has no right to force them into slave labour. Furthermore, one can hardly say that the state currently succeeds in educating these recalcitrants. If they are not interested in learning or

being in school they either disrupt classes or play truant, the latter being the more socially beneficial action for them to take, for this allows those who want to learn (or who want to pass their exams) to do so unhindered.

Suppose the child wants to be educated but the parents are unwilling to pay for him. If the parents have no objection to anyone else paying for him they can seek out charitable organisations, private companies or any interested individuals and ask them to pay for their child's education. If the parents are unwilling for their child to be educated at all then if the child feels sufficiently strongly he should be free to leave his parents and select foster parents or charitable organisations who would then look after him and educate him. In this case he would have cut himself off from his parents. But it should be his right to do so. They would have no further claim on him nor he on them.

Now suppose that the parents are unable to pay for their child. Then, as before, they or the child can look for sponsors. However, when considering the plight of the poor under a free market in education we need to note a few facts. Firstly, parents would not have to pay the taxation now required to support state education, neither the income tax component nor the local government component. Secondly, private education would be supplied much more efficiently than state education so costs would be lower again. Thirdly, parents would not necessarily be paying for a minimum 11-year timespan of education as they do now, so costs would be further lowered.

THE VIRTUES OF SELF-MOTIVATION

It is worth noting here that most things are worth learning only when one needs to or desires to learn them. It is simply pointless being forced to learn physics, chemistry, geography, history, etc., at times when one has no desire to learn them. It is far better to be stimulated into learning these things, perhaps by more general reading. One can learn a lot merely from reading books, without having to consult a teacher at all. This is especially so in the arts but is also true in the sciences. For example, in mathematics once one has reached a certain standard (around A-level) it is possible to acquire more advanced mathematical knowledge virtually on one's own if one consults sufficiently good textbooks. This is because mathematics is a type of language and once one has grasped certain fundamental processes, acquiring further skills is much less difficult.

HISTORICAL EXAMPLES AND THE PLIGHT OF THE POOR

That private education can be supplied much more efficiently than state education is explained by Milton Friedman, who in chapter 6 of his *Free to Choose* (Penguin Books, Harmondsworth, 1980) cites the example of St John Chrysostom's school in one of the poorest neighbourhoods in New York's Bronx. This school was voluntarily funded by a charity, the Catholic Church and the parents. Most of the parents were poor. The cost per pupil was far less than in state schools, yet on average the children were two grades above their state school peers.

Friedman also describes the example of Harlem Prep, set up in the 1960s as a “store-front” school with the voluntary funds of concerned parents and teachers. Harlem Prep had poor physical facilities and inadequately qualified teachers

by state school certification standards. Many of the pupils were former misfits and dropouts yet they excelled at this school, with many of them going on to leading colleges.

This last example highlights the tragedy of underachievement which is especially prevalent in state schools. If such results as the ones just described are possible in today's state-dominated educational system they would be much more possible in a totally free market system. It is virtually certain that the able-bodied poor would at least be able to provide their children with the three Rs. They could probably then opt for education via the electronic media and correspondence courses, which can only get better and cheaper in the future.

In the UK in the mid-nineteenth century prior to state financing and compulsory attendance laws, only about 2 to 3% of children were left entirely without education. This, at a time when the general standard of living was vastly lower than it is now. In 1839 90% of the adults in Hull and Manchester could read.

A free market in education would not produce a two-tier system, which the educational egalitarians would detest. It would produce a multi-tier system, which they might detest even more. However, even the lowest tier would probably be quite good. Again, there are cases in the nineteenth century where bad schools with few pupils were taken over by good staff, and then prospered. Even most of the pauper children in workhouses could read. If this was possible at a time when people were much poorer than now just think what the situation would be if we had a free market today.

The rich will always be able to afford better education than the poor, but the quality of education which people receive would not be determined in such a direct manner. People would purchase as much education as they are able and willing to, so some poor would purchase more than some rich, in the same way that some poor will purchase better videos than some rich because they value them more highly. The rich might opt for a wider range of subjects and the poor would maybe focus on more intensive studies of fewer subjects, perhaps at irregular intervals.

ACADEMIC VERSUS VOCATIONAL EDUCATION

Instead of secondary education being almost universally academic (though this is less so in some continental countries) there would be a combination of academic and vocational education. Academic education carries more prestige but it should not be assumed that it is necessarily superior. It is merely different. Those who cannot see the relevance of academic studies would opt for the vocational route. They would probably mix work and vocational training and might even engage in academic studies later which they then might find easier. Their motivation would then be much higher than would be the case if they are forced to study these subjects at arbitrary ages.

Many people find it easier to understand abstract ideas if they first experience their more concrete manifestations. So it might be easier for such people to proceed from vocational to academic education rather than the other way round. For example, it is easier to understand an abstract theorem in pure mathematics if one has first seen some concrete applications of it. Seeing the concrete examples actually makes it easier subsequently to reason in abstract

terms. Although it is the case that, logically, many ideas can be derived from more abstract general principles it is seldom the case that one can actually begin the learning process from these principles. Usually one has to proceed "inductively" from the concrete to the abstract. Thus, in mathematics, one has to learn arithmetic before one can learn the theory of numbers or algebra. One learns to count by counting objects. And one has to learn vectors before one can understand the more general concept of a vector space, even though the lower level concept of "vector" can be derived from the higher level concept of "vector space".

PUBLIC SECTOR BUREAUCRACY

Of course, in judging a free market in education it should not be assumed that today's compulsory state education and state-regulated private education has actually succeeded in adequately educating people. For example, has it delivered universal literacy? It has not even delivered universal literacy to our educational elite of university graduates, let alone to the working class. Statists will reply that the problem is insufficient resources. Yet consider that in the United States, in a five-year period spanning the late sixties and early seventies the number of pupils increased by 1%, the number of teachers, by 14% and the number of supervisors by 44%. You can be sure that there was no comparable increase in the quality of education. In fact, it probably decreased. That has been the general trend in the US in recent decades.

The typical pattern in state-run industries is more and more money pumped in and steadily decreasing efficiency. The problem of increasing bureaucracy is particularly acute in the public sector because there are no natural checks to such growth. This type of problem is seldom, if ever, addressed by socialists. Although bureaucracy also occurs in the private sector, competition keeps it within bounds. Economic pressures periodically force large companies to sack large numbers of middle managers. On the other hand, a tax-funded public sector institution which charges no user fees can expect to gain no financial reward for performing a good service. In fact if it does a good job it will tend to attract less money from the government. So it faces incentives to perform poorly so that it can justify receiving more money and more staff! Hence the tendency for state bureaucracies to grow. In the UK education system there are two administrators or bureaucrats for every three teachers. This seems to be similar to the figures for the United States cited earlier.

EDUCATION IS TOO IMPORTANT NOT TO BE LEFT TO THE MARKET

It could be said that education is too important to be left to the vagaries of the market. But consider that, for example, food is really rather important. Yet that is supplied by the market, and a good job it is too. If it were not we should soon expect famine. Observe that in the Soviet Union the 1% of farms which are privately owned produce roughly a quarter of total agricultural output and that the country has to import privately produced grain from the West.

When considering the merits of compulsory state and state-regulated education versus free market education and their effectson the poor, consider this also: there are more good cars in the ghetto than there are good schools.