

Free to Choose to Learn

Few ideas in education are more controversial than vouchers—letting parents choose to educate their children wherever they wish at the taxpayer's expense. First suggested by Milton Friedman, an economist, in 1955, the principle is compellingly simple. The state pays; parents choose; schools compete; standards rise; everybody gains.

Simple, perhaps, but it has aroused predictable—and often fatal—opposition from the educational establishment. Letting parents choose where to educate their children is a silly idea; professionals know best. Cooperation, not competition, is the way to improve education for all. Vouchers would increase inequality because children who are hardest to teach would be left behind.

But these arguments are now succumbing to sheer weight of evidence. Voucher schemes are running in several different countries without ill-effects for social cohesion; those that use a lottery to hand out vouchers offer proof that recipients get a better education than those that do not.

Harry Patrinos, an education economist at the World Bank, cites a Colombian programme to broaden access to secondary schooling, known as PACES, a 1990s initiative that provided over 125,000 poor children with vouchers worth around half the cost of private secondary school. Crucially, there were more applicants than vouchers. The programme, which selected children by lottery, provided researchers with an almost perfect experiment, akin to the "pill-placebo" studies used to judge the efficacy of new medicines. The subsequent results show that the children who received vouchers were 15-20% more likely to finish secondary education, five percentage points less likely to repeat a grade, scored a bit better on scholastic tests and were much more likely to take college entrance exams.

Voucher programmes in several American states have been run along similar lines. Greg Forster, a statistician at the Friedman Foundation, a charity advocating universal vouchers, says there have been eight similar studies in America: seven showed statistically significant positive results for the lucky voucher winners; the eighth also showed positive results but was not designed well enough to count.

The voucher pupils did better even though the state spent less than it would have done had the children been educated in normal state schools. American voucher schemes typically offer private schools around half of what the state would spend if the pupils stayed in public schools. The Colombian programme did not even set out to offer better schooling than was available in the state sector; the aim was simply to raise enrolment rates as quickly and cheaply as possible.

These results are important because they strip out other influences. Home, neighbourhood and natural ability all affect results more than which

school a child attends. If the pupils who received vouchers differ from those who don't—perhaps simply by coming from the sort of go-getting family that elbows its way to the front of every queue—any effect might simply be the result of any number of other factors. But assigning the vouchers randomly guarded against this risk.

Opponents still argue that those who exercise choice will be the most able and committed, and by clustering themselves together in better schools they will abandon the weak and voiceless to languish in rotten ones. Some cite the example of Chile, where a universal voucher scheme that allows schools to charge top-up fees seems to have improved the education of the best-off most.

The strongest evidence against this criticism comes from Sweden, where parents are freer than those in almost any other country to spend as they wish the money the government allocates to educating their children. Sweeping education reforms in 1992 not only relaxed enrolment rules in the state sector, allowing students to attend schools outside their own municipality, but also let them take their state funding to private schools, including religious ones and those operating for profit. The only real restrictions imposed on private schools were that they must run their admissions on a first-come-first-served basis and promise not to charge top-up fees (most American voucher schemes impose similar conditions).

The result has been burgeoning variety and a breakneck expansion of the private sector. At the time of the reforms only around 1% of Swedish students were educated privately; now 10% are, and growth in private schooling continues unabated.

Anders Hultin of Kunskapsskolan, a chain of 26 Swedish schools founded by a venture capitalist in 1999 and now running at a profit, says its schools only rarely have to invoke the first-come-first-served rule—the chain has responded to demand by expanding so fast that parents keen to send their children to its schools usually get a place. So the private sector, by increasing the total number of places available, can ease the mad scramble for the best schools in the state sector (bureaucrats, by contrast, dislike paying for extra places in popular schools if there are vacancies in bad ones).

More evidence that choice can raise standards for all comes from Caroline Hoxby, an economist at Harvard University, who has shown that when American public schools must compete for their students with schools that accept vouchers, their performance improves. Swedish researchers say the same. It seems that those who work in state schools are just like everybody else: they do better when confronted by a bit of competition.

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