

## COMMUNICATIONS

### WHY IS EDUCATION PUBLICLY PROVIDED? COMMENT ON LOTT

*Richard B. Coffman*

In a recent article in this journal, John R. Lott, Jr. (1987), argued that the best explanation for public provision of education is the need of politicians to indoctrinate the populace to accept the government as "fair" and "legitimate," in order to reduce the costs of political actions such as wealth transfers. Public choice economics, however, suggests at least three reasons why this hypothesis seems of doubtful validity for the United States.

First, the marginal value of indoctrination would seem slight where rational voter ignorance already has reduced voter opposition to wealth transfers to a low level. Voters are said to be rationally ignorant if their personal cost/benefit calculations tell them it is not rational to be informed about politics. The literature argues (a) that most voters face a high opportunity cost of diverting time and mental effort from their private affairs to consideration of public matters and (b) see little chance of influencing political outcomes by voting or otherwise participating in politics (Gwartney and Stroup 1989, pp. 94–95). Thus most voters remain rationally ignorant and pose little obstacle to special interest politics. If this is the case, then there would seem to be little payoff to further efforts to use indoctrination to reduce opposition to rent seeking.<sup>1</sup>

Second, indoctrination is an investment with a relatively long pay-back period, and as such will not be undertaken by politicians with short time horizons. The public choice literature provides consider-

---

*Cato Journal*, Vol. 10, No. 1 (Spring/Summer 1990). Copyright © Cato Institute. All rights reserved.

The author is Associate Professor of Economics at the University of Idaho.

<sup>1</sup>In this paper the term "rent seeking" will be used to denote "actions by individuals and interest groups designed to restructure public policy in a manner that will either directly or indirectly redistribute more income to themselves" (Gwartney and Stroup 1989, p. 94).

able evidence that politicians take shortsighted actions because their time horizon is effectively limited to the next election (Gwartney and Stroup 1989, pp. 747–49). Using the educational system to indoctrinate citizens, though, would not pay off in the short run, since children do not vote, and some time would have to elapse before a significant proportion of the voting population would consist of those who had passed through the indoctrination pipeline.

Lott has addressed this issue in a more recent paper, suggesting four mechanisms that might make a long-term investment in indoctrination through schooling politically viable in a democracy (Lott 1990). First is the argument that “institutions that have the lowest costs of transferring wealth will produce the most political support and will be least likely to be challenged” (Lott 1990, p. 210). Of the several sources Lott cites for this argument, Gary Becker’s 1976 paper seems most relevant. But Becker’s model depends in part on the assumption that “voters perceive correctly the gains and losses from all policies” (Becker 1976, p. 247). Yet, as Becker notes, others have disagreed, arguing voters underestimate the costs of rent-seeking policies (Becker, p. 246). Further, if voters are rationally ignorant, they are systematically unaware of the costs of policies that have small effects on them personally. In this case, special interest voters will be the only ones expressing themselves on rent-seeking issues, and they will be likely to choose redistribution methods that maximize the gains to themselves, rather than those that minimize society’s dead-weight loss of transferring wealth.

Lott’s second argument is that “long-lived, strong political parties [might] punish politicians who fail to support investments in indoctrination” (Lott 1990, p. 211). However, he himself questions the importance of this argument since he cannot find empirical evidence to support it. It might also be argued that the long life of political parties does not necessarily imply continuity of policy since party control is repeatedly captured and lost by factions supporting different presidential candidates.

His third argument is that “constituencies that will receive these long-term benefits could support only politicians who vote to inculcate the desired values” (Lott 1990, p. 212). But this argument just moves the problem back from the level of the politicians to the constituents. Why should constituents use up political capital today to support a program with distant, vague, and uncertain future pay-offs? Presumably indoctrination improves the general atmosphere for rent seeking without giving an advantage to any particular rent seeker. All future rent seekers will face competition that may dissipate their rents. Thus the returns from indoctrination are highly

uncertain. Politicians who promise future rent-seeking opportunities may well be less attractive to constituents than those who specialize in delivering even small current redistribution.

Finally, Lott suggests that politicians may support indoctrination for ideological reasons, even if it is not justified on pure vote-seeking grounds. Politicians may intrinsically value "education's moral indoctrination and/or the resulting future transfers" (Lott 1990, p. 212). Lott's reference to moral indoctrination is somewhat puzzling, since it is political indoctrination that is under discussion. Further, it is not clear what sort of ideology favors transfers per se. On the other hand, if political indoctrination is very similar to inculcating basic patriotism, then it is easy to understand how politicians might support it on "ideological" grounds. But then the whole argument has changed since they are no longer supporting it as a means to rent seeking. Finally, whether ideological support can be generated on the basis of specific patterns of future transfers would seem uncertain, since, as argued above, competition and the potential for rent dissipation make the patterns themselves uncertain.

It remains to discuss a third public choice objection to Lott's basic thesis. Public choice theory suggests that the value of indoctrination to politicians should be a function of the level of transfer activity allowed by the Constitution. Terry L. Anderson and Peter J. Hill have argued that the United States was a constitutional democracy prior to 1877, and turned into a majoritarian democracy by stages in the years up to World War I (Anderson and Hill 1980, pp. 54-68). Thus it is argued that the scope for rent seeking before this time was very limited. If this is correct, there would have been little payoff in the earlier time to investments in public education as a method of indoctrination.

However, the move to public schools seems to have started well before 1877. Public elementary education was well established by 1870, with 57 percent of all persons 5-18 years of age enrolled in public schools during 1869-70 (Dexter 1971, p. 164). Public high schools developed somewhat more slowly, but in cities larger than 25,000 population, 82 public high schools were established prior to 1870, and only 58 between 1870 and 1900 (Dexter 1971, p. 173). A somewhat different pattern is found for establishment of public high schools nationally, with only 349 established prior to 1870, 479 established in the 1870s, and 2,149 established between 1880 and 1900 (Dexter 1971, p. 173). In general, though, the data suggest the move to public provision of education was well under way before the time Anderson and Hill identify with the birth of a transfer society in the United States.

In sum, these public choice arguments raise some doubts about Lott's hypothesized explanation for public provision of education in the United States.

## References

- Anderson, Terry L., and Hill, Peter J. *The Birth of a Transfer Society*. Stanford, Calif.: Hoover Institution Press, 1980.
- Becker, Gary. "Comment on Peltzman." *Journal of Law and Economics* 19 (1976): 245-48.
- Dexter, Edwin Grant. *A History of Education in the United States*. 1906. Reprint. New York: Lenox Hill (Burt Franklin), 1971.
- Gwartney, James D., and Stroup, Richard L. *Economics: Private and Public Choice*. 5th ed. San Diego: Harcourt, Brace, and Jovanovich, 1989.
- Lott, John R., Jr. "Why Is Education Publicly Provided? A Critical Survey." *Cato Journal* 7 (Fall 1987): 475-501.
- Lott, John R., Jr. "An Explanation for Public Provision of Schooling: The Importance of Indoctrination." *Journal of Law and Economics* 33 (April 1990): 199-231.