Looking Abroad for Answers on Education

What is the optimal scale at which schools should operate? This remains one of the most contentious questions in the debate over education policy. But as the authors of a new study reveal, the answer may lie far from home. In **"Private School Chains in Chile: Do Better Schools Scale Up?"** (Policy Analysis no. 682), Gregory Elacqua, Dante Contreras, Felipe Salazar, and Humberto Santos delve into the country's unique history. During the 1980s, the military government in Chile "instituted a sweeping education reform package," one component of which was a national voucher initiative. The program stimulated a cottage industry of private voucher schools—which now account for 50 percent of total enrollment—providing a unique laboratory for examining the country's institutional landscape. By comparing fourth-grade achievement levels in franchise, independent, and public schools, the authors explore the question of ideal size: Should we move toward larger or smaller schooling operations? Controlling for selection bias and testing for consistency over time, they find that students at larger private voucher franchise schools "consistently outperform" their peers—a result that has significant implications "for the debate in the United States on school vouchers." Nevertheless, the authors conclude their analysis with "cautious optimism." While encouraging private schools to establish franchises is compelling, they stress that there is not a significant achievement gap between public schools and independent for-profit schools.

Shrouding Leviathan in Red, White, and Blue

After September 11, 2001, the Department of Homeland Security was created to improve federal counterterrorism efforts. David Rittgers, legal policy analyst at Cato, makes a compelling argument that this was a mistake. In **"Abolish the Department of Homeland Security"** (Policy Analysis no. 683), Rittgers explains that the fundamental problem is the department's structure. "Creating DHS resulted in an unwieldy organization," he writes—one that failed

for three distinct reasons. First, it has too many disparate subdivisions. The department's "massive portfolio of responsibility" has created an oversight nightmare: as just one example, there are now 108 separate congressional committees and panels with jurisdiction over DHS operations. Second, it is known for its wasteful spending. The grants that DHS has bestowed upon different localities are simply "an unequivocal handout to the states"—pork that includes funds for "unused biological warfare equipment, armored vehicles, and extravagant [border] checkpoints." Finally, DHS duplicates the work of other agencies. "Domestic counterterrorism is a law enforcement function," Rittgers writes, and

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efforts to coordinate these activities under one umbrella have created bureaucratic redundancies. Rittgers traces the creation and expansion of DHS, carefully dissecting its appropriation of airport security, the rise of fusion centers, and the trend of politicized threat reporting. Ultimately, the reorganization was not only costly, but also unnecessary. "Terrorism remains a serious problem," he concludes, "but a sprawling Department of Homeland Security is not the proper way to address that threat."

Too Big to Measure

What is the ideal size of government? Since the financial crisis of 2008, many analysts have tried to determine the level of public spending that will maximize economic growth. But James A. Kahn, professor of economics at Yeshiva University, maintains that these exercises have been misleading. In **"Can We Determine the Optimal Size of Government?"** (Development Policy Briefing Paper no. 7), Kahn argues that the relationship between economic growth and public policy is not so easily captured. For starters, the conventional research suffers from measurement issues. The indicators typically used to represent government size focus on public expenditures, yet many interventions cost little and still have a significant impact on national productivity. Kahn therefore urges "broader notions of government size"—ones that include "barriers to international trade, labor market freedom, and currency soundness." In addition, most studies are plagued by methodological flaws. According to the literature, government policies "have a lasting impact on the level of economic activity, not the growth rate." In short, the factors that influence growth in the long run are multidimensional. Kahn therefore considers economic freedom—an "inverse measure of government size"—and finds that it correlates closely with gross domestic product. As such, he concludes that governments are generally larger than optimal. Because the available data only includes these countries, econometrics—"like a lost hiker trying to descend a mountain"—can only say what direction to go: down.

Where the Data Flows Like Molasses

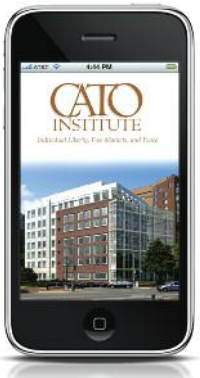
The notion of an open, accessible government is a widely recognized value, but it has proven to be as elusive as it is popular.

For years, both sides of the political aisle have touted transparency, with little in the way of results. Many assume that this reflects political insincerity. But as Jim Harper argues in **"Publication Practices for Transparent Government"** (Briefing Paper no. 121), the story is a great deal more complex than that. The transparency shortage is not for lack of effort on the part of public officials, or even a shortage of substance. Rather, the problem is definitional. "The steps that produce transparent government are opaque," Harper writes, "so transparency efforts have not crystallized." As Cato's director of information policy studies, Harper sheds light on the necessary steps with the help of a metaphor. "Water has to be in a specific form, liquid and reasonably pure, for it to be drinkable," he writes. The same goes for government data. In order for the public to consume this information, it must have a specific composition. Harper offers a series of "discrete publication practices"—namely, authoritative sourcing, availability, machine-discoverability, and machine-readability—for achieving "rich, complete data issued promptly by authoritative sources." In the end, he acknowledges that the path to transparency is not a one-way street. Both public servants and civil society must interact for data to flow like water—"and government information like a mighty stream."

The Hoover Myth

It's a story that's been told a thousand times. President Herbert Hoover—a dogmatic defender of small government—stood by

and did nothing after the stock market crash of 1929, lingering idly as the nation sunk deeper into the Great Depression. This inaction, the legend goes, was a reflection of his commitment to laissez faire. "The truth, of course, is nearly the opposite," Steven Horwitz writes in **"Herbert Hoover: Father of the New Deal"** (Briefing Paper no. 122). Horwitz, a professor of economics at St. Lawrence University, challenges the conventional narrative of the infamous president by dismantling the myths surrounding his legacy. In case after case, Hoover supported policies that extended the size and scope of government. He doubled federal spending in real terms during his presidency. He dramatically increased the federal role in propping up wages. He signed the Smoot-Hawley tariff. Horwitz traces Hoover's life—from his early career as a mining engineer, to his homeownership program as secretary of commerce, to his massive expenditures as president—and shows that the conventional wisdom is unmistakably misleading. "The real lesson from Hoover's career is the failure of intervention, not his supposed laissez faire," he writes. Ultimately, recovering from the current crisis may depend on understanding the past and who Herbert Hoover really was. "He would be more accurately portrayed as the father of the New Deal," Horwitz concludes, "not its enemy." ■



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