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Cato Policy Report

JULY/AUGUST 2019

VOL. XLI NO. 4

The Libertarian Pioneers of School Choice

BY KEVIN CURRIE-KNIGHT

School choice is a central debate in education policy today, with advocates of charter schools, vouchers, and private schools arrayed against defenders of the government-run public schooling model. While many states have adopted some kind of school choice program, some politicians denounce this trend as a stalking horse for segregation or a corporatist dystopia. The modern school choice movement was pioneered by 20th century libertarian theorists, though not all of them agreed on what type of reform was best. Understanding their views is critical to understanding the debate over school choice in the 21st century.

In his 1973 book *For a New Liberty*, economist Murray Rothbard sketched a thought experiment to explain the value he saw in school choice. Imagine, he wrote, a government news service that operated the same way as U.S. public education. Since everyone needs news, this service claims for itself a taxpayer-funded virtual monopoly on producing news. In return, everyone would be forced to consume this public

news source, and this service is enticingly “free of charge.” Private news services could exist, but only with the government’s blessing. And while you could purchase private news, your taxes still support the government’s news service. It’s probably obvious

to all, Rothbard wrote, the several ways in which this is a problematically rigged game. The state could easily use its monopoly power to propagandize or quash a diversity of news services and competition between

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EMILY EKINS, research fellow and director of polling at the Cato Institute, participated in a panel on midterm election results at NYU School of Law with DAVID AXELROD, former senior adviser to President Barack Obama; RON KLAINE, former chief of staff to vice presidents Al Gore and Joe Biden; and Democratic political strategist DOUG THORNELL.

KEVIN CURRIE-KNIGHT is a Teaching Associate Professor in East Carolina University’s College of Education and the author of *Education in the Marketplace* (Springer, 2019).

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them. Yet to libertarian supporters of school choice, this is what the world of public education looks like.

Critics of school choice often depict the movement as based on a desire to see the public square gutted and handed over to corporations as well as an intent to resegregate and further stratify America. For instance, in a 2017 opinion piece Randi Weingarten, president of the American Federation of Teachers, warned readers to “Make no mistake: The real ‘pioneers’ of private school choice were the white politicians who resisted school integration.” Historians Diane Ravitch (in *Death and Life of the Great American School System*) and Nancy MacLean (in *Democracy in Chains*) tell similar stories: school choice was born as a way for southern states to maintain segregation after *Brown v. Board of Education* and lives on today because a group of corporatists want to commodify what’s left of a public institution.

This history is oversimplified when not outright wrong. To be sure, the aftermath of *Brown* found several southern states using school choice plans as a way to bypass integration of public schools. But the implication that school choice has its roots in, or is necessarily attached to, segregationist politics is inaccurate.

Libertarians have a long history of arguing for school choice against government monopoly on a variety of economic and philosophical grounds, none involving a desire to accelerate segregation or shift for corporations. These reasons range from the natural right of parents to direct their children’s education to public choice—inspired arguments about the efficiency of decentralized markets over state bureaucracies. In my book *Education in the Marketplace* I recount the various ways libertarians in the 20th century United States have defended markets in education. None of them fit segregationist or corporatist caricatures set by Ravitch, Weingarten, or MacLean.

“That school choice has its roots in segregationist politics is inaccurate.”

AMERICAN SCHOOLS WEREN'T ALWAYS RUN BY GOVERNMENT

First, we should note that the idea of a tax-supported public school that most school-age children attend is a relatively new invention. In the early American republic, almost all children who went to school went to private schools. When governments subsidized schooling, it was generally targeted to poor families who could use the subsidy at any school they had access to. Some schools were run by churches and supported primarily by charity, others (like “dame schools” that usually operated in a person’s house) were fee-based. It was only in the 1830’s that localities made significant attempts to create “common schools,” and even then, attendance required payment of tuition (a “rate bill”).

In the Progressive Era of the late 1800’s and early 1900’s, tax-supported and compulsory public schooling expanded. It was that expansion that early libertarians were reacting to. While today critics of school choice might see free marketeers clamoring to privatize a cherished public space, libertarians in the early-and-middle 20th century saw government intruding on what had previously been a private affair.

It is this encroachment that worried writer Albert Jay Nock (1870-1945). Citing sociologist Franz Oppenheimer, Nock believed there were two fundamental modes of social interaction: free exchange and force. Private enterprise and liberal values reflected the former, while government specialized in the latter. In his 1931 book *Theory of Education in the United States*, Nock wrote of several reasons public education was suspect, among which was Nock’s pessimism that everyone was truly educable

(as opposed to merely trainable). Although Nock was somewhat more optimistic about private enterprise in education, his social conservatism led him to suspect that the private market would cater too well to mass tastes. If the public wanted junk education, junk education is what the market would offer—in Nock’s view, no worse than what the state could do, but probably not much better.

Nock’s protege Frank Chodorov (1887-1966) shared much of Nock’s outlook, but was far more optimistic about private markets in education. Chodorov defended markets in education largely on the grounds that markets would foster pluralism. His reasoning was that all education involves ideological choices, from what to put in and leave out of curriculum to the best methods of teaching. In a liberal society, we should not assume that there will be one best way to resolve these issues. Witnessing court cases like 1925’s *Pierce v. Society of Sisters*, which arose from Oregon’s attempt to mandate that all students attend public schools thus effectively outlawing Catholic parochial schools, Chodorov believed that markets in education would allow families to pursue the education that worked best for them. Chodorov was an anarchist in theory, but as a compromise he advocated for a tuition tax-credit system. In this model, public schools could exist, but families could choose private schools and deduct tuition from their taxes.

Ayn Rand (1905-1982) and the aforementioned Murray Rothbard (1926-1995) also wrote about education and advocated for two very different conceptions of the role of markets in education. For both, public education was largely an engine for the state to indoctrinate citizens in collectivist ideas. (If this sounds unduly conspiratorial, it is not far off, according to Charles Glenn’s more mainstream history, *Myth of the Common School*, or Andy Green’s *Education and State Formation*.) Both also believed that public schooling was an impermissible intrusion

“Vouchers increased racial integration.”

into people's natural rights to economic liberty and to direct their children's education. A believer in minimal government, Rand argued for a tax-credit system similar to Chodorov's. The anarchist Rothbard rejected any government intervention in education. He wanted a complete separation of education and state, believing that charity would be enough to ensure education to the poor.

MILTON FRIEDMAN AND THE MODERN EFFORT FOR SCHOOL CHOICE

The best-known libertarian defenders of markets in education were the economist duo of Milton Friedman (1912-2006) and his wife, Rose Friedman (1910-2009), who wrote wholly economic defenses of school choice. As Milton Friedman explained, his most popular essay on the subject, “The Role of Government in Education,” simply applied economic ideas he'd formulated elsewhere to the subject of schooling. If we go back to Rothbard's “public news” thought experiment, Friedman would be (slightly) less concerned with the philosophical objections than economic ones: private news would be preferable to government news largely because the former could respond to consumer demand better than the latter. In his essay, Friedman advocated that the state provide vouchers of equal amounts per child to families that could then be used toward any state-accredited private school. This, of course, allowed much more government involvement in education than folks like Chodorov or Rand (let alone Rothbard!) would tolerate. Friedman justified this by appealing to the positive externalities—what he called “neighborhood effects”—of ensuring that all citizens received some education. In later years, Friedman changed his mind about how much the state should fund education, coming to believe that in a truly free market only the poor would need subsidies.

Writing on the heels of *Brown v. Board*, Friedman dealt with questions of how school

choice would interact with race and segregation, questions that still dog today's advocates of school choice. To make things more awkward, Friedman's championship of vouchers appeared around the time as the “pioneers” mentioned by Randi Weingarten were designing school choice programs meant to *maintain* segregation. Contra Weingarten's innuendo, Friedman's voucher plan was not intended to segregate, but to allow the freedom that he hoped might lead to integration. Integration, he argued, was more likely if all parents could choose schools for their children rather than attend the school dictated by their zip code.

Interestingly, Friedman was not the only champion of school choice who saw its potential for integration. Such nonlibertarians as Theodore Sizer (1932-2009), John Coons (1929-) and Stephen Sugarman (1942-) envisioned voucher programs they believed might better integrate students in ways the public system stubbornly resisted. Their proposals were different from Friedman's in various ways, for instance, often distributing vouchers in ways that gave more financing to students that private schools might be less keen on accepting. In a 1968 article titled “A Proposal for a Poor Children's Bill of Rights,” Sizer defended vouchers that, as he described it, “discriminate[d] in favor of poor children.” Even though Friedman is probably the most famous champion of vouchers, “weighted” voucher programs envisioned by the likes of Sizer more closely resemble what states have been willing to implement.

Was Friedman right to be enthusiastic about the desegregation potential of school choice? We can surely say that the public system has not done a remarkable job integrating students by race or social class. But whether school choice does any better is tough to tell, as different sets of evidence

will be cited by different political groups with different political goals. In a 2018 academic review of literature, Elise Swanson finds that different models of school choice in the United States seem to have different effects. District-based school choice—magnet schools, “open enrollment” programs—and charter programs show mixed results. Some studies indicate a segregating, and others an integrating, effect. As for voucher programs, seven of the eight studies reviewed “found that vouchers increased racial integration for participating students.”

While libertarians are generally quite familiar with Milton Friedman's work on school choice, few are as familiar with author Myron Lieberman (1919-2013). This is a shame. His books, such as *Public Education: An Autopsy* and *The Educational Morass*, are stunning applications of public choice economics to the operations of both public and private education. Lieberman started as a public-school teacher, going on to become a collective bargaining negotiator in six states, securing contracts between teachers' unions and school districts. It was in that role that Lieberman began to notice that certain clauses in contracts benefited teachers' unions or the public-school bureaucracy at the expense of being responsive to students and families. Thinking through these problems led him to the public choice theory of economists like James M. Buchanan and Mancur Olson, because of their emphasis on how special interest groups often negatively affect public policy. He went on to champion markets in education largely on public choice economic grounds, believing that allowing individual consumers to choose between competing private firms would lead to better outcomes than everyone being served by a public bureaucracy. Unlike Friedman, however, Lieberman took care to emphasize that an effective market in education had to be open to for-profit firms. (Friedman wasn't against this but did not emphasize it as much as Lieberman did.) For a market

to produce high quality outputs for any product, including education, firms had to be able to make money, which would allow them to invest in research and development, and be able to scale, in ways that markets limited to nonprofits could not. For similar reasons, Lieberman also warned against enthusiasm for charter schools because, as much as they provided valuable choice for parents, charters were hardly a market-based solution. For Lieberman, charters were examples of problematic public-private partnerships where entry into “the market” (receiving a state charter) depended entirely on political favor, the school’s income is paid by tax revenue rather than tuition, and charter status is achieved in return for being subject to most of the same laws governing “traditional” public schools. Lieberman’s fear—that has arguably materialized—was that charters lack market incentives and so will fail to deliver what a truly private system might, yet they look enough like a market solution that critics will decry charter failures as market failures.

THE CASE FOR CHOICE

Libertarianism contains a rich history of advocacy for school choice. Where others may see Rothbard’s “public news” thought experiment as off-base, that scenario is indeed how libertarians have always viewed the idea of a state-run school monopoly. Some, like Rothbard and Rand, have argued for choice in education primarily on philosophical grounds, largely appealing to natural rights. Others, like Friedman and Lieberman, argued along more economic lines about the relative efficacy of markets compared to state bureaucracies. Still others, like Chodorov, argued for school choice out of a deep respect for ideological pluralism that markets could provide. Just as these figures differed in their justifications for school choice, they disagreed on how school choice should be structured. True to his anarchist sympathies, Rothbard wanted no involvement at all from the state: no funding, administration, or oversight of any kind. Rand and

“School choice is coming into its own.”

Chodorov advocated very minimal state involvement in the form of allowing tax credits to be used toward private tuition. Friedman and Lieberman allowed for still more state involvement, permitting the state to administer vouchers to parents as well as accredit the schools those vouchers could be used for.

Have we reached the promised land these libertarians advocated? Not by a long shot. Still, school choice is coming into its own. A 2018 *Education Next* poll shows steadily increasing public support for various school choice measures, and over half of respondents favor increased choice between schools. Secretary of Education Betsy DeVos has been an outspoken champion of school choice options, including charters, vouchers, and education savings accounts. More and more, states are expanding the availability of school choice options, such as a statewide voucher program in Indiana and a (yet unfunded) statewide Education Savings Account program in Nevada.

With these successes also come backlash

from critics of school choice. Many want to portray school choice as motivated by a plutocratic desire to gut and monetize, or worse resegregate, a public space. The pioneers of school choice, we are told, were part of the post-*Brown* segregationist movement. None of that is true. Arguments for school choice predate the strategy of “massive resistance” to *Brown*. These libertarians all argued for school choice on other grounds, like Chodorov’s hope for educational pluralism. Nor were any of these libertarians simply corporate cheerleaders. None of them would have been averse to for-profit schools (and Lieberman argued specifically for them), but this was simply because they had reasons to think companies motivated by profit would serve customers better than a state agency.

The libertarian cases for choice remind us that education probably isn’t different from other arenas of life. Just as people would have good reason to balk at a state news monopoly, we should balk at the public education system for the same reasons. We take it for granted that choice is valuable in a whole host of areas, from car and home purchases to lawn and counseling services. Maybe choice in education would provide similar value. ■

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