



VÍTOR NEVES

Choice and competition in education: an endless controversy?

Análise Social, LIII (2.º), 2018 (n.º 227), pp. 260-279

<https://doi.org/10.31447/AS00032573.2018227.01>

ISSN ONLINE 2182-2999

EDIÇÃO E PROPRIEDADE

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Análise Social, 227, LIII (2.º), 2018, 260-279

Choice and competition in education: an endless controversy? Choice and competition are two buzzwords in the current discourse on education. It is often argued that in order to achieve better education, “freedom of choice” and more competition among schools are needed. This article questions this assertion. It discusses the concepts of choice and competition and claims that, rather than a technical issue (as economists usually maintain), the desirability or otherwise of adopting market mechanisms in education is, first of all, an issue regarding the purposes of education, and how the means chosen influence the goals that individuals and society aim to attain.

KEYWORDS: school choice; education; freedom; competition; economics.

Liberdade de escolha e concorrência na educação: uma controvérsia sem fim à vista? Escolha e concorrência são dois chavões em voga no discurso atual sobre educação. Argumenta-se frequentemente que “liberdade de escolha” e mais concorrência entre escolas são fundamentais para uma melhor educação. Este artigo questiona esta ideia. Nele discutem-se os conceitos de “escolha” e “concorrência” no contexto da educação e defende-se que, ao invés de uma questão técnica, como os economistas em geral sustentam, a desejabilidade ou não da adoção de mecanismos de mercado na educação é, antes de mais, uma questão sobre os fins da educação e sobre o modo como os meios escolhidos influenciam os objetivos que os indivíduos e a sociedade pretendem alcançar.

PALAVRAS-CHAVE: liberdade de escolha; concorrência; educação; economia.

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INTRODUCTION

The public-private borderline in education is a disputed issue. Education is a mixed good, i.e. a public as well as a private good, with overlapping, but also conflicting, private and public benefits, which involves two sets of rights – those of the family and those of society – both legitimate but not completely compatible (Levin, 2000; Gutmann, 2003).¹ For a long time it was assumed that education was (and should be) a public responsibility. Yet over the past few decades, considering market mechanisms in education has become increasingly relevant. Choice and competition are now buzzwords in public discourse on education. It is often argued that in order to achieve better education, “freedom of choice” and more competition among schools are needed,

1 I follow here Cullis and Jones’ (2009, chapter 3) taxonomy of public goods according to which a mixed good has private benefits as well as external effects that bear the characteristics of a public good. It has a private dimension *and* a public dimension, as two sides of the same coin. A (pure) public good, in turn, is one that is both non-rival in consumption (the consumption of one individual does not reduce the benefits derived by all other individuals – formally, the marginal cost of providing the good to an additional user is strictly zero) and non-excludable (if a good is provided, no one can, at less than prohibitive cost, be excluded from consumption benefits). Non-rivalry in consumption and non-excludability are *actual* characteristics of the goods, not the result of a government decision (Barbosa, 1997). As O’Neill (2007, p. 51) noted, *normative* non-excludability is a different thing (“A good from which individuals can be excluded is not necessarily one from which they ought to be excluded”). Consideration of normative non-excludability led O’Neill to a community-based definition of *normative* public goods, that is, goods from which individuals *ought not* to be excluded. In his words: “The goods that any community defines as normative public goods from which members should not be excluded define the relationships of need and mutual obligation that are constitutive of that community” (O’Neill, 2007, p. 52). In this sense, education is in Portugal, as follows from its fundamental law, a *normative* public good.

that some redirection of public support toward a voucher system and/or the development of contractual “independent schools”² is desirable.

Choice, individual liberty, competition, business enterprise, and the free working of markets have always been crucial (and major banners) in the neoliberal discourse. They are also pivotal in the way neoliberal scholars such as Friedrich Hayek and Milton Friedman approach the issue of education provision. School choice – be it based on education vouchers³ or on other related programs (such as “education savings accounts” and loans) – is a central idea in neoliberal thought.⁴ Over time, new (and somewhat unexpected) supporters have also embraced the idea of introducing market mechanisms into education. “Third way” social-democrats such as Julian Le Grand have helped to give a boost (and political respectability) to Friedman’s (1955) earlier – and at the time somewhat eccentric – idea of treating schooling as a commodity with their advocacy of the idea of education as a “quasi-market” (Le Grand and Bartlett, 1993; Le Grand, 2011a, 2011b).

School choice is now a respected idea, both in the public arena and in academia (see, as examples, Belfield and Levin, 2002; Berends *et al.*, 2009; Hirsch, 2002; Levin, 2000; Lubienski, 2009; Musset, 2012; Wolfe, 2003). However, it also remains a highly controversial issue.

Wolfe (2003, p. 1) states: “Because it is so controversial an idea, school choice has generated an impassioned debate. (...) Scholars on different sides of

2 There is considerable (and confusing) variety of labels regarding types of schools across countries. According to the OECD, schools can be considered to be public or private according to “whether a public agency or a private entity has the ultimate power to make decisions concerning its affairs” (OECD, 2014, p. 414). *Public schools* are those “managed directly or indirectly by a public education authority, government agency, or governing board appointed by government or elected by public franchise” (ibid, p. 408). In turn, private schools include two different types of school, according to the percentage of funding from the government. Both are “controlled by a non-government organisation or with a governing board not selected by a government agency”, but while some receive less than 50% of their core funding from government agencies (“*independent private schools*”), others receive more than 50% of their core funding from government agencies (“*government-dependent private schools*”) (ibid, p. 414). In this article I will assume the OECD definition. British readers should be aware that in England and Wales the “public school” term is used in a different sense, that is, to designate expensive fee-paying and elitist independent secondary schools – not state schools – historically attended by the sons of the English upper and upper-middle classes in order to prepare them for positions of power.

3 Government transfers to families or direct payments made to schools in order to assure an unconstrained choice of the school, private or public, that parents prefer for their children.

4 The reader should be aware that, although related, school choice and vouchers are different things and should not be confused. The former is clearly a broader concept and cannot be reduced to a discussion on vouchers. On the latter, see Ladd (2002).

the issue challenge one another's methodologies, findings, and, alas, motives". In turn, Belfield and Levin (2005, p. 550), in a study focused on education vouchers, declare:

Increasingly it has become apparent that the search for evidence on the educational effectiveness of vouchers is a charade that will not settle the debate. Although different political groups and their organizational representatives search for evidence that supports their positions, they oppose or favor vouchers largely on the basis of their ideologies rather than evidence of effectiveness.

Henry Levin and Clive Belfield, two economists, have been important contributors to the debate on school choice (Levin, 2000 and 2009; Belfield and Levin, 2002; Belfield and Levin, 2005). According to them, we face a clear "imperative for research which meets *high methodological standards*, and which *can be replicated by others*" (Belfield and Levin, 2005, p. 563, emphasis added). Although acknowledging (and regretting) the paramount importance of ideology and value judgements, they still believe in the possibility of uncovering the consequences of different policy proposals and, to a certain extent, "using evidence to rebut ideology" (p. 19).⁵ Thus they put forward a "comprehensive" analytical framework that would help to evaluate those proposals and put more weight on "evidence of effectiveness" than on ideology. This is based on the presumption that "there is still some audience whom evidence will sway, even given a strong set of prior values" (*ibid.*). As I will argue, the search for empirical evidence will not settle the controversy. This is so, in my view, because the controversy on school choice is based on deeply rooted differences in beliefs not only regarding the purposes of education, but about how choice and competition influence the goals that individuals and society will be able to attain.⁶

A more fruitful approach – and rather more illuminating, I believe – is precisely to discuss the purposes of education and how the means chosen

5 Similar beliefs can be found in other authors. Pauline Musset (2012, p. 7), for example, writes: "Different political groups argue in favour or against choice, and there is a need to step away from ideological debate and provide solid research based evidence on the impact it can have on performance and on equity". Le Grand (2011a, p. 86), in turn, states: "whether quasi-markets are superior in terms of quality, efficiency and equity to other methods of service delivery (...) [is a question] that can only be resolved by empirical research."

6 Obviously, this does not mean that empirical analysis is unimportant or irrelevant. I am simply claiming here that, due to the deeply rooted different beliefs involved, empirical results will always be questioned, charged with not answering the relevant questions, and as such they will be insufficient to settle the issues.

influence the goals that individuals and society will be able to achieve. The conventionally assumed means-ends dichotomy, according to which attention goes to the choice of means while ends are assumed as given, must be rejected. Instead of looking at the adequacy of means to given ends, as economists tend to do, ends must also be a central focus of analysis. As Crespo (2007) maintained, ends and a rationality of ends (or “practical rationality”, to be distinguished from the rationality of means, or “technical rationality”, of conventional economics) must be reincorporated in economics. Means and ends, Crespo emphasizes, “mutually interact and determine each other” (p. 374).⁷

This paper is a contribution to such a philosophical/methodological switch. A conceptual discussion of choice and competition and their implications should be pursued. I hope it will significantly highlight the issues at stake. Given the different nature and issues involved in higher education and training (Barr, 2012; see also Teixeira and Dill, 2011), only non-higher school education will be taken into consideration in the reasoning presented here. The argument goes as follows. First, I will present what, following Belfield and Levin (2005), can be labeled an “economic model of educational policy”. Any strategy intended to settle the controversy based on this model will be shown to be doomed to failure. In the following section, I will go into the discussion of the concepts of choice and competition in education. In its purity, Friedman’s views on the role of government in education are illuminating. I will therefore start by presenting them; then they will be questioned. My aim is to show that two issues are central for an understanding of what is at stake in this controversy on school choice: first, what is choice really about? (let us call this the “freedom” issue); second, what is the real nature of education – is it really a commodity, as Friedman and many others claim? (I call this the “commodity” issue). As we will see, Friedman’s views rely on a narrow understanding of freedom and they pre-suppose a disputable understanding of the nature of education. Some final remarks will conclude the paper.

7 In the terms of the “education production function” presented in Lopes (2010, p. 61) – *inputs* (e.g. equipment, teachers, syllabi and didactic materials) and *outputs* (the results of education) linked through the *teaching-learning educational process* (in which models of organization of schools, for instance, are discussed) – that means bringing within economics the discussion of the desired outputs of education (and not simply taking them as given from outside).

**THE ECONOMISTS' STRATEGY
AND THE PLEA FOR MORE RESEARCH-BASED EVIDENCE**

Economists have for a long time been an important part of the debate on school choice and the introduction of market mechanisms in education. The economics of education is now an established sub-discipline in economics and a huge literature on the relationship between education and the economy is currently available.⁸ Mention should be made, in particular, to the “theory of human capital” and all the criticism it raised, the work on individual and social returns to investment in education, and the relationships of education with productivity, incomes, social status, and positions (Teixeira, 2014; for a brief overview, see Cabrito, 2002).

In general, all this literature adopts a conception of school education that is *functionalist* (Lopes, 2010, p. 13). Education is basically conceived as preparation for working life. It is not an end in itself, but a *purely instrumental end*, a means pursued for the sake of something else – the benefits, individual and social, monetary or not, related to the working of the economy.⁹

The economists' contribution to the redefinition of the public-private borderline in education is usually framed under some version of what may be called an “economic model of educational policy”. According to Viteritti (2003) two generations of models may now be distinguished. A “first generation” was focused on the economic goal of market efficiency. A “second generation” focused instead on “improving educational opportunities for underserved communities” (p. 13). In turn, Belfield and Levin, in various works, have put forward a “comprehensive” analytical framework (see, for example, Belfield and Levin, 2005), to be distinguished from what I call the “basic” economic model of educational policy (a “first generation” model). This “basic” model, they state:

is premised on the view that there is a common set of educational goals on which there is substantial consensus. The challenge is to determine the most efficient way of reaching those goals for any given level of resources. Most of the debate over educational vouchers has been embedded in this framework [Belfield and Levin, 2005, p. 548].

8 See the wide-ranging five volumes of the *Handbook of the Economics of Education*, namely the most recent one (Hanushek et al., 2016), and, in Portuguese, Cabrito (2002) and Lopes (2010), just to mention two introductory sources.

9 This is clearly the case of the human capital theory. For a very interesting critical view of this theory, see Gillies (2014).

Two ideas are central in this “basic” model: the presumption of “a common set of educational goals” and the search for efficiency in allocating available resources as the single concern of economists. Neither is particularly accurate. No common set of educational goals seems to exist – this is one of the reasons why the controversy on school choice does not die down – and efficiency is far from being an uncontroversial “one size fits all” criterion for assessing the desirability of an educational policy.

Levin and Belfield’s “comprehensive” approach, by contrast, enlarges the criteria of evaluation to include four major goals of educational policies – freedom of choice, productive efficiency, equity, and social cohesion – and three dimensions of policy design – finance, regulation, and support services (e.g. transport, information, and technical assistance).

In a discussion on vouchers, Levin claims:

The desirability of a voucher approach will depend upon how effective educational vouchers are relative to the existing alternatives on each of the four criteria as well as how much weight is attached to each. (...) [P]reference for vouchers or a particular voucher plan is not completely dependent upon evidence on all its dimensions, but only on what is deemed important by the observer [Levin, 2000, p. 16].

To my knowledge, Levin and Belfield’s framework is the most comprehensive approach on offer among economists in discussing school choice and the desirability or otherwise of the introduction of market mechanisms into education. However, as the first author also writes:

Those who believe that the issue of vouchers [and, we could add, school choice in general] will be resolved by a spirited search for empirical evidence on some of these dimensions may be severely disappointed. Much of the support for or opposition to educational vouchers is premised on ideology and values rather than evidence [Levin, 2000, p. 20].

Elsewhere, Belfield and Levin state:

The engine of ideology in motivating views towards educational vouchers is particularly frustrating to social scientists who believe that their role in uncovering evidence on consequences should be central to the choice of educational reform. (...) Even the types of evidence that might be crucial to a particular audience are highly contested in terms of their validity and importance. (...) Finally, the evidence base on which to make public policy decisions is not clear: at best it is very limited in scope with only differences in student achievement between voucher and existing systems rather than the large differences predicted by advocates. When so little is written on the easel of evidence, it is not

surprising that the interpretations represent projections of ideology [Belfield and Levin, 2005, p. 562-563].

The relevant issue then becomes: why are things the way they are? Why should evidence be so contested? Or, to use Belfield and Levin's (2005) words, why should ideology trump evidence?

The following statement by Amy Gutmann is certainly a very powerful insight:

Were citizens to agree on **what consequences count (and how much to count them)**, it would be very difficult to predict the consequences of a thoroughgoing voucher plan versus an improved public school system. **But we do not agree, nor is it likely that we shall ever agree (...).** On consequentialist grounds, the question of whether to institute a constrained voucher plan or to improve public schools by decentralization coupled with other similarly far-reaching reforms is **inherently indeterminate** [Gutmann, 1999, p. 67, emphasis added].

That is, against Levin and Belfield's willingness, "evidence of effectiveness", relevant and valuable as it might be, is useless to settle the controversy on school choice.

WHAT TO DO?

The desirability or otherwise of adopting market mechanisms in education is, first of all, a philosophical/ethical issue on the purposes of education, on the priority given to the private versus the public benefits of education and one on how the means chosen influence the kind of goals that individuals and society will be able to achieve.

"Freedom of choice" and "competition" – the two buzzwords in the current discourse on school choice – are somewhat nebulous concepts. They conceal more than they reveal. The (neo)liberal view of freedom – conceived as individual liberty – is far from exhausting all of the aspects, full meaning and implications that the concept involves. Also, liberty-based conceptions of "competition" and "free markets" (and their proclaimed advantages) are usually linked, following classical liberalism, to an idea of limited government. But this is no longer true in the case of neoliberalism. As Philip Mirowski and Dieter Plehwe (2009), among others, convincingly argue, the neoliberal project aims at redefining (and reconfiguring) the shape and functions of the State, not at reducing its role, as a popular but misleading vision tends to describe it. Instead of a retreat of the State from education – and differently from the

classical liberal conception one finds in John Stuart Mills' *On Liberty*, for instance – the neoliberal project in education has been centered on a *reconfiguration* of the role of the State from its traditional responsibility of *provider* of education to a new one as *enabler* of a strong and viable (profitable) market “education industry”.

Thus, in the remainder of this text I will undertake a conceptual discussion of “choice” and “competition”. My argument will be that:

- i. The neoliberal (libertarian) view of “freedom of choice” in education is partial and incomplete. It focuses mainly on the “procedural aspect” of freedom (leaving positive freedom and the “opportunity to achieve” aspect of freedom, as these concepts are understood by Amartya Sen, largely unaddressed) and on “exit” considerations (completely ignoring the “voice”-related issues explored by Albert Hirschman);
- ii. School choice and competition among schools do not mean just creating conditions for “better quality” in education. There are good reasons to believe that they change the very nature of education.

Although discussions on school choice have become more and more sophisticated over time, Friedman's seminal views are, in their purity and simplicity, illuminating in that they clearly exhibit the issues at stake. I will therefore start these reflections by presenting his ideas.

FRIEDMAN'S VIEWS ON THE ROLE OF GOVERNMENT IN EDUCATION

Friedman was a major representative of the neoliberal thought collective and undoubtedly one of its most notable figures in the educational field.¹⁰ Alone or with his wife, Rose Friedman, he wrote extensively (and consistently) on the subject, starting with “The Role of Government in Education” (Friedman, 1955), the article in which the school vouchers' proposal appears for the first time.¹¹ *Capitalism and Freedom*, originally published in 1962 (Friedman, 1982

10 Hayek also devoted a chapter of his *The Constitution of Liberty* (Hayek, 2011 [1960], pp. 498-516) to the discussion of freedom in the context of education and research. Yet, although a rather more philosophical scholar than Friedman, we find there nothing significantly new and different from what the latter had written in his seminal article on the role of government in education, dated 1955.

11 That first reflection on education and those on topics as varied as money control, fiscal policy, international trade and finance, discrimination, monopolies, distribution of income, poverty, etc., were eventually put together in *Capitalism and Freedom* seven years later →

[1962]), and *Free to Choose* (with Rose Friedman, 1980) are two other widely acknowledged milestones in Friedman's endeavor to change people's minds,¹² but mention should also be made of other relevant articles and of interviews given over time.¹³

Friedman's views on education did not change significantly between his 1955 article until his death in 2006, but a more extreme and militant rhetoric of his writings and interviews can be noted over time.

Friedman's assumed task in those earlier seminal texts (Friedman, 1955 and 1982 [1962]) was to re-examine (and assess) the reasons for government intervention. In his view such an intervention in education, as in many other different areas, should not be taken for granted. The starting point was the assumption of a "free private enterprise exchange economy", a society in which the freedom of the individual (or the family) is the ultimate objective, to be pursued "by relying primarily on voluntary exchange among individuals for the organization of economic activity". Apart from situations of natural monopolies, externalities – he called them "neighborhood effects" – or "paternalistic concern for children and other irresponsible individuals", which may justify government's intervention, the primary role of the government should be restricted "to preserv[ing] the rules of the game by enforcing contracts, preventing coercion, and keeping markets free."

Based on these assumptions, education was then analyzed by distinguishing concerns on general education ("General Education for Citizenship") from those on specialized vocational training ("Vocational or Professional Education"). It was assumed that the former was basically intended to provide (i) a minimum degree of literacy and knowledge to most individuals and (ii) a common set of values – the requirements of a "stable and democratic society". These two objectives of education (and the assumptions seen above)

(chapter v1 of this book, "The Role of Government in Education", is a slightly revised version of the original 1955 article).

12 Friedman's initial incursion into the educational field was first driven by an interest in "the relation between economic freedom and political freedom" and in "the role of government in a free society" (the titles of the first two chapters of *Capitalism and Freedom*) – or, to put it in other words, what he called "the philosophy of a free society". Education, as he recollected in "A personal retrospective" many years later (Friedman, 2006), was just the area he happened to write about early in his career, not a special interest. He did not have then, as he recalled, any particular dissatisfaction with what was going on in the field.

13 Many of these are available through the website of the *Friedman Foundation for Educational Choice* (<http://www.edchoice.org/>), an institution established in 1996 to expand Friedmans' ideas and "to promote universal school choice as the most effective and equitable way to improve the quality of K-12 education in America". The creation of this Foundation and its activities illustrate well how strong Friedman's commitment to changing education became over time.

would justify a compulsory minimum required level of education. They would also justify the financing of education by the government but, against the usual practice and wisdom, not the public-run school system then in place. Financing of education and the administration of educational institutions could and should be separated.

Differences among families in resources and in number of children and the high costs involved in complying with the minimum required level of education would make the imposition of these costs directly to parents “hardly feasible” and could then vindicate financing of education by the government. Yet, the “nationalization” of the bulk of the “education industry” was a different matter. It was “more difficult to justify” it in the same terms or on any other grounds.¹⁴ Moreover, Friedman claimed, the conflation of finance by the government and administration of schools placed non-public schools at a disadvantage, as parents had to pay twice if they chose to put their children in these schools.

His revolutionary proposal was that governments continue to require a minimum level of education, but that this would be funded by giving parents vouchers for tuition in the schools of their choice – public, for profit, or not for profit private institutions – as long as these schools met the required minimum standards. Parents would be free to use these vouchers and any additional sum to buy the educational services they wished from an “approved” institution. Low- and middle-income parents would thus also have the possibility of choosing among a variety of schools for their children other than their neighborhood school – so equity would be improved – and competition among schools would as a consequence lead to a more efficient response to parents’ demands. The government would continue to assure that minimum standards of schools were upheld – as it does regarding restaurants’ minimum sanitary standards – but it would not need to provide schooling itself. The possibility of selling existing premises and equipment to private entities interested in entering the field was admitted.

In a later article, “Selling school like groceries: the voucher idea”, published in the *New York Times Magazine* in 1975, Friedman drew a parallel between

14 In the 1955 paper Friedman writes: “the imposition of a minimum required level of education and the financing of education by the state can be justified by the ‘neighborhood effects’ of education. It is more difficult to justify in these terms a third step that has generally been taken, namely, the actual administration of educational institutions by the government, the ‘nationalization’, as it were, of the bulk of the ‘education industry’”. In *Capitalism and Freedom* the last part of the quotation becomes: “... the ‘nationalization’... of the bulk of the ‘education industry’ is *much* more difficult to justify on these, or, so far as I can see, any other grounds” (Friedman, 1982 [1962], p. 89, emphasis added).

the institutional arrangements adopted in the provision of education and groceries, claiming that the problems of education were mainly a result of its publicly-based provision. It was true, Friedman admitted, that education and groceries were very different. But the analogy, he thought, was enlightening.

Schooling is not groceries. Yet the many and important differences do not invalidate the comparison. The delivery of mails is not the same as the delivery of schooling, yet both are inefficient and technologically backward for the same reason: They are conducted mostly by government agencies enjoying an effective monopoly. The delivery of groceries is not the same as the production of hi-fi equipment. Yet both are highly efficient and technologically progressive for the same reason: They are conducted mostly by private enterprises operating in a competitive market [Friedman, 1975].

This article is in many ways one of the most revealing pieces regarding Friedman's beliefs and aims. Education was a commodity like any other economic good or service transacted in the market and should be treated the same way. If efficiency and quality in education, as measured by its performance and outcomes, are to be promoted, parents' choice (on the consumer side) and competition among schools (on the supply side) should be stimulated.

The basic presuppositions are, of course, that (i) a wider range of choice among a variety of schools available to parents is desirable; and (ii) that a competitive private school system is far more efficient in meeting parents' demands and improving quality.

There are, of course, many issues involved here – some of which dealt with by Friedman himself – such as the choice between a universal voucher system (the one preferred by Friedman) and a targeted system, the problem of segregation/exacerbation of social differences in schooling, or the fact that schools are in many places a natural monopoly. There is also the distinction to be made among elementary/secondary education, training, and higher education. I will not go into a discussion of all these details here and in what follows I will mostly have elementary/secondary education in mind.

The important message to retain from Friedman's writings is that, at root, the idea of school choice is closely associated with the presumption (already noted regarding the "basic" economic model of educational policy) that there is a commonly agreed set of educational goals (generally and simplistically designated by *quality* in education) and that, as schooling is like groceries or restaurants, that is, a *commodity*, parents' freedom to choose the school of their preference and competition among schools should be stimulated – markets should be allowed (or induced) to work in order to attain better quality in education.

THE ISSUES AT STAKE

There are two major problems here, which deserve close analysis. One is about how “freedom of choice” is conceived. The other has to do with the nature of education and of what a good education is – the meaning of “better quality” in education. Both have relevant implications for the discussion of the public-private borderline in education.

CHOICE OF WHAT?

Friedman’s works do not exhibit particular erudition in philosophical matters and his incursions into the freedom issue are no exception. His main focus was economic freedom – the vital precondition, he believed, for political freedom. For him the concept meant, basically, liberty from coercion, the capacity of the individual to preserve a private sphere of immunity from interference by others, in particular the State, and to act according to one’s own decisions and plans. In the economic sphere this translated into a defense of free choice, unconstrained business enterprise, and the unrestricted working of the price mechanism – the so-called “competitive order” (Friedman, 1951).

However, this is a very narrow understanding of what freedom really means. Freedom involves various aspects. Following Amartya Sen, at least two aspects must be considered: the “process aspect” and the “opportunity aspect”. While the former has to do with the “autonomy of decision” and “immunity from encroachments” the latter denotes a concern with “substantive opportunities”, the real opportunities of choice, i. e. the ability of individuals to be and do what they can and do value. Both, in Sen’s view, should be taken into consideration and neither is reducible to the other. As he claims, “there is little prospect of obtaining one real-valued index of freedom that will capture all the aspects adequately” (Sen, 1993, p. 522).

Friedman, as Hayek also does, restricts freedom to its procedural aspect. Freedom is for these two authors “negative freedom”, *freedom from* coercion rather than *freedom to* achieve, a conception that “seek[s] to define, enlarge and ensure an area of individual autonomy that is generally enjoyed and freed from the unwanted encroachments of others – especially the state” (Smith, 1998, p. 86). Neoliberals tend to be very reluctant regarding the idea of freedom as opportunity or “positive freedom” (Hayek, 2011 [1960], pp. 65-69).

For Friedman, freedom of choice in education is nothing other than the possibility of parents choosing the school they prefer for their children. It is assumed that school choice, coupled with competition among schools, will assure a better quality of education. Yet it is doubtful that school choice in and

of itself might lead to an improvement in the quality of education. Two lines of reasoning can be put forward in this regard.

First, as Sen has taught us, procedural considerations, although important, are just one aspect of the issue (the “process aspect” of freedom). The *set of opportunities* available and *how they are valued* (the substance of freedom) are also relevant.

The evaluation of the freedom I enjoy from a certain menu of achievements must depend to a crucial extent on how I value the elements included in that menu. The “size” of a set, or the “extent” of freedom enjoyed by a person, cannot, except in very special cases, be judged without reference to the person’s values and preferences [Sen, 1993, p. 528].

It is not enough to have more options available. In order to have an effective expansion of opportunity-freedom the opportunity of getting a better alternative must exist. And this, obviously, raises the issue of determining the terms on which the set of available achievements is to be assessed. Do school choice and competition expand or contract human capabilities to achieve a better life? Is the quality of education, for instance, to be assessed in terms of how successful schools are in testing procedures such as the OECD’s Program for International Student Assessment (PISA)?

Second, choosing a different school – the “exit” possibility – as Hirschman (1970) rightly claims, may have counterproductive implications. It is very likely that the parents most predisposed to withdraw their children from their previous schools and to choose a new one – a possibility enhanced by Friedman’s vouchers proposal – are precisely those most prone to look for high standards of quality and the better-informed ones, that is, those most susceptible to exercise “voice” in order to obtain better education. Choice and competition among schools, against Friedman’s (and neoliberals’) claim, would thus contribute to deteriorating the quality of education in the public school system. The policy recommendation, Hirschman (1981, p. 235) concludes, goes against making exit too easy or cheap.

In Hirschman’s view (1986, p. 88) the following conditions are required for a voucher scheme to be considered appropriate:

- i. Widespread differences in taste that are recognized as legitimate;
- ii. People well-informed about the quality of the goods and services they want and ease in comparing and evaluating them;
- iii. Purchases relatively small in relation to income and recurring, thus allowing learning from experience;
- iv. Many competing suppliers.

There is no need for great elaboration to show that education is far from fulfilling any of these conditions¹⁵. Choice – as “exit”, as neoliberals understand it – seems to play against the exercise of “voice”¹⁶. Yet, as Hirschman (1986, p. 89) claims, more “voice”, not less, is required if quality in the overall education system is to be pursued.

The focal policy issue should then move from “choice” and “competition among schools” to how to expand the available opportunities for a good life for each and every individual and to enable and promote “voice” and participation in the school system.

IS EDUCATION REALLY A COMMODITY?

Friedman’s argument relies largely on the assumption that education (or schooling as he prefers to say) is a commodity and that as such the best way to improve quality in education is by allowing or inducing markets to work. But is that so? What does “higher quality” in education really mean?

Current trends in the economy (linked to the so-called knowledge-economy) and the policy changes introduced in educational systems in order to strengthen choice and competition (with a consequent overemphasis on testing and accountability) have been changing the nature of the education provided in our schools. The marketization process in education – its transformation into a business for profit – is leading to an effective commodification of education, with a deep process of “entrepreneurialization” of public educational systems that entails changes in the whole organization and goals of school work, including the methods of teaching and learning used (see, for further details, Mesquita, 2011 and 2012). This is changing the very logic of the functioning of educational systems.

Is this process of marketization being successful? An answer to this question actually entails asking further (and far from uncontroversial) questions:

- i. What is a *well-educated* person?
- ii. What *knowledge, experiences, and capabilities* are of greatest worth?
- iii. What are the *purposes of education* and what priority is given to the individual and social aims of education?

15 Against what happens, for instance, in the case of the distribution of food stamps to poor people in the USA. It is significant in this respect that Friedman makes a parallel between education and groceries, a parallel which, as now becomes manifest, ignores the particular features of the two goods.

16 Although it is true that the possibility of exit also contributes to enabling voice without fear of reprisals.

Of course, if education is to be narrowly conceived as an instrument at the service of economic growth, mainly directed to training “human capital” for businesses, to provide students with work-oriented skills, competencies and learning, to enable them to be successful on standardized tests and to adapt competitively to life-long continuous change – thus itself becoming a marketable product – answers will be much different from those we will get if, with Gutmann (2003), we define a good education as one that teaches children “to understand their rights and responsibilities as citizens, to think for themselves, to develop skills and virtues that enable them to live a good life of their own choosing and reciprocally contribute to society” (p. 499) and schools will “ensure that all children – regardless of their socioeconomic status, gender, race, ethnicity, or religion – receive an education that prepares them to exercise their rights and fulfil responsibilities as citizens” (pp. 501-502).

Assessing the results of education is in effect dependent on the goals society adopts. The purposes of education are multiple; they involve a public and a private dimension. Thus, it is not difficult to understand why so much debate and controversy surrounds education. The idea that schools are businesses competing among themselves for students “as businesses vie for customers, advertising their wares and marketing their services” (Ravitch, 2010, p. 338-339) is not neutral. “Schools as businesses” and the introduction of competition among schools change the nature of education itself. As Mesquita (2011, p. 19) rightly noted, although the current process of change is presented under the slogans of “freedom” and “democracy” in the access to an “educational product” that is known, the real goal is the creation of a *new product* and a *new “mode of educational production”*. The *public* dimension of education (“education for democracy”, as Martha Nussbaum, 2010, calls it) is de-emphasized; education is turned into a business for profit, a venture that, if successful, would indeed produce technically trained people, but no more than “useful profit-makers with obtuse imaginations” (Nussbaum, 2010, p. 142), “useful machines, rather than complete citizens who can think for themselves, criticize tradition, and understand the significance of another person’s sufferings and achievements” (Nussbaum, 2010, p. 2).¹⁷ The ideological dimension of such a change and the reproductive function assigned to the educational system are obvious.

17 Of course, a public school system (of state-governed schools) is not, in itself, a guarantee against the turn of education into a *for profit* business. Actually, in the last few years many governments have been instrumental to this change.

CONCLUDING REMARKS

“Freedom of choice” and an appeal to more competition among schools have, since Milton Friedman put them forward for the first time in 1955, become important ideas in the public and academic discourse on education. They have since become ever more sophisticated and complex, but remain highly controversial. Economists and other social scientists regret that debate on school choice has been overwhelmed by “ideological” considerations rather than by a methodologically sound empirical search for evidence.

In this paper an attempt has been made to provide a rationale for such a situation. A first conclusion from this brief account can be drawn: empirical evidence, relevant and valuable as it might be, will not settle the controversy on school choice. No definitive agreement based on evidence will be reached because no agreement is possible regarding what evidence counts. This is so because *the dispute on choice and competition in education is in the end an issue of ethics and values. It is a political rather than a technical issue*, grounded on fundamental differences about the purposes of education and the way the means chosen influence the goals that individuals and society are able to achieve. Choice and competition in education are not neutral means toward some given common set of educational goals (which in fact does not exist). They affect the possibilities open to individuals and society by education.

Thus, if economists and other social scientists want to make a more significant contribution to this debate they should somehow bring back ethical discussions to their analyses.

The aim of this paper was rather modest: to help to highlight the issues at stake in school choice and in the widely used concepts of freedom of choice and competition. Two conclusions can be drawn from this exercise:

- i. “Freedom of choice” is an expression that conceals more than it states. Friedman was clear that he was talking of freedom of parents to choose the schools they wish for their children. The assumption was that, coupled with the competition it generates, such choice results in better education. As we have seen, there are good reasons to be sceptical of this assumption. “Freedom of choice”, as this expression is usually understood, is hardly compatible with a conception of education as the expansion of human capabilities.
- ii. School choice and competition among schools do not mean just creating conditions for “better quality” in education (as neoliberals claim). They change the very nature of education.

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Received at 25-07-2016. Accepted for publication at 28-09-2017.

NEVES, V. (2018), "Choice and competition in education: an endless controversy?". *Análise Social*, 227, LIII (2.º), pp. 260-279.

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