

and to force education service providers—schools—to respond to the demands of their primary clientele. Under conditions of competition and choice, schools are forced to respond to these preferences instead of the preferences of legislatures and their bureaucratic management mechanisms. This is expected to promote innovation and efficiency in education providers, and provide freedom of choice for consumers. The overall result is predicted to be a wide variety of high quality schools that are output, not just input, oriented. High quality services efficiently produced, in other words, collective benefits produced by harnessing the power of self-interested action through the power of market mechanisms.

Even its advocates accept that the market model has limits. Left purely to market forces public education would cease to be public and be available only to those who could afford it. The market model retains government financing to combat this underinvestment (though in many guises allowing such support to flow to private schools), and recognizes the need for some central regulatory mechanisms to promote accountability and ensure health, safety, and minimal performance standards (Lamdin and Mintrom 1997). The goal is not to eliminate the government entirely from education, but to leverage the power of the market to produce better quality public goods and services, increase citizen/consumer satisfaction, and to do so at a reasonable cost.

Given these objectives, public choice and the market model embrace what sociologists term a “functionalist” vision of schools. This is the idea that schools impart technical knowledge (a service to be consumed), and the form and specifics of this knowledge should be determined by the social and economic needs for particular skills (the preferences of clientele or customers; see Clark 1962). Functionalism argues the mission and organizational structure of schools should be driven by the task environment of education (contemporary needs for particular economic and social skills), not derived from ideological agendas. Public choice and the market model follow this instrumental and utilitarian argument in the sense that, whatever the general quality of public schooling is, there is a widely held perception that it is not as good as it should be. This broadly recognized problem has collective consequences, especially as a drag on economic advance (Rothman 1991, Versteegen and King 1998, Berliner and Biddle 1995, Loveless 1997). Public-choice theory offers an explanation for the underperformance of public education: its institutional arrangements promote inefficiency and offer no incentive to respond to demands to do better. The market model provides a well-developed solution to this problem—replace the system of hierarchical control with market mechanisms.

Thus theory and prescription can be claimed to be apolitical—the first explains a known and widely accepted problem, the second proposes a solution logically derived from this explanation.

MARKET IDEOLOGY AND EDUCATION

Public choice is not only employed as a positive theory but also as a normative theory. Compared to the orthodox model of public administration, which calls for public services to be delivered by bureaucracies in centralized jurisdictions, public-choice theory and the market model are argued to more closely realize the ideal of governance envisioned by writers such as James Madison (Ostrom 1973). Madison argued for a republican system where power was decentralized, and groups (factions in Madison’s terminology) were free to pursue their own interests within this fragmented political structure. Advocates of public choice as a normative theory see a strong parallel between these arguments justifying the American political system and the market model, which allows consumers to pursue their interests by choosing among competitive public-service providers (Buchanan and Tullock 1962, 64). The market model is thus not only compatible with democratic ideals, it is also a much closer institutional realization of those ideals than the orthodox hierarchical control systems that characterize public education. ①

These characterizations of public-choice theory and the market model are widely criticized. The primary thrust of these criticisms is that the market principles embodied in public choice are not only incompatible with democratic values and processes, but they are also fundamentally hostile to them. Markets favor efficiency and productivity over equality and representativeness, and by taking their cues from individual self-interest they can harm as well as advance collective interests. For example, compulsory universal education and special education programs are, from a typical market cost-benefit analysis, inherently inefficient propositions (Finn 1996, Hofstadter 1962). From a democratic perspective, the former is justified by the needs of the state, the latter on the rights of the individual and, because both are embodied in constitution and law, efficiency is a secondary concern. Schools are charged with upholding these values even though resources will be “wasted” in doing so. Imposing the central market criteria of “good” decisions and outcomes—efficient production and allocation—could conceivably contradict these fundamental purposes of public education. ②

Racial segregation supplies the most well-known example of how individual interest can conflict with collective interest. After a series of

schools with some degree of centralization under state control and organized so they were oriented towards the polity as embodied by representative institutions and state and national constitutions (Cremmin 1980, 148). For the commonwealth, public education is inextricably bound to the democratic ethos, and market mechanisms threaten rather than strengthen those beliefs.

Given these origins, it is no surprise to find schools repeatedly shouldering an important role in processing value-based conflict within American society. The role of religion in public life; the range and limits of individual liberty; the articulation and promotion of core republican values; the need to socialize a polyglot influx of immigrants into Americans; providing the social cohesion and human capital necessary to deal with a depression, two world wars and a cold war; dealing with the painful legacy of race; striving to uphold the egalitarian commitment to equitably distribute social opportunities—for more than a century public education has been used for working through the difficulties that define the American experience (Tyack and Cuban 1995, Cremmin 1980, Hofstadter 1962, Merelman 1980, Barber 1992). This explicitly political role is not only desirable; for the commonwealth it is the primary reason schools exist. For the commonwealth, if a conflict exists over the appropriate role of religion in public life then the scope of religious activities in public schools, at least over the long term, *should* reflect and replicate for the next generation the values constituting the common ground between competing factions in society. Schools serve as repositories for communal values, what can be accepted by most if not enthusiastically embraced by all.

Commonwealth advocates argue the market represents a direct threat to this role by proposing to supplant the ideological structure justifying public schooling with an alternate value system. This argument gains support from market advocates who recognize the inherent tensions between market and democratic processes. Chubb and Moe (1990, 26-68), for example, explicitly hold democratic institutions and processes responsible for the "failure" of education. Others critique democracy obliquely, focusing the culpability of bureaucracy (e.g., Lieberman 1993, Kavitch 1997, Murphy 1996). As Chubb and Moe (1990, 38) point out, this argument is disingenuous because bureaucracy is a natural product of democratic control. Getting rid of bureaucracy means getting rid of the management mechanisms of representative institutions, which means reducing, if not eliminating, the role of the democratic process in controlling education. Others justify eliminating democratic/bureaucratic control as a way to eliminate, or at least ameliorate, the politics that surround public education. Hill et al. (1997, 36), for

political battles, *de jure* racial segregation in public education was ultimately banned by the Supreme Court in *Brown v. Board of Education*. Public education's response to this ruling was initially uneven. Over the long term, it realigned itself with the ruling as the definitive interpretation of the Constitution, though achieving this realignment sometimes required the full coercive powers of the state and did little to address *de facto* segregation. One of the responses to *Brown* was the first systematic efforts to introduce market mechanisms into public education. This was undertaken by Southern whites frustrated with the public system's increasing resistance to demands for segregation (Henig 1994, 102-105). They recognized that a market mechanism would respond to this demand even if it was not only incompatible with, but in direct contrast to, the constitutional ruling. This suggests that left to themselves, markets will efficiently allocate services in response to such demands, even if doing so is inequitable and abrogates collective democratic values (McCabe et al. 1999). The basic criticism is that while the market sees demand and customers, it is uncomfortable with the concepts of citizenship and community (Box et al. 2001). As such concepts are central to most notions of democracy, making market values appear comparable to, much less synonymous with, democratic values is misleading. On such grounds, the normative theory of the market is viewed as providing academic cover for an ideology hostile to democratic values at the heart of the ethos of public education (Engel 2000, McCabe et al. 1999). So, rather than an instrumental means to improve the underperformance of education, or as method to better align public education with democratic ideals, the ideology of the market is seen as a direct threat to the historical and legal justifications for education, i.e., storing and replicating the collective values that uphold a democratic society (Engel 2000, Callan 1997, Barber 1992, Kaestle 1983, Cremmin 1980, Center on National Education Policy 1996, Pangle and Pangle 1993). Public education was historically rationalized in the United States by stressing the importance of putting schools under state (as opposed to church) control, and using them as institutions to promote civic virtue and a common set of democratic values (Kaestle 1983, Pangle and Pangle 1993, Vinovskis 1995, 92-103; Cremmin 1980, 442). Thomas Jefferson's "Report for the Commissioners for the University of Virginia," for example, articulated six goals for public education. The first three goals dealt with the benefits of instilling basic literacy, the second three goals the importance of instilling communal responsibilities in the individual (Jefferson 1975, 332-346). Horace Mann, the father of the common school movement of the nineteenth century, emphasized the importance of a *system* of public education to achieve such goals. This meant

tion between Protestant and Catholic churches, and the state. As no dominant force emerged from the theological and secular struggle to control the classroom, the education system was built around individual choice. In practice, this turned out to be a decision to divide education along sectarian lines. These divisions blurred considerably as these societies became more secular, but today these systems still seem to promote religious and social stratification (Vandenberghe 1999, Lutz 1996, Ritzen et al. 1997). In other nations, the introduction of market mechanisms into public education has favored particular groups, especially the better educated who quickly opt into schools with student bodies characterized by high socioeconomic status and better than average test scores (see Vandenberghe 1999, 278).

The divisive aspect of the market is well documented in the United States. Social stratification, either by religion, class, or ethnicity is one of the few common themes to arise from research on market models of education (Powers and Cookson 1999). Choice or voucher systems seem to benefit the advantaged even among groups of lower socioeconomic status, where the better educated are more likely to reap the benefits (e.g., Schneider et al. 1997). Voucher programs in Milwaukee, Cleveland, Washington, D.C., and New York City have generated conflicts within and outside those communities with little consensus on whether they provide tangible or lasting benefits (see Witte 1996, 1998, 2000; Peterson and Noyes 1997). Given this track record, critics of the market model argue that it exacerbates the politics surrounding education without producing any broad civic contribution (e.g., Citroux 1998). These problems were not unforeseen by market advocates. Friedman (1955, fn. 1), for example, openly acknowledged that the market system he proposed could result in racially segregated schools. Nothing in Friedman's argument counters the proposition that the segregation could also occur along religious or socioeconomic lines.

Critics of the market model argue that its negative civic implications stem from its inability to focus on a core collective purpose. Tied to the presumption of methodological individualism, the theoretical basis of the market has a hard time articulating a core ideological commitment to democracy. Instead, the market's functionalist perspective is that "schools have no immutable or transcendent purpose. What they are supposed to be doing depends on who controls them and what those controllers want them to do" (Chubb and Moe 1990, 30). The root concern for the commonwealth is that adopting the market model means that those controlling agents will cease to be institutions and processes that broadly accept the historical and legal justifications of public education. Responding to the individual rather than the democratic process,

example, argue the problem with the governance structure of education is that it makes schools a focal point for conflict over values, civic responsibility, the rights of minorities, and a whole range of other disputes within communities. What these conflicts produce are a package of compromises that guide the socialization of children rather than producing graduates with solid academic foundations. A persistent theme of market arguments is that schools are too tied to the democratic process, too concerned with sorting out, storing, and replicating the common values of a community.

To commonwealth advocates what is being rejected here is not just democratic control, but the entire justification for public educational systems to exist. It is not just a rejection of a technical means (bureaucracy) to achieving functionalist goals (e.g., higher test scores), but a rejection of education's role in supporting the polity. For the commonwealth schools are primarily agents of socialization, not a means to transmit blocks of technical knowledge. While this includes acquiring the literacy and numeracy skills necessary for individual social and economic advance, it is the inculcation and replication of values rather than the particular levels of technical knowledge transmission that are important. For the commonwealth, the job of schools is to provide a "process of acquiring the norms to which all members of a society conform" (Aristine 1995, 5), and they are expected to "express values more than achieve goals" (Noblit and Dempsey 1996, 3).

Market advocates do not deny the importance of education's role in securing and promoting civic values (e.g., Bennett 1992, 56-62). As Friedman (1982, 86) put it, "A stable and democratic society is impossible without a minimum degree of literacy and knowledge on the part of most citizens and without widespread acceptance of [a] common set of values. Education can contribute to both." But they are largely silent on how these common values will be produced by a market system catering to individual preferences. The democratic values embedded in public education are taken as a given, a generic outcome of education itself rather than a specific political objective achieved imperfectly and at no small cost. Though its advocates presume the market model can produce a shared set of moral and civic values in education, there is little detail on how exactly markets can do this (Engel 2000, 71-74). This lack of detail concerns commonwealth advocates because a good deal of empirical evidence suggests markets atomize rather than build community.

Market model education systems exist in a number of countries, and a central reason for adopting such systems was an inability to achieve common ground in value conflicts. The Belgian and Dutch market systems, for example, were a response to a struggle for control over educa-

shortcomings. As an example, consider inequity in resources, long a concern in public education. This inequity is a result of a heavy reliance on local property values, so well off neighborhoods are able to better support public schools than poor neighborhoods. The haves defend this resource advantage in the name of "local control," often arguing that although they have the resource advantage and want to keep it, money does not matter (Berliner and Biddle 1995, 264-267; Kozol 1991). State attempts to equalize funding have been limited by the politics surrounding the funding mechanism, and have slowed but not eliminated the widening gap between rich and poor schools (Bundt 1997). Market advocates suggest something like a voucher system will help address these inequities, as vouchers will be equally funded and anyone can choose to go to a "rich" school. Yet, like any producer, schools with better facilities and better qualified teachers are likely to charge a premium. The better off are positioned to take advantage of these benefits with less interference from centralized government concerned about broad concerns of equity. Hierarchical control tied to the democratic process has not solved the problem of resource inequity, but does recognize there is a problem. The market simply sees and seeks to respond to demand. Existing politics of school funding clearly indicate a strong demand for funding inequities that is not being met by the existing system. Responding to such demands may not be fair in social-democratic terms, but the market is an efficient rather than a just allocator. Lacking regulatory constraints the market will respond to demand even when the social-democratic implications are negative. Such possibilities, commonwealth advocates suggest, means the market applies a starkly different set of values to education, values clearly at odds with democratic ideals.

THE IDEOLOGY OF EDUCATION

The two policy camps at odds over public education reform thus represent competing perspectives of education that can be viewed as separate and systematic value systems—ideologies of education (Engel 2000). Table 1.1 classifies the key values that separate the market and commonwealth perspectives of education (Halchin 1998, Witte 1998, McCabe et al. 1999). The first of these differences is the basic conception of education. The market views education as something that can be treated as a private good, i.e., a service provided to individuals that can be consumed in individual units (Lamdin and Mintrom 1997, 213). This suggests that, within broad limits, education can be treated much like the

the market will exacerbate divisive social cleavages for the simple reason that the value agendas dividing social groups are saleable commodities. Instead of controlling the power of faction—the problem at the heart of the Madisonian conception of government—the market unleashes it, giving some groups better opportunities to advance their own interests at the expense of others.

How public education promotes and preserves democratic values in practice is a controversial issue within the commonwealth camp even beyond market-related concerns. There are two basic theories on education's role in reinforcing civic values. The first theory is embedded in consensus theory, reflecting the Jeffersonian vision of public schools providing the basic underpinning of a democratic society through inculcation of core civic values. Such visions are exemplified in the arguments of theorists and philosophers of education such as Dewey (1929), Guttman (1987), Barber (1992), and Callan (1997). There is, however, a darker side to this idealized portrayal and one that is often more empirically grounded. This view can be loosely referred to as "conflict theory," the argument that schools are used to maintain social hierarchies for the benefit of a dominant class. In democratic systems, it is usually argued that this is achieved by socializing people to accept inequalities as the product of merit rather than socially reproduced injustice (Karabel and Halsey 1977, 451). This view is often associated with Pierre Bourdieu's (1973) notion of a "hidden curriculum," the idea that below the surface of the real curriculum is a socialization process that benefits one set of people (in the United States, usually identified as white and middle- to upper class) by getting another set of people to accept their inferior lot (usually identified as minority and poor). For conflict theorists, schools are ideological tools but are not employed for civic benefit. They smuggle values for the dominant social class, who determine these values by using the democratic process to defend their social position and prerogatives.

Commonwealth advocates recognize the dark side of public education's cultural role, and fear market reforms on the grounds that its institutional prescriptions could exacerbate this problem. Hierarchical control hardly boasts a perfect track record, but it has forced the end of *de jure* racial segregation, struggled mightily for some form of religious neutrality, sought to ensure some minimal level of equality of opportunity, and overtly attempted to instill a set of civic values that include patriotism, commitment (at least in the abstract) to the democratic process, and tolerance (Kaestle 1983, Tyack and Cuban 1995, Engel 2000, Cremin and Borrowman 1956). Success in any of these areas is debatable, but so is the market model's ability to correct any of the

stakeholder is the entire community or society. If a private good, education can and *should* be regulated by market mechanisms. If producers are allowed access to the market and consumers are free to choose among producers, a public education market will be highly responsive to its primary stakeholders (i.e., individuals). The primary mechanisms to ensure this response *should* be exit, i.e., producers are oriented to consumer demand by the ever present threat that a dissatisfied customer will opt for a competitor's services. If a public good, education can and *should* be regulated by representative institutions and their bureaucratic management mechanisms. This will ensure maximum response to education's primary stakeholders (i.e., all citizens). The mechanism of control to ensure this response *should* be voice, i.e., the system is oriented to its stakeholders by an open and easily accessible democratic process (Hirschman 1970).

The emphasis on "should" reflects the normative dimension of these arguments, they represent connected normative beliefs about the appropriate role of public education and government in society. The commonwealth perspective is predicated on the belief that a democratic polity embodies a set of values that exist independent of the individual, and education's job is to ensure that individuals are socialized into those group values. The market views the polity simply as a social contract to provide services to the individual, and among these services are education (McCabe et al. 1999). These beliefs are reflected in the primary missions the market and commonwealth assign education and the criteria they use to assess in achieving those objectives. The market sees the primary job of schools to provide the individual with something useful, specifically the skills that provide social and economic opportunities. The outcome of the educational process *should* be the acquisition of these skills, and schools that maximize the transfer of these skills with the minimal resource inputs are viewed as the most successful, i.e., they are the most efficient. These may yield collective benefits, but outcomes that produce group advantages are byproducts rather than the primary mission or motivational force in a market system. For the commonwealth, the primary job of schools is to serve the collective, to produce citizens with the beliefs and behavioral dispositions that serve the continuation of democracy and to equitably distribute social and economic opportunities.

Despite these normative foundations, this does not mean that the market cannot function as a positive theory. If the key normative assumptions correlate with what we know about the empirical world, the market functions as a useful explanatory framework—a logically ordered picture of how the world *does* work, not just a vision of how it

TABLE 1.1
The Ideology of Education
Contrasting Values of the Market and the Commonwealth

Value/Belief	Market	Commonwealth
Conception of education	Private good—service consumed by individual	Public good—process supporting social-democratic undertaking
Primary stakeholders of education	Individuals—parents/students	Society/community
Appropriate locus of control	Internal—schools	External—schools
Mechanism of control	Exit—dissatisfaction leads consumers to seek another service provider	Voice—dissatisfaction leads citizens to pursue democratic process
Primary mission	Output/Outcomes—transfer of economically useful knowledge and skills	Socialization—instilling values, beliefs, behavioral dispositions
Operating value (primary basis of judging mission success/failure)	Efficiency—maximum outputs with minimum inputs	Equity—provision of social/economic opportunity to citizens

exchange of other goods and services that the market has demonstrated it can regulate efficiently (Friedman 1955). The commonwealth views education as a public good, a service that cannot be broken down into individual units. Education is like national defense in that the entire society has a stake in public schools, not just the individuals being educated. A citizen might not have children in school, but retains a vested interest in shaping future citizens and retains a right to participate in that future through the democratic process (Barber 1992).

This difference in basic conception leads to different perceptions of the primary stakeholders in education. If a private good, the natural stakeholders are individual consumers. If a public good, the natural

mechanisms equitably distribute educational opportunities, promote democratic values, and further individual liberty in measures equal to or greater than the status quo, the result is a powerful and defensible normative vision of public education. This normative vision also suggests empirically testable hypotheses. If the market is a better way to realize the ideals of democratic governance in education, then institutional arrangements promoting consumer choice and competition among schools should result in the following: (1) Better educational opportunities than the status quo (see Chapter 3). (2) The promotion of civic goals and values (see Chapters 4 and 5). If, as its critics contend, market theory is a scholarly veneer covering an ideological agenda that threatens the commonwealth values underlying education, market mechanisms should have a wholly different observable impact. Competition and choice will correlate with greater inequities in educational opportunity and serve to advance narrow, sectarian interests.

There are a number of conceptual and methodological challenges in testing these expectations, but these are not insurmountable. If the market is a utilitarian and instrumental response to clearly defined problems, the base presumption is that schools are failing to adequately respond to society's needs for social and economic skills. This failure should manifest itself in a predictable relationship between what schools produce (human capital) and social and economic success. If it is a normative theory that will advance the value-based historical and legal justifications for public education, there should be an observable, positive relationship between market mechanisms and educational opportunity and the promotion of civic values. If market reforms represent a value system that threatens the democratic values public education is held to imbue, market mechanisms should have a negative relationship with educational opportunity and the promotion of civic values. The remainder of this book seeks to test each of these propositions.

CONCLUSION

The basic purpose of this book is an empirical investigation into whether market-based reforms of education represent a utilitarian response to known problems in public education or whether they represent a value-based challenge to the public school ethos. The aim is to assess whether the deregulatory reforms represented by the market model are more likely to achieve functionalist ends (improved educational outputs and outcomes) or ideological ends (a reshaping of attitudes and beliefs and a drift away from democratic regulatory mechanisms). The starting point

should work. Even if the market is more a normative than a positive theory, this does not mean it should automatically be rejected as the basis for reforming education. The commonwealth's claim to public education rests on a simple thesis: public education exists to serve public interests, and those interests are best served by building education on a system tied to the democratic process and democratic values. If the market is better at divining the public interest and responding to those interests, then it is defensible as a normative theory of education. If the market model can deliver on its own collective promises (efficient production of educational outputs) as well as those of the commonwealth (inculcation of civic values, equitable distribution of opportunity), it may better realize the historical and legal justifications for public education. If its key normative premises cannot be empirically confirmed, and it does not advance (or at least does not harm) the normative historical and legal justifications of public education, the market falls as a positive and a normative theory of education. It survives as an ideology but one that stands in direct contrast to the commonwealth—an ideology predicated on advancing the interests of others even as they harm collective interests by reforming public education so that it abandons its basic constitutional missions. //

This reasoning suggests a way to gain empirical leverage on the key research question posed by this book. As an instrumental means to achieve universally beneficial ends, the market claims that schools are failing to adequately respond to some functional demand that has broad social consequences. Most commonly, this is portrayed as the individual need for economically valuable skills (see Chapter 2). These skills not only support individual opportunity, they also contribute to the collective good in the form of human capital, the intellectual resources that fuel innovation and efficiency in the broader economy. Thus a key justification for market-based reforms of public education is that they will increase a critical contribution to the economy (Bishop 1989, Hanushek et al. 1994, Paris 1994). This suggests an empirical hypothesis: School outputs have a positive relationship with economic development. If this is the case, it supports the functionalist picture of schooling associated with the market as a positive theory. If school outputs do have such a determinative role, increasing the efficiency of schools—their ability to transform inputs into the skills that constitute outputs—is a utilitarian goal that market mechanisms may help achieve (Swanson and King 1991).

Even if this aspect of the market argument is not confirmed, it does not impact the market's status as a normative theory of education. Regardless of whether school outputs drive economic success, if market