

Education voucher

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(Redirected from [Education vouchers](#))

An **education voucher**, commonly called a **school voucher**, is a certificate by which parents are given the ability to pay for the [education](#) of their children at a school of their choice, rather than the [public school](#) to which they were assigned.

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Controversy

Proponents

Those who favor education vouchers argue that parents should be able to choose which school their children will attend, and that the government should provide parents with funds they can spend at that school. Proponents assert that implementing a voucher system would promote "free market" competition among schools of all types, which would provide schools incentive to improve. Successful schools would attract students, while bad schools would be forced to reform or close. The goal of this system is to localize accountability as opposed to relying on government standards.

Proponents also note that school vouchers would allow for greater economic diversity by offering lower income students opportunities to attend previously unaffordable private schools. School voucher proponent and Nobel Prize winning economist [Milton Friedman](#) observed that the poor have an incentive to support school choice, as their children attend substandard schools, and would thus benefit most from alternative schools.

Proponents also point to the comparative quality of the U.S. University system (where the best institutions are regarded as world-leading) and the U.S. K-12 system (which has substantial problems). The K-12 system, with the exception of a few private schools, is a government run monopoly that has all the problems of any monopoly: it delivers a poor product at a high price. On the other hand, the U.S. University system is a competitive mix of public and private institutions that compete for students. The U.S. University system also receives a substantial portion of its funding from students and subsidies to students in the form of scholarships, government grants, and subsidized loans. These consumer subsidies are conceptually equivalent to the idea of school vouchers. Proponents argue that school vouchers would make the K-12 system more competitive (like the U.S. University system) and thereby substantially raise quality.

Opponents

Critics of the voucher system note that it is possible to have a choice between different schools within the public school system without vouchers.

One argument is that, given the limited budget for schools, a voucher system weakens public schools while at the same time not necessarily providing enough money for people to attend private schools. The opponents assert a tendency of the costs of tuition to rise along with its demand, which would compound the problem.

Other opponents believe that granting government money, even indirectly, to private and religious schools will lead to increased governmental control over non-government education. Individuals who oppose vouchers on these grounds are often libertarian also calling for the abolition of all state sponsorship of education. Some representatives of religious schools also fear an infringement in their freedom of view on topics such as abortion or homosexuality. The Alliance for the Separation of School & State opposes education vouchers on the grounds that "if vouchers become commonplace, private and religious schools will become more and more like public schools."^[1]

Other economist critics point to the theoretical (but unproven) problem of "**cream skimming**," a variety of adverse selection in the educational market. With a presumably greater pool of applicants, the private schools will be more selective over which students to admit, possibly excluding those who belong to the "wrong" religion or ethnicity, those with disabilities such as autism or multiple sclerosis and those with disciplinary problems. On the other hand, by law the public schools have to educate *everyone*, so that they become a "dumping ground" for those students unwanted by the private schools. This further undermines the reputation of the public schools, leading to a vicious circle that tends toward the total abolition of the public schools and the end of universal education. However, new private schools may spring up to meet the demand of those empowered by school choice and thus negate this possible disaster. This issue has been effectively met in many countries by enforcing transparency in admissions and by prohibiting exclusion from admission based on discriminatory criteria.

"Grade inflation"?

Some support school vouchers only when coupled with standard tests. They reason that if there are no standard tests, the schools in the school voucher system may be tempted to give more

students passing grades or "lower their bars" in order to attract students.

Economics

Education is a rivalrous good. That means that only one person can enjoy each education spot. If there are twenty places for students in a class and the quality of teaching isn't compromised, students can only be aggregated if only a limited number are taken. It is also an excludable good, because someone could, theoretically, easily be prevented from attending classes offered. With such characteristics, education can be classified as a private good, which are, according to economic theory, usually better provided by the market than by the government. But education is a service that contains several positive externalities, which is why the government chooses to fund it.

However, the importance of government funding for education does not imply that the government should run its own schools. In general, to subsidize a good, there are two broad choices: subsidize producers or subsidize consumers. Economic theory suggests subsidizing consumers is more efficient. For example, a producer food subsidy might have a government run store that distributes potatoes to every qualifying poor person. If the individual doesn't like potatoes, too bad. On the other hand, an example of a consumer food subsidy would be the federal food stamps program. Qualifying poor people get to choose what food they want and the government pays for it. With a consumer subsidy (food stamps), a poor person can buy more food and more of the food they want. Back in the arena of education, the government run school system is a producer subsidy while a school voucher would be a consumer subsidy. By subsidizing the consumer, proponents of school choice believe that vouchers will foster competition and allow the consumer to purchase higher quality education.

Implementations

Chile

In Chile, there is a extensive voucher system in which the State pays private and municipal

schools directly based on recruitment. The private schools' enrollment is growing to over 50% of children in 2005 and shows consistently better results in standardized testing than municipal schools. While studying this system, however, Dr. Martin Carnoy of Stanford, Patrick J. McEwan and others have found that when controls for the student's background (parental income and education) are introduced, the difference in performance between public and private subsectors is not significant. Alejandra Mizala and Pilar Romaguera (University of Chile) have found that there is greater variation within each subsector than between the two.

European countries

In most European countries, education is free, often including undergraduate education to primary degree level. Parents are free to choose which school their child attends. Schools are funded on a grant system based on the number of students on their rolls.

Sweden

In *Sweden*, the Conservative government in office 1991-1994 introduced a voucher system at primary and secondary school level, enabling free choice among public and private schools (*friskolor*) in the community. The system gained such immediate popularity that the succeeding Social Democratic government found it impossible to revert the reform although they have always held strongly negative views on "private" schools and choice in education. The only major change the new Social Democratic government instituted after 1994 was to prohibit extra fees beyond the value of the voucher - this measure was claimed to counteract social segregation in the private schools. Overall, public support has remained strong - segregation has not increased, and various educational models have been able to establish themselves on a broader basis (most notably, the private Montessori schools have also influenced the educational model of the public schools).

United Kingdom

In *the UK*, The Conservative Party proposed a policy similar to Chile's during the 2005 general election. It was blamed by many for their subsequent defeat after being the subject of a negative election broadcast (similar to an "attack ad") by the winning Labour party.

However, it has been pointed-out in the Economist (Jun 30th 2005 - Toddlers and taboos: What counts as heresy in schools is normal in nurseries) that a voucher system has already been unproblematically introduced in the UK for funding pre-school education: they argue it has been lower in costs, greater in efficiency and generative of less bureaucracy than state provision. In principle, this system might be extended to school age educational provision.

Ireland

In *Ireland*, the state funds all public schools, but also pays the salaries of teachers in registered private schools. Students are free to choose their own school. The system is highly successful. The Rainbow Coalition (which Contained parties of the centre and the left) introduced free third-level education to primary degree level.

The Netherlands

In *the Netherlands*, the government funds "bijzondere" ("special") schools, which are run by independent non-profit boards, on the condition that they charge no more tuition than public schools do and otherwise abide by practically the same rules as public schools. Parents are free to choose any public or special school for their children, although in some urban areas, such as Amsterdam, admissions procedures do exist. Many, but not all, special schools are religious in nature. The system arose in the early 1900s after a prolonged battle (the "**school feud**") between religious and secular political parties, and is considered a political third rail even today. The emergence of islamic schools is putting the issue back into the spotlight, though. Any voucher proposals in The Netherlands, and countries with similar systems such as Belgium, are complicated by the historical school feud reality.

United States

The first voucher program in the United States was established in Milwaukee, Wisconsin in 1990 using state funding. The 2006-2007 school year will mark the first time in Milwaukee that more than \$100 million will be paid in vouchers.^[2] Twenty-six percent of Milwaukee students will

receive public funding to attend schools outside the traditional Milwaukee Public School system. In fact, if the voucher program alone were considered a school district, it would mark the sixth-largest district in Wisconsin. **St. Anthony Catholic School**, located on Milwaukee's south side, boasts 966 voucher students, meaning that it very likely receives more public money for general school support of a parochial elementary or high school than any before it in American history. Under the current state formula for paying school vouchers, however, Milwaukee residents pay more in property taxes for voucher students than for students attending public schools. This imbalance has received considerable criticism, and is the subject of 2007 legislative proposals designed to alter the formula.

The school voucher question in the United States has also received a considerable amount of judicial review in the early 2000s.

A program in the city of Cleveland authorized by the state of Ohio was challenged in court on the grounds that it violated both the federal constitutional principle of separation of church and state and the guarantee of religious liberty in the Ohio Constitution. These claims were rejected by the Ohio Supreme Court, but the federal claims were upheld by the local federal district court and by the Sixth Circuit appeals court.^[3] The fact that nearly all of the families using vouchers attended Catholic schools in the Cleveland area was cited in the decisions.^[4] In a 2002 ruling in the case *Zelman v. Simmons-Harris*, the Supreme Court of the United States ruled in a 5-4 vote that the Ohio program was constitutional. The justices cited the private choice made by the parents and affirmed that the ultimate purpose (improving elementary education) was secular.

In 2006, the Florida Supreme Court struck down legislation known as the Opportunity Scholarship Program (OSP), which would have implemented a system of school vouchers in Florida.^[5] The court ruled that the OSP violated article IX, section 1(a) of the Florida Constitution: "Adequate provision shall be made by law for a uniform, efficient, safe, secure,^[6] and high quality system of free public schools."^[6]

Political support for school vouchers in the United States is mixed. On the left/right spectrum, conservatives are more likely to support vouchers. Some state legislatures have enacted voucher

laws. As of 2006, the federal government operates the largest voucher program, for evacuees from the region affected by Hurricane Katrina.

Some public opinion surveys show that support for vouchers has increased in the last few years,^[7] although just how much is debatable, since poll results tend to be quite different depending on how the question is worded. Majorities seem to favor improving existing schools over providing vouchers, yet as many as 40% of those surveyed admit that they don't know enough to form an opinion or don't understand the system of school vouchers.^[8]

Hong Kong

A voucher system for 3 to 6 years olds attending non-profit making kindergarten will be implemented in Hong Kong starting 2007. Each child will get HK\$13000 pa. The \$13000 subsidy will be separated into two parts. \$10000 is used to subsidize the school fee and the remaining \$3000 is used for kindergarten teachers to pursue further education and obtain a certificate in Education. Also, there are some restrictions on the voucher system. Parents can only choose those non-profit making with yearly fee less than \$24000. It is hoped by the government that by the year of 2011-2012, all kindergarten teachers can obtain a certificate in Education and the government will adjust the subsidy amount to \$16000 for each student and all of the money is for the school fee subsidy.

Milton Friedman criticised the system, saying "I do not believe that [CE] Mr. Tsang's proposal is properly structured". He said that the whole point of a voucher system is to provide a competitive market place, therefore, it shouldn't be limited to non-profit kindergartens.

After protests by parents with children enrolled in for profit kindergartens, the scheme was extended to children in for profit kindergartens, but only for children enrolled in or before September 2007. The government will also provide up to HK\$30000 subsidy to for profit kindergartens wanting to convert to non profit.

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Notes

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- [The Milton and Rose D. Friedman Foundation](#) has substantial information on school

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- [Milton Friedman, "Public Schools: Make Them Private," 1995](#)

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