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DIVERSITY, CHOICE AND MARKETS IN EDUCATION: BENEFITS AND COSTS*

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Introduction

In many parts of the world, there have been attempts to move away from the 'one best system' of state funded and state provided education. Recent reforms have sought to dismantle centralised bureaucracies and create in their place devolved systems of schooling with increased diversity in the types of schools available, together with an increased emphasis on parental choice and competition between schools (Whitty et al 1998). This paper will review recent evidence concerning the progress and effects of these currently fashionable 'school autonomy' and 'parental choice' agendas in contemporary education policy in England, the USA and New Zealand. School autonomy, as used here, refers to moves to devolve various aspects of decision-making from regional and district offices to individual schools, whether to site-based professionals, community-based school councils or a combination of both. In considering parental choice, the paper will be particularly concerned with those policies that claim to enhance opportunities for choice among state schools2 and those that use public funds to extend choice into the private sector.

These policies are sometimes described as 'privatisation' of the education system. Nevertheless, if we look strictly at the issue of funding, or even at provision in most countries, it is difficult to argue that education has been privatised on any significant scale. In most cases, marketisation is probably a better metaphor for what has been happening or, to be even more precise, the development of 'quasi-Markets' in state funded and/or state provided services. Most commentators see these quasi-markets in education as involving a combination of parental choice and school autonomy, together with a greater or lesser degree of public accountability and government regulation. These kinds of reforms have been evident in many mass education systems, including those discussed in this paper. Levacic (1995) suggests that the distinguishing characteristics of a quasi-market for a public service are 'the separation of purchaser from provider and an element of user choice between providers'. She adds that a quasi-market usually remains highly regulated, with the government controlling 'such matters

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1 The paper is based upon findings from the author's research on autonomous schools in England, the USA and New Zealand, together with a review of other relevant research in all three countries. For a fuller discussion of the reforms in these countries, and in Australia and Sweden, see Whitty et al (1998).
2 In the remainder of this paper, I shall generally use the term 'state schools' to describe publicly funded and publicly provided schools in England and New Zealand and the term 'public schools' to describe such schools in the USA.
as entry by new providers, investment, the quality of service (as with the national curriculum) and price, which is often zero to the user (p167). The lack of a conventional cash nexus and the strength of government intervention distinguish quasi-markets from the idealised view of a ‘free’ market, though few contemporary markets in any field are actually free from government regulation and many of them involve some element of overt or covert subsidy.

Nevertheless, even where quasi-markets are confined to public sector providers, it is possible to argue that some aspects of marketisation contribute to privatisation in an ideological if not a strictly economic sense. These include fostering the belief that the private sector approach is superior to that traditionally adopted in the public sector; requiring public sector institutions to operate more like those in the private sector; and encouraging private (individual/family) decision-making in place of bureaucratic fiat. In other words, they define education as a private good rather than a public issue and make education decision-making a matter of consumer choice rather than citizen rights.

Advocates of quasi-markets argue that they will lead to increased diversity of provision, better and more efficient management of schools, and enhanced professionalism and school effectiveness. Some proponents, notably Moe (1994) in the USA and Pollard (1995) in the UK, have argued that such reforms will bring particular benefits for families from disadvantaged communities, who have been ill-served by more conventional arrangements. However, critics suggest that, even if they do enhance efficiency, responsiveness, choice and diversity (and even that, they say, is questionable), they will almost certainly increase inequality between schools. Before looking at some of the initial research evidence on these matters, I shall outline the nature of the policies pursued in the three countries under consideration.

**Diversity and Choice in Three Countries**

In England, prior to the 1980s, the vast majority of children were educated in state schools maintained by democratically elected local education authorities (LEAs) which exercised political and bureaucratic control over their schools but also often provided them with considerable professional support. After the Conservative victory at the 1979 election, the Thatcher and Major governments set about trying to break the LEA monopoly of state schooling through the provisions of a series of Education Acts passed in the 1980s and early 1990s.

Although the introduction of the National Curriculum and its associated system of testing can be seen as a centralising measure, most of the other reforms have been designed to enhance parental choice and transfer responsibilities from LEAs to individual schools and parents. The earliest of these was the Assisted Places Scheme which provided public funding to enable academically able children from poor homes to attend some of the country’s elite private schools (see Edwards et al 1989). It is possible to argue that the sort of privatisation entailed within the Assisted Places Scheme suppressed marketisation within the private sector by protecting private schools from the full brunt of market forces. Indeed, some of the schools that sought to join the Scheme were considered economically vulnerable and one in Wales had to close before it could admit its first assisted place holders (Whitty et al 1998).

The more recent legislation has sought to create new forms of state school entirely outside the influence of LEAs, and this marketisation of the public sector may have reduced the
distinctive nature of private schools and blurred the distinction between the two sectors. City technology colleges (CTCs) were intended to be new secondary schools for the inner city, with a curriculum emphasis on science and technology and run by independent trusts with business sponsors. The grant-maintained schools policy enabled existing state schools to 'opt out' of their LEAs after a parental ballot and run themselves with direct funding from central government. Further legislation has permitted schools to change their character by varying their enrolment schemes, sought to encourage new types of specialist schools and made it possible for some private schools to 'opt in' to the state system.

Local Management of Schools (LMS) has given many of those schools that have remained with their LEAs more control over their own budgets and day to day management, receiving funds determined by the number and ages of their pupils. Open Enrolment allows state schools to attract as many students as possible, at least up to their physical capacity, instead of being kept to lower limits or strict catchment areas in order that other schools could remain open. This was seen as the necessary corollary of per capita funding in creating a quasi-market in education. In some respects, it was a 'virtual voucher' system (Sexton 1987), which was expected to make all schools more responsive to their clients and either become more effective or close.

Taken together these measures were widely expected to have reduced the role of LEAs to a marginal and residual one over the next few years, but fewer schools left their LEAs than anticipated. Even so, while claiming to have already increased diversity and choice, Conservative prime minister Major looked forward to the day 'when all publicly funded schools will be run as free self-governing schools'. He believed in 'trusting headmasters (sic), teachers and governing bodies to run their schools and in trusting parents to make the right choice for their children' (The Times, 24/8/95, p5). However, his government was defeated in a General Election in May 1997.

By contrast with England, New Zealand in the 1980s was a somewhat surprising context for a radical experiment in school reform, let alone one associated with a conservative agenda. Unlike in England and the USA, there was no widespread disquiet about educational standards in the state school system nor were there the vast discrepancies in school performance that contributed to a 'moral panic' about urban education in those two countries. The initial reforms were introduced by a Labour government, albeit one that had enthusiastically embraced monetarism and 'new public management' techniques in the mid-1980s (Wylie 1995). The education reforms, introduced in October 1989, led to a shift in the responsibility for budget allocation, staff employment and educational outcomes from central government and regional educational boards to individual schools. Schools were given boards of trustees that have effective control over their enrolment schemes, with even lighter regulation than currently exists in England. However, Wylie (1994) argues that other aspects of the New Zealand reforms 'offer a model of school self-management which is more balanced than the English experience'. This is because they put 'a great emphasis on equity...on community involvement... on parental involvement [and on] partnership: between parents and professionals' (p xv). Furthermore, neither the costs of teacher salaries nor of some central support services were devolved to individual school budgets, though there have subsequently been moves in this direction since the election of a conservative administration in 1990. Only 3% of New Zealand schools were in a pilot scheme for 'bulk funding' (or devolution of 100% of their funding including teachers' salaries), but a 'direct funding' option was opened up to all schools...
in 1996 for a trial period of three years. Unlike the English funding formulae, which fund schools on the basis of average teacher salaries, the New Zealand scheme is based on actual teacher salaries and a given teacher: student ratio. Alongside these reforms, national curriculum guidelines were introduced but these were far less detailed and prescriptive than the English model and paid more attention to minority Maori interests. The extension of choice into the private sector has also begun with a three-year pilot of a New Zealand equivalent of the Assisted Places Scheme, called Targeted Individual Entitlement, leading to claims that ‘it marks the start of a move towards a voucher system in which schools compete for parents’ education dollar’ (Wellington Evening Post, 28/9/95).

In the USA, the limited role of the federal government in relation to education makes it harder to generalise about the nature and provenance of policies designed to enhance parental choice and devolve decision-making to schools. The more significant decisions are taken at state and district levels. While a few states, such as Minnesota, have state-wide choice plans, many initiatives have been more local. Wells (1993) demonstrates the huge variety in origins and likely effects of the various choice plans that have been mooted or implemented in the US over the past few years. Similarly, American specialist or ‘focus’ schools have very different origins and purposes (Raywid 1994; Hill, Foster and Gendler 1990). They include long-standing specialty schools, such as the Boston Latin School and New York’s highly academic Stuyvesant High School, magnet schools associated with desegregation plans, alternative schools, sometimes based on progressive pedagogic principles, and private Catholic schools. The nature of the more recent wave of semi-autonomous Charter Schools that have developed in many states and that of site-based management within school districts also varies considerably (Wohlstetter et al 1995; Wells et al, in press).

Devolution and choice in the US enlists significant support from progressive forces, particularly amongst those representing minority ethnic groups. The mixed evidence about the efficacy and effects of desegregation and magnet schools in the 1980s (Blank 1990; Moore and Davenport 1990) has sometimes led to the conclusion that enhanced parental voice and choice, rather than more concerted political intervention, will provide the best chance of educational salvation for minority parents and their children. Moe (1994) goes so far as to claim that the best hope for the poor to gain the right ‘to leave bad schools and seek out good ones’ is through an ‘unorthodox alliance’ with ‘Republicans and business...who are the only powerful groups willing to transform the system’ (p 33). For this reason, some aspects of the current reform agenda have developed a populist appeal well beyond the coteries of conservative politicians or even the white populations to which they usually appeal.

In so far as it is possible to generalise, then, the New Zealand reforms have ushered in a more thorough-going experiment in free parental choice in the state sector than has been tried in England, while both these countries have gone further in this respect than all but a few school districts in the USA. In terms of freedom from local bureaucratic control, New Zealand schools have the most autonomy and those in the USA the least. Within England, grant maintained schools have the most autonomy, but even LEA schools, which virtually all now have local management, have considerably more autonomy than most US schools. As for freedom in financial management, English schools operating under LMS currently have more resources under their direct control than even New Zealand schools, apart from those of the latter participating in the ‘direct funding’ trials. In the USA, financial devolution within school districts has not gone nearly as far as it has in either England or New Zealand. In that respect,
little of the American experience of site-based management is directly relevant to the claims made by advocates of more radical supply side reforms.

Finally, equity considerations have had different degrees of influence in the three countries. For example, 'race' has been a much more influential issue in the USA and New Zealand than it has in England where a government minister dismissed concerns about the possibility of racial segregation with the statement that her government did not wish 'to circumscribe [parental] choice in any way' (quoted in Blackburne 1988). It has thus influenced policies in New Zealand (in terms of funding and community influence) and in the USA (in relation to funding and enrolment policies) far more than it has in England.

We now consider the limited evidence that is available about the effects of recent policies to encourage parental choice and school self-management in these three countries.

Research on the Effects of Reform

In England and Wales, there is nothing to suggest that any gains have been substantial even in relation to the claims that the reforms would lead to more effective use of resources. A national study conducted by Birmingham University and funded by National Association of Head Teachers was generally positive about the impact of LMS but conceded that direct evidence of the influence of self-management on learning was 'elusive'. The team's initial survey (Arnott et al 1992) showed that the vast majority of headteachers agreed with the statement that 'local management allows schools to make more effective use of its resources'. However, a majority also felt that meetings were being taken up by administrative issues which lessened their attention to students' learning. They were thoroughly divided on the question of whether 'children's learning is benefiting from local management'. Thus, it was rather unclear what their concept of greater effectiveness actually related to.

The results cited here came mainly from headteacher respondents, whose authority has been greatly enhanced by the self-management reform. It may be significant that the relatively few classroom teachers who were interviewed by the Birmingham research team were far more cautious about the benefits of LMS for pupil learning and overall standards. An independently funded study (Levacic 1995) found headteachers generally welcomed self-management even where their school had lost resources as a result of it, while classroom teachers were sceptical about its benefits even in schools which had gained in resources. Levacic concludes that, although local management enhances cost-efficiency, there is 'a lack of strong theoretical argument and empirical evidence' to show that it improves the quality of teaching and learning, as claimed by the government (Levacic 1995, p xi).

In the final report of the Birmingham study (Bullock and Thomas 1994), relatively more headteachers claimed improvements in pupil learning, but significantly these seem to be associated with increased funding rather than self-management per se. While the Birmingham team concluded that self-management was broadly a successful reform, they argued that more evidence was needed on the relationship between resourcing levels and learning outcomes. This seems particularly important in that the schools most affected by budgetary difficulties, and therefore least likely to report a positive impact on pupils' learning, were often found to be those with pupils from disadvantaged backgrounds.

The Birmingham study echoes some of the concerns expressed by Le Grand and Bartlett
(1993) in their study of quasi-markets in social policy. Bartlett (1993) points out that, although parental choice has been increased by open enrolment, 'the door is firmly closed once a school [is full]. And by encouraging an increasingly selective admissions policy in [over-subscribed] schools open enrolment may have the effect of bringing about increased opportunities for cream-skimming and hence inequality'. Furthermore, he found that 'those schools which faced financial losses under the formula funding system tended to be schools which drew the greatest proportion of pupils from the most disadvantaged section of the community' (Bartlett 1993). Thus, whatever gains may have emerged from the reforms in terms of efficiency and responsiveness to some clients, there were serious concerns about their implications for equity.

The danger of 'cream skimming' is clearly demonstrated in an important series of studies by Ball and his colleagues on the operation of quasi-markets in London. In an early study, Bowe et al (1992) suggested that schools were competing to attract greater cultural capital and thus hoping for higher yielding returns. Subsequently, Gewirtz et al (1995) have shown schools seeking students who are 'able', 'gifted', 'motivated and committed', and middle class, with girls and children with South Asian backgrounds being seen as particular assets in terms of their potential to enhance test scores. The least desirable clientele include those who are 'less able', have special educational needs, especially emotional and behavioural difficulties, as well as children from working class backgrounds and boys, unless they also have some of the more desirable attributes.

There is certainly evidence that some schools discriminate against children with special educational needs (Feintuck 1994). Bartlett (1993) argues that, only if the market price varies with the needs of the client will this not happen. In other words, funding formulae need to be weighted to give schools an incentive to take more expensive children. The current premium paid for children with special educational needs may not be enough, if it makes the school less popular with clients who, although bringing in less money, bring in other desirable attributes. Bowe et al (1992) and Vincent et al (1995) give examples of schools making just this sort of calculation.

The academically able are the 'cream' that most schools seek to attract. Such students stay in the system longer and thus bring in more money, as well as making the school appear successful in terms of its test scores and hence attractive to other desirable clients. Glennerster (1991) suggests that, given the opportunity, most schools will want to become more selective because taking children who will bring scores down will affect their overall market position. This is especially so when there is imperfect information about school effectiveness and when only 'raw' test scores are made available as they have been hitherto in England. Schools with the highest scores appear best even if other schools enhance achievement more.

Partly because of this ranking system on a uni-dimensional scale of academic excellence, there is little evidence that choice policies are fostering horizontal diversity in schooling. Glatter et al (1997) found no evidence of greater diversity of provision, except where there was specific government funding for specialist schools. In some cases, they identified a tendency towards greater uniformity between schools. Some commentators have even predicted that, rather than choice leading to more diverse and responsive forms of provision as claimed by many of its advocates, it will reinforce the existing hierarchy of schools, based on academic test results and social class (Walford and Miller 1991).

Those parents who are in a position to choose are choosing those schools that are closest
to the traditional academic model of education that used to be associated with selective grammar schools. Even new types of school tend to be judged in these terms. Our research showed many parents choosing CTCs not so much for their hi-tech image, but because they were perceived as the next best thing to grammar schools or even elite private schools (Whitty et al 1993). In this situation, those schools that are in a position to choose often seek to identify their success with an emphasis on traditional academic virtues and thus attract those students most likely to display them. Many of the first schools to opt out and become grant maintained were selective, single sex and with traditional sixth forms and this gave the sector an aura of elite status (Fitz et al 1993). Some grant maintained comprehensive schools have reverted to being overtly academically selective, and Bush et al (1993) suggested that 30% of the grant maintained 'comprehensive' schools they investigated were now using covert selection. In addition, grant maintained schools have been identified as amongst those with the highest rates of exclusion of existing pupils and amongst the least willing to cater for pupils with special educational needs. To that extent they can hardly claim to have increased parental choice across the board (Power et al 1994).

Walford (1992) argues that, while choice will lead to better quality schooling for some children, the evidence so far suggests that it will 'discriminate in particular against working class children and children of Afro-Caribbean descent' (p137). Smith and Noble (1995) also conclude from the evidence that English choice policies are further disadvantaging already disadvantaged groups. Although schools have always been socially and racially segregated to the extent that residential segregation exists, Gewirtz et al (1995) suggest that choice may well exacerbate this segregation by extending it into previously integrated schools serving mixed localities. Their research indicates that working class children and particularly children with special educational needs are likely to be increasingly 'ghetto-ised' in poorly-resourced schools.

Although it is argued that schemes such as the Assisted Places Scheme allow able and meritorious working class children to 'escape' from such schools, they have been shown to attract relatively few children from such backgrounds (Edwards et al 1989). Furthermore, the existence of such escape routes reduces the pressure to improve the schools in which the majority of working class children continue to be educated, thus potentially increasing the overall polarisation of standards of provision. The Smithfield Project, a major government-funded study of the impact of choice policies in New Zealand, suggests that much the same sort of social polarisation is taking place there (Lauder et al 1994, Waslander and Thrupp, 1995). In another New Zealand study (Fowler 1993), schools located in low socio-economic areas were found to be judged negatively because of factors over which they had no influence, such as type of intake, location and problems perceived by parents as linked to these. Wylie (1994) too has noted that schools in low income areas are more likely to be losing students to other schools. If we could be sure that their poor reputation was deserved, this might be taken as evidence that the market was working well with effective schools reaping their just rewards. But, as in England, judgements of schools tend to be made on social grounds or narrow academic criteria and with little reference to their overall performance or even their academic effectiveness on value-added measures. Meanwhile, the current funding regime makes it extremely difficult for schools in disadvantaged areas to break out of the cycle of decline. Wylie's study of the fifth year of self-managing schools in New Zealand (Wylie 1994) identified schools in low income areas, and schools with high Maori enrolments, as experiencing greater resource problems than others.
Wylie (1994, 1995) reports that quasi-markets have led to state schools paying more attention to the attractiveness of physical plant and public image than to changes in teaching and learning other than the spread of computers. They have also led to increased attention being paid to the information about school programmes and children’s progress that reaches parents, changes which ‘are clearly not without value in themselves’. But she also notes that ‘they do not seem able to counter or outweigh factors affecting school rolls which lie beyond school power, such as local demographics affected by employment, ethnicity, and class’ (Wylie 1995, citing Gordon 1994, Waslander and Thrupp 1995). Such research suggests that many of the differences between schools result from factors largely beyond the control of parents and schools, except the power of advantaged parents and advantaged schools to further enhance their advantage and thus increase educational inequalities and social polarisation. This is not necessarily an argument against choice, but it is clear that procedures for selection to oversubscribed schools need reconsideration. Significantly, the Smithfield Project found that, only in one year where allocations to oversubscribed schools were based on ‘balloting’ (or drawing lots), did social polarisation between popular and unpopular schools decrease.

These findings have very recently been challenged by Gorard and Fitz (1998a; 1998b) who have claimed that the tendency towards increased polarisation in both England and Wales and New Zealand may have been merely an initial effect of marketisation policies and that social polarisation has actually been reduced in subsequent years. Educational polarisation, however, has been confirmed in the case of England by Her Majesty’s Chief Inspector of Schools (HMCI 1998) and the 1998 GCSE public examination results there brought an increase in the failure rate despite alongside an increase in the numbers gaining high grade passes. And, despite some outstanding exceptions, it remains the case that schools located in contexts of multiple disadvantage have overall levels of performance well below the national average and tend to be relatively ineffective at boosting students’ progress (Gray 1998; Gibson and Asthana, 1998). The problems and dilemmas facing schools with large numbers of disadvantaged students, compared with those with advantaged intakes, are much greater than current policies acknowledge (Proudford and Baker, 1995; Thrupp, 1995).

In the USA, despite the early association of public school choice with racial desegregation, there are considerable concerns about the equity effects of more recent attempts to enhance choice, especially as there is no clear evidence to date of a positive impact on student achievement. What evidence there is about the effects of choice policies on student achievement and equity continues to be at best inconclusive (Plank et al 1993), notwithstanding claims by choice advocates that ‘the best available evidence’ shows that parental choice improves the education of all children, especially low income and minority students’ (Domanico 1990).

Even some of the more positive evidence from controlled choice districts, such as Cambridge (Rossell and Glenn 1988) and Montclair (Clewell and Joy 1990), which seemed to show gradual overall achievement gains, is now regarded by Henig (1994) as methodologically flawed making it difficult to attribute improvements to choice per se. Furthermore, although choice has not always led to resegregation as its critics feared, improvements in the racial balance of Montclair and Cambridge schools were most noticeable during periods of strong government intervention. Henig goes on to argue that the much vaunted East Harlem ‘miracle’ (Fliegel 1993) has ‘escaped any serious effort at controlled analysis’ even though it has had a special role ‘in countering charges that the benefits of choice programs will not accrue to
minorities and the poor’ (p142). Not only have the apparently impressive gains in achievement now levelled off or even been reversed, it is impossible to be sure that the earlier figures were not merely the effect of schools being able to choose students from higher socio-economic groups from outside the area or, alternatively, the empowerment of teachers.

The American evidence with regard to private school choice is also contentious, but relevant to our concerns in view of current demands for an extension of the use of public funds to permit students to attend private schools. Much of the controversy centres around the various interpretations of the data from Coleman’s high school studies (Coleman et al 1982) and, in particular, the work of Chubb and Moe (1990). Henig (1994) argues that small advantage attributed to private schools is a product of the methodology used. Lee and Bryk (1993) also suggest Chubb and Moe’s conclusions are not supported by the evidence as presented. Nevertheless, Bryk et al (1993) claim on the basis of their own work that private Catholic schools do impact positively on the performance of low income families but they attribute this at least as much to an ethos of strong community values antithetical to the marketplace as to the espousal of market forces.

Witte’s evaluation of the controversial Milwaukee privatising experiment, which enables children from poor families to choose private schools at public expense, concluded that ‘in terms of achievement scores...students perform approximately the same as M[ilwaukee] P[ublic] S[school] students’. However, attendance of choice children is slightly higher and parental satisfaction has been high. For the schools, ‘the program has generally been positive, has allowed several to survive, several to expand, and contributed to the building of a new school’ (Witte at al 1994). Yet neither Witte’s own conclusions nor Greene and Peterson’s (1996) rather more positive reworking of the data can be used to sustain some of the more extravagant claims made both for and against this type of program. It is a small and narrowly targeted program and certainly not, of itself, a sufficient basis upon which to judge the likely effects of a more thorough-going voucher initiative.

The Milwaukee program overall has not hitherto been oversubscribed and, although students are self-selected, the schools involved have not been in a position to exercise choice. Elsewhere, the combination of oversubscription and self-selection in explaining apparent performance gains through private school choice suggest that equity is a major issue as it is in England and New Zealand. Smith and Meier (1995) use existing data to test the school choice hypothesis and conclude that ‘competition between public and private schools appears to result in a cream skimming effect’ and that there is no reason to expect that the same will not happen with enhanced public school choice.

Overall, this review of the research evidence seems to suggest that the benefits of the reforms have so far been limited and that their costs, particularly for disadvantaged pupils, have been considerable. The extravagant claims of the proponents of reform about its potential system-wide benefits have certainly not so far been realised. In making this claim, I am, of course, generalising from the evidence available. There are certainly instances where reforms to public education systems have made a positive difference to the educational experiences of pupils and teachers. The Kura Kaupapa Maori in New Zealand and some of the ‘alternative’ US charter schools provide examples where self-determination by communities and professionals has brought about innovative and potentially empowering educational environments. However, there are doubts as to the sustainability of such programmes and about the extent to which they can be attributed to quasi-markets rather than to other changes. Moreover, these
innovative instances need to be set alongside a prevailing pattern of educational conservatism and consolidated hierarchies both within and between schools.

**Beyond Quasi-Markets?**

Advocates of market forces have argued that the indifferent performance of the reforms so far is merely evidence that they have not gone far enough. Thus, some commentators from the radical right see the answer as moving still further towards more genuinely marketised and even fully privatised forms of education provision. For example, a government Minister responsible for the introduction of the Assisted Places Scheme in England used our own research (Edwards et al 1989) showing that it had failed to attract many working class students as a basis for arguing in favour of a fully-fledged voucher scheme (Boyson 1990). Similarly, Moe's (1994) only major criticism of the British reforms was that the government had 'created an open enrolment system in which there is very little to choose from, because the supply of schools is controlled by the LEAs'. In order to free up the supply side, he suggested that all schools should become autonomous. Tooley (1996) favours an even more deregulated system and the abandonment of a centrally prescribed curriculum.

Much of the support for moving further towards decentralising education provision derives from the alleged benefits of existing private provision. However, as we discussed earlier, the evidence with regard to private school choice is contentious. Even if we accept that some children who currently attend state schools might benefit from private education, there is little to suggest that extending opportunities to attend private schools more widely would benefit all groups equally. Witte at al (1995) have undertaken an analysis of the current social composition of private and public schools in the American state of Wisconsin and conclude that 'an open-ended voucher scheme would clearly benefit households that are more affluent than the average household in Wisconsin'. They go on to say that, although some might believe that making vouchers available to everyone would open up private schools to the poor, the opposite argument seems equally plausible. With more money available, private schools that cannot currently afford to select, such as some of the inner city private schools in the Milwaukee choice experiment, could become more selective. The already highly selective schools could then maintain their advantage by demanding add-on payments in addition to vouchers.

Some on the right argue that these processes are inevitable in a system that is only partly privatised. Tooley (1995) claims that the potential of markets in education cannot be properly assessed by looking at the effects of quasi-markets, or what he prefers to term 'so-called' markets. In his own vision of *Education Without the State* (Tooley 1996) he argues that we need a 'one tier private system' and that parents and students should be free to determine the kind of schooling they feel suits them best. He envisages lowering the school leaving age and providing every student with a 'lifelong individual fund for education' which they would then be able to spend when and where they saw fit.

Tooley rightly reminds us of the equity failings of democratic systems. And, of course, empirical research on current systems does not, indeed in principle could not, show that total deregulation would not have beneficial effects. Yet, most of the available evidence does seem to suggest that going further in the direction of marketisation and privatisation would be
unlikely to yield overall improvements in the quality of education and might well have damaging equity effects. Even Chubb and Moe (1990), who argue that equality is better ‘protected’ by markets than any political institutions, concede that choice of school in a democracy cannot be unlimited or entirely unregulated. So, despite the rhetoric that suggests that devolution and choice takes educational decision-making out of politics, key decisions about goals and frameworks will still need to be made in the broader political arena.

The need to provide a better balance between consumer rights and citizen rights in education, while recognising the desirability of some facets of choice and devolution, has led in England to proposals to put a greater degree of democratic control back in the picture. In particular, there has been recent discussion around how to revive democratic involvement and accountability at local level as a counter-balance to the market and the strong central state. For example, Pryke (1996) remarks that, ‘despite the experiments to let schools do their own thing’ - and he believes this has gone further in England than anywhere else in the world - ‘the great majority of them, and parents, have recognised the need for a body to act for them as a community of schools’ (p21). Similarly, Brighouse (1996), Birmingham’s senior education officer, who argues that an atomised market will create chaos and ‘put further distance between the educational and social haves and the educational and social have-nots’, says that ‘there needs to be a local agency aware of school differences, sensitively working with each school, securing equity and setting a climate for a drive towards ever higher standards’ (p.11).

Responding to the question as to why such bodies should be democratically accountable, he suggests that in matters of education provision ‘there is a need to balance various and sometimes conflicting needs and priorities (including) the needs of very different communities within, for example, a modern city’ and that difference and equity can best be seen to be held in balance in an openly democratic forum (p.14).

Part of the challenge for those adopting this view must be to move away from atomised decision-making to the reassertion of collective responsibility without recreating the very bureaucratic systems whose shortcomings have helped to legitimate the tendency to treat education as a private good rather than a public responsibility. While choice policies are part of a social text that helps to create new subject positions which undermine traditional forms of collectivism, those forms of collectivism themselves failed to empower many members of society, including women and minority ethnic groups. We need to ask how we can use the positive aspects of choice and autonomy to facilitate the development of new forms of community empowerment rather than exacerbating social differentiation. As Henig (1994) says of the USA, ‘the sad irony of the current education-reform movement is that, through over identification with school-choice proposals rooted in market-based ideas, the healthy impulse to consider radical reforms to address social problems may be channeled into initiatives that further erode the potential for collective deliberation and collective response’ (p 222). Yet some reform proposals that may seem superficially to have similarities with neo-liberal policies of marketisation and privatisation (e.g. Cookson 1994; Atkinson 1997) could become articulated with a rather different political agenda and potentially make a positive contribution to the enhancement of social justice in education.

In this context, it may well be possible to identify progressive moments within policies that foster devolution and choice. This potential was recognised in some of the early moves towards devolution in New Zealand, but the recent evidence suggests that it is proving increasingly difficult to realise progressive moments at school site level in a situation of diminishing
resources and when the broader political climate is pointing firmly in the opposite direction. Atomised decision-making in a highly stratified society may appear to give everyone equal opportunities, but transferring responsibility for decision-making from the public to the private sphere can actually reduce the possibility of collective action to improve the quality of education for all. Thus, while some forms of devolution and choice may warrant further exploration as ways of realising the legitimate aspirations of disadvantaged groups, they should not be seen as an alternative to broader struggles for social justice.

In seeking out ways of responding to this challenge, many are looking with enthusiasm to Britain where the New Labour government seems to be drawing on critiques of both traditional social democratic forms and neo-liberal market forms to develop a so-called 'Third Way' in which there are no fixed preconceptions about what form of either provision or funding is best. The judgement is apparently to be made entirely on the basis of 'what works'. It is therefore possible to find, for example, in its proposed Education Action Zones (DfEE 1997), both a reassertion of collective local responsibility for educational provision and a readiness to consider the active involvement of private (even 'for profit') companies in its delivery. And, although the government has abandoned the Assisted Places Scheme in order to uphold its commitment to 'benefit the many, not the few', it has sought to bring private and state schools into closer partnership. It is, of course, too early to say what the effects of these policies will be - many are still being formulated. However, while the Third Way may offer an alternative to either vehement advocacy or rejection of marketisation and privatisation, there are serious concerns about the coherence of New Labour's reforms and the extent to which existing forms of marketisation and privatisation will continue unabated under the new more fashionable discourse of mutuality and partnership (Whitty 1998; Power and Whitty 1999).

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Abstract

In many parts of the world, there have been attempts to move away from the 'One best system' of state funded and state provided education. Recent reforms have sought to dismantle centralised bureaucracies and create in their place devolved systems of schooling with an emphasis on consumer choice by parents and competition between increasingly diversified types of school. Sometimes they have also entailed new systems of inspection and accountability. Even though these 'quasi-markets' in education have not penetrated all countries, they are very much in evidence throughout the English-speaking world and, increasingly, elsewhere. This paper will explore the nature of such policies in some of the countries in which they are most advanced. It will compare the rhetoric of reform with its reality, and it will suggest that, despite the initial appeal of the reforms, they have often led to increased inequalities between schools. Finally, the paper will consider whether, and in what ways, policies might be amended to avoid their damaging equity effects.
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