

Liberal Readings on Education

Stefan Melnik and Sascha Tamm (editors)
Translation by Ritu Khanna

Ideas on Liberty

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Contents

Introduction	7
Adam Smith	21
On financing educational facilities for young people (1776)	
Immanuel Kant	34
An answer to the question: “what is enlightenment?” (1784)	
Thomas Paine	46
Schooling rather than taxation (1792)	
Wilhelm von Humboldt	52
Public education (1792)	
Frédéric Bastiat	64
Academic degrees and socialism (1848)	
John Stuart Mill	76
Compulsory education without the state (1859)	
Friedrich Naumann	82
Political education (1914)	

Ludwig von Mises	88
The bureaucratization of the mind (1948)	
Friedrich A. von Hayek	98
The proper limits of state activity in education (1960)	
Milton Friedman	118
The role of government in education (1962)	
Ralf Dahrendorf (1965)	139
Education is a civil right	
David Friedman	148
An Adam Smith University (1776)	
Thomas Straubhaar	156
From plan to market — universities for the 21st century (1998)	
James Tooley	170
Should the private sector profit from education? The seven virtues of highly effective markets (1999)	
Karl-Heinz Hense	185
Education concept and policy in liberalism (2005)	

Introduction

The politics and organisation of education have always occupied an important place in liberal political thought. The protagonists of a free society demand education — but not any kind of education.

It must be education without propaganda. It must be education that is both enriching and useful. It must provide a multitude of diverse opportunities to develop one's talents and skills. It must encourage people to think and discover for themselves and, at the same time, instil a sense of awareness that there are limits to what we know. Without such essential defining elements of education, freedom stands to lose. Incapacity is the outcome either of ignorance, or of intellectual laziness, or of self-righteousness.

Those who wish to establish and defend a free society must also recognise that people have a deeply rooted interest in education: in refining their skills, increasing their knowledge and expanding their intellectual horizons. They will strive to deliver products and services that people choose. This is something authoritarian or conservative systems with their

inherent dedication to upholding a “pre-ordained order” cannot do. This is something that socialists cannot do either because it means relinquishing control over an important instrument with which to achieve an egalitarian order. When people are free to choose, we cannot predict exactly what the outcomes will be — but we know that they will be more closely attuned to individual needs and aspirations.

Today, education ranks high on the political agenda of most countries throughout the world because of the serious shortcomings that exist — most of them due to inordinate interference by the state and vested interests that have developed as a consequence of state control. Irrespective of the national context, debate tends to focus on how to ensure:

- quality in the provision of education,
- or increase access to education,
- outcomes that are financially viable and relevant to needs (both the needs of the individual and of society) and, not least,
- individual choice and flexibility in education.

Liberals have always wanted an alternative to a rigidly applied, centralised and uniform system of education. But until recently their ideas have gone unheard. They were the ideas of outsiders; not mainstream. Today, there is a growing recognition in policy-making circles that education systems monopolised or dominated by the state are part of the problem. Deficiencies in the supply of an adequate service in educa-

tion and quality of service cannot be blamed on anything other than the state. The search for alternative models and the increasing willingness to experiment with voucher systems or with provision through private enterprise are the outcome. Not only have we seen a vindication of liberal criticism. We have also seen the occasional adoption of liberal ideas. We can only hope that these first steps will turn into a torrent of reform.

Liberals believe that reform will only work if certain basic principles are borne in mind. All would agree that the consumers of education (parents on behalf of their children; students; adults looking for further education) are more capable of defining their needs than are state bureaucracies. All would agree that competition is a better way of ensuring quality than a centralised inspectorate.

With respect to details, however, there are many differences within the liberal camp. Indeed, we might even go so far as to claim that the views of the various authors represented in this reader are more divergent than they would be in other fields. There is no such thing as “the liberal approach” or “the liberal answer” to many aspects of education policy. Differences notwithstanding, however, we can identify three convictions that are common to virtually all liberal thinkers:

1. Education is essential in order to achieve the fundamental goals of liberalism.

A key word here is Enlightenment. Education is a means of enlightenment. It allows individuals to emerge from “self-incurred tutelage” (Kant). The values and fundamental attitudes underpinning an open society can be passed on and refined only if people possess knowledge and are prepared to act thereupon. There is nothing more precious than individual freedom and self-determination, and two factors are crucial to achieving this: 1) the opportunity to earn one’s livelihood and not be dependent on state benefits and 2) the capacity to participate in political processes within the parameters of the democratic order. Both require knowledge and skills that span vastly different fields.

Their belief, characteristic of liberal thought from the very beginning, was reintroduced into public discourse in the 1960s by Ralf Dahrendorf among others. They highlighted the “emancipatory function” of education. In other words, education should serve the cause of enlightenment, self-determination and increased opportunity — all necessary if we are to achieve or safeguard freedom.

2. *The state must play a limited role in education.*

Liberals believe that the state’s primary task is to define the proper organisational parameters within which the educational aspirations of its citizens may be fulfilled. It is not to define those aspirations. Virtually all liberal thinkers are unanimous in demanding compulsory schooling for all or, even better, compulsory education for all. The parameter of universal education, however, does not mean state-run

schools and universities. On the contrary, competition in providing the best programme or the best solution is as important in education as it is in other spheres. A monopoly, where the state stipulates in detail how education is to be organised, what is to be taught and how to teach, will never be able to produce best results.

Universal education does mean a monolithic system of finance either. Systems financed exclusively by taxes and in which tax-payers' money is channelled to schools without any reference to performance set the wrong incentives and are not conducive to innovation and to producing high-quality outcomes.

3. Education must face today's realities in their attempts to be relevant.

Liberal discussions on education policy began to focus on the issue of relevance and quality in the nineteenth century. Because our modern economies are knowledge-based, and knowledge in many fields is outdated within years rather than decades, this issue is more important than ever before. Many education systems have been unable to meet the challenge as many individual country studies and several global comparative studies and rankings suggest. Liberal scepticism concerning the performance of our educational institutions is fully justified and it is not an exaggeration to speak of a "catastrophe in public education." Traditionally, liberals (unlike state bureaucracies) have never been presumptuous enough to claim that they know what the best solutions are when trying to determine educational content

and organisational form. The better approach consists of creating an environment in which different concepts — whether based on traditional well-trying ideas or on experiments — can compete. The likely result is a better servicing of needs and an improved ability to “keep up with the times.”

It goes without saying that the texts reproduced here represent only a small proportion of the literature available. Our selection focuses in particular on the ideas expressed by leading liberal thinkers. With respect to more recent pieces our intent was to capture some of the more radical and groundbreaking insights and ideas that exist within the liberal community.

The reader does not attempt to provide any definition of education. Is it more than training or knowledge transfer and, if so, in what respects? In Germany a distinction is made between “Bildung” (= an education with a view to developing a perceptive and critical mind) and “Ausbildung” (= pertaining more to developing practical skills and abilities). Training is perceived as an aspect of education; but often we talk about education and training. Training is taken to mean skills development for a particular purpose, implying that education encompasses far more. The concept of education employed in this reader is a very broad one and includes all the abovementioned elements.

Some readers may be surprised that many of the contributions do not deal with the substance of education or the values that educational institutions might be expected to impart. The reason is a relatively straightforward one and has already been suggested above. Liberals are very wary of dictating what must be learnt at school. They do not trust the state or anybody else for that matter to define an optimal long-term educational canon. Knowledge is in a constant state of flux. What is true today may not necessarily be true tomorrow. Needs differ. They may be different today from what they were yesterday. They may differ from region to region. They differ because of the differing talents and abilities of those seeking education.

There are admittedly certain basics that most people today will agree upon. Yes, education should impart basic skills, teach students “how to learn”, facilitate independent learning and develop critical faculties. But do these basic skills require some form of codification and centralised curricula? Let us take the basic skills of literacy and numeracy, for instance. Wouldn't common sense ensure that schools dedicate themselves to providing such skills? After all, people would not willingly send their children to school if schools do not impart basics. They would have to be forced to do so. The texts that have been selected for this reader focus on education's institutional and regulatory framework. In other words, the contributions deal with what the state should or should not do in the field of education. Admittedly, liberal

opinion is divided on the precise extent of state intervention and the different opinions are reflected in this volume.

There is, nevertheless, a unifying thread throughout this book: the concern that state involvement in education causes market distortions as it does elsewhere. This concern is not as abstract as it seems. A market distortion translates into a distortion of people's needs and inability to meet real needs. The needs that are met without reference to market forces are purported needs; those needs that bureaucrats imagine.

Furthermore, liberals consider attempts to impose "truth" or "the right way forward" to be off limits. Curricula and teaching methods are always in danger of being instrumentalised for ideological purposes. Pedagogical fashions are often ideologically motivated. The state should accept that well-founded knowledge is the product of argument and competition. It should accept that there is no a priori best model and no best method of education.

In consequence liberal policy focuses on generating competition: competition between different kinds of schools and other educational establishments and between different concepts and methodologies.

This approach may lead to the charge that liberals don't care about values and to the danger of education being allowed to operate in a vacuum utterly devoid of values. Nothing can be further from the truth. If schools are treated as a forges

for the production of virtuous citizens — where virtue equals submission to the powers or ideologies that be — the first victims are education in the wider sense of the term, its concomitant aim of enlightenment and, last but by no means least, freedom. Liberals have a different vision of society, one that reflects the commitment to and the benefits of freedom. It is characterised by tolerance, diversity, choice and entrepreneurship.

The following questions represent some of the kind of questions liberals ask themselves today. The contributions we have chosen do not pretend to answer them all — but they certainly help to determine what the answers might be:

- Can a state monopoly on education and the lack of competition this implies produce quality? Can it do so consistently?
- Are there reasons why a privately organised education system should not be more successful than a government one?
- Should the taxpayer subsidise the development of appropriate human resources for business or should this be left to business?
- Linked to this, shouldn't people striving to obtain qualifications geared to market requirements look for appropriate funding by potential employers rather than by the taxpayer?

- Should the taxpayer subsidise university students who, upon completion of studies, stand to earn much more than the average tax-payer?
 - Should educational institutions train more sociologists than engineers and why?
 - Why should the state — and, therefore, politicians and civil servants — design curricula? Would not curricula designed by individual schools and private providers of education be more appropriate?
 - How decentralised can an educational system realistically be?
 - Should companies be allowed to make a profit out of education?
 - Would education opportunities expand or shrink in a private system?
-

The texts are arranged chronologically and start with two of the most significant and influential classical liberal thinkers of all time: Adam Smith and Immanuel Kant. While the founder of modern economics discusses how best to encourage committed and relevant teaching as well as the role of the state in ensuring that the poorest sections of the population receive an education, the concerns of the great German philosopher pertain to a different dimension of education, its function with respect to enlightenment. How can people succeed in breaking out of their “self-incurred tutelage”? That education has an emancipatory effect and that it has a

role in promoting freedom is an assumption the reader will encounter repeatedly in subsequent contributions.

The next text is by Thomas Paine, a founding father of the United States of America. The idea he puts forward anticipates the current discussion on education vouchers. He calls for a simple system of financial relief for poor families and, in return, a commitment to send their children to school. The proposal reflects an important belief, one highlighted by liberals in English-speaking countries in particular: a good education is a means of escaping poverty and attaining affluence through one's own efforts.

One year later, the German academic and Prussian civil servant Wilhelm von Humboldt adopts a radical position in criticising state control of education, claiming that such a system would create submissive subjects (“Untertanen”) and run counter to the ideals of the Enlightenment. Many liberal thinkers adopted this radical stance — although it never became the majority liberal opinion. A good 50 years later, Frédéric Bastiat, the great French economist and writer, another important problem caused by a state monopoly in the field of education: highlights in prescribing and setting educational standards the state makes it difficult for schools and other institutions of learning to adapt to social and economic change and innovation. Such adaptation can only be achieved through competition. Like von Humboldt he sees the danger that the state could use its monopoly to promote conformity and inhibit rather than pro-

mote enlightenment. Bastiat's concerns are shared by his contemporary John Stuart Mill who, in his famous work *On Liberty*, nevertheless argues in favour of compulsory education. This would be enforced through a system of examinations everyone would have to sit and pass. Yet such a system would neither be public nor publicly financed. With respect to the latter, public finance would be reserved exclusively for the poor.

In the early 20th century, Friedrich Naumann, the German socio-political theorist and reformer who gave the Friedrich Naumann Foundation its name, turns his attention to a special area of education, the political knowledge and special skills required for citizenship. Citizenship involves making full use of one's right to democratic participation and acting in an informed and responsible manner. For those readers who might think that Naumann's approach is a paternalistic one, we should not forget the historical context and consider the effects of democratic participation in a society characterised by authoritarian beliefs and privilege. Another aspect of this problem is treated by Ludwig von Mises in a section of his work *Bureaucracy*. He demonstrates how a state bureaucracy manages to perpetuate the control and influence of the powers that be — including itself — by imposing its own agenda in universities and ignoring scientific findings that directly challenge its assumptions on the proper way to run an economy. Von Mises believes that this was one of many factors facilitating the rise of totalitarianism.

In the next text, an excerpt from the Constitution of Liberty, Friedrich August von Hayek discusses access to school and university education and the extent to which these should be financed by the state. Like many other liberal thinkers, he uncompromisingly rejects a state monopoly on the funding and content of education. Two years later, another great liberal economist, Milton Friedman, outlines the main features of a liberal education system that combines the highest levels of competition with good opportunities in education. Good opportunities also mean good opportunities for the children of the poor. The concept of education vouchers is described as a means of securing opportunities for all, irrespective of income, and of ensuring quality at the same time.

Ralf Dahrendorf perceives education as a “civil right” and believes that it is therefore of utmost importance that education, and access thereto, is kept open and free of discrimination. He appeals for a diverse and open education system and for a proactive education policy that offers real opportunities to all.

David Friedman suggests bringing about a radical change in the college and university landscape by turning students into paying customers. This would create a genuine free market and the result would be a considerably broader spectrum of different institutions and courses than in the traditional, centralised and bureaucratic universities of today. Although this vision is undoubtedly still a distant dream, it helps us visualise what is possible in a free society, in a free market.

This brief reader concludes with the two contributions from the 1990s and one that is even more recent. Thomas Straubhaar looks at arguments of “market failure” in the field of education, dismantles them one by one and concludes that the “catastrophe in education” is not the result of market failure but because of the state’s suppression of market mechanisms. James Tooley demonstrates, using many examples throughout the world, that economic interests and superior quality are not mutually exclusive as is often claimed. It is often the case that profit-oriented providers of private education services are the best guarantee of need-orientation, innovation and economic efficiency.

Karl-Heinz Hense looks at the main features of the liberal discussion on education policy in Germany over the last two centuries and discusses the extent to which they have affected practical steps towards reform.

We hope that readers will find this volume interesting and inspiring one. The purpose of such a book will have been fulfilled if the outcome is greater involvement and effort in trying to reform our antiquated and underperforming educational systems and replace them with institutions that match our aspirations.

Stefan Melnik and Sascha Tamm

Adam Smith

On financing educational facilities for young people (1776)

How are schools and other educational facilities to be funded? How can they impart skills to meet the needs of the learners and the community? When liberal reflections on education were still in their infancy, Adam Smith had already provided answers to these questions — answers that pre-empted much of what subsequent authors wrote.

He has a simple premise. He questions the incentives offered to university and schoolteachers that would encourage them to provide high-quality teaching. He is also concerned about the state's commitment to families unable to raise enough money to send their children to school.

Adam Smith (1723-1790) was the founder of modern economics and an eminent moral philosopher. He advocated a system of natural liberty in which the state sets the parameters for individual action but otherwise essentially keeps itself out of the economic process. This is best for the common good. Smith's ideas continue to influence liberal political thought and modern economic theory.

The institutions for the education of the youth may, in the same manner, furnish a revenue sufficient for defraying their own expense. The fee or honorary which the scholar pays to the master naturally constitutes a revenue of this kind. Even where the reward of the master does not arise altogether from this natural revenue, it still is not necessary that it should be derived from that general revenue of the society, of which the collection and application are, in most countries, assigned to the executive power. Through the greater part of Europe, accordingly, the endowment of schools and colleges makes either no charge upon that general revenue, or but a very small one. It every where arises chiefly from some local or provincial revenue, from the rent of some landed estate, or from the interest of some sum of money allotted and put under the management of trustees for this particular purpose, sometimes by the sovereign himself, and sometimes by some private donor.

Have those public endowments contributed in general to promote the end of their institution? Have they contributed to encourage the diligence and to improve the abilities of the teachers? Have they directed the course of education towards objects more useful, both to the individual and to the public, than those to which it would naturally have gone of its own accord? It should not seem very difficult to give at least a probable answer to each of those questions.

In every profession, the exertion of the greater part of those who exercise it is always in proportion to the necessity they are under of making that exertion. This necessity is greatest with those to whom the emoluments of their profession are the only source from which they expect their fortune, or even their ordinary revenue and subsistence. In order to acquire this fortune, or even to get this subsistence, they must, in the course of a year, execute a certain quantity of work of a known value; and, where the competition is free, the rivalry of competitors, who are all endeavouring to jostle one another out of employment, obliges every man to endeavour to execute his work with a certain degree of exactness. The greatness of the objects which are to be acquired by success in some particular professions may, no doubt, sometimes animate the exertion of a few men of extraordinary spirit and ambition. Great objects, however, are evidently not necessary in order to occasion the greatest exertions. Rivalship and emulation render excellency, even in mean professions, an object of ambition, and frequently occasion the very greatest exertions. Great objects, on the contrary, alone and unsupported by the necessity of application, have seldom been sufficient to occasion any considerable exertion. In England, success in the profession of the law leads to some very great objects of ambition; and yet how few men, born to easy fortunes, have ever in this country been eminent in that profession?

The endowments of schools and colleges have necessarily diminished more or less the necessity of application in the

teachers. Their subsistence, so far as it arises from their salaries, is evidently derived from a fund altogether independent of their success and reputation in their particular professions.

In some universities the salary makes but a part, and frequently but a small part, of the emoluments of the teacher, of which the greater part arises from the honoraries or fees of his pupils. The necessity of application, though always more or less diminished, is not in this case entirely taken away. Reputation in his profession is still of some importance to him, and he still has some dependency upon the affection, gratitude, and favourable report of those who have attended upon his instructions; and these favourable sentiments he is likely to gain in no way so well as by deserving them, that is, by the abilities and diligence with which he discharges every part of his duty.

In other universities the teacher is prohibited from receiving any honorary or fee from his pupils, and his salary constitutes the whole of the revenue which he derives from his office. His interest is, in this case, set as directly in opposition to his duty as it is possible to set it. It is the interest of every man to live as much at his ease as he can; and if his emoluments are to be precisely the same, whether he does or does not perform some very laborious duty, it is certainly his interest, at least as interest is vulgarly understood, either to neglect it altogether, or, if he is subject to some authority which will not suffer him to do this, to perform it in as care-

less and slovenly a manner as that authority will permit. If he is naturally active and a lover of labour, it is his interest to employ that activity in any way from which he can derive some advantage, rather than in the performance of his duty, from which he can derive none.

If the authority to which he is subject resides in the body corporate, the college, or university, of which he himself is a member, and which the greater part of the other members are, like himself, persons who either are or ought to be teachers, they are likely to make a common cause, to be all very indulgent to one another, and every man to consent that his neighbour may neglect his duty, provided he himself is allowed to neglect his own. In the university of Oxford, the greater part of the public professors have, for these many years, given up altogether even the pretence of teaching.

If the authority to which he is subject resides, not so much in the body corporate of which he is a member, as in some other extraneous persons, in the bishop of the diocese, for example; in the governor of the province; or, perhaps, in some minister of state it is not indeed in this case very likely that he will be suffered to neglect his duty altogether. All that such superiors, however, can force him to do, is to attend upon his pupils a certain number of hours, that is, to give a certain number of lectures in the week or in the year. What those lectures shall be must still depend upon the diligence of the teacher; and that diligence is likely to be proportioned to the motives which he has for exerting it. An extraneous jurisdiction of this kind, besides, is liable to be

exercised both ignorantly and capriciously. In its nature it is arbitrary and discretionary, and the persons who exercise it, neither attending upon the lectures of the teacher themselves, nor perhaps understanding the sciences which it is his business to teach, are seldom capable of exercising it with judgment. From the insolence of office, too, they are frequently indifferent how they exercise it, and are very apt to censure or deprive him of his office wantonly, and without any just cause. The person subject to such jurisdiction is necessarily degraded by it, and, instead of being one of the most respectable, is rendered one of the meanest and most contemptible persons in the society. It is by powerful protection only that he can effectually guard himself against the bad usage to which he is at all times exposed; and this protection he is most likely to gain, not by ability or diligence in his profession, but by obsequiousness to the will of his superiors, and by being ready, at all times, to sacrifice to that will the rights, the interest, and the honour of the body corporate of which he is a member. Whoever has attended for any considerable time to the administration of a French university must have had occasion to remark the effects which naturally result from an arbitrary and extraneous jurisdiction of this kind.

Whatever forces a certain number of students to any college or university, independent of the merit or reputation of the teachers, tends more or less to diminish the necessity of that merit or reputation.

The privileges of graduates in arts, in law, physic and divinity, when they can be obtained only by residing a certain number of years in certain universities, necessarily force a certain number of students to such universities, independent of the merit or reputation of the teachers. The privileges of graduates are a sort of statutes of apprenticeship, which have contributed to the improvement of education, just as the other statutes of apprenticeship have to that of arts and manufactures.

The charitable foundations of scholarships and exhibitions, bursaries, necessarily attach a certain number of students to certain colleges, independent altogether of the merit of those particular colleges. Were the students upon such charitable foundations left free to choose what college they liked best, such liberty might perhaps contribute to excite some emulation among different colleges. A regulation, on the contrary, which prohibited even the independent members of every particular college from leaving it and going to any other, without leave first asked and obtained of that which they meant to abandon, would tend very much to extinguish that emulation.

If in each college the tutor or teacher, who was to instruct each student in all arts and sciences, should not be voluntarily chosen by the student, but appointed by the head of the college; and if, in case of neglect, inability, or bad usage, the student should not be allowed to change him for another, without leave first asked and obtained, such a regulation

would not only tend very much to extinguish all emulation among the different tutors of the same college, but to diminish very much in all of them the necessity of diligence and of attention to their respective pupils. Such teachers, though very well paid by their students, might be as much disposed to neglect them as those who are not paid by them at all, or who have no other recompense but their salary.

If the teacher happens to be a man of sense, it must be an unpleasant thing to him to be conscious, while he is lecturing his students, that he is either speaking or reading nonsense, or what is very little better than nonsense. It must, too, be unpleasant to him to observe that the greater part of his students desert his lectures; or perhaps attend upon them with plain enough marks of neglect, contempt, and derision. If he is obliged, therefore, to give a certain number of lectures, these motives alone, without any other interest, might dispose him to take some pains to give tolerably good ones. Several different expedients, however, may be fallen upon which will effectually blunt the edge of all those incitements to diligence. The teacher, instead of explaining to his pupils himself the science in which he proposes to instruct them, may read some book upon it; and if this book is written in a foreign and dead language, by interpreting it to them into their own; or, what would give him still less trouble, by making them interpret it to him, and by now and then making an occasional remark upon it, he may flatter himself that he is giving a lecture. The slightest degree of knowledge and application will enable him to do this without exposing himself

to contempt or derision, or saying anything that is really foolish, absurd, or ridiculous. The discipline of the college, at the same time, may enable him to force all his pupils to the most regular attendance upon this sham-lecture, and to maintain the most decent and respectful behaviour during the whole time of the performance.

The discipline of colleges and universities is in general contrived, not for the benefit of the students, but for the interest, or more properly speaking, for the ease of the masters. Its object is, in all cases, to maintain the authority of the master, and whether he neglects or performs his duty, to oblige the students in all cases to behave to him, as if he performed it with the greatest diligence and ability. It seems to presume perfect wisdom and virtue in the one order, and the greatest weakness and folly in the other. Where the masters, however, really perform their duty, there are no examples, I believe, that the greater part of the students ever neglect theirs. No discipline is ever requisite to force attendance upon lectures which are really worth the attending, as is well known wherever any such lectures are given. Force and restraint may, no doubt, be in some degree requisite in order to oblige children, or very young boys, to attend to those parts of education which it is thought necessary for them to acquire during that early period of life; but after twelve or thirteen years of age, provided the master does his duty, force or restraint can scarce ever be necessary to carry on any part of education. Such is the generosity of the greater part of young men, that, so far from being disposed

to neglect or despise the instructions of their master, provided he shows some serious intention of being of use to them, they are generally inclined to pardon a great deal of incorrectness in the performance of his duty, and sometimes even to conceal from the public a good deal of gross negligence.

Those parts of education, it is to be observed, for the teaching of which there are no public institutions, are generally the best taught. When a young man goes to a fencing or a dancing school, he does not indeed always learn to fence or to dance very well; but he seldom fails of learning to fence or to dance. The good effects of the riding school are not commonly so evident. The expense of a riding school is so great, that in most places it is a public institution. The three most essential parts of literary education, to read, write, and account, it still continues to be more common to acquire in private than in public schools; and it very seldom happens that anybody fails of acquiring them to the degree in which it is necessary to acquire them.

In England the public schools are much less corrupted than the universities. In the schools the youth are taught, or at least may be taught, Greek and Latin; that is, everything which the masters pretend to teach, or which, it is expected, they should teach. In the universities the youth neither are taught, nor always can find any proper means of being taught, the sciences which it is the business of those incorporated bodies to teach. The reward of the schoolmaster in

most cases depends principally, in some cases almost entirely, upon the fees or honoraries of his scholars. Schools have no exclusive privileges. In order to obtain the honours of graduation, it is not necessary that a person should bring a certificate of his having studied a certain number of years at a public school. If upon examination he appears to understand what is taught there, no questions are asked about the place where he learnt it.
(...)

Ought the public, therefore, to give no attention, it may be asked, to the education of the people? Or if it ought to give any, what are the different parts of education which it ought to attend to in the different orders of the people? and in what manner ought it to attend to them?

In some cases the state of the society necessarily places the greater part of individuals in such situations as naturally form in them, without any attention of government, almost all the abilities and virtues which that state requires, or perhaps can admit of. In other cases the state of the society does not place the part of individuals in such situations, and some attention of government is necessary in order to prevent the almost entire corruption and degeneracy of the great body of the people. (...)

But though the common people cannot, in any civilized society, be so well instructed as people of some rank and fortune, the most essential parts of education, however, to read, write, and account, can be acquired at so early a pe-

riod of life that the greater part even of those who are to be bred to the lowest occupations have time to acquire them before they can be employed in those occupations. For a very small expense the public can facilitate, can encourage, and can even impose upon almost the whole body of the people the necessity of acquiring those most essential parts of education.

The public can facilitate this acquisition by establishing in every parish or district a little school, where children may be taught for a reward so moderate that even a common labourer may afford it; the master being partly, but not wholly, paid by the public, because, if he was wholly, or even principally, paid by it, he would soon learn to neglect his business. In Scotland the establishment of such parish schools has taught almost the whole common people to read, and a very great proportion of them to write and account. In England the establishment of charity schools has had an effect of the same kind, though not so universally, because the establishment is not so universal. If in those little schools the books, by which the children are taught to read, were a little more instructive than they commonly are, and if, instead of a little smattering of Latin, which the children of the common people are sometimes taught there, and which can scarce ever be of any use to them, they were instructed in the elementary parts of geometry and mechanics, the literary education of this rank of people would perhaps be as complete as it can be. There is scarce a common trade which does not afford some opportunities of applying to it the principles of

geometry and mechanics, and which would not therefore gradually exercise and improve the common people in those principles, the necessary introduction to the most sublime as well as to the most useful sciences.

The public can encourage the acquisition of those most essential parts of education by giving small premiums, and little badges of distinction, to the children of the common people who excel in them.

The public can impose upon almost the whole body of the people the necessity of acquiring those most essential parts of education, by obliging every man to undergo an examination or probation in them before he can obtain the freedom in any corporation, or be allowed to set up any trade either in a village or town corporate.

Extracts from: An Inquiry into the Nature and Causes of the Wealth of Nations by Adam Smith, edited with an Introduction, Notes, Marginal Summary and an Enlarged Index by Edwin Cannan (London: Methuen, 1904), volume 2. Accessed from <http://oll.libertyfund.org/title/119> on 2008-10-08.

Immanuel Kant

An answer to the question: “what is enlightenment?” (1784)

The text reproduced here starts with one of Immanuel Kant's most memorable quotes. The goal of enlightenment that he mentions here is also the original goal of liberal politics. Only people capable of speaking for themselves can live together permanently in a free society and freedom of thought is a prerequisite for achieving this goal. Kant believes that enlightenment can be attained only through the active use of reason. Reason should therefore be unrestricted. This text deals mainly with his reflections on religious issues. However, the idea of enlightenment is far broader and embraces all aspects of human life.

Education for what? Kant's reply to this question (that he did not pose as such) would probably have been as follows: To overcome the inability to speak for oneself, to make use of one's reason, to combat prejudice — in brief, to foster enlightenment. It is interesting to ask why Kant did not engage more with education. Perhaps the answer lies hidden in the text. He wrote, for example: “But I hear on all sides the cry: Don't argue! The officer says: Don't argue, get on

parade! The tax-official: Don't argue, pay! The clergyman: Don't argue, believe!" He could have added: "The teacher says: Don't argue, learn!" His comments would have remained unchanged: "All this means restrictions on freedom everywhere." Enlightenment cannot be imposed. It requires freedom. What would Kant have said about a state school system and uniform curricula, about the lack of freedom and an inflexible education system?

Immanuel Kant (1724-1804) is perhaps the most eminent philosopher from the German-speaking world. His work, *Critique of Pure Reason*, is seen as a turning point in the history of philosophy, as the launch pad of modern philosophy. Kant worked in all fields of philosophy and greatly influenced political thought even beyond Germany. His emphasis on the freedom and dignity due to each individual continues to hold true today.

Enlightenment is man's emergence from his self-incurred immaturity. Immaturity is the inability to use one's own understanding without the guidance of another. This immaturity is self-incurred if its cause is not lack of understanding, but lack of resolution and courage to use it without the guidance of another. The motto of enlightenment is therefore: *Sapere aude!* Have courage to use your own understanding!

Laziness and cowardice are the reasons why such a large proportion of men, even when nature has long emancipated them from alien guidance (*naturaliter maiorennes*), nevertheless gladly remain immature for life. For the same reasons, it is all too easy for others to set themselves up as

their guardians. It is so convenient to be immature! If I have a hook to have understanding in place of me, a spiritual adviser to have a conscience for me, a doctor to judge my diet for me, and so on, I need not make any efforts at all. I need not think, so long as I can pay; others will soon enough take the tiresome job over for me. The guardians who have kindly taken upon themselves the work of supervision will soon see to it that by far the largest part of mankind (including the entire fair sex) should consider the step forward to maturity not only as difficult but also as highly dangerous. Having first infatuated their domesticated animals, and care-fully prevented the docile creatures from daring to take a single step with-out the leading-strings to which they are tied, they next show them the danger which threatens them if they try to walk unaided. Now this danger is not in fact so very great, for they would certainly learn to walk eventually after a few falls. But an example of this kind is intimidating, and usually frightens them off from further attempts.

Thus it is difficult for each separate individual to work his way out of the immaturity which has become almost second nature to him. He has even grown fond of it and is really incapable for the time being of using his own understanding, because he was never allowed to make the attempt. Dogmas and formulas, those mechanical instruments for rational use (or rather misuse) of his natural endowments, are the ball and chain of his permanent immaturity. And if anyone did throw them off, he would still be uncertain about jumping over even the narrowest of trenches, for he would be unac-

customed to free movement of this kind. Thus only a few, by cultivating their own minds, have succeeded in freeing themselves from immaturity and in continuing boldly on their way.

There is more chance of an entire public enlightening itself. This is indeed almost inevitable, if only the public concerned is left in freedom. For there will always be a few who think for themselves, even among those appointed as guardians of the common mass. Such guardians, once they have themselves thrown off the yoke of immaturity, will disseminate the spirit of rational respect for personal value and for the duty of all men to think for themselves. The remarkable thing about this is that if the public, which was previously put under this yoke by the guardians, is suitably stirred up by some of the latter who are incapable of enlightenment, it may subsequently compel the guardians themselves to remain under the yoke. For it is very harmful to propagate prejudices, because I they finally avenge themselves on the very people who first encouraged them (or whose predecessors did so). Thus a public can only achieve enlightenment slowly. A revolution may well put an end to autocratic despotism and to rapacious or power-seeking oppression, but it will never produce a true reform in ways of thinking. Instead, new prejudices, like the ones they replaced, will serve as a leash to control the great unthinking mass.

For enlightenment of this kind, all that is needed is freedom. And the freedom in question is the most innocuous form of

all — freedom to make public use of one's reason in all matters. But I hear on all sides the cry: Don't argue! The officer says: Don't argue, get on parade! The tax-official: Don't argue, pay! The clergyman: Don't argue, believe! (Only one ruler in the world says: Argue as much as you like and about whatever you like, but obey!) All this means restrictions on freedom everywhere. But which sort of restriction prevents enlightenment, and which, instead of hindering it, can actually promote it? I reply: The public use of man's reason must always be free, and it alone can bring about enlightenment among men; the private use of reason may quite often be very narrowly restricted, however, without undue hindrance to the progress of enlightenment. But by the public use of one's own reason I mean that use which anyone may make of it as a man of learning addressing the entire reading public. What I term the private use of reason is that which a person may make of it in a particular civil post or office with which he is entrusted.

Now in some affairs which affect the interests of the commonwealth, we require a certain mechanism whereby some members of the commonwealth must behave purely passively, so that they may, by an artificial common agreement, be employed by the government for public ends (or at least deterred from vitiating them). It is, of course, impermissible to argue in such cases; obedience is imperative. But in so far as this or that individual who acts as part of the machine also considers himself as a member of a complete commonwealth or even of cosmopolitan society, and thence as a

man of learning who may through his writings address a public in the truest sense of the Word, he may indeed argue without harming the affairs in which he is employed for some of the time in a passive capacity. Thus it would be very harmful if an officer receiving an order from his superiors were to quibble openly, while on duty, about the appropriateness or usefulness of the order in question. He must simply obey. But he cannot reasonably be banned from making observations as a man of learning on the errors in the military service, and from submitting these to his public for judgement. The citizen cannot refuse to pay the taxes imposed upon him; presumptuous criticisms of such taxes, where someone is called upon to pay them, may be punished as an outrage which could lead to general insubordination. Nonetheless, the same citizen does not contravene his civil obligations if, as a learned individual, he publicly voices his thoughts on the impropriety or even injustice of such fiscal measures. In the same way, a clergyman is bound to instruct his pupils and his congregation in accordance with the doctrines of the church he serves, for he was employed by it on that condition. But as a scholar, he is completely free as well as obliged to impart to the public all his carefully considered, well-intentioned thoughts on the mistaken aspects of those doctrines, and to offer suggestions for a better arrangement of religious and ecclesiastical affairs. And there is nothing in this which need trouble the conscience. For what he teaches in pursuit of his duties as an active servant of the church is presented by him as something which he is not empowered to teach at his own discretion, but which he is employed to

expound in a prescribed manner and in someone else's name. He will say: Our church teaches this or that, and these are the arguments it uses. He then extracts as much practical value as possible for his congregation from precepts to which he would not himself sub-scribe with full conviction, but which he can nevertheless undertake to expound, since it is not in fact wholly impossible that they may contain truth. At all events, nothing opposed to the essence of religion is present in such doctrines. For if the clergyman thought he could find anything of this sort in them, he would not be able to carry out his official duties in good conscience, and would have to resign. Thus the use which someone employed as a teacher makes of his reason in the presence of his congregation is purely private, since a congregation, however large it is, is never any more than a domestic gathering. In view of this, he is not and cannot be free as a priest, since he is acting on a commission imposed from outside. Conversely, as a scholar addressing the real public (ie, the world at large) through his writings, the clergyman making public use of his reason enjoys unlimited freedom to use his own reason and to speak in his own person. For to maintain that the guardians of the people in spiritual matters should themselves be immature, is an absurdity which amounts to making absurdities permanent.

But should not a society of clergymen, for example an ecclesiastical synod or a venerable presbytery (as the Dutch call it), be entitled to commit itself by oath to a certain unalterable set of doctrines, in order to secure for all time a con-

stant guardianship over each of its members, and through them over the people? I reply that this is quite impossible. A contract of this kind, concluded with a view to preventing all further enlightenment of mankind for ever, is absolutely null and void, even if it is ratified by the supreme power, by Imperial Diets and the most solemn peace treaties. One age cannot enter into an alliance on oath to put the next age in a position where it would be impossible for it to extend and correct its knowledge, particularly on such important matters, or to make any progress whatsoever in enlightenment. This would be a crime against human nature, whose original destiny lies precisely in such progress. Later generations are thus perfectly entitled to dismiss these agreements as unauthorised and criminal. To test whether any particular measure can be agreed upon as a law for a people, we need only ask whether a people could well impose such a law upon itself. This might well be possible for a specified short period as a means of introducing a certain order, pending, as it were, a better solution. This would also mean that each citizen, particularly the clergyman, would be given a free hand as a scholar to comment publicly, ie, in his writings, on the inadequacies of current institutions. Meanwhile, the newly established order would continue to exist, until public insight into the nature of such matters had progressed and proved itself to the point where, by general consent (if not unanimously), a proposal could be submitted to the crown. This would seek to protect the congregations who had, for instance, agreed to alter their religious establishment in accordance with their own notions of what higher insight is, but

it would not try to obstruct those who wanted to let things remain as before. But it is absolutely impermissible to agree, even for a single lifetime, to a permanent religious constitution which no-one might publicly question. For this would virtually nullify a phase in man's upward progress, thus making it fruitless and even detrimental to subsequent generations. A man may for his own person, and even then only for a limited period, postpone enlightening himself in matters he ought to know about. But to renounce such enlightenment completely, whether for his own person or even more so for later generations, means violating and trampling underfoot the sacred rights of mankind. But something which a people may not even impose upon itself can still less be imposed on it by a monarch; for his legislative authority depends precisely upon his uniting the collective will of the people in his own. So long as he sees to it that all true or imagined improvements are compatible with the civil order, he can otherwise leave his subjects to do whatever they find necessary for their salvation, which is none of his business. But it is his business to stop anyone forcibly hindering others from working as best they can to define and promote their salvation. It indeed detracts from his majesty if he interferes in these affairs by subjecting the writings in which his subjects attempt to clarify their religious ideas to governmental supervision. This applies if he does so acting upon his own exalted opinions — in which case he exposes himself to the reproach: *Caesar non est supra Grammaticos* (Caesar is not above the grammarians) — but much more so if he demeans his high authority so far as to support the spiritual

despotism of a few tyrants within his state against the rest of his subjects.

If it is now asked whether we at present live in an enlightened age, the answer is: No, but we do live in an age of enlightenment. As things are at present, we still have a long way to go before men as a whole can be in a position (or can even be put into a position) of using their own understanding confidently and well in religious matters, without outside guidance. But we do have distinct indications that the way is now being cleared for them to work freely in this direction, and that the obstacles to universal enlightenment, to man's emergence from his self-incurred immaturity, are gradually becoming fewer. In this respect our age is the age of enlightenment [...].

A prince who does not regard it as beneath him to say that he considers it his duty, in religious matters, not to prescribe anything to his people, but to allow them complete freedom, a prince who thus even declines to accept the presumptuous title of tolerant, is himself enlightened. He deserves to be praised by a grateful present and posterity as the man who first liberated mankind from immaturity (as far as government is concerned), and who left all men free to use their own reason in all matters of conscience. Under his rule, ecclesiastical dignitaries, notwithstanding their official duties, may in their capacity as scholars freely and publicly submit to the judgement of the world their verdicts and opinions, even if these deviate here and there from orthodox doctrine.

This applies even more to all others who are not restricted by any official duties. This spirit of freedom is also spreading abroad, even where it has to struggle with outward obstacles imposed by governments which misunderstand their own function. For such governments can now witness a shining example of how freedom may exist without in the least jeopardising public concord and the unity of the commonwealth. Men will of their own accord gradually work their way out of barbarism so long as artificial measures are not deliberately adopted to keep them in it.

I have portrayed matters of religion as the focal point of enlightenment, ie, of man's emergence from his self-incurred immaturity. This is firstly because our rulers have no interest in assuming the role of guardians over their subjects so far as the arts and sciences are concerned, and secondly, because religious immaturity is the most pernicious and dishonourable variety of all. But the attitude of mind of a head of state who favours freedom in the arts and sciences extends even further, for he realises that there is no danger even to his legislation if he allows his subjects to make public use of their own reason and to put before the public their thoughts on better ways of drawing up laws, even if this entails forthright criticism of the current legislation. We have before us a brilliant example of this kind, in which no monarch has yet surpassed the one to whom we now pay tribute.

But only a ruler who is himself enlightened and has no fear of phantoms, yet who likewise has at hand a well-disciplined and numerous army to guarantee public security, may say what no republic would dare to say: Argue as much as you like and about whatever you like, but obey! This reveals to us a strange and unexpected pattern in human affairs (such as we shall always find if we consider them in the widest sense, in which nearly everything is paradoxical). A high degree of civil freedom seems advantageous to a people's intellectual freedom, yet it also sets up insuperable barriers to it. Conversely, a lesser degree of civil freedom gives intellectual freedom enough room to expand to its fullest extent. Thus once the germ on which nature has lavished most care — man's inclination and vocation to think freely — has developed within this hard shell, it gradually reacts upon the mentality of the people, who thus gradually become increasingly able to act freely. Eventually, it even influences the principles of governments, which find that they can themselves profit by treating man, who is more than a machine, in a manner appropriate to his dignity.

*Originally published in German in Königsberg, Prussia, in 1784. The English translation used here is by H. B. Nisbet (Hans Reiss [ed.], *Kant's Political Writings*, Cambridge: Cambridge University Press, 1970. pp. 54-60).*

Thomas Paine

Schooling rather than taxation (1792)

Is schooling a way out of poverty? Does the tax burden on the lower and lowest income groups prevent them from helping themselves and actively trying to obtain an education? What form should universal compulsory schooling take and how should it be financed? Paine's deliberations, which may sound unconventional today, were first considered *ad acta*. Education policy-makers across the board opted for state education and argued in favour of financing schools directly with state funds. Paine, however, called for the state to subsidise the education of children from families that were poor and struggling to make ends meet; in return, such families would have to pledge to use the funds for schooling. The choice of school was a matter for the parents and the potential provider. Milton Friedman's idea of vouchers to fund education is nothing but the realisation of Paine's ideas — funds go first to parents, not directly to schools.

Thomas Paine (1737-1809) came from a modest family and remained loyal to the cause of ordinary people. His works, written in a simple style and running into many editions (in several languages and banned for a while) were directed at the broad masses. These were primarily *Common Sense* (published in the US) and *The Rights of*

Man. He was a proponent and propagandist of American independence and campaigned for the ideas of the French Revolution. Paine called for his own country, Great Britain, to be radically restructured, one of his demands being a far-reaching reform of the unjust tax system designed to serve the interests of the rich. At the time, this also meant lowering taxes. The demand for schooling for the poor is an integral part not only of his revolutionary ideas but also of his thoughts on taxation policy.

The first step, therefore, of practical relief, would be to abolish the poor-rates entirely, and in lieu thereof, to make a remission of taxes to the poor of double the amount of the present poor-rates, viz., four millions annually out of the surplus taxes. By this measure, the poor would be benefited two millions, and the house-keepers two millions. This alone would be equal to a reduction of one hundred and twenty millions of the National Debt, and consequently equal to the whole expense of the American War.

It will then remain to be considered, which is the most effectual mode of distributing this remission of four millions.

It is easily seen, that the poor are generally composed of large families of children, and old people past their labour. If these two classes are provided for, the remedy will so far reach to the full extent of the case, that what remains will be incidental, and, in a great measure, fall within the compass

of benefit clubs, which, though of humble invention, merit to be ranked among the best of modern institutions.

Admitting England to contain seven millions of souls; if one-fifth thereof are of that class of poor which need support, the number will be one million four hundred thousand. Of this number, one hundred and forty thousand will be aged poor, as will be hereafter shown, and for which a distinct provision will be proposed.

There will then remain one million two hundred and sixty thousand which, at five souls to each family, amount to two hundred and fifty-two thousand families, rendered poor from the expense of children and the weight of taxes.

The number of children under fourteen years of age, in each of those families, will be found to be about five to every two families; some having two, and others three; some one, and others four: some none, and others five; but it rarely happens that more than five are under fourteen years of age, and after this age they are capable of service or of being apprenticed.

Allowing five children (under fourteen years) to every two families, the number of children will be 630,000, the number of parents, were they all living, would be 504,000.

It is certain, that if the children are provided for, the parents are relieved of consequence, because it is from the expense of bringing up children that their poverty arises.

Having thus ascertained the greatest number that can be supposed to need support on account of young families, I proceed to the mode of relief or distribution, which is.

To pay as a remission of taxes to every poor family, out of the surplus taxes, and in room of poor-rates, four pounds a year for every child under fourteen years of age; enjoining the parents of such children to send them to school, to learn reading, writing, and common arithmetic; the ministers of every parish, of every denomination to certify jointly to an office, for that purpose, that this duty is performed. The amount of this expense will be,

For six hundred and thirty thousand children at four pounds per annum each £2,520,000.

By adopting this method, not only the poverty of the parents will be relieved, but ignorance will be banished from the rising generation, and the number of poor will hereafter become less, because their abilities, by the aid of education, will be greater. Many a youth, with good natural genius, who is apprenticed to a mechanical trade, such as a carpenter, joiner, millwright, shipwright, blacksmith, etc., is prevented getting forward the whole of his life from the want of a little common education when a boy. (...)

After all the above cases are provided for there will still be a number of families who, though not properly of the class of poor, yet find it difficult to give education to their children;

and such children, under such a case, would be in a worse condition than if their parents were actually poor. A nation under a well-regulated government should permit none to remain uninstructed. It is monarchical and aristocratical government only that requires ignorance for its support.

Suppose, then, four hundred thousand children to be in this condition, which is a greater number than ought to be supposed after the provisions already made, the method will be:

To allow for each of those children ten shillings a year for the expense of schooling for six years each, which will give them six months schooling each year, and half a crown a year for paper and spelling books.

The expense of this will be annually £250,000.¹

1 Public schools do not answer the general purpose of the poor. They are chiefly in corporation towns from which the country towns and villages are excluded, or, if admitted, the distance occasions a great loss of time. Education, to be useful to the poor, should be on the spot, and the best method, I believe, to accomplish this is to enable the parents to pay the expenses themselves. There are always persons of both sexes to be found in every village, especially when growing into years, capable of such an undertaking. Twenty children at ten shillings each (and that not more than six months each year) would be as much as some livings amount to in the remotest parts of England, and there are often distressed clergymen's widows to whom such an income would

Extracts from: The Rights Of Man: Part The Second — Combining Principle And Practice, London, 1792 (source for the text version used above: Philip S. Foner (ed.), The Complete Writings of Thomas Paine, New York: Citadel Press, 1945.

be acceptable. Whatever is given on this account to children answers two purposes. To them it is education — to those who educate them it is a livelihood.

Wilhelm von Humboldt

Public education (1792)

Public education lies outside the Limits of State Action, which Humboldt seeks to define in his major political work. It cannot achieve what Humboldt, the radical liberal thinker, expects of a rounded and varied education. State education would per force treat students first as citizens and subjects, not as people, thus hampering the all-round development of human creativity.

Wilhelm von Humboldt (1767-1835) himself enjoyed an all-round education and an eventful career as a civil servant and private scholar. We reprint Chapter 6 of the Ideas on an Endeavour to Define the Limits of State Action written about a year after Humboldt left the Prussian civil service to which he later returned to become, among other things, an influential reformer of the Prussian education system.

Having seen in a preceding chapter that it is not only a justifiable but necessary end of Government to provide for the mutual security of the citizens, it here becomes our duty to enter on a more profound and explicit investigation into the nature of such a solicitude, and the means through which it

acts. For it does not seem enough merely to commit the care for security to the political power as a general and unconditional duty, but it further becomes us to define the especial limits of its activity in this respect; or, at least, should this general definition be difficult or wholly impossible, to exhibit the reasons for that impossibility, and discover the characteristics by which these limits may, in given cases, be recognized.

Even a very limited range of observation is sufficient to convince us that this care for preservation may either restrict its efforts to a very narrow sphere, or launch into bolder measures, and embrace wide and indefinite means of influence to reach its design. Confined sometimes to the reparation of irregularities actually committed and the infliction of appropriate punishment, it may embrace, at others, precautions for preventing their occurrence, or even suggest the policy of moulding the mind and character of the citizen after the fashion most suitable to its preconceived scheme of social order. This very extension even of the governmental plans, admits, so to speak, of different degrees. The violation of personal rights, for example, and any encroachment on the immediate rights of the State, may be carefully investigated and duly reproved, or — by regarding the citizen as accountable to the State for the application of his powers, and therefore as one who robs it, as it were, of its rightful property when he does aught calculated to enfeeble them or disturb their harmonious action — a watchful surveillance may be exercised over those actions even which affect none but the

agent himself. I have therefore found it expedient at present to comprise under one head all these varied manifestations of political solicitude, and must therefore be understood to speak of all State-institutions collectively which are dictated by the general design of promoting public security. Meanwhile, it is only necessary to add, that although the very nature of the subject precludes the possibility of any just and accurate division, all those institutions which refer to the moral welfare of the citizen will naturally present themselves in the order of this inquiry; for if they do not, in all cases, aim at security and tranquillity exclusively, these are in general the prominent objects of such institutions. In my manner of discussing the merits and demerits of these, I shall therefore adhere to the system I have hitherto adopted. It will be seen, from the preceding chapters, that I have set out with supposing the utmost extension of State agency conceivable, and then endeavoured, step by step, to ascertain the different provinces from which it should properly be withdrawn, until at length the concern for security is all that has remained to its appropriation. And now it becomes us to adopt, with regard to this general object of security, the same method of procedure; I will therefore begin by supposing the widest acceptance in which the efficient discharge of such a trust can be viewed, in order to arrive, by successive limitations, at those fundamental principles which enable us to determine its true extent. Should such a systematic investigation be regarded as somewhat lengthy and tedious, I am ready to admit that a dogmatic exposition would require a method of treatment exactly the reverse. But, by confining

ourselves strictly to inquiry, we can at least be sure of having fully and honestly grappled with the essential subject, and of having omitted nothing of real importance, while unfolding its principles in their natural and consecutive order. It has, of late, been usual to insist on the expediency and propriety of preventing illegal actions, and of calling in the aid of moral means to accomplish such a purpose; but I will not disguise that, when I hear such exhortations, I am satisfied to think such encroachments on freedom are becoming more rare among us, and in almost all modern constitutions daily less possible.

It is not uncommon to appeal to the history of Greece and Rome in support of such a policy; but a clearer insight into the nature of the constitutions of those ancient nations would at once betray the inconclusiveness of such comparisons. Those States were essentially republics; and such kindred institutions as we find in them were pillars of the free constitution, and were regarded by the citizens with an enthusiasm which rendered their hurtful restrictions on private freedom less deeply felt, and their energetic character less pernicious. They enjoyed, moreover, a much wider range of freedom than is usual among modern States, and anything that was sacrificed was only given up to another form of activity, viz. participation in the affairs of government. Now, in our States, which are in general monarchical, all this is necessarily changed; and whatever moral means the ancients might employ, as national education, religion, moral laws, would under present systems be less fruitful of good re-

sults, and productive of far greater injury. We ought not to forget, moreover, in our admiration of antiquity, that what we are so apt to consider the results of wisdom in the ancient legislators, was mostly nothing more than the effect of popular custom, which, only when decaying, required the authority and support of legal sanction. The remarkable correspondence that exists between the laws of Lycurgus and the manners and habits of most uncultivated nations, has already been clearly and forcibly illustrated by Ferguson; and when we are led to trace the national growth in culture and refinement, we only discern the faint shadow of such early popular institutions. Lastly, I would observe, that men have now arrived at a far higher pitch of civilization, beyond which it seems they cannot aspire to still loftier heights save through the development of individuals; and hence it is to be inferred that all institutions which act in any way to obstruct or thwart this development, and compress men together into vast uniform masses, are now far more hurtful than in earlier ages of the world.

When we regard the working of those moral means which admit of more large and indefinite application, it seems to follow, even from these few and general reflections, that national education — or that which is organized or enforced by the State — is at least in many respects very questionable. The grand, leading principle, towards which every argument hitherto unfolded in these pages directly converges, is the absolute and essential importance of human development in its richest diversity; but national education, since at least it

presupposes the selection and appointment of some one instructor, must always promote a definite form of development, however careful to avoid such an error. And hence it is attended with all those disadvantages which we before observed to flow from such a positive policy; and it only remains to be added, that every restriction becomes more directly fatal, when it operates on the moral part of our nature, — that if there is one thing more than another which absolutely requires free activity on the part of the individual, it is precisely education, whose object it is to develop the individual. It cannot be denied that the happiest results, both as regards the State and the individual, flow from this relation between them, — that the citizen becomes spontaneously active in the State itself, in the form assigned him by his peculiar lot and circumstances, and that by the very contrast or antagonism between the position pointed out to him by the State, and that which he has spontaneously chosen, he is not only himself modified, but the State constitution also is subject to a reciprocal influence; and although the extent and operation of such influences are not of course immediately evident, they are still distinctly traceable in the history of all States, when we keep in view the modifications to which they are subject from the difference of national character. Now this salutary interaction always diminishes in proportion to the efforts made to fashion the citizen's character beforehand, and to train him up from childhood with the express view of becoming a citizen. The happiest result must follow, it is true, when the relations of man and citizen coincide as far as possible; but this coincidence is only to be

realized when those of the citizen pre-suppose so few distinct peculiarities that the man may preserve his natural form without any sacrifice; and it is to the expediency of securing this perfect harmony between the requirements of man and citizen that all the ideas I have in view in this inquiry directly converge. For, although the immediately hurtful consequences of such a misrelation as that to which we have referred would be removed when the citizens of a State were expressly trained up with a view to their political character, still the very object would be sacrificed which the association of human beings in a community was designed to secure. Whence I conclude, that the freest development of human nature, directed as little as possible to ulterior civil relations, should always be regarded as paramount in importance with respect to the culture of man in society. He who has been thus freely developed should then attach himself to the State; and the State should test and compare itself, as it were, in him. It is only with such a contrast and conflict of relations, that I could confidently anticipate a real improvement of the national constitution, and banish all apprehension with regard to the injurious influence of the civil institutions on human nature. For even although these were very imperfect, we could imagine how the force of human energies, struggling against the opposing barriers, and asserting, in spite of them, its own inherent greatness, would ultimately prove superior in the conflict. Still, such a result could only be expected when those energies had been allowed to unfold themselves in all their natural freedom. For how extraordinary must those efforts be which were adequate to

maintain and exalt those energies, when even from the period of youth they were bound down and enfeebled by such oppressive fetters! Now all systems of national education, inasmuch as they afford room for the manifestation of a governmental spirit, tend to impose a definite form on civic development, and therefore to repress those vital energies of the nation.

When such a prevailing form of development is definite in itself, and still beautiful, although one-sided, as we find it to be in the ancient constitutions and even yet observe it perhaps in many a republic, there is not only more facility in its actual working, but it is attended with far less hurtful consequences. But in our monarchical constitutions, happily enough for human development, such a definite form as that which we describe does not at all exist. It clearly belongs to their advantages, however numerous may be the concomitant evils, that inasmuch as the State union is strictly regarded as the means requisite for the desired end, individual power is not necessarily sacrificed to its accomplishment, as is the case with republics. So long as the citizen conducts himself in conformity with the laws, and maintains himself and those dependent on him in comfort, without doing anything calculated to prejudice the interests of the State, the latter does not trouble itself about the particular manner of his existence. Here therefore national education, — which, as such, still keeps in view, however imperceptibly, the culture of the citizen in his capacity of subject, and not, as is the case in private education, the development of the individual

man, — would not be directed to the encouragement of any particular virtue or disposition; it would, on the contrary, be designed to realize a balance of all opposing impulses, since nothing tends so much as this to produce and maintain tranquillity, which is precisely the object most ardently desired by States so constituted. But such an artificial equilibrium, as I have before taken occasion to observe, leads at once to utter torpidity and stagnation, or a depression and deficiency of energy; while, on the other hand, the greater regard for single objects which is peculiarly characteristic of private education, operates to produce that equipoise more surely and effectually, by a life of different relations and combinations, and that without any attendant sacrifice of energy.

But even though we were to deny to national education all positive furtherance of particular systems of culture — if we were to represent it as an essential duty that it should simply encourage the spontaneous development of faculties, this would still prove impracticable, since whatever is pervaded by a unity of organization, invariably begets a corresponding uniformity in the actual result, and thus, even when based on such liberal principles, the utility of national education is still inconceivable. If it is only designed to prevent the possibility of children remaining uninstructed, it is much more expedient and less hurtful to appoint guardians where parents are remiss, and extend assistance where they are in indigent circumstances. Further, it is not to be forgotten, that national education fails in accomplishing the object proposed by it, viz. the reformation of morals according to the

model which the State considers most conducive to its designs. However great the influence of education may be, and however it may extend to the whole course of a man's actions, still, the circumstances which surround him throughout his whole life are yet far more important. And hence, if all these do not harmonize with its influences, education cannot succeed in effecting its object.

In fine, if education is only to develop a man's faculties, without regard to any definite civil forms to be collaterally imparted to his nature, there is no need of the State's interference. Among men who are really free, every form of industry becomes more rapidly improved, — all the arts flourish more gracefully, — all sciences become more largely enriched and expanded. In such a community, too, domestic bonds become closer and sweeter; the parents are more eagerly devoted to the care of their children, and, in a higher state of welfare, are better able to follow out their desires with regard to them. Among such men emulation naturally arises; and tutors better benefit themselves, when their fortunes depend upon their own efforts, than when their chances of promotion rest on what they are led to expect from the State. There would, therefore, be no want of careful family training, nor of those common educational establishments which are so useful and indispensable. But if national education is to impose some definite form on human nature, it is perfectly certain that there is actually nothing done towards preventing transgressions of law, or establishing and maintaining security. For virtue and vice do not depend on any

particular form of being, nor are necessarily connected with any particular aspect of character; in regard to these, much more depends on the harmony or discordancy of all the different features of a man's character — on the proportion that exists between power and the sum of inclinations, etc. Every distinct development of character is capable of its peculiar excess, and to this it constantly tends to degenerate. If then an entire nation has adhered to some certain variety of development, it comes in time to lose all power of resisting the preponderant bias to this one peculiarity, and along with it all power of regaining its equilibrium. Perhaps it is in this that we discover the reason of such frequent changes in the constitution of ancient States. Every fresh constitution exercised an undue influence on the national character, and this, definitely developed, degenerated in turn and necessitated a new one.

Lastly, even if we admit that national education may succeed in the accomplishment of all that it proposes, it effects too much. For in order to maintain the security it contemplates, the reformation of the national morals themselves is not at all necessary. But as my reasons for this position refer to the whole solicitude for morality on the part of the State, I reserve them for the after part of this inquiry, and proceed meanwhile to consider some single means which are often suggested by that solicitude. I have only to conclude from what has been argued here, that national education seems to me to lie wholly beyond the limits within which political agency should properly be confined.

From: The Sphere and Duties of Government (translated from the German by Joseph Coultbhard, Jun.), London: John Chapman, 1854, Chapter VI: On the solicitude of the state for the mutual security of the citizens. — Means for attaining this end. — Institutions for reforming the mind and character of the citizen. — National education. Accessed via the Liberty Fund website: <http://oll.libertyfund.org/title/589/45498> on 7 October 2008.

Frédéric Bastiat

Academic degrees and socialism (1848)

What should students be taught? Who decides what to teach? Who is entitled to teach? How does one ensure that school education is constantly modernised? Frédéric Bastiat, the great liberal economist and publicist, devoted himself to these questions in 1850 when providing the rationale for a petition to the French National Assembly of which he was a member until his death. In this petition, he called for the abolition of the baccalaureate. This examination, which students in France were required to pass to gain access to several professions and government posts, focused on the classical languages. In Bastiat's view, an education that focuses mainly on the teaching of classical languages does not in any way meet the needs of the time. Bastiat believes that the path to constant improvement lies in free competition between schools and in parental responsibility. In contrast, state-prescribed curricula lead to stagnation and stunted progress.

Frédéric Bastiat (1801-1850) was perhaps the greatest writer among 19th century liberal economists. His texts, often very provocative, such as *What is Seen and What is Not Seen* and *The Candle Maker's Petition*, are worth reading even today. During his lifetime, Bastiat was an ardent supporter of free trade and individual freedom and

a vehement critic of state intervention. He exposed the real interests behind state intervention in freedom and stressed the innovative and wealth-enhancing effect of free competition, not only in the economy but also in education and other fields.

I have submitted to the Assembly an amendment that has as its object the abolition of university degrees. My health does not permit me to present it orally on the rostrum. Allow me to have recourse to a written communication.

The question is an extremely serious one. However imperfect the law that has been drafted by your commission may be, I believe that it would mark a distinct advance over the present state of public education if it were amended as I propose.

The university system of academic degrees has the three-fold inconvenience of making education uniform (uniformity is not unity), of imposing upon it the most disastrous administration, and then of making it inflexible.

If there is anything in the world that is progressive by nature, it is education. What is education, in fact, if not the transmission from generation to generation of the knowledge acquired by society, that is, of a treasure that is refined and increased every day?

How does it happen that education in France has remained uniform and stationary since the darkness of the Middle Ages? Because it has been monopolized and enclosed in an enchanted circle by university degrees.

There was a time when, in order to acquire any knowledge whatsoever, it was as necessary to learn Latin and Greek as it was indispensable to the Basques and the Bas-Bretons to begin by learning French. Living languages were not fixed; printing had not been invented; the human mind had not applied itself to penetrating the secrets of Nature. To be educated was to know what Epicurus and Aristotle had thought. People of the upper classes boasted of not being able to read. The only class that possessed and transmitted knowledge was the clergy. What, then, could that knowledge be? Evidently it had to be limited to the knowledge of dead languages, and principally of Latin. There were only Latin books; writing was done only in Latin; Latin was the language of religion; the clergy could teach only what they had learned — Latin.

Hence, it is understandable that in the Middle Ages education was confined to the study of the dead languages, quite improperly called the learned languages.

Is it natural, is it good, that the same should be true in the nineteenth century? Is Latin a necessary means for the acquisition of knowledge? Can religion, physics, chemistry, astronomy, physiology, history, law, ethics, industrial technol-

ogy, or social science be learned from the writings left to us by the Romans? Knowing a language, like knowing how to read, means having possession of an instrument. And is it not strange that we should spend our whole youth in making ourselves masters of an instrument that is good for nothing — or not good for much, since nothing is more urgent when one begins to know it than to forget it? Alas, if one could only forget as quickly the impressions that this wretched study has left!

What should we say if at Saint-Cyr, in order to prepare our youth for modern military science, all they were taught was to throw stones with a slingshot?

The law of our country decrees that the most honorable careers are to be closed to whoever does not have a bachelor's degree. It decrees, further, that in order to earn that degree, one must have so far crammed his head with Latinity that nothing else can enter it. Now, what is the result? As everyone knows, young people have calculated the exact amount strictly necessary to earn the degree, and they rest content with that. You find all this deplorable. Well, do you not understand that this is the protest of the public conscience against the imposition of so much useless effort? To learn an instrument which, as soon as one knows how to play it, gives out no further sound, is hardly rational. Why has this practice been perpetuated up to now? The explanation is to be found in a single word: monopoly. Monopoly is so constituted that it paralyzes all that it touches.

Hence, I wanted the Assembly to ensure the freedom, that is, the progress, of education. It has now decided that this is not to be. We shall not have complete freedom. Allow me to make an effort to save at least a shred of it.

Freedom may be considered from the point of view of persons and in relation to material things — *ratione personae* et *ratione materiae*, as the legal scholars say; for to abolish competition in methods of instruction is no less a violation of freedom than to abolish competition among men.

There are some who say: „Teaching as a career is going to be free, for everyone will be able to enter upon it.“ This is a great illusion. The state — or rather, the party, the faction, the sect, the man, that is in momentary and even quite legal possession of the governmental power — can give to education the desired direction and mold men’s minds at will solely by means of the system of academic degrees. Give a man the power to confer academic degrees and, while leaving anyone free to teach, education will be, in fact, in servitude.

I, the father of a family, and the teacher whom I hire for the education of my son, may both believe that genuine education consists in teaching what things are and what effects they produce, in the physical order as well as in the moral order. We may think that he is the best educated who has the most exact idea of phenomena and best understands

the connection between causes and effects. We should like to base education on this assumption. But the state has another idea. It thinks that to be learned is to be able to scan the verses of Plautus and to cite the opinions of Thales and Pythagoras on fire and air.

Now, what does the state do? It says to us: „Teach what you want to your student; but when he is twenty years old, I shall question him concerning the opinions of Thales and Pythagoras; I shall have him scan the verses of Plautus; and if he is not good enough in these matters to prove to me that he has devoted the whole of his youth to them, he will be able to become neither a physician nor a barrister nor a magistrate nor a consul nor a diplomat nor a teacher.“

From that moment I am forced to submit, for I will not take upon myself the responsibility of closing to my son so many fine careers. You may tell me that I am free; but I say that I am not, since you reduce me to making a pedant of my son, at least from my point of view — perhaps a frightful little rhetorician — and unquestionably an unruly rebel. (...)

Three sources of education are going to be made available: that of the state, that of the clergy, that of the so-called free teachers. What I ask is that the latter be free, in fact, to try new and fruitful methods in their instruction. Let the state university teach what it cherishes, Greek and Latin; let the clergy teach what it knows, Greek and Latin. Let both of them produce Platonists and demagogues; but let them not

prevent us from training, by other methods, men for our country and for our century. For, if this freedom is forbidden to us, what a bitter mockery it is to come and say to us at every moment: „You are free!“

In the session of February 23, M. Thiers declared for the fourth time:

I shall keep on repeating what I have said: The freedom that the law which we have drafted gives is freedom in accordance with the Constitution. I defy you to prove anything else. Prove to me that it is not freedom; I, for my part, maintain that there is no other kind possible. Formerly, one could not teach without the permission of the government. We have abolished prior authorization; everyone will be free to teach. Formerly it was said: Teach such and such things; do not teach such and such others. Today, we say: Teach what you want to teach.

It is a painful thing to hear such a challenge and to be condemned to silence. If the weakness of my voice had not prevented my mounting the rostrum, I should have replied to M. Thiers in these terms: Let us see, then, from the viewpoint of the teacher, of the father of a family, and of society, to what this freedom which you call so complete has been reduced.

In virtue of your law, I establish a preparatory school. With the students' tuition fees I must buy or lease the premises, provide food for the pupils, and pay the teachers. But next door to my school, there is a state school. It does not have to trouble itself about finding the means to pay for its premises and teachers. The taxpayers, including me, take care of these expenses. The state school, then, can reduce the students' tuition fees so as to render my enterprise impossible. Is this freedom? One recourse, however, remains to me: to provide an education so superior to yours, so sought after by the public, that students come to me in spite of the relatively high fees which you have forced me to charge. But at this point you intervene, and you say to me: „Teach what you want; but, if you depart from my methods and curriculum, all the learned professions will be closed to your students.“ Is this freedom?

Now, suppose I am the father of a family. I put my sons in a „free“ institution. What situation do I face? As their father, I pay for the education of my children, without anyone coming to my assistance; as a taxpayer and as a Catholic, I pay for the education of the children of others, for I cannot avoid the tax that pays for the state schools or exempt myself in the Lenten season from throwing into the hat of a mendicant friar the coin that must support the clerical schools. In the latter respect, at least, I am free. But am I free in regard to the tax? By no means! Say that you are establishing solidarity, in the socialist sense, but do not profess to be establishing freedom.

And this is only a minor aspect of the question. What is more serious is this. I prefer free education, because your official education (to which you force me to contribute, without my profiting from it) seems to me communist and pagan; my conscience is unwilling to have my sons imbued with Spartan and Roman ideas which, in my eyes at least, are nothing but a glorification of violence and brigandage. Consequently, I submit to paying tuition fees for my own children and to paying the tax for the children of others. But what do I find? I find that your mythological and martial education has been indirectly imposed on the free school through the ingenious mechanism of your academic degrees, and that I must bend my conscience to your views, on pain of making of my children social pariahs. You have told me four times that I am free. If you say it to me a hundred times, I shall reply to you a hundred times: I am not free.

Be inconsistent, since you cannot avoid it, and I shall grant you that in the present state of public opinion you could not close the official preparatory schools. But set a limit to your inconsistency. Do you not complain every day about the socialistic mentality and tendencies of our young men, of their estrangement from religious ideas, of their passion for martial expeditions, a passion so great that, in our deliberative assemblies it is hardly permitted to utter the word peace, and one must take the most ingenious oratorical precautions in order to speak of justice when it has reference to foreigners? Such deplorable attitudes have a cause, undoubtedly. Is it not possible that precisely your mythological,

Platonic, bellicose, and seditious education had something to do with this situation? However, I do not tell you to change the curriculum; that would be asking too much of you. But I do say to you: Since you allow so-called free schools to spring up beside your state schools and in conditions already quite difficult, permit them to try, at their own peril and risk, a Christian and scientific curriculum. The experiment is worth making. Who knows? Perhaps it would be an advance. And you want to nip it in the bud!

Finally, let us examine the question from the point of view of society, and observe, first of all, that it would be strange for society to be free in regard to education if the teachers and the fathers of families are not.

The first sentence of the report of M. Thiers on secondary education, in 1844, proclaimed this terrible truth:

Public education is perhaps the greatest concern of a civilized nation; and, for this reason, control over it is the foremost objective of political parties.

It seems that the conclusion to draw from this is that a nation that does not want to be the prey of political parties should hasten to abolish public education, that is, education by the state, and to proclaim freedom of education. If the educational system is in the power of the government, political parties will have one more reason for seeking to gain

power, since, by the same token, they will have control over the educational system, which is their foremost objective. Is not the ambition to govern inspired enough by covetousness already? Does it not provoke enough struggles, revolutions, and disorders? And is it wise to arouse it further by the lure of such a potent influence?

And why do political parties aspire to take over the direction of education? Because they know the saying of Leibnitz: „Make me the master of education, and I will undertake to change the world.“ Education by governmental power, then, is education by a political party, by a sect momentarily triumphant; it is education on behalf of one idea, of one system, to the exclusion of all others. (...) Shall we never realize the danger of furnishing political parties, as they seize power, with the opportunity to impose their opinions — nay, their errors — universally and uniformly by force? For it is indeed using force to forbid by law every other idea than that with which one is oneself infatuated.

Such a demand is essentially monarchist, although no one proclaims it more resolutely than the republicans; for it rests on the assumption that the governed are made for the governors, that society belongs to the wielders of political power, and that they must make society in their own image; whereas, according to our law, so dearly won, political power is only an emanation of society, one of the manifestations of its thought.

For my part, I cannot conceive, especially as coming from republicans, a more absurdly vicious circle than this: From year to year, by means of universal suffrage, national opinion will be embodied in the magistrates, and then the magistrates will mold national opinion as they like.

This doctrine implies the following two propositions: National opinion is wrong. Governmental opinion is infallible.

If this is so, then, republicans, re-establish at the same time autocracy, state education, monarchy, the divine right of kings, and the power of the government as absolute, irresponsible, and infallible, since all these are institutions having a common principle and emanating from the same source.

If there is in the world an infallible man (or sect), then turn over to him (or to it) not only education, but complete and plenary power, and have done with it. If not, let us enlighten ourselves as well as we can, but let us not abdicate.

Extracts from: Selected Essays on Political Economy (translated by Seymour Cain), Irvington-on-Hudson, NY: The Foundation for Economic Education, Inc. 1995. Library of Economics and Liberty, available online from <http://www.econlib.org/library/Bastiat/basEss9.html>, accessed 7 October 2008.

John Stuart Mill

Compulsory education without the state (1859)

Can schooling be made mandatory without the state mutating into an education provider and therefore also the judge who decides what is to be taught? Mill was convinced that children have a right to education but the father, not the state, must shoulder the responsibility. Nevertheless, the state must subsidise low-income families and ensure that a child does indeed receive the education it is due and learns some basic skills. Mill believes that it would suffice to hold public examinations to test certain basic skills according to strict „objective” criteria; all school-going children would have to pass this examination. Normally market forces would create the schools and educational institutions required and in this way compulsory schooling could be introduced without the negative consequences for freedom, competition and the quality of education.

John Start Mill (1806-1873) is internationally known as the author of the treatise *On Liberty*, probably the most widely read piece of liberal writing. The excerpt in this reader has been taken from this essay. His important works include the classics *Principles of Political Economy* and *Utilitarianism*. Mill's academic career as a philosopher and economist — he eventually became rector of St Andrew's University in Scotland — constituted only a part of his professional ca-

reer. For 35 years he served in the colonies, working for the East India Company and eventually became a director. He was politically active throughout his life; as a publicist, he contributed to the Westminster Review (eventually buying it over in 1837) and other publications and as a liberal member of the British House of Commons from 1865 to 1868. As a champion of free expression and women's emancipation, he is considered one of the pioneers of the modern human rights movement.

[...] Consider, for example, the case of education. Is it not almost a self-evident axiom, that the State should require and compel the education, up to a certain standard, of every human being who is born its citizen? Yet who is there that is not afraid to recognize and assert this truth? Hardly any one indeed will deny that it is one of the most sacred duties of the parents (or, as law and usage now stand, the father), after summoning a human being into the world, to give to that being an education fitting him to perform his part well in life towards others and towards himself. But while this is unanimously declared to be the father's duty, scarcely anybody, in this country, will bear to hear of obliging him to perform it. Instead of his being required to make any exertion or sacrifice for securing education to the child, it is left to his choice to accept it or not when it is provided gratis! It still remains unrecognized, that to bring a child into existence without a fair prospect of being able, not only to provide food for its body, but instruction and training for its mind, is

a moral crime, both against the unfortunate offspring and against society; and that if the parent does not fulfil this obligation, the State ought to see it fulfilled, at the charge, as far as possible, of the parent.

Were the duty of enforcing universal education once admitted, there would be an end to the difficulties about what the State should teach, and how it should teach, which now convert the subject into a mere battle-field for sects and parties, causing the time and labour which should have been spent in educating, to be wasted in quarrelling about education. If the government would make up its mind to require for every child a good education, it might save itself the trouble of providing one. It might leave to parents to obtain the education where and how they pleased, and content itself with helping to pay the school fees of the poorer classes of children, and defraying the entire school expenses of those who have no one else to pay for them. The objections which are urged with reason against State education, do not apply to the enforcement of education by the State, but to the State's taking upon itself to direct that education: which is a totally different thing. That the whole or any large part of the education of the people should be in State hands, I go as far as any one in deprecating. All that has been said of the importance of individuality of character, and diversity in opinions and modes of conduct, involves, as of the same unspeakable importance, diversity of education. A general State education is a mere contrivance for moulding people to be exactly like one another: and as the mould in which it casts them is

that which pleases the predominant power in the government, whether this be a monarch, a priesthood, an aristocracy, or the majority of the existing generation, in proportion as it is efficient and successful, it establishes a despotism over the mind, leading by natural tendency to one over the body. An education established and controlled by the State, should only exist, if it exist at all, as one among many competing experiments, carried on for the purpose of example and stimulus, to keep the others up to a certain standard of excellence. Unless, indeed, when society in general is in so backward a state that it could not or would not provide for itself any proper institutions of education, unless the government undertook the task; then, indeed, the government may, as the less of two great evils, take upon itself the business of schools and universities, as it may that of joint-stock companies, when private enterprise, in a shape fitted for undertaking great works of industry does not exist in the country. But in general, if the country contains a sufficient number of persons qualified to provide education under government auspices, the same persons would be able and willing to give an equally good education on the voluntary principle, under the assurance of remuneration afforded by a law rendering education compulsory, combined with State aid to those unable to defray the expense.

The instrument for enforcing the law could be no other than public examinations, extending to all children, and beginning at an early age. An age might be fixed at which every child must be examined, to ascertain if he (or she) is able to read.

If a child proves unable, the father, unless he has some sufficient ground of excuse, might be subjected to a moderate fine, to be worked out, if necessary, by his labour, and the child might be put to school at his expense. Once in every year the examination should be renewed, with a gradually extending range of subjects, so as to make the universal acquisition, and what is more, retention, of a certain minimum of general knowledge, virtually compulsory. Beyond that minimum, there should be voluntary examinations on all subjects, at which all who come up to a certain standard of proficiency might claim a certificate. To prevent the State from exercising through these arrangements, an improper influence over opinion, the knowledge required for passing an examination (beyond the merely instrumental parts of knowledge, such as languages and their use) should, even in the higher class of examinations, be confined to facts and positive science exclusively. The examinations on religion, politics, or other disputed topics, should not turn on the truth or falsehood of opinions, but on the matter of fact that such and such an opinion is held, on such grounds, by such authors, or schools, or churches. Under this system, the rising generation would be no worse off in regard to all disputed truths, than they are at present; they would be brought up either churchmen or dissenters as they now are, the State merely taking care that they should be instructed churchmen, or instructed dissenters. There would be nothing to hinder them from being taught religion, if their parents chose, at the same schools where they were taught other things. All attempts by the State to bias the conclusions of its citi-

zens on disputed subjects, are evil; but it may very properly offer to ascertain and certify that a person possesses the knowledge requisite to make his conclusions, on any given subject, worth attending to. A student of philosophy would be the better for being able to stand an examination both in Locke and in Kant, whichever of the two he takes up with, or even if with neither: and there is no reasonable objection to examining an atheist in the evidences of Christianity, provided he is not required to profess a belief in them. The examinations, however, in the higher branches of knowledge should, I conceive, be entirely voluntary. It would be giving too dangerous a power to governments, were they allowed to exclude any one from professions, even from the profession of teacher, for alleged deficiency of qualifications: and I think, with Wilhelm von Humboldt, that degrees, or other public certificates of scientific or professional acquirements, should be given to all who present themselves for examination, and stand the test; but that such certificates should confer no advantage over competitors, other than the weight which may be attached to their testimony by public opinion.

From: On Liberty, London. 1859. The version used above is from Maurice Cowling (ed.), Selected Writings of John Stuart Mill, New York: The New American Library, Inc., 1968.

Friedrich Naumann

Political education (1914)

It is essential that people know as much as possible about the essence and forms of politics, if they are to play responsible roles in political processes, more so when democratic institutions are still in their infancy and have yet to secure a foothold in public awareness. In this contribution, Naumann underlines not only the importance of knowledge but also the necessity of actively forging political consensus, developing informed opinion and the power of judgement. The „well-sorted knowledge” that schools are expected to impart is inadequate for this purpose. Engaging in the „conflict of parties”, however impassioned it may occasionally be, is vital to the learning processes that help create a democratic society. That women and men should play equal roles in the process, as elaborated by Naumann, was by no means a matter of course in the early 20th century. In fact, liberals in Germany are still beset by the problem mentioned in point X.

Friedrich Naumann (1860-1919) is one of the mentors and founders of political education in Germany. The Protestant priest was most effective as an influential political publicist, not least because of *Die Hilfe*, the magazine he founded and from which this text is extracted. He was a member of the German parliament, the Reichstag, for many years and leader of the left-liberal German Democratic Party

towards the end of his life. In an attempt to realise his ideal of a citizen's school, he founded the University for Political Science in Berlin in 1918.

I.

Education is a combination of communication and familiarisation. What we can learn from politics is as infinite as public life itself. But even if one is expected to know everything about what is said and done in secret chambers, parliaments and meetings, he or she may become a history buff but will still not qualify as a political person, because infinite knowledge alone does not create the will. On the contrary, know-it-alls are the worst off when expected to declare allegiance to either red or blue. Then they babble out any number of ifs and buts and, being as intelligent as they are, become as helpless as children. To develop informed opinion is the core of political education.

II.

Newspapers offer a wealth of reading material but one can say without hesitation that the growth of a paper means a loss of its political efficacy. Smaller, homemade, provincial newspapers that existed earlier penetrated far deeper into the public soul than the much larger dailies of today, because providing information without evaluating and classifying it deprives the reader of the security that lies in forming

an opinion of one's own. Overloading, by its very nature, is anti-educational.

III.

Civics, not party politics, can and should be taught in elementary school. The civics lesson imparts organised knowledge about the state, military, constitution, electoral law, taxes, use of the law, insurance, municipal councils and other similar subjects. The desire to rope in students for a particular party does them injustice and stifles the universal character of the public school. Neither should schools offering higher education be used for party purposes.

IV.

Political associations for youth under 18 are meaningless for all practical purposes; these young people have not acquired life's essential experiences yet. However, once they turn 18, all parties should endeavour to impart a sense of belonging in the younger generation. Being represented by old people alone is the greatest threat to a political movement.

V.

No free political organisation should distinguish between male and female members, as the work of girls and women involves the same struggle for existence as does the work of men. The woman is a citizen even if not recognised as such by constitutions because no state can exist without her. How are mothers expected to instil a sense of civic re-

sponsibility in their children if they are denied political respect and education themselves?

VI.

The women's political movement focuses on teaching its members to obtain political rights while men's political associations must train their members in the proper and successful use of the rights already acquired. The two border on each other yet differ in spirit and execution. The women's movement has something of the mood that prevailed among men between 1816 and 1848 and there's a twinge of disappointment when women join existing political associations and parties. However, both sides would benefit from having joint associations because winning and using rights invariably go hand in hand and men still have many rights to acquire.

VII.

The biggest challenge facing the women's movement is the question of how best to win political rights and in this context events in England are instructive for politically active women in all countries. Those who reject the methods of militant groups with their anarchic aggression are constrained to think about other ways of achieving success. The means and not the goal are now the subject of discussion.

VIII.

The central task of men's politics is to address the question of parliamentary majority. To date, all our experiences of

parliamentarism show us only too clearly how easily governments toy with a plethora of small parties. The formulation of electoral laws, anywhere, is just the start of political education. Organising the will of the people is a long and tedious task and one that will occupy generations. Political education in England can look back on a longer tradition than political education in Germany.

IX.

While the conflict of parties may on occasion be unpleasant and crude, in overall terms it does impact strongly on political education because the individual voter is compelled to decide which of the rival movements he should vote for. Election campaigns also serve to educate the people's representatives who must expose themselves to the hell-fire of the public battle. Campaign methods automatically improve as the number of parties dwindles, because larger entities are obliged to maintain certain self-respect.

X.

Attempts at moulding people to be willing political victims are still nothing short of chaotic, especially among liberal parties, as they fight shy of making it compulsory for all party members to pay a regular charge. Yet parties without funds are obviously impotent. The best political workers lose heart when expected to fight year in and year out without adequate means. This point should be discussed at every party meeting. Good examples should serve to motivate defaulters. Forward, friends!

From: Friedrich Naumann: Werke, Volume 5, Cologne and Opladen (Westdeutscher Verlag) 1964, p. 706-709. Originally appeared in: Die Hilfe, Volume 20, 1914, No. 27. Translation from the German original is by Ritu Khanna.

Ludwig von Mises

The bureaucratization of the mind (1948)

What are the dangers of an amalgamation of the state and the education system? Liberals who engage with questions of education policy agree that there is the ever-present danger of turning schools and universities into instruments, which is why they would like to see effective limits set on the state's influence and tasks. Mises underlines two factors that cement this instrumentalisation: civil servant status, which in reality produces beneficiaries and servants of the government, as well as an interest in ensuring that state power and the effectiveness of government activities are never called into question. An independent academic environment and, above all, a discipline of economics that is free to study economic questions critically, will undoubtedly result in questioning the very existence of an all-powerful authoritarian state. Mises believed that the success of totalitarianism in the twentieth century was due in no small measure to the fact that academics had been prevented from indulging in critical reflection. The text that appears here has been taken from his work *Bureaucracy* that appeared in English in 1944.

Ludwig von Mises (1881-1973) economist and professor at the University of Vienna (as of 1918) founded the Austrian Institute for Busi-

ness Cycle Research in 1927 together with Friedrich von Hayek. In the 1920s and 1930s, Mises was one of the few German-speaking intellectuals who adhered to classical liberalism. Dismissed from his post by the Nazis, he initially stayed in Switzerland and ultimately emigrated to the USA in 1940. As early as 1922, he explained in his book *Socialism* why a planned economy could not work. In other words, he predicted the collapse of socialism that was to occur almost 70 years later. Mises believed that the free market was the only economic system that could function and guarantee freedom. State intervention, on the other hand, was dangerous, as each intervention would be followed by another ultimately leading to socialism.

The modern trend toward government omnipotence and totalitarianism would have been nipped in the bud if its advocates had not succeeded in indoctrinating youth with their tenets and in preventing them from becoming acquainted with the teachings of economics.

Economics is a theoretical science and as such does not tell man what values he should prefer and what ends he should aim at. It does not establish ultimate ends. This is not the task of the thinking man but that of the acting man. Science is a product of thought, action a product of will. In this sense we may say that economics as a science is neutral with regard to the ultimate ends of human endeavour.

But it is different with regard to the means to be applied for the attainment of given social ends. There economics is the only reliable guide of action. If men are eager to succeed in the pursuit of any social ends, they must adjust their conduct to the results of economic thinking.

The outstanding fact of the intellectual history of the last hundred years is the struggle against economics. The advocates of government omnipotence did not enter into a discussion of the problems involved. They called the economists names, they cast suspicion upon their motives, and they ridiculed them and called down curses upon them.

It is, however, not the task of this book to deal with this phenomenon. We have to limit ourselves to the description of the role that bureaucracy played in this development.

In most countries of the European continent the universities are owned and operated by the government. They are subject to the control of the Ministry of Education as a police station is subject to the head of the police department. The teachers are civil servants like patrolmen and customs officers. Nineteenth-century liberalism tried to limit the right of the Ministry of Education to interfere with the freedom of university professors to teach what they considered true and correct. But as the government appointed the professors, it appointed only trustworthy and reliable men, that is, men who shared the government's viewpoint and were

ready to disparage economics and to teach the doctrine of government omnipotence.

As in all other fields of bureaucratization, nineteenth-century Germany was far ahead of other nations in this matter too. Nothing characterizes the spirit of the German universities better than a passage of an oration that the physiologist Emil du Bois-Reymond delivered in 1870 in his double capacity as Rector of the University of Berlin and as President of the Prussian Academy of Science: „We, the University of Berlin, quartered opposite the King’s palace, are, by the deed of our foundation, the intellectual bodyguard of the House of Hohenzollern.” The idea that such a royal henchman should profess views contrary to the tenets of the government, his employer, was incomprehensible to the Prussian mind. To maintain the theory that there are such things as economic laws was deemed a kind of rebellion. For if there are economic laws, then governments cannot be regarded as omnipotent, as their policies could only succeed when adjusted to the operation of these laws. Thus the main concern of the German professors of the social sciences was to denounce the scandalous heresy that there is a regularity in economic phenomena. The teaching of economics was anathematized and *wirtschaftliche Staatswissenschaften* (economic aspects of political science) put in its place. The only qualities required in an academic teacher of the social sciences were disparagement of the operation of the market system and enthusiastic support of government control. Under the Kaiser radical Marxians who openly advocated a revolutionary

upheaval and the violent overthrow of the government were not appointed to full-time professorships; the Weimar Republic virtually abolished this discrimination.

Economics deals with the operation of the whole system of social cooperation, with the interplay of all its determinants, and with the interdependence of the various branches of production. It cannot be broken up into separate fields open to treatment by specialists who neglect the rest. It is simply nonsensical to study money or labour or foreign trade with the same kind of specialization which historians apply when dividing human history into various compartments. The history of Sweden can be treated with almost no reference to the history of Peru. But you cannot deal with wage rates without dealing at the same time with commodity prices, interest rates, and profits. Every change occurring in one of the economic elements affects all other elements. One will never discover what a definite policy or change brings about if one limits his investigation to a special segment of the whole system.

It is precisely this interdependence that the government does not want to see when it meddles in economic affairs. The government pretends to be endowed with the mystical power to accord favours out of an inexhaustible horn of plenty. It is both omniscient and omnipotent. It can by a magic wand create happiness and abundance.

The truth is that the government cannot give if it does not take from somebody. A subsidy is never paid by the government out of its own funds; it is at the expense of the taxpayer that the state grants subsidies. Inflation and credit expansion, the preferred methods of present day government open-handedness, do not add anything to the amount of resources available. They make some people more prosperous, but only to the extent that they make others poorer. Interference with the market, with commodity prices, wage rates, and interest rates as determined by demand and supply, may in the short run attain the ends aimed at by the government. But in the long run such measures always result in a state of affairs which — from the viewpoint of the government — is more unsatisfactory than the previous state they were intended to alter.

It is not in the power of the government to make everybody more prosperous. It can raise the income of the farmers by forcibly restricting domestic agricultural production. But the higher prices of farm products are paid by the consumers, not by the state. The counterpart of the farmers' higher standard of living is the lowering of the standard of living of the rest of the nation. The government can protect the small shops against the competition of department stores and chain stores. But here again the consumers foot the bill. The state can improve the conditions of a part of the wage earners by allegedly pro-labour legislation or by giving a free hand to labour union pressure and compulsion. But if this policy does not result in a corresponding rise in the prices of

manufactures, thereby bringing real wage rates back to the market level, it brings about unemployment of a considerable part of those willing to earn wages.

A scrutiny of such policies from the viewpoint of economic theory must necessarily show their futility. This is why economics is tabooed by the bureaucrats. But the governments encourage the specialists who limit their observations to a narrow field without bothering about the further consequences of a policy. The labour economist deals only with the immediate results of pro-labour policies, the farm economist only with the rise of agricultural prices. They both view the problems only from the angle of those pressure groups which are immediately favoured by the measure in question and disregard its ultimate social consequences. They are not economists, but expounders of government activities in a particular branch of the administration.

For under government interference with business the unity of government policies has long since disintegrated into badly coordinated parts. Gone are the days when it was still possible to speak of a government's policy. Today in most countries each department follows its own course, working against the endeavours of the other departments. The department of labour aims at higher wage rates and at lower living costs. But the same administration's department of agriculture aims at higher food prices, and the department of commerce tries to raise domestic commodity prices by tariffs. One department fights against monopoly, but other

departments are eager to bring about — by tariffs, patents, and other means — the conditions required for the building of monopolistic restraint. And each department refers to the expert opinion of those specialized in their respective fields.

Thus the students no longer receive an initiation into economics. They learn incoherent and disconnected facts about various government measures thwarting one another. Their doctor's theses and their graduate research work deal not with economics but with various topics of economic history and various instances of government interference with business. Such detailed and well-documented statistical studies of the conditions of the immediate past (mistakenly often labelled studies about „present-day” conditions) are of great value for the future historian. They are no less important for the vocational tasks of lawyers and office clerks. But they are certainly not a substitute for the lack of instruction in economics. It is amazing that Stresemann's doctoral thesis dealt with the conditions of the bottled beer trade in Berlin. Under the conditions of the German university curriculum this meant that he devoted a considerable part of his university work to the study of the marketing of beer and of the drinking habits of the population. This was the intellectual equipment that the glorified German university system gave to a man who later acted as the Reich's chancellor in the most critical years of German history.

After the old professors who had got their chairs in the short flowering of German liberalism had died, it became impossible to hear anything about economics at the universities of the Reich. There were no longer any German economists, and the books of foreign economists could not be found in the libraries of the university seminars. The social scientists did not follow the example of the professors of theology who acquainted their students with the tenets and dogmas of other churches and sects and with the philosophy of atheism because they were eager to refute the creeds they deemed heretical. All that the students of the social sciences learned from their teachers was that economics is a spurious science and that the so-called economists are, as Marx said, sycophantic apologists of the unfair class interests of bourgeois exploiters, ready to sell the people to big business and finance capital.¹⁹ The graduates left the universities convinced advocates of totalitarianism either of the Nazi variety or of the Marxian brand.

Conditions in other countries were similar. The most eminent establishment of French learning was the Ecole Normale Supérieure in Paris; its graduates filled the most important posts in public administration, politics and higher education. This school was dominated by Marxians and other supporters of full government control. In Russia the Imperial Government did not admit to a university chair anybody suspected of the liberal ideas of „Western” economics. But, on the other hand, it appointed many Marxians of the „loyal” wing of Marxism, ie, those who kept out of the way of the

revolutionary fanatics. Thus the Czars themselves contributed to the later triumph of Marxism.

European totalitarianism is an upshot of bureaucracy's pre-eminence in the field of education. The universities paved the way for the dictators.

Today both in Russia and in Germany the universities are the main strongholds of the one-party system. Not only the social sciences, history, and philosophy, but all other branches of knowledge, of art, and of literature are regimented or, as the Nazis say, gleichgeschaltet. Even Sidney and Beatrice Webb, naive and uncritical admirers of the Soviets as they are, were shocked when they discovered that the Journal for Marxist-Leninist Natural Sciences stands „for party in mathematics” and „for the purity of Marxist-Leninist theory in surgery” and that the Soviet Herald of Venereology and Dermatology aims at considering all problems that it discusses from the point of view of dialectical materialism.

From: Bureaucracy, New Haven: Yale University Press, 1944.

Friedrich A. von Hayek

The proper limits of state activity in education (1960)

Hayek argues that there are good reasons for compulsory schooling and consequently for subsidising the education of children from poor families. But he questions the prevailing consensus that calls for sweeping, tax-financed state intervention based on egalitarian ideas in the field of education. On the basis of pertinent historical experiences, can one advocate or want a highly centralised, state-controlled educational system? Are there no alternatives? Besides, would it not be expedient to limit state expenditure on education? According to Hayek, higher education should not be subsidised because of the subsequent advantages for the individual but because of the benefits for the entire community. If benefits for the community are not immediately apparent, one should look around for loan financing possibilities. Hayek accords particular importance to the question of regulating access to higher education. Inflated education opportunities harbour the danger of creating an „intellectual proletariat“, which will entail unpleasant political consequences. With scarce resources, egalitarian goals in education policy can be pursued only if selection procedures are developed — procedures that can hardly lay claim to being „just“ and are eventually detrimental to society.

Friedrich A. von Hayek (1899-1992) is one of the most important exponents of classical liberalism in the twentieth century. In 1947 he founded the Mont Pèlerin Society to revitalise liberalism and the Society worked successfully towards this goal. In 1944 he became widely known with the publication of his popular book *The Road to Serfdom* in England in which he attempted to sensitize his readers to the dangers of socialism (in all parties!). As an economist, he made a name for himself as a critic of the planned economy, which he believed could never function. He also took up a position as a staunch opponent of John Maynard Keynes' ideas on economic policy. He was to experience the political success of his ideas rather late in life, reflected mainly in the worldwide reforms initiated by the economic policies of the US administration under Ronald Reagan and the British government under Margaret Thatcher. He did not devote himself solely to economic theory, for which he was awarded the Nobel prize for economics in 1974, but also to political philosophy. Hayek's work *The Constitution of Freedom* that describes the central importance of the rule of law to freedom is considered a classic especially in view of his involvement in dissident circles before and after German reunification.

1. Knowledge is perhaps the chief good that can be had at a price, but those who do not already possess it often cannot recognize its usefulness. More important still, access to the sources of knowledge necessary for the working of modern society presupposes the command of certain techniques — above all, that of reading — which people must acquire be-

fore they can judge well for themselves what will be useful to them. Though our case for freedom rests to a great extent on the contention that competition is one of the most powerful instruments for the dissemination of knowledge and that it will usually demonstrate the value of knowledge to those who do not possess it, there is no doubt that the utilization of knowledge can be greatly increased by deliberate efforts. Ignorance is one of the chief reasons why men's endeavours are often not channelled so that they are most useful to their fellows; and there are various reasons why it may be in the interest of the whole community that knowledge be brought to people who have little incentive to seek it or to make some sacrifice to acquire it. These reasons are particularly compelling in the case of children, but some of the arguments apply no less to adults.

With regard to children the important fact is, of course, that they are not responsible individuals to whom the argument for freedom fully applies. Though it is generally in the best interest of children that their bodily and mental welfare be left in the care of their parents or guardians, this does not mean that parents should have unrestricted liberty to treat their children as they like. The other members of the community have a genuine stake in the welfare of the children. The case for requiring parents or guardians to provide for those under their care a certain minimum of education is clearly very strong.

In contemporary society, the case for compulsory education up to a certain minimum standard is twofold. There is the general argument that all of us will be exposed to less risks and will receive more benefits from our fellows if they share with us certain basic knowledge and beliefs. And in a country with democratic institutions there is the further important consideration that democracy is not likely to work, except on the smallest local scale, with a partly illiterate people. It is important to recognize that general education is not solely, and perhaps not even mainly, a matter of communicating knowledge. There is a need for certain common standards of values, and, though too great emphasis on this need may lead to very illiberal consequences, peaceful common existence would be clearly impossible without any such standards. If in long-settled communities with a predominantly indigenous population, this is not likely to be a serious problem, there are instances, such the United States during the period of large immigration, where it may well be one. That the United States would not have become such an effective „melting pot” and would probably have faced extremely difficult problems if it had not been for a deliberate policy of „Americanization” through the public school system seems fairly certain.

The fact that all education must be and ought to be guided by definite values is, however, also the source of real dangers in any system of public education. One has to admit that in this respect most nineteenth-century liberals were guided by a naive overconfidence in what mere communica-

tion of knowledge could achieve. In their rationalistic liberalism they often presented the case for general education as though the dispersion of knowledge would solve all major problems and as though it were necessary to convey to the masses that little extra knowledge which the educated already possessed in order that this „conquest of ignorance” should initiate a new era. There is not much reason to believe that, if at any one time the best knowledge which some possess were made available to all, the result would be a much better society. Knowledge and ignorance are very relative concepts, and there is little evidence that the difference in knowledge which at any one time exists between the more and the less educated of a society can have such a decisive influence on its character.

2. If we accept the general argument for compulsory education, there remain these chief problems: How is this education to be provided? How much of it is to be provided for all? How are those who are to be given more to be selected and at whose expense? It is probably a necessary consequence of the adoption of compulsory education that for those families to whom the cost would be a severe burden it should be defrayed out of public funds. There is still the question, however, how much education should be provided at public expense and in what manner it should be provided. It is true that, historically, compulsory education was usually preceded by the governments' increasing opportunities by providing state schools. The earliest experiments with making education compulsory, those in Prussia at the beginning of the

eighteenth century, were in fact confined to those districts where the government had provided schools. There can be little doubt that in this manner the process of making education general was greatly facilitated. Imposing general education on a people largely unfamiliar with its institutions and advantages would indeed be difficult. This does not mean, however, that compulsory education or even government-financed general education today requires the educational institutions to be run by the government.

It is a curious fact that one of the first effective systems under which compulsory education was combined with the provision of most educational institutions by the government was created by one of the great advocates of individual liberty, Wilhelm von Humboldt, only fifteen years after he had argued that public education was harmful because it prevented variety in accomplishments and unnecessary because in a free nation there would be no lack of educational institutions. „Education,” he had said, „seems to me to lie wholly beyond the limits within which political agency should be properly confined.” It was the plight of Prussia during the Napoleonic wars and the needs of national defence that made him abandon his earlier position. The desire for „the development of the individual personalities in their greatest variety” which had inspired his earlier work became secondary when desire for a strong organized state led him to devote much of his later life to the building of a system of state education that became a model for the rest of the world. It can scarcely be denied that the general level of education

which Prussia thus attained was one of the chief causes of her rapid economic rise and later that of all Germany. One may well ask, however, whether this success was not bought at too high a price. The role played by Prussia during the succeeding generations may make one doubt whether the much lauded Prussian schoolmaster was an unmixed blessing for the world, or even for Prussia.

The very magnitude of the power over men's minds that a highly centralized and government-dominated system of education places in the hands of the authorities ought to make one hesitate before accepting it too readily. Up to a point, the arguments that justify compulsory education also require that government should prescribe some of the content of this education. As we have already mentioned, there may be circumstances in which the case for authority's providing a common cultural background for all citizens becomes very strong. Yet we must remember that it is the provision of education by government which creates such problems as that of the segregation of Negroes in the United States — difficult problems of ethnic or religious minorities which are bound to arise where government takes control of the chief instruments of transmitting culture. In multinational states the problem of who is to control the school system tends to become the chief source of friction between nationalities. To one who has seen this happen in countries like the old Austria-Hungary, there is much force in the argument that it may be better even that some children should go without formal

education than that they should be killed in fighting over who is to control that education.

Even in ethnically homogeneous states, however, there are strong arguments against entrusting to government that degree of control of the contents of education which it will possess if it directly manages most of the schools that are accessible to the great masses. Even if education were a science which provided us with the best of methods of achieving certain goals, we could hardly wish the latest methods to be applied universally and to the complete exclusion of others — still less that the aims should be uniform. Very few of the problems of education, however, are scientific questions in the sense that they can be decided by any objective tests. They are mostly either outright questions of value, or at least the kind of questions concerning which the only ground for trusting the judgment of some people rather than that of others is that the former have shown more good sense in other respects. Indeed, the very possibility that, with a system of government education, all elementary education may come to be dominated by the theories of a particular group who genuinely believe that they have scientific answers to those problems (as has happened to a large extent in the United States during the last thirty years) should be sufficient to warn us of the risks involved in subjecting the whole educational system to central direction.

3. In fact, the more highly one rates the power that education can have over men's minds, the more convinced one should be of the danger of placing this power in the hands of any single authority. But even if one does not rate its power to do good as highly as did some of the rationalistic liberals of the nineteenth century, however, the mere recognition of this power should lead us to conclusions almost the opposite of theirs. And if, at present, one of the reasons why there should be the greatest variety of educational opportunities is that we really know so little about what different educational techniques may achieve, the argument for variety would be even stronger if we knew more about the methods of producing certain types of results — as we soon may.

In the field of education perhaps more than in any other, the greatest dangers to freedom are likely to come from the development of psychological techniques which may soon give us far greater power than we ever had to shape men's minds deliberately. But knowledge of what we can make of human beings if we can control the essential conditions of their development, though it will offer a frightful temptation, does not necessarily mean that we shall by its use improve upon the human being who has been allowed to develop freely. It is by no means clear that it would be a gain if we could produce the human types that it was generally thought we needed. It is not at all unlikely that the great problem in this field will soon be that of preventing the use of powers which we do possess and which may present a strong temptation

to all those who regard a controlled result as invariably superior to an uncontrolled one. Indeed, we may soon find that the solution has to lie in government ceasing to be the chief dispenser of education and becoming the impartial protector of the individual against all uses of such newly found powers.

Not only is the case against the management of schools by government now stronger than ever, but most of the reasons which in the past could have been advanced in its favour have disappeared. Whatever may have been true then, there can be little doubt that today, with the traditions and institutions of universal education firmly established and with modern transportation solving most of the difficulties of distance, it is no longer necessary that education be not only financed but also provided by government.

As has been shown by Professor Milton Friedman it would now be entirely practicable to defray the costs of general education out of the public purse without maintaining government schools, by giving the parents vouchers covering the cost of education of each child which they could hand over to schools of their choice. It may still be desirable that government directly provide schools in a few isolated communities where the number of children is too small (and the average cost of education therefore too high) for privately run schools. But with respect to the great majority of the population, it would undoubtedly be possible to leave the organization and management of education entirely to pri-

vate efforts, with the government providing merely the basic finance and ensuring a minimum standard for all schools where the vouchers could be spent. Another great advantage of this plan is that parents would no longer be faced with the alternative of having to accept whatever education the government provides or of paying the entire cost of a different and slightly more expensive education themselves; and if they should choose a school out of the common run, they would be required to pay only the additional cost.

4. A more difficult problem is how much education is to be provided at public expense and for whom such education is to be provided beyond the minimum assured to all. (...)

The really important issue is that of the manner in which those whose education is to be prolonged beyond the general minimum are to be selected. The costs of a prolonged education, in terms of material resources and still more of human ones, are so considerable even for a rich country that the desire to give a large fraction of the population an advanced education will always in some degree conflict with the desire to prolong the education for all. It also seems probable that a society that wishes to get a maximum economic return from a limited expenditure on education should concentrate on the higher education of a comparatively small elite which today would mean increasing that part of the population getting the most advanced type of education rather than prolonging education for large numbers. Yet, with government education, this would not seem practicable

in a democracy, nor would it be desirable that authority should determine who is to get such an education.

As in all other fields, the case for subsidization of higher education (and of research) must rest not on the benefit it confers on the recipient but on the resulting advantages for the community at large. There is, therefore, little case for subsidizing any kind of vocational training, where the greater proficiency acquired will be reflected in greater earning power, which will constitute a fairly adequate measure of the desirability of investing in training of this kind. Much of the increased earnings in occupations requiring such training will be merely a return on the capital invested in it. The best solution would seem to be that those in whom such investment would appear to promise the largest return should be enabled to borrow the capital and later repay it out of their increased earnings, though such an arrangement would meet with considerable practical difficulties.

The situation is somewhat different, however, where the costs of a higher education are not likely to result in a corresponding increase in the price at which the services of the better-trained man can be sold to other individuals (as is the case in the professions of medicine, the law, engineering, and so on) but where the aim is the further dispersion and increase in knowledge throughout the community at large. The benefits that a community receives from its scientists and scholars cannot be measured by the price at which these men can sell particular services, since much of their

contribution becomes freely available to all. There is therefore a strong case for assisting at least some of those who show promise and inclination for the pursuit of such studies.

It is a different matter, however, to assume that all who are intellectually capable of acquiring a higher education have a claim to it. That it is in the general interest to enable all the specially intelligent to become learned is by no means evident or that all of them would materially profit by such an advanced education, or even that such an education should be restricted to those who have an unquestionable capacity for it and be made the normal or perhaps the exclusive path to higher positions. As has been pointed out recently, a much sharper division between classes might come to exist, and the less fortunate might become seriously neglected, if all the more intelligent were deliberately and successfully brought into the wealthy group and it became not only a general presumption but a universal fact that the relatively poor were less intelligent. There is also another problem which has assumed serious proportions in some European countries and which we ought to keep in mind, and this is the problem of having more intellectuals than we can profitably employ. There are few greater dangers to political stability than the existence of an intellectual proletariat who find no outlet for their learning.

The general problem we are faced with in all higher education, then, is this: by some method, certain young people must be selected, at an age when one cannot know with any

certainty who will profit most, to be given an education that will enable them to earn a higher income than the rest; and to justify the investment, they must be selected so that, on the whole, they will be qualified to earn a higher income. Finally, we have to accept the fact that, since as a rule somebody else will have to pay for the education, those who benefit from it will thus be enjoying an „unearned” advantage.

5. In recent times the difficulties of this problem have greatly increased and a reasonable solution made almost impossible by the increasing use of government education as an instrument for egalitarian aims. Though a case can be made for assuring opportunities for an advanced education as far as possible to those most likely to profit from them, the control of government over education has in large measure been used to equalize the prospects of all, which is something very different. (...)

It should be admitted that, so far as education at public expense is concerned, the argument for equal treatment of all is strong. When it is combined, however, with an argument against permitting any special advantages to the more fortunate ones, it means in effect that all must be given what any child gets and that none should have what cannot be provided for all. Consistently pursued, it would mean that no more must be spent on the education of any child than can be spent on the education of every child. If this were the necessary consequence of public education, it would constitute a strong argument against government's concerning itself with education beyond the elementary level, which can

indeed be given to all, and for leaving all advanced education in private hands.

At any rate, the fact that certain advantages must be limited to some does not mean that a single authority should have exclusive power to decide to whom they should go. It is not likely that such power in the hands of authority would in the long run really advance education or that it would create social conditions that would be felt to be more satisfactory or just than they would otherwise have been. On the first point it should be clear that no single authority should have the monopoly of judging how valuable a particular kind of education is and how much should be invested in more education or in which of the different kinds of education. There is not — and cannot be in a free society — a single standard by which we can decide on the relative importance of different aims or the relative desirability of different methods. Perhaps in no other field is the continued availability of alternative ways so important as in that of education, where the task is to prepare young people for an ever-changing world.

So far as justice is concerned, we should be clear that those who in the general interest most „deserve” an advanced education are not necessarily those who by effort and sacrifice have earned the greatest subjective merit. Natural capacity and inborn aptitude are as much „unfair advantages” as accidents of environment, and to confine the advantages of higher education to those that we can confidently foresee

profiting most from them will necessarily increase rather than decrease the discrepancy between economic status and subjective merit.

The desire to eliminate the effects of accident, which lies at the root of the demand for „social justice,“ can be satisfied in the field of education, as elsewhere, only by eliminating all those opportunities which are not subject to deliberate control. But the growth of civilization rests largely on the individuals' making the best use of whatever accidents they encounter, of the essentially unpredictable advantages that one kind of knowledge will in new circumstances confer on one individual over others.

However commendable may be the motives of those who fervently desire that, in the interest of justice, all should be made to start with the same chances, theirs is an ideal that is literally impossible to realize. Furthermore, any pretence that it has been achieved or even closely approached can only make matters worse for the less successful. Though there is every case for removing whatever special obstacles existing institutions may put in the way of some, it is neither possible nor desirable to make all start with the same chances, since this can be achieved only by depriving some of possibilities that cannot be provided for all. While we wish everybody's opportunities to be as great as possible, we should certainly decrease those of most if we were to prevent them from being any greater than those of the least fortunate. To say that all who live at the same time in any

given country should start at the same place is no more reconcilable with a developing civilization than to say that this kind of equality should be assured to people living at different times or at different places.

It may be in the interest of the community that some who show exceptional capacities for scholarly or scientific pursuits should be given an opportunity to follow them irrespective of family means. But this does not confer a right on anyone to such opportunity; nor does it mean that only those whose exceptional capacities can be ascertained ought to have the opportunity or that nobody should have it unless it can be assured to all who can pass the same objective tests.

Not all the qualities which enable one to make special contributions are ascertainable by examinations or tests, and it is more important that at least some of those who possess such qualities have an opportunity than that it be given to all who satisfy the same requirements. A passionate desire for knowledge or an unusual combination of interests may be more important than the more visible gifts or any testable capacities; and a background of general knowledge and interests or a high esteem for knowledge produced by family environment often contributes more to achievement than natural capacity. That there are some people who enjoy the advantages of a favourable home atmosphere is an asset to society which egalitarian policies can destroy but which cannot be utilized without the appearance of unmerited unequal-

ities. And since a desire for knowledge is a bent that is likely to be transmitted through the family, there is a strong case for enabling parents who greatly care for education to secure it for their children by a material sacrifice, even if on other grounds these children may appear less deserving than others who will not get it.

6. The insistence that education should be given only to those of proved capacity produces a situation in which the whole population is graded according to some objective test and it which one set of opinions as to what kind of person qualifies for the benefits of an advanced education prevails throughout. This means an official ranking of people into a hierarchy, with the certified genius on top and the certified moron at the bottom a hierarchy made much worse by the fact that it is presumed to express „merit” and will determine access to the opportunities in which value can show itself. Where exclusive reliance on a system of government education is intended to serve „social justice,” a single view of what constitutes an advanced education — and then of the capacities which qualify for it — will apply throughout, and the fact that somebody has received an advanced education will be presumed to indicate that he had „deserved” it.

In education, as in other fields, the admitted fact that the public has an interest in assisting some must not be taken to mean that only those who are judged by some agreed view to deserve assistance out of public funds should be allowed

access to an advanced education, or that nobody should be allowed to assist specific individuals on other grounds. There is probably much to be said for some members of each of the different groups of the population being given a chance, even if the best from some groups seem less qualified than members of other groups who do not get it. For this reason, different local, religious, occupational, or ethnic groups should be able to assist some of the young members, so that those who receive a higher education will represent their respective group somewhat in proportion to the esteem in which the latter hold education.

It must at least seem doubtful that a society in which educational opportunities were universally awarded according to presumed capacity would be more tolerable for the unsuccessful ones than one in which accidents of birth admittedly played a great role. (...)

Let us by all means endeavour to increase opportunities for all. But we ought to do so in the full knowledge that to increase opportunities for all is likely to favour those better able to take advantage of them and may often at first increase inequalities. Where the demand for „equality of opportunity” leads to attempts to eliminate such „unfair advantages,” it is only likely to do harm. All human differences, whether they are differences in natural gifts or in opportunities, create unfair advantages. But, since the chief contribution of any individual is to make the best use of the acci-

dents he encounters, success must to a great extent be a matter of chance.

From: Friedrich A. von Hayek, The Constitution of Liberty, Chicago: The University of Chicago Press, 1960, pp. 376 ff.

Milton Friedman

The role of government in education (1962)

Friedman believes that state involvement in education is justified because a certain amount of education, knowledge and shared values are prerequisites for stability and democracy. This is not, however, reason for excessive state involvement. Subsidies are called for only if parents cannot afford to finance their children's schooling.

But does this necessitate a state-run school system? Is the direct financing of schools a good solution? Friedman argues that the state can achieve the goal of minimum compulsory schooling for children just as well by giving parents education vouchers that represents a certain sum of money per child per year. This would entitle them to buy „state recognised“ educational services. There are obvious advantages to this system. It means that all schools are de facto privatised, parents are given a real choice, schools are encouraged to be customer-oriented, there are less chances of money going to waste and quality is assured. Schools and teachers that do not perform well lose customers. A similar system would create similar advantages for institutions of higher education. Education vouchers as the basis of wide-ranging educational reform in the USA was first proposed in 1955. The implementation of the proposal remained one of Friedman's most important political concerns until his death.

Milton Friedman (1912-2006), winner of the Nobel Prize for economics in 1976 for his contributions to monetary theory, is one of the most influential economists of the twentieth century. Friedman's ideas, like those of Friedrich von Hayek, were the inspiration behind overhauling economic policy and orienting it to the liberal free market. Some countries continue to reap the fruit till today. Friedman, often wrongly accused of supporting dictatorships and having a one-sided view of freedom, believed that economic freedom and libertarian democracy were closely intertwined. He tried to explain this in *Capitalism and Freedom*, one of his best-known works, from which the excerpt in this reader has been taken. He was interested in the conditions and effects of economic freedom throughout his life. .

Formal schooling is today paid for and almost entirely administered by government bodies or non-profit institutions. This situation has developed gradually and is now taken so much for granted that little explicit attention is any longer directed to the reasons for the special treatment of schooling even in countries that are predominantly free enterprise in organization and philosophy. The result has been an indiscriminate extension of governmental responsibility.

(...) governmental intervention into education can be rationalized on two grounds. The first is the existence of substantial „neighbourhood effects,“ ie, circumstances under which the action of one individual imposes significant costs on other individuals for which it is not feasible to make him com-

compensate them, or yields significant gains to other individuals for which it is not feasible to make them compensate him — circumstances that make voluntary exchange impossible. The second is the paternalistic concern for children and other irresponsible individuals. Neighbourhood effects and paternalism have very different implications for (1) general education for citizenship, and (2) specialized vocational education. The grounds for governmental intervention are widely different in these two areas and justify very different types of action.

One further preliminary remark: it is important to distinguish between „schooling“ and „education.“ Not all schooling is education nor all education, schooling. The proper subject of concern is education. The activities of government are mostly limited to schooling.

GENERAL EDUCATION FOR CITIZENSHIP

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 some common set of values. Education can contribute to both. In consequence, the gain from the education of a child accrues not only to the child or to his parents but also to other members of the society. The education of my child contributes to your welfare by promoting a stable and, democratic society. It is not feasible to identify the particular individuals (or families) benefited and so to charge for the services rendered. There is therefore a significant „neighbourhood effect.“

What kind of governmental action is justified by this particular neighbourhood effect? The most obvious is to require that each child receive a minimum amount of schooling of a specified kind. Such a requirement could be imposed upon the parents without further government action, just as owners of buildings, and frequently of automobiles, are required to adhere to specified standards to protect the safety of others. There is, however, a difference between the two cases. Individuals who cannot pay the costs of meeting the standards required for buildings or automobiles can generally divest themselves of the property by selling it. The requirement can thus generally be enforced without government subsidy. The separation of a child from a parent who cannot pay for the minimum required schooling is clearly inconsistent with our reliance on the family as the basic social unit and our belief in the freedom of the individual. Moreover, it would be very likely to detract from his education for citizenship in a free society.

If the financial burden imposed by such a schooling requirement could readily be met by the great bulk of the families in a community, it might still be both feasible and desirable to require the parents to meet the cost directly. Extreme cases could be handled by special subsidy provisions for needy families. There are many areas in the United States today where these conditions are satisfied. In these areas, it would be highly desirable to impose the costs directly on the parents. This would eliminate the governmental machinery now required to collect tax funds from all residents during the

whole of their lives and then pay it back mostly to the same people during the period when their children are in school. It would reduce the likelihood that governments would also administer schools, a matter discussed further below. It would increase the likelihood that the subsidy component of school expenditures would decline as the need for such subsidies declined with increasing general levels of income. If, as now, the government pays for all or most schooling, a rise in income simply leads to a still larger circular flow of funds through the tax mechanism, and an expansion in the role of the government. Finally, but by no means least, imposing the costs on the parents would tend to equalize the social and private costs of having children and so promote a better distribution of families by size.

Differences among families in resources and in number of children, plus the imposition of a standard of schooling involving very sizable costs, make such a policy hardly feasible in many parts of the United States. Both in such areas, and in areas where such a policy would be feasible, government has instead assumed the financial costs of providing schooling. It has paid, not only for the minimum amount of schooling required of all, but also for additional schooling at higher levels available to youngsters but not required of them. One argument for both steps is the „neighbourhood effects“ discussed above. The costs are paid because this is the only feasible means of enforcing the required minimum. Additional schooling is financed because other people benefit from the schooling of those of greater ability and in-

terest, since this is a way of providing better social and political leadership. The gain from these measures must be balanced against the costs, and there can be much honest difference of judgment about how extensive a subsidy is justified. Most of us, however, would probably conclude that the gains are sufficiently important to justify some government subsidy.

These grounds justify government subsidy of only certain kinds of schooling. To anticipate, they do not justify subsidizing purely vocational training which increases the economic productivity of the student but does not train him for either citizenship or leadership. It is extremely difficult to draw a sharp line between the two types of schooling. Most general schooling adds to the economic value of the student — indeed it is only in modern times and in a few countries that literacy has ceased to have a marketable value. And much vocational training broadens the student's outlook. Yet the distinction is meaningful. Subsidizing the training of veterinarians, beauticians, dentists, and a host of other specialists, as is widely done in the United States in governmentally supported educational institutions, cannot be justified on the same grounds as subsidizing elementary schools or, at a higher level, liberal arts colleges (...).

The qualitative argument from „neighbourhood effects“ does not, of course, determine the specific kinds of schooling that should be subsidized or by how much they should be subsidized. The social gain presumably is greatest for the

lowest levels of schooling, where there is the nearest approach to unanimity about content, and declines continuously as the level of schooling rises. Even this statement cannot be taken completely for granted. Many governments subsidized universities long before they subsidized lower schools. What forms of education have the greatest social advantage and how much of the community's limited resources should be spent on them must be decided by the judgment of the community expressed through its accepted political channels. The aim of this analysis is not to decide these questions for the community but rather to clarify the issues involved in making a choice, in particular whether it is appropriate to make the choice on a communal rather than individual basis.

(...) Governments have, in the main, financed schooling by paying directly the costs of running educational institutions. Thus this step seemed required by the decision to subsidize schooling. Yet the two steps could readily be separated. Governments could require a minimum level of schooling financed by giving parents vouchers redeemable for a specified maximum sum per child per year spent on „approved“ educational services. Parents would then be free to spend this sum and any additional sum they themselves provided on purchasing educational services from an „approved“ institution of their own choice. The educational services could be rendered by private enterprises operated for profit, or by non-profit institutions. The role of the government would be limited to insuring that the schools met certain minimum

standards, such as the inclusion of a minimum common content in their programs, much as it now inspects restaurants to insure that they maintain minimum sanitary standards. An excellent example of a program of this sort is the United States educational program for veterans after World War II. Each veteran who qualified was given a maximum sum per year that could be spent at any institution of his choice, provided it met certain minimum standards. A more limited example is the provision in Britain whereby local authorities pay the fees of some students attending non-state schools. Another is the arrangement in France whereby the state pays part of the costs for students attending non-state schools.

One argument for nationalizing schools resting on a „neighbourhood effect“ is that it might otherwise be impossible to provide the common core of values deemed requisite for social stability. The imposition of minimum standards on privately conducted schools, as suggested above, might not be enough to achieve this result. The issue can be illustrated concretely in terms of schools run by different religious groups. Such schools, it can be argued, will instil sets of values that are inconsistent with one another and with those instilled in non-sectarian schools; in this way, they convert education into a divisive rather than a unifying force.

Carried to its extreme, this argument would call not only for governmentally administered schools, but also for compulsory attendance at such schools. Existing arrangements in

the United States and most other Western countries are a halfway house. Governmentally administered schools are available but not compulsory. However, the link between the financing of schooling and its administration places other schools at a disadvantage: they get the benefit of little or none of the governmental funds spent on schooling — a situation that has been the source of much political dispute, particularly in France and at present in the United States. The elimination of this disadvantage might, it is feared, greatly strengthen the parochial schools and so render the problem of achieving a common core of values even more difficult.

Persuasive as this argument is, it is by no means clear that it is valid or that denationalizing schooling would have the effects suggested. On grounds of principle, it conflicts with the preservation of freedom itself. Drawing a line between providing for the common social values required for a stable society, on the one hand, and indoctrination inhibiting freedom of thought and belief, on the other is another of those vague boundaries that is easier to mention than to define. In terms of effects, denationalizing schooling would widen the range of choice available to parents. If, as at present, parents can send their children to public schools without special payment, very few can or will send them to other schools unless they too are subsidized. Parochial schools are at a disadvantage in not getting any of the public funds devoted to schooling, but they have the compensating advantage of being run by institutions that are willing to subsi-

dize them and can raise funds to do so. There are few other sources of subsidies for private schools. If present public expenditures on schooling were made available to parents regardless of where they send their children, a wide variety of schools would spring up to meet the demand. Parents could express their views about schools directly by withdrawing their children from one school and sending them to another, to a much greater extent than is now possible. In general, they can now take this step only at considerable cost — by sending their children to a private school or by changing their residence. For the rest, they can express their views only through cumbrous political channels. Perhaps a somewhat greater degree of freedom to choose schools could be made available in a governmentally administered system, but it would be difficult to carry this freedom very far in view of the obligation to provide every child with a place. Here, as in other fields, competitive enterprise is likely to be far more efficient in meeting consumer demand than either nationalized enterprises or enterprises run to serve other purposes. The final result may therefore be that parochial schools would decline rather than grow in importance.

A related factor working in the same direction is the understandable reluctance of parents who send their children to parochial schools to increase taxes to finance higher public school expenditures. As a result, those areas where parochial schools are important have great difficulty raising funds for public schools. Insofar as quality is related to expendi-

ture, as to some extent it undoubtedly is, public schools tend to be of lower quality in such areas and hence parochial schools are relatively more attractive.

Another special case of the argument that governmentally conducted schools are necessary for education to be a unifying force is that private schools would tend to exacerbate class distinctions. Given greater freedom about where to send their children, parents of a kind would flock together and so prevent a healthy intermingling of children from decidedly different backgrounds. Whether or not this argument is valid in principle, it is not at all clear that the stated results would follow. Under present arrangements, stratification of residential areas effectively restricts the intermingling of children from decidedly different backgrounds. In addition, parents are not now prevented from sending their children to private schools. Only a highly limited class can or does do so, parochial schools aside, thus producing further stratification.

Indeed, this argument seems to me to point in almost the diametrically opposite direction — toward the denationalizing of schools. Ask yourself in what respect the inhabitant of a low income neighbourhood, let alone of a Negro neighbourhood in a large city, is most disadvantaged. If he attaches enough importance to, say, a new automobile, he can, by dint of saving, accumulate enough money to buy the same car as a resident of a high-income suburb. To do so, he need not move to that suburb. On the contrary, he can

get the money partly by economizing on his living quarters. And this goes equally for clothes, or furniture, or books, or what not. But let a poor family in a slum have a gifted child and let it set such high value on his or her schooling that it is willing to scrimp and save for the purpose. Unless it can get special treatment, or scholarship assistance, at one of the very few private schools, the family is in a very difficult position. The „good“ public schools are in the high income neighbourhoods. The family might be willing to spend something in addition to what it pays in taxes to get better schooling for its child. But it can hardly afford simultaneously to move to the expensive neighbourhood.

Our views in these respects are, I believe, still dominated by the small town which had but one school for the poor and rich residents alike. Under such circumstances, public schools may well have equalized opportunities. With the growth of urban and suburban areas, the situation has changed drastically. Our present school system, far from equalizing opportunity, very likely does the opposite. It makes it all the harder for the exceptional few — and it is they who are the hope of the future — to rise above the poverty of their initial state.

Another argument for nationalizing schooling is „technical monopoly.“ In small communities and rural areas, the number of children may be too small to justify more than one school of reasonable size, so that competition cannot be relied on to protect the interests of parents and children. As in other

cases of technical monopoly, the alternatives are unrestricted private monopoly, state-controlled private monopoly, and public operation — a choice among evils. This argument, though clearly valid and significant, has been greatly weakened in recent decades by improvements in transportation and increasing concentration of the population in urban communities.

The arrangement that perhaps comes closest to being justified by these considerations — at least for primary and secondary education — is a combination of public and private schools. Parents who choose to send their children to private schools would be paid a sum equal to the estimated cost of educating a child in a public school, provided that at least this sum was spent on education in an approved school. This arrangement would meet the valid features of the „technical monopoly“ argument. It would meet the just complaints of parents that if they send their children to private non-subsidized schools they are required to pay twice for education — once in the form of general taxes and once directly. It would permit competition to develop. The development and improvement of all schools would thus be stimulated. The injection of competition would do much to promote a healthy variety of schools. It would do much, also, to introduce flexibility into school systems. Not least of its benefits would be to make the salaries of school teachers responsive to market forces. It would thereby give public authorities an independent standard against which to judge, salary

scales and promote a more rapid adjustment to changes in conditions of demand and supply.

It is widely urged that the great need in schooling is more money to build more facilities and to pay higher salaries to teachers in order to attract better teachers. This seems a false diagnosis. The amount of money spent on schooling has been rising at an extraordinarily high rate, far faster than our total income. Teachers' salaries have been rising far faster than returns in comparable occupations. The problem is not primarily that we are spending too little money — though we may be — but that we are getting so little per dollar spent. Perhaps the amounts of money spent on magnificent structures and luxurious grounds at many schools are properly classified as expenditures on schooling. It is hard to accept them equally as expenditures on education. And this is equally clear with respect to courses in basket weaving, social dancing, and the numerous other special subjects that do such credit to the ingenuity of educators. I hasten to add that there can be no conceivable objection to parents' spending their own money on such frills if they wish. That is their business. The objection is to using money raised by taxation imposed on parents and non-parents alike for such purposes. Wherein are the „neighbourhood effects“ that justify such use of tax money?

A major reason for this kind of use of public money is the present system of combining the administration of schools with[^] their financing. The parent who would prefer to see

money, used for better teachers and texts rather than coaches and corridors has no way of expressing this preference except by persuading a majority to change the mixture for all. This is a special case of the general principle that a market permits each to satisfy his own taste — effective proportional 'representation; whereas the political process imposes conformity. In addition, the parent who would like to spend some extra money on his child's education is greatly limited. He cannot add something to the amount now being spent to school his child and transfer his child to a correspondingly more costly school. If he does transfer his child, he must pay the whole cost and not simply the additional cost. He can only spend extra money easily on extra-curricular activities — dancing lessons, music lessons, etc. Since the private outlets for spending more money on schooling are so blocked, the pressure to spend more on the education of children manifests itself in ever higher public expenditures on items ever more tenuously related to the basic justification for governmental intervention into schooling.

As this analysis implies, the adoption of the suggested arrangements might well mean smaller governmental expenditures on schooling, yet higher total expenditures. It would enable parents to buy what they want more efficiently and thereby lead them to spend more than they now do directly and indirectly through taxation. It would prevent parents from being frustrated in spending more money on schooling by both the present need for conformity in how the money is spent and by the understandable reluctance on the part of

persons not currently having children in school, and especially those who will not in the future have them in school, to impose higher taxes on themselves for purposes often far removed from education as they understand the term.

With respect to teachers' salaries, the major problem is not that they are too low on the average — they may well be too high on the average — but that they are too uniform and rigid. Poor teachers are grossly overpaid and good teachers grossly underpaid. Salary schedules tend to be uniform and determined far more by seniority, degrees received, and teaching, certificates acquired than by merit. This, too, is largely a result of the present system of governmental administration of schools and becomes more serious as the unit over which governmental control is exercised becomes larger. Indeed, this very fact is a major reason why professional educational organizations so strongly favour broadening the unit — from the local school district to the state, from the state to the federal government. In any bureaucratic, essentially civil-service organization, a standard salary scales are almost inevitable: it is next to impossible to simulate competition capable of providing wide differences in salaries according to merit. The educators, which means the teachers themselves, come to exercise primary control. The parent or local community comes to exercise little control. In any area, whether it be carpentry or plumbing or teaching, the majority of workers favour standard salary scales and oppose merit differentials, for the obvious reason that the specially talented are always few. This is a special case of the general tendency for people to seek to collude to fix

prices, whether through unions or industrial monopolies. But collusive agreements will generally be destroyed by competition unless the government enforces them, or at least renders them considerable support.

If one were to seek deliberately to devise a system of recruiting and paying teachers calculated to repel the imaginative and daring and self-confident and to attract the dull and mediocre and uninspiring, he could hardly do better than imitate the system of requiring teaching certificates and enforcing standard salary structures that has developed in the larger city and state-wide systems. It is perhaps surprising that the level of ability in elementary and secondary school teaching is as high as it is under these circumstances. The alternative system would resolve these problems and permit competition to be effective in rewarding merit and attracting ability to teaching.

(...) Although many administrative problems would arise in changing over from the present to the proposed system and in its administration, these seem neither insoluble nor unique. As in the denationalization of other activities, existing premises and equipment could be sold to private enterprises that wanted to enter the field. Thus, there would be no waste of capital in the transition. Since governmental units, at least in some areas, would continue to administer schools, the transition would be gradual and easy. The local administration of schooling in the United States and some other countries would similarly facilitate the transition, since it would encour-

age experimentation on a small scale. Difficulties would doubtless arise in determining eligibility for grants from a particular governmental unit, but this is identical with the existing problem of determining which unit is obligated to provide schooling facilities for a particular child. Differences in size of grants would make one area more attractive than another just as differences in the quality of schooling now have the same effect. The only additional complication is a possibly greater opportunity for abuse because of the greater freedom to decide where to educate children. Supposed difficulty of administration is a standard defence of the status quo against any proposed change; in this particular case, it is an even weaker defence than usual because existing arrangements must master not only the major problems raised by the proposed arrangements but also the additional problems raised by the administration of schools as a governmental function.

SCHOOLING AT COLLEGE AND UNIVERSITY LEVEL

The preceding discussion is concerned mostly with primary and secondary schooling. For higher schooling, the case for nationalization on grounds either of neighbourhood effects or of technical monopoly is even weaker. For the lowest levels of schooling, there is considerable agreement, approximating unanimity, on the appropriate content of an educational program for citizens of a democracy — the three R's cover most of the ground. At successively higher levels, there is less and less agreement. Surely, well below the level of the American college, there is insufficient agreement to

justify imposing the views of a majority, much less a plurality, on all. The lack of agreement may, indeed, extend so far as to cast doubts on the appropriateness even of subsidizing schooling at this level; it surely goes far enough to undermine any case for nationalization on the grounds of providing a common core of values. There can hardly be any question of „technical monopoly“ at this level, in view of the distances that individuals can and do go to attend institutions of higher learning.

Governmental institutions play a smaller role in the United States in higher schooling than at primary and secondary levels. Yet they grew greatly in importance, certainly until the 1920's, and now account for more than half of the students attending colleges and universities. One of the main reasons for their growth was their relative cheapness; most state and municipal colleges and universities charge much lower tuition fees than private universities can afford to charge. Private universities have in consequence had serious financial problems, and have quite properly complained of „unfair“ competition. They have wanted to maintain their independence from government, yet at the same time have felt driven by financial pressure to seek government aid.

The preceding analysis suggests the lines along which a satisfactory solution can be sought. Public expenditures on higher schooling can be justified as a means of training youngsters for citizenship and for community leadership — though I hasten to add that the large fraction of current expenditure that goes for strictly vocational training cannot be

justified in this way, or indeed, as we shall see, in any other. Restricting the subsidy to schooling obtained at a state-administered institution cannot be justified on any grounds. Any subsidy should be granted to individuals to be spent at institutions of their own choosing, provided only that the schooling is of a kind that it is desired to subsidize. Any government schools that are retained should charge fees covering educational costs and so compete on an equal level with non-government-supported schools. The resulting system would follow in its broad outlines the arrangements adopted in the United States after World War II for financing the education of veterans, except that the funds would presumably come from the states rather than the federal government.

The adoption of such arrangements would make for more effective competition among various types of schools and for a more efficient utilization of their resources. It would eliminate the pressure for direct government assistance to private colleges and universities and thus preserve their full independence and diversity at the same time as it enabled them to grow relative to state institutions. It might also have the ancillary advantage of causing scrutiny of the purposes for which subsidies are granted. The subsidization of institutions rather than of people has led to an indiscriminate subsidization of all activities appropriate for such institutions, rather than of the activities appropriate for the state to subsidize.

From: Chapter 6 (extract) of Capitalism and Freedom, Chicago: The University of Chicago Press, 1962

Ralf Dahrendorf (1965)

Education is a civil right

The common slogan „Education is a civil right“ was coined by Ralf Dahrendorf. Looked at from this perspective, education is not only a person’s security but also empowers him to be a citizen. As a civil right, it applies equally to all citizens and thus implies „equal opportunity“. In other words: Without the right to education, there would be no equal opportunity. In an effort to achieve this goal it is therefore important to resolve the real problems hindering citizens from making use of educational opportunities. This implies an active education policy. In contrast to many other liberals, Dahrendorf appears to be in favour of greater state involvement that would help to enforce the postulated right. On the other hand, and in agreement with other liberals, Dahrendorf also wants to see much more competition in the education system.

Elsewhere in the book *Bildung ist Bürgerrecht* (Education is a Civil Right) from which we quote here, much is said about educational planning. But Dahrendorf’s ideas should not be equated or even confused with a planned economy. Planning is understood more in the sense of management by objectives in which (political) objectives are defined and institutional conditions created that are central to achieving these objectives.

A sociologist, philosopher and publicist, Ralf Dahrendorf (born in 1929) was professor at the universities of Tübingen and Constance in Germany and rector of the London School of Economics. His academic work was accompanied and supplemented by his political commitment as a member of the German Bundestag, Secretary of State in the German Foreign Office, member of the European Commission, Chairperson of the Board at the Friedrich Naumann Foundation, publicist and currently as a member of the House of Lords. In the political field he is known primarily as the mentor of modern liberalism. Together with Karl-Hermann Flach, former General Secretary of the German Free Democratic Party (FDP), Dahrendorf played a decisive role in reorienting the party programme in the late 1960s and early 1970s. Today he is a member of the Liberal Democrats in Great Britain. His most important books include *Society and Democracy in Germany* (1965), *Homo Sociologicus* (1973) and *Fragmente eines neuen Liberalismus* (Fragments of a New Liberalism) (1987).

There are at least three aspects of the right to education, which may originate from the same principle but cannot be combined into a single formula. The right to education is, first and foremost, a fundamental social right for all citizens that simultaneously marks the ground on which all citizens may and must stand if they are to be active as citizens. This right supplements the other important civil rights before the law and in the state. It first took concrete shape when compulsory schooling was introduced and has since been con-

stantly expanded with the addition of fresh content. The process of expansion is never complete; for example, while basic literacy can no longer adequately equip a citizen today, knowledge of a second language, certain elements of mathematics and the basics of social, economic and political life — I none of which are anywhere near being held as self-evident — may be inadequate as the substance of this civil right tomorrow. The second aspect of the right to education refers to equal opportunity in the legal sense in which this term is usually used. No group may be systematically favoured or discriminated against on the grounds of origin or economic status—reasons that have nothing to do with performance.

But the revolutionizing power of the right to education lies in its third aspect. After all, equal legal opportunity remains a myth if social complexities and obligations prevent people from claiming their rights. While a person may have the right to send his children to university, it may not even cross his mind to do so, limited as he is by the horizons of his knowledge and desire that have been forged by his social status, whether as a Catholic, a worker, or a villager. He is therefore a very abstract citizen, theoretical and not real. That there are two sides to every opportunity — objective, ie, the permission, and subjective, ie, the ability — is a notion almost as old as the modern constitutions. Nevertheless, constitutions still confer rights on people without empowering them to make use of these rights. The right of all citizens to be educated according to their potential would thus be incom-

plete without breaking free of all unwanted ties — without taking the „step into a modern world of enlightened rationality“. Even the very best constitution cannot guarantee this right; what is needed here is politics. The principle of the right to education explains why it is so necessary to have an active education policy.

The central task of German domestic policy is to initiate an active education policy in order to translate civil rights into practice. While compulsory schooling was introduced in Germany a long time ago, it still has certain limitations, requires long-term development and is found wanting in that the subject matter does not necessarily meet all the demands of an alert citizen. The country may have legal equal opportunity, but there are many restrictions, far more than permitted by the state and federal constitutions. Yet Germany has a long way to go in terms of modernising society, freeing people of their unwanted ties and giving them the liberty to claim their rights. It is fashionable today to compare the importance of education policy with that of social policy in the past. The comparison may be justified but is not dramatic enough for Germany, where education policy is confronted by the German version of the civil rights problem, no less in pathos and significance than the de facto liberation of Blacks in the US. In other words, German education policy is still far from being a means to enrich and ease people's lives. It remains more of a tool that enables people to do nothing more than take the first steps towards participating in social life. Its tasks are far more fundamental

than is the case in Great Britain or the US, for example. The willingness to formulate an education policy that targets the realisation of the right to full participation in social life will help Germany tread not only the path to modernity but also the path to freedom.

There is something unconditional about the talk of civil rights, something that no longer tolerates doubt. Yet a principle is still not necessarily correct if an amendment requires a two-third majority of elected representatives. Therefore even an education policy that pursues the goal of realising civil rights requires further justification. Is the road to modernity so desirable after all? In Germany, we have recently learned that this road leads to a crossing from where it branches out in vastly different directions. The other part of Germany, the German Democratic Republic (GDR), has succeeded in overcoming the traditional inhibitions with regard to educational institutions yet the social and political consequence of what was also an extremely painful process does not in any way invite emulation. Against this background, the longing for the homely idyll, the one-room school, the childhood memories of the close society in the village is understandable but not excusable. A closer look, and it shrinks to an illiberal ideology as do all attempts to come up with a dramatic term for education or a pseudo-specific term for economic glut that speaks against an active education policy. A free society may be vulnerable but this does not mean that it is flawed; that modern freedom and the lack of it share certain social conditions does not devalue these conditions.

The longing for certainty is itself symptomatic of immaturity. To create and nurture a free society, it is imperative that each individual is allowed to be a citizen in terms of legal opportunities and social realities. The right to education is therefore expedient for a social order that accords highest priority to the greatest happiness for the greatest numbers.

Civil rights are, per se, equal civil rights. However, the plea for an active politics of education that will help secure civil rights is not a plea for social equality. A free society is invariably also a society that provides considerable room for inequality, as long as it does not violate the essential fundamental equality common to all citizens. If an active education policy is initially accompanied by demands for equality in Germany, this is only because fundamental equality has not been adequately secured in the country. Under no circumstances should this lead to a policy that proposes to address equality before freedom, as this will almost certainly never lead one to freedom. A society claiming to be a free society must also allow for the fantasy of social forms, the myriads of options and the diversity of human quality when implementing civil rights. That elite schools and democratic institutions are incompatible is one of the fundamental misconceptions of democracy that one succumbs to, especially in countries that have difficulties in accommodating a free constitution. Friedrich Edding is right when he says that a hallmark of a free society is a combination of „equal” and „special educational opportunities (...)”. However, when education policy is the subject of debate in Germany, in the

interest of establishing a secure foothold for equal rights, I would indeed consider the task of transforming the education sector and changing the people's attitude to educational institutions to be of primary importance.

The demand for an active education policy to secure equal rights for all is not original. With the sole exception of Jürgen Eick, a journalist for economic affairs who, remarkably, in his article on the principles of education policy does not once mention the civic motive of education policy, I could have called upon all the authors quoted in this work to act as crown witnesses for this maxim. But many reduce the right to education to mean legal equal opportunity and thus dilute it. The principle of civil rights is both potent and tangible in terms of material equality or, more precisely, of releasing people of their unwanted ties and granting them the liberty to make their own decisions. Of course this is a value judgement based on certain notions and visions of the objectives and forms of a well-regulated society. However, there are practical consequences to be reckoned with when this value judgement amounts to a confession. More than the dubious motives of international rivalry, the „pressure“ from below and the growing need, this principle enables us to set priorities in education policy and derive yardsticks to decide what is necessary and what redundant, what should be done now and what later. That one can also be of a different opinion, for example not want a modern and endangered free society in the sense implied here, appears to me an indication of the strength rather than the weakness of a political

principle that does not hold up flimsy necessities to publicise its half-baked value assessments.

(...)

I have often lamented the fact that the German education system has not inherited the flexible mixture of private and public elements so typical of schools and universities in Anglo-Saxon countries. The appeal of this mixture lies in the fact that much becomes possible without the necessity of a two-third majority vote in parliament in favour of a constitutional amendment. It cannot be stressed enough that much has to become possible before the optimal solution can become reality. To hope that Germany could also have the same mixture of private and public institutions is unfortunately one of the utopias of German education policy; all major tasks related to the social order have been assumed by state bodies by far too much and for far too long. In such a situation, regional decentralisation that catalyses competition offers at least a substitute for lost diversity; and perhaps Germany's federal structure does not provide the slightest reason for the stability and workability of German politics.

Not only is it extremely naive but also wrong to declare that the cultural autonomy enjoyed by the states in Germany is the main culprit and the explanation behind the lack of an education policy. This is no reason to sit back resigned, hands in one's lap and wait for the commissioner for education reform to be appointed.

*From: Ralf Dabrendorf: Bildung ist Bürgerrecht — Plädoyer für eine aktive Bildungspolitik, 1965, Hamburg (Nannen-Verlag), p. 23-27, 146-147.
Translated from the German original by Ritu Khanna.*

David Friedman

An Adam Smith University (1776)

Are not the powerlessness of students and their lack of opportunities a result of the fact that they do not finance their studies themselves? What would be different if market principles were applied at university level? David Friedman claims that the Left's demand for the democratisation of universities tackles the symptoms of the problem, not the problem itself. The solution they have in sight does nothing to change the underlying economic dependence. If the student had money — regardless of the source — and appeared as a customer, universities and their staff would be enterprises and entrepreneurs that must offer and sell products. Whether universities adapt to the new conditions or break up into smaller units — for example, companies that organise and hold examinations, assessment agencies, companies that sell lecture notes, etc. — is of no consequence. Markets would emerge and suppliers and customers would have to make every effort to seal business deals. This would create greater responsibility, better quality and a more relevant programme.

David D. Friedman (born 1945) is the son of Nobel laureate Milton Friedman. He was a physicist before he devoted himself to econom-

ics. He is currently professor at the University of Santa Clara, School of Law, where he specialises in the economic theory of law. Friedman is considered one of the most important advocates of „anarcho-capitalism” and goes much further than his father in his call for state withdrawal — to the maximum extent possible — from all conventional areas of activity including the economy. He even considers it feasible and desirable to privatise the legal system.

Some years ago, the student government at the University of Chicago considered a plan under which it would hire one professor who would be selected by a majority vote of the student body. This was advanced as a way to expand the university beyond ‘consensus scholarship’. Such a proposal exemplifies the intellectual failure of the New Left. The objective of decentralizing academic power in order to allow controversy and diversity is an admirable one. The means proposed, the choosing of faculty by majority vote, is positively inimical to that objective. ‘Democratic’ decision making is a means for finding and implementing the will of the majority; it has no other function. It serves, not to encourage diversity, but to prevent it. Intelligent members of the New Left are surely aware of the futility of such a proposal; perhaps that is why they are so reluctant to describe how a society should work. They have not grasped, emotionally or intellectually, the concept of non-coercive cooperation, of a society that lets everyone get what he wants.

Before discussing how a 'free-market university' would work, we must analyze what is essentially wrong with the present system. The lack of student power which the New Left deplors is a direct result of the success of one of the pet schemes of the old left, heavily subsidized schooling. Students in public universities and, to a lesser extent, in private ones do not pay the whole cost of their schooling. As a result the university does not need its students; it can always get more. Like a landlord under rent control, the university can afford to ignore the wishes and convenience of its customers.

If the subsidies were abolished or converted into scholarships awarded to students, so that the university got its money from tuition, it would be in the position of a merchant selling his goods at their market price and thus constrained to sell what his customers most want to buy. That is the situation of market schools, such as Berlitz and the various correspondence schools, and that is how they act.

A university of the present sort, even if financed entirely from tuition, would still be a centralized, bureaucratic organization. In a free-market university, on the other hand, the present corporate structure would be replaced by a number of separate organizations, cooperating in their mutual interest through the normal processes of the marketplace. These presumably would include one or more businesses renting out the use of classrooms, and a large number of teachers, each paying for the use of a classroom and charging the stu-

dents who wished to take his course whatever price was mutually agreeable. The system thus would be ultimately supported by the students, each choosing his courses according to what he wanted to study, the reputation of the teacher, and his price.

Other organizations might coexist with these. There might be one that did nothing but give examinations in various subjects and grant degrees to those who passed; presumably, teachers would be hired to spend part of their time writing and grading such examinations. Another might perform clerical functions, printing a course catalogue listing courses that were being offered and their prices, or compiling transcripts for those students who wanted them and were willing to pay for them. There might be groups publishing and selling evaluations of teachers and courses, like the 'Confidential Guide' compiled by the Harvard Crimson.

There might be research groups, working in the same community in order to allow researchers to supplement their income by teaching and in order to use students as inexpensive research assistants. Some members of the community might be simultaneously teaching elementary courses in a subject and paying other members for advanced instruction. There might be companies providing privately run dormitories for those students who wished to live in them.

The essential characteristic of this scheme is that, like any market system, it produces what the consumer wants. To

the extent that the students, even with the assistance of professional counsellors and written evaluations of courses, are less competent to judge what they are getting than are the people who now hire and fire teachers, that may be a disadvantage. But it does guarantee that it is the students' interest, not the interest of the university as judged by the university, that determines what teachers are employed. Under the sort of market system I have described, a majority of students, even a large majority, can have only a positive, not a negative, effect on what is taught. They can guarantee that something will be taught but not that something will not be. As long as there are enough students interested in a subject that a teacher can make money teaching it, that subject will be taught, however much other students dislike it. The market system accomplishes the objective of the new left's proposal.

It might be possible to reform our present universities in the direction of such free-market universities. One way would be by the introduction of a 'tuition diversion' plan. This arrangement would allow students, while purchasing most of their education from the university, to arrange some courses taught by instructors of their own choice. A group of students would inform the university that they wished to take a course from an instructor from outside the university during the next year. The university would multiply the number of students by the average spent from each student's tuition for the salary of one of his instructors for one quarter. The result would be the amount of their tuition the group wished

to divert from paying an instructor of the university's choice to paying an instructor of their own choice. The university would offer him that sum to teach the course or courses proposed. If he accepted, the students would be obligated to take the course.

The university would determine what credit, if any, was given for such courses. The number each student could take for credit might at first be severely limited. If the plan proved successful, it could be expanded until any such course could serve as an elective. Departments would still decide whether a given course would satisfy specific departmental requirements.

A tuition diversion plan does not appear to be a very revolutionary proposal; it can begin on a small scale as an educational experiment of the sort dear to the heart of every liberal educator. Such plans could, in time, revolutionize the universities.

At first, tuition diversion would be used to hire famous scholars on sabbatical leave, political figures of the left or right, film directors invited by college film groups, and other such notables. But it would also offer young academics an alternative to a normal career. Capable teachers would find that, by attracting many students, they could get a much larger salary than by working for a university. The large and growing pool of skilled 'free-lance' teachers would encourage more schools to adopt tuition diversion plans and thus sim-

plify their own faculty recruitment problems. Universities would have to offer substantial incentives to keep their better teachers from being drawn off into free-lancing. Such incentives might take the form of effective market structures within the university, rewarding departments and professors for attracting students. Large universities would become radically decentralized, approximating free-market universities. Many courses would be taught by free-lancers, and the departments would develop independence verging on autarchy.

Under such institutions the students, although they might have the help of advisory services, would have to take the primary responsibility for the structure of their own education. Many students enter college unready for such responsibility. A competitive educational market would evolve other institutions to serve their needs. These would probably be small colleges offering a highly structured education with close personal contact for students who wished to begin their education by submitting to a plan of study designed by those who are already educated. A student could study at such a college until he felt ready to oversee his own education and then transfer to a university.

It is time to begin the subversion of the American system of higher schooling, with the objective not destruction but renaissance.

Chapter 13 of The Machinery of Freedom — Guide to a Radical Capitalism. The above text is taken from the second printing of the 2nd edition, La Salle, Ill.: Open Court Publishing Company, 1989, pp. 65-68.

Thomas Straubhaar

From plan to market — universities for the 21st century

(1998)

Can the free market impact the education system adversely? Scepticism about market performance in education and the fear of exposing educational establishments and programmes to the mercy of market forces seem to be the major obstacles to initiating incisive regulatory reforms in the education sector. Straubhaar attempts to invalidate the arguments of opponents of the free market and demonstrate the advantages of market-conforming alternatives. Among other things he counters the argument that education is a common good and that state education resolves problems of injustice.

Thomas Straubhaar (born 1957) is professor of economics at the University of Hamburg in Germany. Since 2005 he has been director of the Hamburg Institute of International Economics and was director of its predecessor the HWWA since 1999. He is ambassador of the initiative New Social Market Economy and a proponent of the idea of an unconditional basic income for all citizens. He calls for the abolition of social systems in their current, financially unviable forms, the radical liberalisation of the labour market and for the disempower-

ment of cartels and unions including trade unions operating in this market.

From Plan to Market was the title of the World Development Report 1996. The impact of knowledge and education on economic development is the topic of the World Development Report 1998. However: in European welfare states the university sector is still predominantly in public hands. The state has a far-reaching monopoly of both the supply of higher academic education and its finance. Universities are more or less state-owned and state-funded.

This is a tragedy in view of the fact that throughout the world and in most sectors major steps have been taken to achieve greater efficiency and improved service through privatisation and deregulation. This is the case, for instance, in the fields of energy, transportation, postal services and telecommunications. The market has demonstrated its superiority in all of them. Deep distrust in the efficacy of the market only exists in the field of higher education. Why? The reasons are mainly historical and related in part to the long struggle between church and state that was only resolved towards the end of the last century.

State-run universities are overcrowded. The average duration of education is much too long. The dropout quota is high. The problem of unemployment among people who are

highly educated but too old when they leave university is a serious one. Universities tend to „produce“ academics who have little chance of being employed in jobs that match their acquired skills.

a. The challenges: the way to a knowledge-based economy in the 21st century

The European university system was developed during the era of industrialisation. The economy of the 21st century, however, will be a knowledge-based economy. This also applies to those countries of Europe that are presently in transition.

The availability of natural resources and capital used to be the most important strategic factors in ensuring macroeconomic success. The service-oriented economy of the next century will rely increasingly on knowledge as a strategic factor at both the macro and microeconomic levels. The capacity and ability of people to use their learning abilities in order to create more from less and new from old will be the most important single factor in generating economic growth in the 21st century.

The speed and intensity of change will be greater than ever before in human history. The knowledge-based economy of the 21st century will produce more and more information at ever-greater speed. Electronically retrievable information is already available in enormous quantities and at an instance. In the future the quantity of information available to citizens

and access will be almost without limit. The crucial issue will not be availability or accessibility. It will be processing, ie, how to select from the enormous amount at one's fingertips. The ability to process information efficiently and effectively will be decisive both for the economy as a whole and for the careers of individuals.

Knowledge will be out of date within a shorter period than ever before. New knowledge will be of use for an average of five to seven years and, as a result, product and technological life cycles will be much shorter.

Radical adjustment of the educational system will be called for, a system that puts a premium on short initial programmes followed by constant upgrading.

The character of work and the working environment will change. Physical boundaries will become less and less important. What a company is will be determined by who belongs to that company. A company will operate from shared service centres. This will have effects on the way an individual works and how he relates to his/her work environment. Teamwork will be in networks, for instance. Control will diminish in importance, to be replaced by motivation. Flexibility and mobility will determine whether or not an individual or an enterprise will be successful in a knowledge-based economy.

b. Universities in the 21st century

Against this background universities face an enormous challenge. If they meet this challenge appropriately, they will change beyond all recognition. Perhaps most significantly, universities will have to direct themselves towards the concept and reality of life-long-learning. This change will not be easy to effect because it means throwing tradition overboard and looking to the future. It will mean catering for individual needs and different age groups. It will mean dropping preconditions, eg, the diploma as a precondition for a PhD. A key pre-requisite for successful universities will be their ability to ensure a free flow between different academic and professional careers. The delineation between teachers and students and between the fields of business, politics and learning/research will disappear.

If technologies and product cycles have a life span of less than five years, institutionalised educational structures cannot continue to work within longer time frames. In many fields universities run the real risk of producing graduates whose knowledge is obsolete before graduation.

The future lies in promoting and stimulating personal competence as the primary educational objective: critical abilities (including the ability to accept and process criticism), creativity, curiosity, empathy and a sense of responsibility. With time it will become more and more difficult to define a profession or an academic discipline and, as a result, the con-

tents of a degree course. Curricula will be subject to constant revision because of the rapidity with which standard knowledge becomes obsolete.

What do such developments require on the part of today's universities? The main requirement is the overcoming of administrative inflexibility. Speed, independence and dynamism are needed that go far beyond the present attempts to promote „autonomy“ and introduce „new public management“ and „global budgets“. Financial incentives could accelerate the process.

Today we have a situation in which goals are set by political authorities and universities are increasingly more or less free to manage themselves and choose the instruments with which to reach these goals. However, we still have

- ... no competition
- ... no real sanctions and
- ... no way in which to dismiss academics that under-perform.

These are some of the main obstacles to a radical reform that would lead to the determination of supply in the educational sector via demand expressed through a system of financial incentives and sanctions. Such a system would lead to competition for students and for financial support as well as competition in trying to encourage innovation, attract new ideas and promote new forms of teaching. Competition is the key to discovering the future.

c. A strict model ...

A crucial factor in determining whether or not a new system can be established will be the readiness with which would-be reformers embrace the concept of strict separation of academic production, ie, the supply of teaching and research activities, and its finance. An efficient university system would place supply in the hands of private institutions. Private universities are perfectly able to cover all the wishes and needs of higher academic education and research.

Considerations of fairness and social justice certainly make public financial support for certain people necessary — but not for anonymous institutions! Students without the means to self-finance their higher education should be given support. Support means providing access to the market in securing private loans. Fairness demands equal starting points (equal opportunity), not equal arrival points.

The mingling of considerations of efficiency and equity (justice, fairness) in state-run and state-financed universities leads to inefficiency and to losses in welfare. It also leads to inverse redistribution from bottom to top, a perverse system in which „many pay for the privileged few.“

How should access be provided? To pay for tuition fees every student could, for instance, be given the right to a state-guaranteed security for a loan from a private bank (in the form of a bail-out clause, for instance). Apart from such a

back-up role in the field of finance, the state would be responsible for the regulation of private universities in order to secure access for all those qualified, minimum standards and transparency (through information).

Tuition fees are not unfair or unjust. To the contrary: they are a must for a system of higher education that is socially just, fair and economically efficient. It is often argued that tuition fees would be a disincentive for those willing and able to study, but who have no resources of their own or whose parents cannot afford to pay. In such cases it would suffice to correct tendencies that might exist in the financial markets not to provide loans to such students in the manner mentioned above.

There is another way in which financial incentives could generate positive effects: financial incentives should be geared to positive results, ie, they should be linked to success. Studying in itself is no guarantee for success. If studying does produce positive effects, it is these that should determine the reward. For instance, students who successfully complete their studies within a set time limit could be given a check for a certain predetermined amount of money, this amount being determined by the relevance of the subject of study. Of course, this is often difficult to ascertain and it becomes more difficult, the higher the academic level is.

The willingness to pay for one's higher education is the best criterion for determining the quality of a university. In order to attract students universities must prove they are good

and produce good results. In order to do this they must compete for good students. Such competition would give students considerable power in the educational market.

The contents of courses and the availability of courses themselves would be determined by whether or not they generate demand. No demand would mean failure. The willingness of students to pay would concentrate the minds of university directors and administrators. Universities would be forced to develop convincing teaching and research programmes for a free market in education and upgrading. Whether paying students are attracted or repelled would indicate how successful their attempts have been.

One outcome of this would be shorter periods of study for the vast majority of students² — which in itself would bring a supplementary financial return. They would be younger and hence, as a rule, more mobile than their predecessors. They would have a longer career life in front of them. As a result it would make even more sense to upgrade their knowledge at some later point in time than has hitherto been the case. The acceleration in the time it takes for knowledge to become obsolete will have to be countered eventually by permanent upgrading. This is a financial opportunity for universities.

² *Here we should remember that many European universities, although they prescribe minimum periods of study, do not provide fixed-period BA, MA or equivalent courses (— the editors).*

The introduction of three terms per year rather than the present two terms would make sense in an environment that focuses on maximising available resources — personnel, buildings, equipment — and generating income. Universities would be used for nine rather than the present six months per year, thus increasing their capacity and ability to deal with very large numbers of students that are the norm today. Continuous use of facilities will lessen the danger of bottlenecks and generate overall savings.

Information, quality control and feedback would be inherent to such a system and would not have to be enforced „from above“. They are the basis for improvement in the services offered and improved services are the only way in which to generate higher income.

d. ... and a pragmatic model

A radical model would be very difficult to implement fully in many of the societies represented at this seminar. The alternative would be pragmatic model embodying the notion „make a start in reforming the finance of higher education“. Here we could emulate the German „savings bank model“ in which publicly owned savings banks compete with private banks.

Today's universities and academies should continue to exist. However, unlike today, they would no longer be the norm and private institutions of higher education the exception. They would no longer replace private institutions but supple-

ment them. In particular they would cater for those needs private institutions cannot (yet) cater for in a satisfactory manner.

The state tertiary sector — and this is of utmost importance — may no longer enjoy financial privileges at the expense of private educational and research establishments. As a rule, public funds may no longer flow to the educational sector directly via the supply channels. Instead, they must flow indirectly via demand for educational services. If state universities and academies want public money, they must compete for students and for state contracts, eg, in the field of research, just as their private counterparts do. Those that are successful in the field of teaching would receive a certain amount of money per term per student taught. Similarly, those universities of proven innovative capacity in the field of research would be able to count on state contracts. Today's institutions of higher education could rely on their reputation for some time to come and would profit from experience and established international links and networks. This argument should in fact alleviate fears concerning the loss of their monopoly.

Mistrust by politicians in the efficacy of market forces and the private sector supply of education, or dissatisfaction with the range and quality of such supply, could be tackled in the following way: The state could invite tenders for public contracts in which the contents and teaching of certain sensitive or „exotic“ subjects are prescribed in the form of a

curriculum. If there were no offers from the private sector, the contract would go to a state tertiary institution, together with the necessary finance. The state could thus play a direct role in preserving subjects of ethical or cultural value (religion, philosophy, literature, history) and even favour state institutions in this connection. Such intervention, however, must remain the exception and should be limited in time. It could also help to ease the transition from plan to market and allay many of the accompanying fears.

For a specified period within which a course must be completed students would receive more or less heavily subsidised educational vouchers with which to pay for the services they require. Students without income resources would receive these vouchers free of charge; those who are better off would have to contribute towards the cost of study. Such vouchers could be exchanged at every licensed private or public tertiary institution for educational services as required. These licensed institutions, universities for instance, would then be reimbursed by the state to the predetermined value of the vouchers received in payment for their services. For an interim period a pragmatic step-by-step approach could be applied. Extra charges could, for instance, be prohibited in the case of state institutions, ie, the state would thus ensure that everyone with vouchers could really secure himself/herself the educational services required, perhaps not at the institution of choice, but at a state institution (university) at the very least. This service as a haven of last resort should be paid for by the state.

If students wish to study for a longer period than foreseen or necessary, this must be done at their own expense. In this case the state would only ensure that those with less means at their disposal could borrow money in the form of an educational loan. This objective could be achieved by providing the necessary state securities to the banks giving such loans — in order to overcome any inhibitions that banks may have. Students lacking sufficient means could apply for such loans during the course of their studies to pay for their living expenses, should this be necessary.

This pragmatic model leaves room for further variations. Vouchers could, for instance, be given free of charge during the first term or year of study only. Further study free of charge would be dependent on success (credits or exams passed) in the previous term or year. Another example: students that come from very poor backgrounds or who are particularly successful could receive non-repayable sponsorships or scholarships to pay for living expenses.

e. How to get there?

The models outlined above by no means constitute wishful thinking without chance of realisation. The dynamics of globalisation and the mobility of people and knowledge we have today are already creating pressure in such directions, pressure which I believe is irresistible. Those who try to hold things up will lose out, those who face and adapt to reality will win.

Today's conventional state universities and academies are too expensive and too slow. Their competitors are already there, albeit in small numbers. I'm thinking of examples such as the International University in Germany, the International Law School of the Zeit Foundation, of Duke University and other branches of US universities „invading“ old Europe. These will speed up change and help to demonstrate that private universities are not the end, but the beginning of a successful system of higher education in the 21st century.

Lecture by Professor Thomas Straubhaar at the 6th Baltic Rim Conference of the Friedrich-Naumann-Stiftung für die Freiheit in the Zündholzfabrik, Laubenburg, 22-26 October 1998.

James Tooley

Should the private sector profit from education? The seven virtues of highly effective markets (1999)

What are the arguments in favour of the commercialisation and profit orientation of the education system? Tooley highlights the most important ones: The quest for profit brings with it the search for possible new programmes, acceptance of risks and therefore a widening of education options. Quality is assured when one strives to prove oneself in the market, also against one's rivals. This search for quality is also an incentive for educational research, which means developing better curricula and educational concepts. The companies that establish themselves create their own brand name and so help customers to orient themselves. Winning customers means addressing their needs. Proving oneself in the market also implies value for money and affordable prices, which in turn means cost efficiency. Nevertheless, the programme will still have to be in tune with the times and teachers paid accordingly.

James Tooley is internationally known as a staunch liberal advocate of comprehensive privatisation of the education system, even in developing countries. He is professor of education policy at the Univer-

sity of Newcastle and director of the E.G. West Centre dedicated to international education research. Priority areas are quality assurance through market orientation and better education opportunities for children and youth from low-income families. His research of several developing countries has come up with sensational results. It highlights the failure of public schools systems to provide an adequate service — particularly in poor areas — and points out that private initiative and private schools are already securing educational opportunities for the poor in a big way.

The seven virtues

Virtues of the profit motive? Some will find this language odd. Here are seven, the embracing of which could enhance the delivery of educational opportunities for all. I'm not plucking these out of the air, they do not simply signify wishful thinking on my behalf. The ideas are based on the dozen or so case studies of for-profit education companies around the world (...).

First virtue

The desire for expansion

One of the most depressing spectacles in the current educational set-up is of an excellent state school in a deprived area and there are a few with long waiting lists. The school has a successful formula, strong and dynamic leadership, but it doesn't occur to anyone to do anything other than turn poor parents away — parents whose children are then con-

signed to the indifferent mediocrity of neighbouring schools. What other business would treat potential customers like this? Of course it could be risky taking over failing schools in the neighbourhood, or starting from scratch elsewhere to cater for demand. Enter the profit motive: this provides the additional incentive to take these risks — and the investment too, as investors are also attracted by the possibility of profit. This invisible hand of self-interest leads to the excellent school being replicated, dramatically improving the life chances of many disadvantaged kids.

How big can companies grow? The sky's the limit. In the global study, I found education companies which had grown from virtually nothing into huge corporations. In the USA, some people get very excited about the fact that the Edison Project now has 51 schools, or the Apollo Group has 70,000 students; these pale into insignificance compared with some of the educational chains I found around the world.

In Brazil, there are several competing chains of private schools and universities. The largest of these is Objetivo/UNIP, with headquarters in São Paulo. The story began in the early 1960s, when Mr João Carlos Di Genio started a coaching class for university entrance with about 20 private students in a rented room. Finding considerable demand for his teaching methods, he founded an intensive cramming course in 1965 with three friends. They called this course Objetivo. In 1967, they utilised internal television broadcasting for their lessons — a revolutionary development at the

time. Three years later they added a school, from primary to 2nd Grade, extended in 1974 to offer courses up to university entrance.

Since then, they have continued to expand, so that now they have approximately 500,000 students in centres and 450 franchises across Brazil, with annual turnover approximately US\$400 million. School students range from pre-school and primary, through 1st Grade (age 11-14 years), 2nd Grade (15-17 years), to prep (university entrance, 18 years). The university offers courses including business administration, teacher training, engineering, dentistry and veterinary science. And, for good measure, the company also owns a TV and radio station, broadcasting educational programmes from the São Paulo site.

A similar growth story applies to NIIT, which is the largest provider of computer education and training in India, with a market share of 37%, annual turnover of US\$73 million, and profits of US\$13 million. The company has more than 400 centres in India, and has recently expanded into overseas markets. It also provides training and software consultancy for companies, and has its own educational multimedia software production facility, with 550 personnel employed making it the largest in the world. With a history stretching back 18 years, NIIT boasts 500,000 alumni, and a corporate network of over 1,000 companies.

NIIT started operations in 1982. Rajendra S. Pawar, now Vice Chairman and Managing Director, with two colleagues, opened the first Computer Education Centre in a leased room in an office building in down-town Bombay. In the same year it opened a second centre in Delhi. Having achieved significant growth, in 1993 the company was listed on the Bombay and Delhi (National) Stock Exchanges. In February 1996, they opened their first education centre outside of India, in Kathmandu, Nepal.

NIIT's success owes much to the failures of the state universities. Students and employers find Indian university computer courses unsatisfactory, because they use out of date technology and methods, and are undemanding for students. Hence NIIT works in tandem with the formal sector, and offers students a four semester (ie, 2 year) course to students already enrolled in a state university. Allowing time for revising for exams for both courses, at the end of four years students can become graduates of an Indian university and a "GNIIT" — Graduate of NIIT. (...).

Second virtue

The necessity for quality control

A growing chain of schools — the successful school that takes over a failing one and improves it, and then looks elsewhere — brings in the second virtue. As it grows, the desire for quality control becomes of paramount importance. Once a brand name becomes formed and known, customers —

parents and children — have to be reassured about the quality of the service on offer. This government, and the previous one, thinks that the only way parents can be thus reassured is to have a hugely expensive and cumbersome apparatus of nationalised curriculum, nationalised testing, nationalised inspection, nationalised targets and nationalised league tables. But the problem with these state surveillance measures is that they become politicised. So, for example, instead of it being a matter of educational importance which testing procedures are used, what works best and what is most effective at raising standards, it becomes a matter of finding testing procedures which pass political muster; similarly the politically correct inspection procedures are mired in subjectivity and waffle. And throughout it all, mediocre schools can acquiesce in their mediocrity, and can always blame central or local government, or the class of children in the school, without addressing their own incompetence. In the for-profit private education sector, such an approach is not an option. The schools or colleges have as their *raison d'être* the provision of quality educational services. If they don't do this, they'll go out of business. Hence the need for tailor-made solutions to quality control which really are about raising standards.

Some examples from around the world include:

NIIT, India has implemented CCQMS (Crosby's Complete Quality Management System). Each member of staff undergoes the same initial and in-service training at head office or a regional centre, and all management must also have been

NIIT teachers. Each course tutor is given a batch file, which describes in meticulous detail all the courses to be taught, the sub-units, the material to be covered, and the time to be taken on each section — this even prescribes how long must be taken over each overhead transparency! To complement this, each tutor follows a standardised quality control procedure, monitored initially within the branch, then by quality control visits from central or regional management. (...)

Third virtue

Brand names solve the information problem

This brings us to the third virtue of for-profit education. Consumers of education, we are told by experts, will suffer from the 'information' problem. They don't know what high quality education is, and this will allow devious business people to take advantage of their ignorance. This... is the paramount reason why we need the state to be in education. But we are ignorant in so many areas of our lives, but he does not think we suffer the same problem there. I know nothing about laptop computers, for example, but I was able to buy one of the highest quality without anyone taking advantage of my ignorance. How? I bought into a brand-name. We know that the company's reputation is absolutely paramount, and that the company knows that some of its customers are informed, and can't take the risk that I am not one of these. Hence the company has to have quality control procedures in place to ensure excellence.

It is exactly the same with for-profit education companies around the world, all of which take quality control measures extremely seriously, to ensure that their students have the highest quality opportunities.

It challenged some of my preconceptions about education to discover the importance of brand name, and the promotion thereof, in some of the educational companies. For example, any visitor to South Africa cannot fail to be struck by the ubiquity of advertisements for courses offered by Dameelin and other Educor subsidiaries — covering high school, university courses and vocational and professional courses; a visitor to Brazil will soon come across billboard advertising for UNIP-Objetivo, COC or Pitagoras — for the full range from kindergarten to university; in India, the brand name of NIIT is everywhere — on television, radio and in print — advertising computer courses for undergraduates, professional training and, increasingly, computer literacy courses in schools and at home.

This kind of brand-building seems to be highly successful. In India, for example, recent Gallup research shows that, just as people use 'making a Xerox' as synonymous with 'making a photocopy', so 'doing an NIIT' is synonymous with 'doing a computer course'. Some employers are now advertising that they are seeking someone 'with an Indian University Master's degree, or GNIIT', that is a graduate of NIIT.

Fourth virtue

The necessity for research and development

The success of one education chain or company inspires others to enter the market — and this brings the various virtues of competition. This is real competition in a genuine market, not the phoney, if well-intentioned, competition which the previous government introduced in education with its impossible barriers to entry for new suppliers. Real competition between expansion-hungry, quality-conscious education companies brings with it our fourth virtue, the necessity of research and development.

It's not necessarily that the business wants to invest funds in R&D — after all, these funds could simply line the pockets of investors. Why bother to seek to improve what you are offering and make it more effective? The answer is the hard-headed business reason that if you don't, your competitors will. If your company doesn't find out what works best in pedagogy, a competitor will, and parents and students might be tempted away.

But notice that this doesn't mean that education companies can indulge in fads, like the ones thought up in ivory tower education departments which have done such damage to many children's life chances... I'm thinking of the anti-phonics movement for 'teaching' reading, or various new mathematics crazes which have left children innumerate. The competing companies will need to know that any innovation

introduced is proven to raise standards or enhance opportunities, or again they will risk losing customers.

(...)

Fifth virtue

Proper rewards for and utilisation of teachers

The profit motive, fifth, can also ensure that teachers are properly rewarded and teaching excellence widely disseminated. Isn't it bizarre the limits imposed upon gifted teachers today? We ignore the fact that gifted communicators and inspirers of the young are a rare commodity. Instead we force them into an egalitarian straitjacket, for a gifted teacher is exposed to the same number of children as a mediocre one, reaching out to at most the same couple of hundred children each week. Imagine if the same principle applied in other communication businesses — we would have the odd spectacle of a Jeremy Paxman limited to broadcasting to a tiny audience on a local hospital radio, say, or writing only for the Malvern College Times. We have the technological possibilities available to ensure that excellent teachers can reach out to thousands of students, and the profit motive would ensure that this was the case. This kind of development is just taking off in the education companies around the world:

The Delhi Public Schools chain of schools (DPS) in India, is linking with ISRO (the Indian Space Research Organisation) for the leasing of satellite time and the creation of VSAT links, which will lead to satellite and internet based distance

education programmes, across India and throughout the subcontinent.

TECSUP, Peru, is innovating into satellite courses, to keep and enhance its share of the company training market. The target market for the Satellite courses are the mining companies outside of Lima. The programme uses teachers based in Lima, in a classroom studio linked up to video and computers linked to the Internet. Students are connected to video facilities and to computers linked to the Internet, so the link-up is fully interactive.

Sixth virtue

Attracting investment and cost-effectiveness

The profit motive can help provide the desperately needed capital for investment in our schools — because investors will be attracted by the returns that might be available. In an age of fiscal restraint, this investment is not likely to be forthcoming from government, and even if it was, there would be no guarantee that it would be used wisely and effectively. Under the present system, there is little encouragement to deliver educational services more cheaply or efficiently. However, with the incentive of profit, educational companies are always anxious to ensure that technological innovation is utilised which can both keep costs as low as possible and keep standards high — else learners will be lost to other competitors. It is this combination of cost-effectiveness and the possibility of investment which can lead to higher standards for all.

Many of the institutions and companies examined seemed aware of the importance of keeping costs low, by using resources — space, technology and teacher time — efficiently. For example, the computer literacy company, NIIT, India, goes to extreme lengths to ensure that all resources are used productively from 7 am to 10 pm. A key part of the NIIT philosophy is in the pursuit of teaching innovation and efficiency. Because of the economic imperatives — of shortage of trained teachers, of the expense of teachers, and the shortage of space — NIIT from the very beginning had to be conscious of rationing space and teacher contact time. To this end, they have used their R&D departments to develop teaching methods which reduce contact time and carefully utilise space. They have developed an educational model which utilises three types of room — classroom, mindroom, and machine room — enabling a centre with only 30 computers to accommodate 1,260 students per day!

Others, for example, Educor, South Africa, Speciss College, Zimbabwe, and the Brazilian chains, use classrooms for high school in the morning, then the same classrooms for further and/or higher education once high school has finished. Finally, many, including the above, operate shifts for their classes. All these lead to cost reductions, and are a far cry from the wastefulness we see in state schools in this country.

Seventh virtue

Concern for student destinations

If you were a director of a private school chain, and wanted to distinguish yourself from others, how would you do it? All the ways mentioned above, and particularly investing in R&D would be important. But you might consider one final approach, which would make you extremely attractive to parents and students. This would be to focus on ensuring that your graduates found satisfactory options after they left you — because certainly one (not of course the only) important aspect of what parents and children seek from schools or colleges is that they leave equipped to go on to something else, such as employment or further education. So you foster close links with businesses around you, and with these links help students and employers develop confidence in each other. But why stop there? There are recruitment agencies out there which specialise in such placements.

What some of the education companies have done worldwide is to buy up recruitment agencies, to be sure that the synergy between the two lines of business are used to full effect. (...)

The virtue of the seven virtues

No need for human virtue

Perhaps the key point to emphasise here is that none of the above seven virtues depends upon anyone being well-meaning or well-intentioned. They do not depend upon philanthropy or public spirited individuals. All they require is hard-headed, calculating business decisions. But these decisions lead to the raising of standards and improvement of opportuni-

ties. Bringing profit into education is a manifesto for our schools which can transform them without the necessity of anyone being angels. It is a manifesto for schools based on a realistic perception of humanity, not on heady but unrealistic aspirations. But of course the reality is that we do have a public-spirited side too. And this is as true in for-profit education companies as it is in other areas of our lives. But it provides the icing on the cake. High quality educational opportunities do not depend upon it.

(...)

A few of the examples of the philanthropic programmes found in the global education companies include a commitment to student loans and scholarships, cross-subsidisation, seeking mutually beneficial relationships with the public sector, and social responsibility programmes.

(...)

In the Brazilian chains of schools (Pitagoras, COC, Objetivo, Radial), and in TECSUP (Peru), it is normal practice for there to be a cheaper course offered in an afternoon and/or evening shift. All on the morning course would pay full fees. But the facilities and tuition were avowedly the same in all three shifts, and hence it was apparent that the morning shift was to a certain extent subsidising the later shifts.

TECSUP's short course programme — aimed at employees and executives already in work, usually financed by companies — also charges fees which create a large surplus. This is then used in part to subsidise the 'core' programme, that

is, young people taking their diplomas which will lead to work.

The Varkey Group, based in the United Arab Emirates, provides education to 26,000 school age students from the Indian sub-continent, whose parents in the main are guest workers in the Emirates, where state education is not available to non-citizens. The Varkey schools charge fees ranging from \$50 per month to sums in excess of ten times that amount. This means that virtually all the guest worker parents can afford an education for their children, the poorest being subsidised by the better off.

DPS, India, has a Village Schools programme. Government schools in the deprived area of Mewat have been taken over and upgraded, subsidised using surplus resources of the larger Core schools. A similar scheme is now beginning operation in the Punjab.

Shortened version of a paper with the same title in: Educational Notes No. 31, London: Libertarian Alliance, 1999. It is the text of a keynote speech given Business of Education Forum on 11 May 1999.

Karl-Heinz Hense

Education concept and policy in liberalism (2005)

Does Germany have a liberal education policy and if so, has there been continuity in the concept?

Hense attempts to trace the key features of this policy and of the policy of organised liberalism. The essential characteristic of a liberal education policy is its focus on individual freedom and on the ideals of the Enlightenment, which are interdependent. In essence, this “emancipatory” approach implies an active education policy, one in which the state also has a central role to play. The substandard showing of the German school system on an international scale has made it eminently clear that liberal initiatives and reforms in both policy and regulation are more urgent now than ever before. Only these initiatives and reforms can undo the harmful relics of state authoritarianism in German education.

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The true goal of man – not “that which his shifting inclinations set forth, but that prescribed to him by eternal, unchanging reason – is the highest and best-proportioned development of his powers into a unified whole. For this type of development, freedom is the first and indispensable condition.”

These are the first two sentences in the second chapter of Wilhelm von Humboldt’s celebrated essay entitled *Ideas for an endeavour to define the limits of state action*, first published in 1792. The ideas of the Enlightenment and humanism, namely the concern for man and for his actions on earth, are combined by Humboldt in his concept of a free individual, guided by reason, who shoulders responsibility not only for himself and his own life, but also for the well-being of the community. The state plays the role of facilitator. It is there to offer protection and, in some cases, to set parameters that do not curtail individual freedom but provide and guarantee it instead. The freedom of the individual is therefore the central and pivotal point; without this freedom there can be no humanity that fits the essential nature of the human being. And character development, through the acquisition of knowledge and through ethical behaviour, is the central task, indeed the “true goal of man”, towards which, guided by his reason, he should strive.

Since the early 19th century, the political endeavours of German liberals have been guided by this image of the human being. Their goal was to diminish the dominance of clergy and religion in educational issues, a dominance that continued into the second half of the 19th century, and to replace it with secular education offered either by the state or by secular establishments. Humboldt was of the opinion that the state should on no account draw on the church and its religious goals in the matter of education. Instead, every individual should be free to decide on the role he would like to ascribe to religion in his own life.

Humboldt therefore devised a school system not only in theory but, in his brief tenure as a Prussian civil servant, also in practice; starting with elementary through secondary school and on to university (which, incidentally, is named after him in Berlin). It was based on the development of a secular individual free of the requirements of religion and also largely those of the state. According to Heinrich Weinstock who is well-versed in Humboldt's writings: "The concern for salvation – which for him, of course, was not something to be hoped for in the afterlife but to be achieved in this world when a person attained the ideal character by education - was consciously adopted by Humboldt (.....) as a standard for life."

For Humboldt to have believed that humanistic character development started primarily with language seems astonish-

ingly modern. He considered language to be the epitome of human capacity to give form and expression to the world and its prevailing ideas. Although averse to religion, Humboldt did not think of the world as a meaningless place that had to be given meaning by man, as is the case in modern thought, in the philosophy of life, for instance. Humboldt believed that the world order based on Greek ideology to be meaningful; one only had to find the words to express this ideology.

Today, when we take a look at the results of the first Pisa study (OECD Programme for International Student Assessment), we find that a command of language is indeed the very foundation of and a pre-requisite for all further education. According to Horst Wolfgang Boger from the Liberal Institute of the Friedrich Naumann Stiftung: "A student who is loath to read, does not understand what he is reading and moreover reads little, must be prepared to do badly in mathematics and science." Humboldt seems to have been intuitively aware of this scientifically substantiated finding two hundred years previously.

We should not of course overlook the fact that in Humboldt's time education as character development was still a privilege of the upper classes. For the lower and middle classes, anything beyond elementary school education could usually be achieved only through patronage. In any case, if common folk wanted to aspire higher through education they had little option but to adapt to the prevailing conditions.

Nevertheless, the start of the 19th century saw the onset of a turbulent development and school education across the social classes started to acquire greater significance. Although it was to take more than a hundred years for German feudalism to fall into ruin, by the turn of the 19th century forceful intellectuals were unequivocal in their demand for the mind to be free of suppression by nobility and clergy. No other text of the time describes this quite as eloquently as the famous speech delivered by the German philosopher Johann Gottlieb Fichte in 1793 – Reclamation of the Freedom of Thought from the Princes of Europe, Who Have Oppressed It Until Now. It starts in the following manner: “The barbaric times are over, you people, where one was so bold as to announce to you in the name of God, you are a herd of cattle put on earth by God to carry the burden of a dozen divine sons, to be their labourers and maids, pander to their comforts, only to be slaughtered; that God has transferred to them his inalienable right to own you and that they, thanks to a divine right and as His representatives, punished you for your sins: you know, or you can convince yourselves, if you still do not know, that you yourselves are not God’s property but that He has stamped His divine seal deep in your hearts to state that you will be free and belong to yourselves and to nobody else.”

With industrialisation in the 19th century and the consequent dissolution of the class order, the concepts of universal education developed by Johann Heinrich Pestalozzi, Friedrich

Fröbel and other educators gained weight. Liberal opinions of academic development continued to be characterised by the necessity of freeing oneself of clerical authority – a stipulation in the 1849 constitution of the German Reich and in the Prussian School Inspection Law of 1872. In the following years, the school system became less and less uniform, secondary and grammar schools emerged, vocational education was established and girls were educated. However, the liberal school remained a state school, an “institution of the state” as it had been called as early as 1794 in the Prussian General Land Law.

Other than marginal attempts to promote an “early liberal movement away from the state school” (based on the educator Hans-Jürgen Toews), 19th century liberal policy decided in favour of the state school as a standard – a view that was to continue until after the second world war. Until 1918, state schools were expected to stabilise the monarchy and supply the most compliant subjects possible. Humboldt’s idea of an educational system that was free not only of clerical but also of state influence was unable to assert itself. The first signs of sustained opposition that would repeatedly challenge the dynastic order arose mainly at the universities (Fichte was the first elected dean of the University of Berlin in 1811-1812). Sections of the educated and propertied classes were also expressing their dissent and opposition from the ranks of the democratic and liberal parties was on the rise. The Nobel Prize winner Ludwig Quidde is an example of a liberal who spent his life defying the sub-

missive sycophancy of German educational establishment and the majority of the German bourgeoisie. He was sentenced by the authorities to three months in prison.

After 1918, when the princes were forced to abdicate, the essential features of an enlightened school law were finally set forth in the Weimar Constitution; on the one hand, the law ensured that greater consideration was paid to state school sovereignty but, on the other, it allowed parents the right to set up religious schools - a right that proved controversial because of its scope. Between 1933 and 1945 school law was based exclusively on Nazi ideology, but post-war policy reinstated this right.

It must be emphasised that the development of the general concept of education as well as the development of the term liberal education embraced a conviction that eventually started to take effect during the Weimar Republic, namely that character development must encompass civic education.

The German politician Friedrich Naumann, who wanted to "make industry citizens out of industry subjects", founded the German University for Political Science (Deutsche Hochschule für Politik, DHP) shortly before his death in 1919. Antonio Missiroli from the European Policy Centre has closely studied the DHP, and describes one of its motives as follows: "(...) the heightened need for a civic education (...), after the upheaval of 1918, along the lines of the Wei-

mar Republic; in other words a legally binding democratic education of the initially 'apolitical' German people (....)." The concept is underpinned by the idea of emancipation, already borrowed from the Enlightenment by Humboldt and Fichte: instead of being controlled and patronized by others and giving himself up to his fate, the citizen should, through education, now attain the means with which he can shape his own life; in politics too he should assume responsibility, in accordance with the rules of a democracy, for the circumstances of human co-existence.

The triumph of the sciences and the common belief that education was synonymous with science played a crucial role in delaying the success of the idea of political emancipation in education concepts in the early 20th century. Higher education had been equated with scientific education acquired at universities particularly since the latter half of the 19th century. The humanities were viewed with a particular suspicion and academic criticism of the feudal system was considered undesirable.

The extent to which education had to distance itself from its traditional humanistic connotations to keep pace with scientific and technical development remained a point of contention, one that is still unresolved today – if it can be resolved at all. The German Educational Catastrophe by Georg Picht, published in 1964, laments the fact that German educational establishments fall short of meeting the future challenges of professional practice and social change, while Ralf Dahren-

dorf, with his important book *Education is a Civil Right*, is convinced that the emancipatory function of education should take precedence. In the modern university landscape, this ambivalence is reflected in the differentiation between science-based and other universities. In many fields, the oneness of research and teaching, as propagated by Humboldt, no longer exists.

As early as 1959, the German philosopher Theodor Litt discussed the questions surrounding a contemporary education concept in *The Educational Ideal of the German Classical Period and the Modern World of Work*. He understands the world of work along the lines of Hegel, namely as an antithesis, in which the classical ideal of education must be abolished in a double sense: the substance, the “humanity” must be preserved while everything that is no longer contemporary, is “contradictory”, must be eliminated. In contrast, Dahrendorf’s *Plea for an Active Education Policy* in 1965, which he renamed *Education is a Civil Right*, seems to follow the traditional approach of liberating the individual from “unwanted ties”; while the approach targets pragmatic strategies to meet the requirements of a changed reality, it does not lose sight of the duty of education to ensure that people can be responsible for themselves.

True, Dahrendorf does not believe that man can manage without any ties at all, without “ligatures” as he called them in his book *Life Chances* in 1979; however, one should have the option of deciding whether one wants to commit oneself

to these ties and one should not have to expose oneself to blind prejudicial structures. The civil right to education will ensure that an individual is not under any compulsion in this regard.

In 1965 when Dahrendorf wrote his Plea for an Active Education Policy, he was involved with the Free Democratic Party (FDP) in Germany, which adopted his approach in its programme. In 1972, the party developed its first comprehensive concept of education: the Stuttgart Guidelines for a Liberal Education Policy. Based on the civil right to education, it introduced a programme for open education; the programme was systematically structured from the elementary level to educational research and planning and was oriented on the concept of an integrated comprehensive school and an integrated post-secondary institution. The aspiration was formulated as follows: "The entire education system, from kindergarten right through to institutions for further education, must (...) be rendered open and must be differentiated through integration to ensure that optimal learning is possible for all." The three prominent educational objectives were; individual self-determination, democratic behaviour and educational development.

The orientation of the liberal programme was obviously inspired by the trends of the 1960s and 1970s when there was confidence in supra-regional planning and when the enthusiasm of a new start was backed by science, for example in the writings of Professor Friedrich Edding (*Auf dem Wege*

zur Bildungsplanung [Towards Education Planning], 1970) or of the educationists Paul Heiman/Günter Otto/Wolfgang Schulz (Unterricht – Analyse und Planung [Lesson analysis and planning], 1965). It can be asserted that the fundamental liberal commitment to personal liberty in the programmes of the 1970s had to be harmonised with the concepts of planning for character development, influenced by the zeitgeist. In the countrywide one-size-fits-all concept of the open school and university, each individual was expected to find his own path of development according to his aptitude and inclinations.

We now know that the path taken by education planning has not been successful. It would however be wrong to proclaim Dahrendorf the crown witness of liberal education planning or indeed make him the scapegoat of the failed endeavours. In the last chapter of his Plea he writes: “It is indeed a characteristic of a modern, free society that it insists on the rules of the game but, for the rest, places its trust in the market, in the free play of forces. The lack of freedom today, in contrast, is characterised by the attempt to replace the market with the plan, in other words to replace confidence in uncertainty with the claim to certainty. The claim to certainty is invariably a claim to absolute power – and also an opportunity for absolute error. Wherever it can, a free society will build on the principles of market rationale and not on the principles of planning rationale. (...) Only the rules that underpin the functioning of the market need to be safeguarded according to plan. The right to education is however the pre-

requisite for the free play of the forces of democratic politics in a modern society.”

These ideas were also pursued by the FDP when it presented a new education policy programme in 1988. The programme is largely devoid of ideology and calls for extremely concrete measures that continue to hold true today. Examples include the necessity of reducing federal responsibility to setting the overall framework; further developing all-day schools; strengthening the autonomy of and competition between schools and promoting private schools. Additionally, universities should have greater autonomy, the duration of study reduced and work made more efficient. There should be a strict separation between teaching and research but research should remain committed to “dedicating itself to the central issues of society, to the technical and economic development and its consequences.” The state continues to be responsible for the financing of education and the “right to education” is retained. Educational opportunities continue to be understood as “opportunities for freedom and as life chances”.

Thus the path of liberal educational programmes into the third millennium has already been set: state involvement is increasingly confined to financial commitment and instead the “tasks of society” move to the forefront, as mentioned in the Citizen’s Programme of 2002.

It is striking that the Humboldt right to education as character development is barely accentuated in the liberal pro-

gramme. The necessity of imparting social values such as the willingness to shoulder responsibility, awareness of one's rights, willingness to participate, commitment to freedom, and advocacy of minority rights is no longer explicitly emphasised. That this is vital is proved by a glance at the problems in our society – problems that nurture extremist and criminal behaviour, which spread insecurity. Ultimately, nothing less than our freedom is at stake.

There is no doubt that the efficiency and quality of school and university education in Germany are in urgent need of improvement. Every year, a good 10% of school graduates leave comprehensive schools without a school-leaving certificate; the Curatorship of German Industry (Kuratorium der Deutschen Wirtschaft) bemoans the fact that around 25% of school leavers lack adequate levels of education. In many schools, teachers are barely in a position to maintain discipline and ensure that students remain willing to learn; according to the German Association of Education and Schooling (Verband Bildung und Erziehung), 5%-10% of all German pupils play truant regularly. And when Joachim Starbatty, professor of economics in Tübingen writes: "When going through their exam papers one gets the impression that a third of the students are no longer able to write a complete sentence," then it is doubtless high time that schools and universities undergo fundamental reform.

In all this we should not however forget that it is essential to impart values if we are to guarantee a free society and a

liberal state. Against the background of the challenges posed by right-wing extremist parties and by fundamentalist ideologies that do not respect our constitutional principles, the call for imparting democratic values is becoming more frequent, even from liberals. But which values should accompany an adequate practical education? The German philosopher of ethics and Kantian, Otfried Höffe, resorts to the classical terms and formulates the values for a liberal order thus: "Schools and universities, together with their administrations, are obviously committed to all five dimensions: to economic values, namely the willingness and the ability to earn one's livelihood oneself; to the overall values of all liberal democracies, namely the rule of law, human rights, justice and tolerance; to the (not only) eudaemonistic values such as level-headedness, self-confidence and the ability to give and receive criticism (after all, even a good democracy cannot take astute decisions if its citizens are foolish); to the particular values of one's own democracy; and finally to the rights of global citizens."

This is a demanding, well-established canon that can define the fundament of a liberal education policy, the formulation and implementation of which are now overdue.

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