



AUSTRALIAN CATHOLIC UNIVERSITY



# ISSUES PAPER 2: CHOICE and VALUES

Prepared by the Public Policy Institute of Australian Catholic University for the Independent Schools Council of Australia

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## 1. Background

The Public Policy Institute (PPI) of the Australian Catholic University has been commissioned by the Independent Schools Council of Australia to prepare a series of papers to inform discussion about schooling policies in Australia, as a contribution to the Australian Government's Review of Funding for Schooling. The focus of the first paper was equity in education. The theme of this second paper is choice and values. A third paper will discuss the issue of parental contributions to education.

The analysis of current research evidence and policy options in these key areas of public debate is the independent work of the PPI. The views in these papers are not necessarily the views of the independent schools sector.

## 2. Why choice?

Greater choice in schooling has been an important and controversial education reform internationally for the past thirty years, a pillar of market oriented reform of education which had its origins in Friedmanite economics which favoured a free market approach to public policy over government intervention. The enduring controversy about choice in schooling is tied to deeply-held ideological beliefs about the nature and purpose of public education, and about the appropriateness of applying market principles to a public good such as education.

School choice has different connotations in different national political contexts. When choice means the opportunity to choose between public and private schooling, as it generally does in the Australian debate, it can be "one of the most hotly contested governance issues among education researchers and policymakers worldwide" (West and Woessmann 2008). The debate about choice of schools within government systems, usually based on specialisation or perceived quality, is also active, but marginally less heated.

Various objectives are sought by governments in adopting choice policies but the overarching objectives are to improve school performance, reflect the values of parents, and allow for religious and educational difference.

Opponents of choice in schooling are particularly concerned at its impact on the future of public schooling and on equity, concluding that "the overall costs of increased choice and diversity clearly outweigh the benefits to some individuals" (Walford 2006). The claim made in support of choice, that it raises student performance across the board, is found to be unproven. Recently, however, evidence has emerged that establishes the causal effect of choice on performance, given certain conditions, without the predicted negative consequences for social cohesion.

This paper examines the rationale for choice, recent evidence about the impact of choice on performance and equity, the conditions necessary for a policy of choice to be effective, and the limits to choice. It also explores the connections between choice and values.

### 3. Rationale for choice

Support for choice as an education policy platform draws from economic and social theory. Advocates draw heavily on the work of Nobel prize-winning economist Milton Friedman who, from the 1960s, championed a free market approach to education, as a way of improving the performance of schools. Closely linked to support for free market approaches is the influence of neoliberal thinking which favours concepts of individual freedom, responsibility and choice over state monopoly in the provision of public services.

According to economic theory, introducing choice and competition in public services, including schooling, brings extra pressure for performance, raising quality, increasing efficiency and also contributing to the well-being of the population by allowing individuals greater freedom and control over their own lives,

*Models that rely upon user choice coupled with provider competition generally offer a better structure of incentives ... (and) are more likely to deliver high quality services efficiently, equitably and in a responsive fashion (Le Grand 2007: 38).*

#### The economic perspective

The introduction of choice into education policy accompanied a dramatic increase in the influence of economic theory on social action and political practice generally in developed economies. Market-oriented reforms such as the expansion of consumer choice are credited with creating incentives leading to higher performance. If the actors in the education process – in this case, schools – are rewarded (extrinsically or intrinsically) for producing better student achievement, they will respond to these incentives and perform well, not only in terms of results but also in creating an effective and successful school culture and instilling the values that parents (the consumers) are seeking to instil.

The main early proponents of school choice – Friedman consistently since the 1960s and Chubb and Moe and Hanushek since the early 1990s – saw that free-market approaches to education would increase competition and accountability to parents and that this competition would strengthen incentives for performance, innovation and cost containment and lift student achievement system-wide. Additional choice, both among public schools and between public and private schools, would improve student outcomes by allowing parents to choose the supplier of schooling that offered the best performance. Assuming parents value academic outcomes, the resulting competition among schools to attract students would enhance overall student achievement. Schools would need to innovate and adapt to meet parental demand for ‘quality’ or they would lose students and consequently funding.

The language of economics and the market (services and consumers, products and providers, supply and demand, choice and competition, efficiency and productivity) has continued to dominate schooling policies globally despite strong resistance by many in education. For example there is:

*an increased role for clients and markets, even privatisation – which are seen at odds with the social and humanistic traditions of education to promote equity, cultivate humanity, and sustain local communities (OECD 2006:29).*

The education market is characterised as a quasi-market rather than a conventional one. On the supply side, schools cannot expand infinitely. All families have to make some kind of purchase from what is on offer – the entry of new suppliers is regulated – and while there is competition between providers, schools are not profit-making nor does money change hands. On the demand side, parents do not have untrammelled access to any school at all; services are at least in part paid for by the state and funding is earmarked for the purchase of a specific product or service. The schooling market is only able to operate through public funding, and it contains a safety net, for those unable to operate effectively in the free market.

West and Pennell (2002) describe the main elements of the quasi-market for schooling as:

- parental choice
- open enrolment
- funding following students
- school diversity
- publication of performance information

Giving parents free choice among schools and enabling private providers of education to receive government funding are mechanisms designed to release competitive forces that will drive school improvement. Introducing choice into public systems was expected to improve outcomes because funding would follow enrolments. Privately operated schools were expected to have better outcomes and be more efficient than publicly operated schools because market forces would create incentives for performance-conducive qualitative innovation and efficient resource use, and because they typically face fewer regulations than government-run schools. Moreover, choice between public and private schools was predicted to improve the performance of nearby public schools, because of competition.

The economic rationale for a market-based schooling system relying on choice, competition and incentives is that this will boost performance across the board and thus help “the non-choosers as well as the choosers” (Harrison 2005). Market forces create the pressure to produce certain outcomes: greater efficiency and diversity, innovation, quality teaching and increased parental involvement.

## The social perspective

Belief in economic freedom is tightly linked to a belief in individual freedom. Choice is therefore also pursued as a major pillar of neoliberalism, which has become a dominant force in public policy-making. Neoliberalism questions the state monopoly of services – the appropriateness of “one size fits all” – and emphasises the private over the public, the individual over the collective and self-reliance over welfare. The policy goals of neoliberalism are usually decentralisation and competition and are underpinned by market-based principles. Over 150 years ago, in *On Liberty*, John Stuart Mill was concerned that state-provided and regulated schooling would impose a standardised uniformity that runs counter to liberal values supporting diversity. Mill considered that state-controlled education should only exist, if it exists at all, as one among many competing experiments, setting an example and standards of excellence.

Most researchers acknowledge that the *idea* of choice is difficult to criticise. *The idea of choice offers alluring promises of equality, freedom, democracy and pleasure that traverses political and social boundaries ... In societies built upon the liberal commitment to freedom of thought and action a commitment to the expansion of choice simultaneously reflects and helps create a common-sense understanding of how the world should be organised* (Forsey *et al* 2008: 9-10).

Choice policies were introduced in the aftermath of a long period of commitment to universal education through public schooling and were lined up against concepts of compulsion, regulation, homogeneity, bureaucracy, institutionalisation and uniformity (Forsey *et al* 2008: 14). In an historical context, the shift to greater diversity in schooling represented a move away from the publicly-provided schooling tradition which had held stage for most of the twentieth century, founded initially on a mix of goals – protecting children, reducing crime, making democracy work, increasing equality of opportunity, inculcating common values and promoting economic growth.

The new political and social environment of the late twentieth century, combining individualism, diversity and a more critical citizenry, put pressure on the state to deliver more diversified public services that were more responsive to demand and increasingly questioned the appropriateness of centralised and bureaucratically delivered services.

## The legal perspective

The principle of school choice is also embedded in the human rights movement. The Universal Declaration of Human Rights provides that “Parents have a prior right to choose the kind of education that shall be given to their children” and the *International Covenant on Economic, Social and Cultural Rights* commits its signatories “to have respect for the liberty of parents . . . to choose for their children schools, other than those established by public authorities . . . to ensure the religious

and moral education of their children in conformity with their own convictions,” with the proviso that that education must conform to minimum standards laid down by the state.

#### 4. Opposition to choice

Objections to choice come from a number of different angles. As mentioned above, economic rationalism and the market model of education are widely held to be inappropriate to the provision of a public good in a democratic society, especially when the educational benefits of choice and competition remain unproven.

The more persistent critique, however, is that a market approach is incompatible with the equity objectives for schooling. Critics of choice are concerned that choice and competition in schooling will hurt the most disadvantaged and weaken social cohesion. Since choice is not available to everyone, the gains from choice will be unequally distributed, with the benefits flowing to those already better off, the more articulate, educated and active consumers who have the knowledge, contacts, time and money to exercise choice and therefore exert their privilege. Not only will less well resourced families have limited choice, the exercise of choice by the most advantaged families will lead to social segregation and residualisation, taking out the top students, leaving behind those most in need of assistance, and reducing the potential to improve public schooling.

The individualistic approach championed by neoliberals favouring rights, freedoms and diversity, is seen as a:

*distorted view of democracy ... serving individual rather than collective community goals. Once individual choice becomes the dominant motif for education, the public purposes of education become a second order consideration (Reid 2003:3).*

Choice in schooling is seen as inimical to the development of citizenship, undermining the ideal of public education which encourages mutual interaction, understanding and social integration, and fosters the development of a set of common values and allegiances providing:

*... the vehicle in which children of all groups would be educated for democratic citizenship, in which the social elements of national identity would be laid (Reich, 2007:711).*

In particular, critics of choice see dangers in supporting non-government schools that might become “parallel communities”, serving a single ethnic, religious or social class group, thus reducing the opportunity for children from different backgrounds to mix and develop tolerance and appreciation of differences in society.

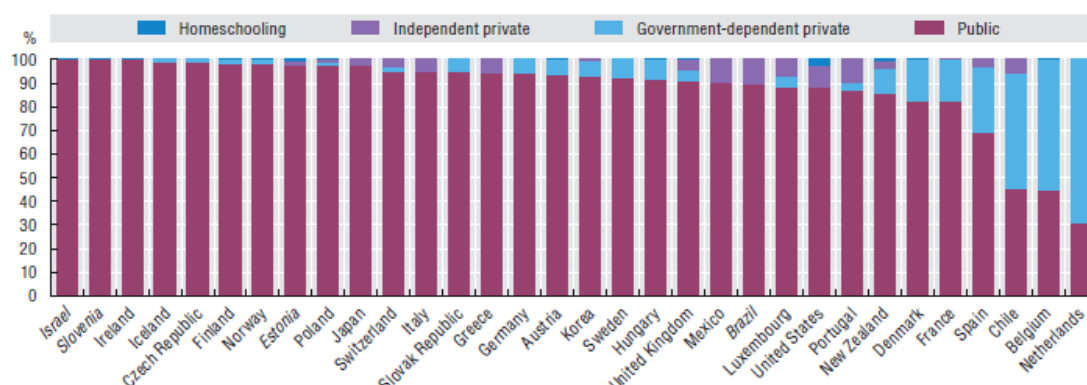
And while the human rights obligations may require governments to allow parents the freedom to choose a religious schooling, opponents of non-government schooling point out that this obligation does not extend to forcing the state to pay, merely not to prohibit.

Although these objections have been persistent in education debate over at least 25 years, in that period opportunities for choice have become the rule rather than the exception in OECD countries. As the OECD observes, “even the Nordic countries, where belief in schooling for public good and equity is as strong as anywhere, have seen significant reforms in this regard” (OECD 2006:79). Funding mechanisms that promote school choice have been introduced in most OECD countries.

Most OECD countries have government-dependent private schooling (see **Figure 1**) and have funding mechanisms which support school choice, in public education and between public and private schools.

**Figure 1**

**Figure S.1. Distribution of students across various types of schools, 2008**  
 This figure shows the breakdown of students between public and private institutions (which, in turn, comprises three sub-categories: government-dependent; independent; and homeschooling).

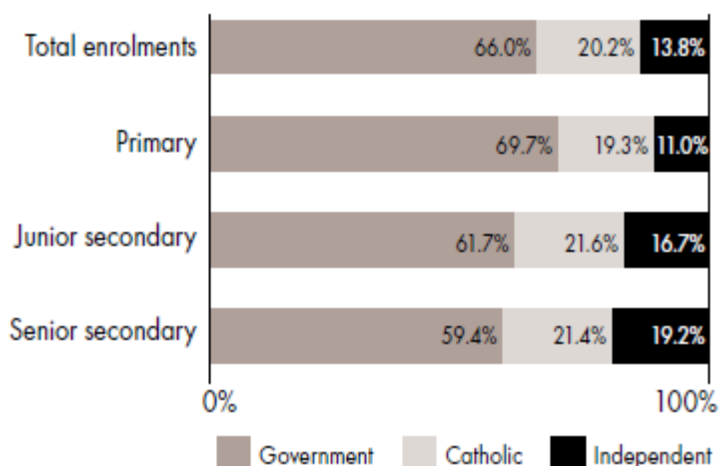


Source: OECD (2010), *Education at a Glance 2010*, Table D5.2, available at <http://dx.doi.org/10.1787/888932310548>.

The OECD analysis of school choice, based on survey data, does not include Australia, where 34 per cent of students are in non-government schools (see **Figure 2**) – in either “government-dependent private schools,” following the OECD definition (ie schools receiving more than half of their core funding from government agencies or relying on government funding to pay teaching staff), or “independent private schools” (ie receiving less than half their core funding from government and teachers not paid by government).

**Figure 2**

### School enrolments by sector and level, 2008



While there have been many studies examining the impact of competition and choice on performance, because of the significant differences between schooling systems in different countries, the individual national findings need to be interpreted in the light of each system's particular circumstances. There is a wide variety of school choice models, adapted to local social, economic, historical and political contexts, within the global movement towards greater choice and competition. Each country has had its own unique way of reshaping the mass public education system of the early twentieth century in response to economic and social change.

## IMPLICATIONS FOR POLICY

Choice policies need to be assessed in terms of the objectives they are designed to serve, against the alternative of uniform government provision, and addressing concerns about the possible detrimental effects of choice on social cohesion, equity and quality education. An assessment of the impact of choice needs to take account of the particular national context in which it has been implemented.

The **objectives of choice** are:

- Improved school and student performance through increased competition and stronger accountabilities;
- More diversity and innovation;
- Greater efficiency;
- A reflection of liberal values of individual freedom.

**Objections to choice** are that:

- The application of economic rationalism and market principles to education is inappropriate and ineffective;
- Common public schooling is an essential social construct in democratic society;
- Choice is incompatible with the equity objectives of education;
- Choice will weaken social cohesion and national identity.

## 5. Impact of choice

For at least two decades, researchers have analysed the impact of choice on performance within countries. Recently, cross-country studies under the auspices of the OECD have studied the impact of choice and competition per se, taking account of differences between countries in policies and implementation.

### Choice and performance

A wealth of research exists to show the benefits of choice to school effectiveness and achievement. The measured benefits have accrued to the individuals exercising choice, and to the schools of choice. These better outcomes, however, have generally been attributed to the effects of advantaged background and segregation. Non-government schools and selective schools in the government system have attracted students who were more likely to perform well, given their social background, family income and academic capacity on entry. Students from higher



socioeconomic backgrounds typically achieve better, and students whose parents actively choose schools tend to achieve higher academic outcomes than those who stay with local schools.

The conclusion of much of this research has therefore been that once the socioeconomic status of the student body was taken into account, the results between government and non-government schools would be similar. This is the finding of reports on the differences in the results between the government and non-government school sectors in the NAPLAN national tests and the PISA international assessment.

*Once differences in students' socioeconomic background were taken into account (by adjusting the mean scores for student's individual socioeconomic background and for the school average socioeconomic background), there were no longer any statistically significant differences in the average reading, mathematical and scientific literacy scores of students from the different school sectors (Thomson et al 2010:12).*

Similar studies of choice and diversity policies in England (West & Pennell 2002; Fitz et al 2002; Gibbons et al 2006/2007) have not been able to separate the effect of social class background and segregation, whereby choice schools were able to attract a more privileged student body, on higher achievement from any effect of choice and competition. Some of these studies concede that the mechanisms to make competition work as intended may not have been present in the English choice reforms, particularly in relation to centrally controlled admissions.

Gary Marks (2009), however, established value-added effects for the non-government school sector in students' end of school achievement, after controlling for socio-economic background. In his analysis of tertiary entry scores using 2003 PISA results, he finds that on average, non-government school students scored higher than government school students (and independent school students scored higher than Catholic school students). Higher proportions of students from independent schools (22 per cent) achieved at level 5 or above; 10 per cent of government school students scored at this level and 14 per cent of Catholic school students. Higher proportions of government schools students (19 per cent) compared with Catholic (8 per cent) and independent (5 per cent) school students did not reach level 2 in reading literacy.

After taking account of SES background, prior achievement and various aspects of student learning, Marks concludes that non-government schools "add value" to student performance in the final years of school – by approximately 9 per cent for independent schools and 5 per cent for Catholic schools. While the reasons for this are not clear, one proposition supported by the evidence is that non-government schools promote a more academic environment that lifts the performance of all students.

Recent studies analysing cross-country data from PISA have been able to isolate the beneficial effects of competition from other factors such as school intakes,

income levels and background and have shown the causal link between policies of choice and competition and educational outcomes across the board.

These studies show choice as a highly effective systemic reform strategy. The study undertaken for the OECD by Woessmann *et al* (2007) provides clear evidence that choice and competition drive up standards and that various forms of school accountability, autonomy and choice policies combine to lift student achievement to substantially higher levels:

*Students perform better in countries with more choice and competition as measured by the share of privately managed schools, the share of total school funding from government sources, and the equality of government funding between public and private schools (Woessmann et al 2007:4).*

Further research by West and Woessmann (2008) confirm the finding that competition from privately operated schools has a positive causal effect on student achievement and that high achievement is related to the extent of competition. The studies looked at system-wide evidence of the effects of competition from privately managed schools, rather than evidence comparing private and public schools in the same system. They were based on 2003 PISA data controlled for “an unusually rich set of student and school background factors” (West and Woessmann 2010:2). Improved performance was measured in both cognitive and non-cognitive outcomes (such as student morale and commitment, non-disruptive behaviour, disciplinary climate and tardiness) and the positive effects accrued to students in all schools, public and private, leading to the conclusion that the overall impact is not due simply to privately operated schools being more effective, but rather it reflects the benefits of competition.

The benefits of competition and choice are stronger where privately operated schools face external accountability measures, are autonomous and receive a share of government funding. The superior results are attributed to heightened incentives geared towards better student learning as a result of competition, the greater flexibility, creativity and responsiveness to local needs of autonomous schools “free from the inertia and rigidity of centralised bureaucracies” (West and Woessman 2010:9), the increased affordability of private schooling through generous public funding, and accountability measures which set clear standards, require external monitoring and provide appropriate rewards and sanctions.

A number of important findings relevant to school funding policies arise from these studies.

- Across all countries studied, students performed better if their specific school was privately managed.
- Competition from private schools improved achievement for public as well as private students. A large part of the overall improvement in achievement accrued to students in government schools.
- The share of privately operated schools has an economically and statistically significant effect on student achievement in mathematics, science, and reading,

after controlling for student, family and school background factors. The larger the private sector, the greater that difference.

- There is no evidence that these schools have focused on raising student achievement at the expense of non-cognitive skills. There is no trade-off for schools fostering the development of both.
- Student achievement increases along with government funding of schools. A level playing field in terms of access to government funding for public and private schools seems to create an environment of choice and competition that is particularly performance enhancing.
- Countries which combine relatively high shares of private operation with relatively high shares of government funding do best among all possible operation-funding combinations. Conversely, countries which combine public operation with private funding do worst.
- Private competition reduces educational expenditure per student so that better educational outcomes are achieved at lower cost.

## Choice and equity

For many educationists, the risks to equity from policies encouraging choice and competition have outweighed the possible benefits to quality. As the OECD points out:

*in the midst of an ongoing wave of market-oriented reforms in school systems around the globe, observers in many countries worry about the implications of these strategies for the equality of opportunity essential for open societies. Critics of market-oriented reforms contend that additional choice and competition in schooling in particular are likely to reduce equity (Schutz et al 2007:34).*

The fear is that choice policies will widen inequalities since better educated, middle class parents would be more likely to avail themselves of the opportunity. This would increase the differences between schools such that “the poorest schooling will be provided for those children most in need and the best for those who already have the most advantages. The second problem is that choice may lead to greater social segregation” (Walford 2006:14).

Not only is it predicted that choice will disadvantage the already disadvantaged, it is also expected to increase the gap by further privileging those already well off. The “market system of education provides the middle classes with a competitive edge, of which they will increasingly take advantage” and “allows the articulate middle and educated classes to exert their privilege whilst not appearing to” (Fitz et al 2002:4).

Alan Reid puts the view that “the use of the education market and individual choice to drive social policy is counterproductive to creating the sort of society that can meet the demands of globalisation and diversity in socially just ways” (Reid 2003:7). When there is no choice but to choose, everyone is drawn into “reproducing a social system that exacerbates social inequality” (Forsey et al 2008:9).

Several studies now point to quite contrary outcomes from competition and choice. The study by Schutz et al for the OECD (2007) brought to light new evidence showing how national features of accountability, autonomy and choice are directly related to equality of opportunity. The additional choice created by public funding for private schools is associated with a strong reduction in the dependence of student achievement on socioeconomic background. Choice enhances equality of opportunity and benefits low SES students even more than high SES students. "Accountability, autonomy and choice are tides that lift all boats" (Schutz et al 2007:34).

US education economist Caroline Hoxby tested the impact of initiatives in the US which explicitly combined equity objectives with choice. The driving force for introducing national and state programs such as *No Child Left Behind*, voucher schemes and *Charter Schools* was to provide higher quality schooling for disadvantaged populations. Hoxby studied a voucher program in Milwaukee and charter schools in Michigan and Arizona and found that, in each case, achievement increased not only in the choice schools but in the competing public schools. The answer to her opening question, "Could school choice be the tide that lifts all boats?" was a definitive "yes" – the productivity effects of school choice were found to "relieve the tensions generated by the allocative effects of choice" (Hoxby 2003:9).

The Schutz et al (2007: 34-35) study concludes:

*the bottom line from our analyses, however, is that there is not a single case where a policy designed to introduce accountability, autonomy, or choice into schooling benefits high-SES students to the detriment of low-SES students, ie where the former gain but the latter suffer. This suggests that fears of equity-efficiency tradeoffs and cream-skimming in implementing market-oriented educational reforms are not merely exaggerated but are largely mistaken. International evidence on the institutional determinants of efficiency and equity in schooling confirms that more efficient school systems can also be equitable if schools are induced to challenge all students to reach their full potential.*

The particular policies that have additional benefits for low-SES students include the regular use of teachers' subjective ratings to assess students, school influence on staffing decisions, school autonomy in determining course content, private operation, government funding, and more equalised government funding between private and public schools. "In each of these areas, market-oriented reforms simultaneously advance both efficiency and equity" (Schutz et al 2007:34).

## POLICY IMPLICATIONS

Choice policies are well supported by the research evidence which shows that:

- **Choice leads to higher achievement** for individuals and schools, even when the advantages of social background and prior achievement are taken into account;
- **Choice and competition lead to higher achievement for all students**, whether in public or private schools;
- The benefits of **choice and competition are stronger** when combined with **autonomy and accountability** and when private schools receive a share of government funding;
- **Additional choice**, accompanied by accountability, autonomy and public funding, **enhances equality of opportunity** and benefits lower SES students even more than high SES students.

### 6. Conditions for effective choice

For choice and competition to have the positive impacts expected, without adverse effects, certain conditions need to apply. The OECD research found that policy initiatives of choice, autonomy, accountability and per capita funding are interrelated and mutually reinforcing and any one policy will not be effective without the others.

The positive impact on achievement of privately operated schools is stronger when they are held accountable and have the autonomy to respond to private competition. Private schools, which are already accountable to their parent body and local community, benefit also from the accountability created by external inspection and performance comparisons with other schools. The incentives created by parental choice work particularly well if (private and public) schools in the system have the autonomy to respond to parental demands. In such systems, schools face particularly strong incentives to perform well (Woessmann *et al* 2007:52). Accountability for performance is exercised through assessment of students, external exit exams, monitoring of teacher quality and comparisons of school performance.

Individual school autonomy is a characteristic of independent schools and is increasingly adopted as a policy in government school systems. The important facets of autonomy are influence over staffing decisions, in determining course content and in the way programs are conducted. The value of autonomy in budgetary matters is not as clearly established and is dependent on accountability being exercised through external exit exams.

A key element in effective choice policies is publication of the information generated by policies of external accountability. The provision of information is a critical policy underpinning choice. The market needs sufficient information on performance to ensure that educational choices are made so that incentives are indeed geared towards better student learning. Hence, the connection in the UK and Australia between the publication of school test results and choice policies,

*In sum, institutional reforms that ensure informed choice between autonomous schools may be expected to improve student achievement because they create incentives for everyone involved to provide the best learning environment for students (Woessmann et al 2007:17).*

Also essential for effective choice and to avoid potentially adverse effects on equity, is government funding for private schools. This is the explicit conclusion of the OECD study and a conclusion that can be drawn from West's study of the compatibility of choice with equity in English schooling (2002) and Willms' study of the long history of choice in public schooling in Scotland, which found that choice might simply be adding to existing advantage and therefore safeguards were needed "if disparities between the advantaged and disadvantaged are not to widen inequality".

Without the right policy mechanisms in place, it seems that competition will not improve performance. These mechanisms include the incentive to respond through funding based on student numbers, appropriate school control over admissions, autonomy in staffing selection and external accountability. The relative accessibility of privately operated schools as a result of government funding accounts for nearly half the superior performance of students in countries with larger shares of privately operated schools.

## **7. Limits to choice**

Recognising that choice has a beneficial impact on school achievement is not the same as looking to maximise choice, either within the government school system or between government and non-government schools. The complexity of public policy means that a balance inevitably needs to be struck between competing values and objectives. Choice policies aimed at better outcomes from schooling need to be aligned with other objectives for schooling, including social cohesion. Responsiveness to the desires of individuals and communities for particular schooling needs to be balanced with society's need to ensure the highest quality education for all children.

Within the non-government sector, the question of balance comes into play between the accountability that properly accompanies public funding and the characteristics of autonomy, flexibility and responsiveness that have been identified as important factors in the effectiveness of non-government schools. Regulatory requirements need to be in proportion to the level and purpose of the funding provided.

### **Income**

The main constraint on individuals exercising choice is affordability. The OECD study found that this constraint should be relaxed with generous public funding:

*As long as there are credit constraints that prevent poor families from borrowing against possible future income gains of their children due to improved educational performance, poor families' choices of schools that require private funding will be constrained. Generous public funding of privately operated schools can relax such credit constraints, thereby allowing*

*greater choice for all families and increasing schools' incentives to behave efficiently (Woessmann et al 2007:42).*

Public funding increases the extent of choice and competition when it enables poor families to choose privately operated schools. In Finland, Korea and the Netherlands, privately operated schools receive about the same share of government funding as publicly operated schools on average. Evidence from these countries shows that:

*school systems based on public-private partnerships in which the government finances schools but contracts their operation out to the private sector are the most effective in terms of fostering students' educational achievement (Woessmann et al 2007:43).*

Both private operation and government funding increase the extent of choice in the system and the result seems to be better learning outcomes for students.

Simon Marginson (in Walford 1996:113) reports on the consistently high preference for non-government schooling in Australia if money were no object. In the 1990s, a national poll found that among those families with children at a government school, "45 per cent – more than half those who expressed an opinion – opted for the non-government sector". Jennifer Buckingham cites the *Sydney Morning Herald* survey of 2004 where 34 per cent of parents with children in public secondary schools said they would change to a non-government school if there were no extra cost. (2010:9) Research commissioned by ISCA and carried out in 2009 found that 40 per cent of government school parents would prefer to send their child to an independent school if fees were not an issue.

## **Location**

The performance-enhancing effects of choice and competition are only relevant if there are multiple schools available from which to choose. Some communities are simply not large enough to sustain several schools and there are therefore differences between urban and rural areas in the extent of choice. The greater number and range of schools in larger towns and cities provides more choice and people living outside cities are less able to exercise choice. In some areas of Australia, including in rural and remote areas, the existence of non-government schools can offer families a chance to break out of location-based disadvantage. Some remote Indigenous communities are served only by non-government schools.

Within public schooling, the introduction of choice has often taken the form of relaxation of enrolment zones, which restricted children to attending their local school. While evidence on the benefits of introducing choice in this way into the public systems in England and Scotland was not convincing, Fitz et al (2002:8) point out that, whatever the stratifying effects of market forces and competition, the effects of catchment areas or zoning and "selection by mortgage" may have been a good deal worse". Gibbons et al (2006/2007) acknowledge the benefits of choice in public systems in highly urbanised areas, where there is greater inter-school competition and more autonomy in governance structures.

## **Social cohesion**

One objection to choice is its potential to undermine the ideal of universal education as a valuable social instrument that brings together students from many different backgrounds in a common institution. As a common institution centrally controlled however, common schooling could not guarantee interaction and understanding between diverse groups, and could also be used as a way of imposing a dominant cultural matrix on religious and ethnic minorities (Reich, 2007:712). Educational choice can well be seen as the most appropriate response to the political complications of a plural society, and a positive response to social diversity.

Rather than forbid choice, through public funding of choice, governments set a basic public purpose for all schools, creating a 'social construct' within which all schools operate. All schools are expected to embody an ethos that develops citizenship and individual autonomy. Public funding is therefore a mechanism for making choice compatible with the common schooling ideal, in a diverse liberal democratic society, providing government with leverage and oversight. In private schooling that is government funded, neither parents nor the state have sole authority, but parental values shape schooling and the state holds schools accountable for public purposes. No matter how much autonomy schools are granted, governments retain ultimate responsibility for the outcomes, in the interest of the whole community, as long as they use tax revenues to support them.

## **Disability**

Under certain funding policies, choice is also limited for students with particular educational needs. Students with a disability attract less public funding if they choose a non-government over a government school. Many independent schools do not have the capacity to respond to the needs of students with a disability, although under anti-discrimination legislation, the school is required to enrol them.



## POLICY IMPLICATIONS

For choice policies to achieve their objectives without adverse effects, schools need:

- a **degree of autonomy** over staffing decisions and admissions, to be able to respond to demand;
- **To be accountable**, through external assessments and performance assessments;
- To be required **to provide information on their performance**;
- To **receive government funding on the basis of enrolments**.

Public funding of privately operated schools is critical to extending the benefits of choice and to holding schools accountable for public purposes. Many of the limits to choice can be alleviated through public funding.

A balance needs to be struck between autonomy and accountability, if regulatory requirements are not to interfere with the capacity of schools to be flexible and responsive to their parent body and local community.

## 8. Values as the basis of choice

There is no single basis for parents' choice of school for their children and a great many studies point to the factors, in various mixes, that contribute to their decision. A consistent theme in research is that people place a high value on the availability of choice, even those who do not actively choose a school other than their local one. In Australia, the public desire for choice of a non-government school, exercised by more than one-third of families nation-wide would be hard for any democratic government to ignore. In all but one capital city, 50 per cent or more of families choose a non-government school for secondary education.

The conventional view of the basis for choice is that it is a matter of income and class. Much research shows the association between choice of a non-government school and occupational status, income and wealth, and parents' education. In an examination of the strength of these factors compared with "culture and identity," Kelley and Evans (2004: 39) however, find that values are more powerful influences than social status and also find that there is no sharp class separation among Australian schools:

*it is in values and attitudes that the real difference lies.*

The specific "culture and community" factors Kelley and Evans explore are religion and political orientation. They compare the influence of these with traditional factors such as level of education, occupation, income and belonging to the elite. Their

analysis separates out the unique influences of partially overlapping factors and concludes that:

- Education and occupation are more important than social class and income in choosing non-government schools. Highly educated, often professional, parents slightly prefer Catholic to government schools, and are strongly attracted to independent schools. This finding is consistent with OECD research which shows that parents with growing levels of educational attainment increasingly demand more influence over the education their children receive. Recent generations of more highly educated parents can therefore be expected to account for a continuing demand for non-government schooling.
- Family income plays “only a cameo role” in school choice. The poor and middle classes are equally likely to send their children to an independent school, and the more prosperous to choose a government school – the full range of incomes is represented in all three sectors.
- People at the top of the social elite make up a small minority of each sector, although a larger share of independent schools. In every social class, government schools are the most common choice.
- Religion is the most important source of difference. Parental desires to inculcate in their children values consonant with their religion are a driving force in school choice, especially for Catholic families. Religious identity and churchgoing are at the heart of the choice between government and Catholic schools, although independent school choice is only slightly about religion.
- School sector choice is more about values and attitudes, community and culture, than about class and wealth. Australian culture embraces a range of attitudes, about individualism vs collectivism, about the importance of academic achievement, about self-mastery, and about many other things including political orientation, and these affect school choice (Kelley and Evans 2004:39).

A survey conducted for ISCA (2008) showed that among the most important factors influencing parents’ choice of independent school – educational excellence, good teachers, a supportive caring environment, good facilities and education philosophy – what parents want above all is for children to have a well-rounded education with a strong emphasis on learning life skills.

Across countries, the OECD (2006) found that good academic outcomes were the main reason for choice. Academic performance seems to be a more important factor in relation to choice within the government sector. In Australia, academically selective schools have the highest level of unmet demand, and in England, with the increasing specialisation of schools in the public system, better performance is the main reason for choosing a non-local school, followed by religious ethos, good reputation, easier access, poor reputation of the local school and child’s happiness.

## 9. Diversity

Choice in Australia underpins pluralism in society and embraces the value of diversity in a democracy which recognises and nurtures difference. Combining choice with diversity is the route to providing a range of choices, being able to satisfy different demands and giving a greater chance of educational innovation, leading to improved outcomes.

Providing for diversity through schooling can be seen as a way of promoting social cohesion and harmony and not as acting to the detriment of the common good. With the right balance, choice allows for people of different ethnic, religious and cultural identities to maintain their differences, within a frame of common social values, and contains value conflicts. As Jennifer Buckingham (2010b) concludes in her study of the rise of religious schools:

*People with a religious faith could easily feel alienated from public schools.*

*Public schools in a centralised system struggle to provide for the needs of all parents. When public schools are the only option, and the values and beliefs of parents about what is best for children are at odds with those of the public school system, parents can only seek resolution by attempting to change the whole system or by seeking an exemption from certain aspects of it.*

*On the other hand, alternative options such as religious schools can minimise such disputes.*

*There is also a line of reasoning that through diversification and expansion, many religious schools have become less dogmatic. As larger numbers of children enrolled in religious schools, many of whom were not from devout families, schools have had to accommodate a broader range of beliefs and lifestyles.*

Despite claims that non-government schools, and particularly faith-based schools undermine the "whole edifice of social cohesion and modern citizenship" (Jakubowicz 2009:8) and the premise that it is "less likely that democratic sensibilities will be developed in places like private schools that have been deliberately structured to foster particular world views" (Reid, 2003:4), there is no evidence that the growing and increasingly diverse non-government school sector has exacerbated social tensions or created a sectarian divide. On the contrary, research on Australian social attitudes shows that non-government schools, no less than government schools, successfully promote social cohesion, tolerance and civic-mindedness.

*The fact that rising enrolments in religious schools has not been accompanied by an increased affinity with religion in the general population suggests that religious schools are not a strong indoctrinating force. Although good data is scarce, there is no evidence that attending a religious school increases religious commitment among students ... people who attended non-*

*government schools do not express opinions that are less socially liberal or less tolerant of difference than people who attended government schools. On some issues, the opposite is the case (Buckingham 2010a).*

Both government and non-government schools make a contribution to society by producing good citizens and creating the possibility for a plurality of groups to co-exist and interact, in the interests of the educated responsible citizenry essential for national productivity, economic growth and social cohesion.

## **POLICY IMPLICATIONS**

Support for school choice is an appropriate policy response to the diversity of values and attitudes in society.

**Values, rather than income and class, are the basis for choice** between government and non-government schools. Religion is at the heart of the choice between government and Catholic schools. The education level and occupation of parents are also more important than income and social class in choosing non-government schooling. Greater numbers of highly educated parents in the population are likely to increase the demand.

While academic performance is a factor in school choice, parents judge the whole school environment and its fit for each child. They look for educational excellence, good teachers, a supportive environment and good facilities.

Rather than undermining social cohesion and national identity, **government support for diversity in schooling is a way of promoting the common good** and containing conflicting values as well as responding to high public demand.

## **10. Conclusion**

Schooling policies supporting choice are increasingly common in OECD countries, most of which have funding mechanisms supporting choice, within public education and between public and private schools. Cross-country analysis has provided evidence of a causal link between the degree of choice in the education system and performance. Not only does the availability of choice lead to higher levels of achievement for students exercising choice, it also adds to the achievement level of all students and enhances equality of opportunity, benefiting low SES students even more than high SES students.

The benefits of choice and competition are stronger when combined with autonomy and accountability, and when private schools receive a share of government funding. For choice policies to achieve their objectives without adverse effects, schools need autonomy over staffing decisions and admissions, a system of accountability which

leads to the publication of performance information, and to receive government funding on the basis of enrolments.

Public funding of privately operated schools is critical to extending the benefits of choice, and to holding schools accountable for public purposes.

School choice, which is generally exercised on the basis of values and attitudes, is an effective way of providing for diversity in the community and contributes to social cohesion. Public funding means that non-government schools remain accountable for their public purposes and alleviates limits to choice.

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