choice and vouchers. The breadth of issues covered is comprehensive and the views represented wide-ranging.

The book is divided into three parts. The first part considers both theoretical and general empirical effects of vouchers on student achievement, social mobility, and school efficiency, as well as an introduction to charter schools. Part II contains papers on whether private schools are better than public schools, and Part III contains studies from actual school choice proposals or programs in the U.S., or from Europe and Japan where private school tuition is (at least) partially subsidized. The book includes contributions by many of the luminaries in the economics of education. Unlike many edited volumes, the quality of these papers is generally above average, and they complement one another nicely.

In Part I several chapters consider the theoretical effects of vouchers. The essay by Levin is a classic that serves well as an introduction to the subject. Manski’s paper reviews theoretical arguments and also includes a simulation which suggests that not only can some of the theoretical results be ambiguous a priori, but so, too, do the empirical results depend on the details of the particular voucher program. The essay by West contains an important point often missed in the voucher debate: full-blown privatization of education (in which education is privately, not publically, funded) is efficient because it avoids imposing taxes to raise money for education and therefore does not generate a deadweight loss to society. He notes that because the voucher programs currently under discussion are publically funded, they suffer from the same welfare loss. However, he argues that at least these programs also increase choice and likely introduce more competition into the market for education and are therefore more efficient than the current system. Finally, Part I recognizes that competition and school choice can take many forms, one of the most popular of which are charter schools. The paper by Geske et al. provides a valuable introduction to these new and rapidly growing schools. Not only is the institutional discussion useful, the authors also present thought-provoking concerns that future research would do well to examine. As the authors point out, charter schools attempt to strike a balance between offering choice and autonomy while remaining within the public sphere which may be a difficult balance to maintain.

The essays in Part II focus on whether private schools are “better” than public schools. The authors and papers that are featured in this section are well-known and yet any review would be incomplete without them. Hoffer, Greeley and Coleman, and Chubb and Moe argue for the superiorit of private schools. Murnane, Newstead, and Olsen, and Witte argue that given the quality of the data and the difficulty of correcting for individual self-selection, the results of studies comparing public and private schools should be cautiously interpreted. This section also includes papers that present evidence from Colombia, Tanzania, and Thailand. Although the collection represents some of the best work to date, it omits one of the more recent and convincing papers, “Finishing High School and Starting College: Do Catholic Schools Make a Difference” by William Evans and Robert Schwab (Quarterly Journal of Economics, November 1995).

Finally, one of the best contributions of this volume is the relatively large number of studies that present evidence from actual choice proposals and programs, both in the U.S. and abroad. Most of the papers focus on who chooses to attend a private school and whether it appears that increased school choice increases or decreases stratification. Unfortunately, the authors rarely have a control group, or a good measure of stratification before choice was increased, such that it is difficult to ascertain the counterfactual. Nevertheless, the papers provide useful pieces to the overall puzzle.

The goal of the volume is to provide a handy reference on some of the best work regarding school choice and school vouchers. The volume certainly meets this goal and will be a welcome addition to the libraries of all interested in the economics of education, in general, and in school choice, in particular.

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This edited volume consists of six country case studies and an introductory chapter by William Savedoff. Its intent is to redirect the debate on social service delivery in Latin America towards issues of incentives and accountability in organizations. Ultimately, it seeks to “[demonstrate] the ways that differences in organization affect performance, creating incentives and accountability mechanisms that impact on education and health conditions” (p. 4). A less ambitious goal might have been to simply acquaint readers with the many innovative approaches to education and health reform in Latin America, and perhaps spur empirical research in this neglected area. In this it succeeds admirably. There are three chapters on education in Chile, Brazil, and Venezuela, and three on the health systems of the Dominican
Republic, Chile, and Uruguay. Each presents a wealth of institutional background and descriptive data (I focus this review on the education case studies).

When authors make empirical inferences concerning the relation of organization to outcomes, the volume is somewhat weaker. Cristián Aedo compares the achievement of students in public and private schools in Chile, where a voucher-type system has functioned since 1980. Data are aggregated to the school level (as in other studies of Chile). The chapter’s sample includes 866 schools, apparently chosen because they are not missing any data. But the original data set for 1994 includes over 4000 schools. We are left guessing as to how this might bias results. He concludes that some private schools — mostly religious or operated by large businesses — are more effective than public schools, while non-religious private schools are equally effective. Aedo acknowledges that selection bias could be a serious problem and reports some attempt to model it. But almost no details of data or methods are given, and the correction inspires little confidence. The chapter does not report descriptive statistics (including the standard deviation of the dependent variable) so it is difficult to assess whether effects are large or small in magnitude.

The chapter on Brazil by Paes de Barros and Mendonça is by far the most thoughtful. It describes three unique education reforms: (1) increased financial autonomy for schools, (2) local election of school principals; and (3) the creation of school councils. The reforms were implemented at different times in each of Brazil’s states, which allows for a clever empirical strategy. The authors estimate the impact of reforms on outcomes, controlling for a vector of background variables and unobserved, time-invariant heterogeneity of states (using fixed effects in their panel of data). They find that the first and third reforms have the most impact; the second has no or slight impact. However, the magnitude of effects is not overwhelming, accounting for “only half of the modest improvement in educational performance that took place in Brazil during the 1980s” (p. 127).

The study of Venezuela by Juan Carlos Navarro and Rafael de la Cruz compares three types of schools: private Fe y Alegria schools that are publicly-subsidized and religiously-affiliated, state-operated Escuelas Integrales, and nationally-operated public schools. Analyses are based on a non-random sample of 17 schools (two of which are Fe y Alegria). Expenditures of all the schools are similar. Based on simple estimates of a production function (with a single dummy variable controlling for poverty), the authors find that the private students have greater achievement. They carefully state the exceedingly preliminary nature of the results.

Based on the preceding evidence, the introductory chapter states that chapters “have shown that schools in Venezuela, Brazil and Chile that had greater autonomy and accountability tended to perform better, even after controlling for socioeconomic background of their students” (p. 16). Further, “the new lenses provided by Theories of the Firm are tested in these studies, and demonstrate that addressing incentive problems through better organization can improve performance” (p. 30). My reading of the empirical studies is more agnostic. The evidence does not really support such broad conclusions, nor does it adequately justify the policy implications which the Inter-American Development Bank may wish to draw. The book’s title might have been more suitably phrased as a question: one for which empirical answers are still pending. Nevertheless, all the chapters provide fascinating background on Latin American social services which will interest many researchers. The book should provide a valuable impetus to further research.

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This is the sixth edition of the OECD Indicators series. Like its predecessors, it has much to offer to individuals and agencies interested in various aspects of education in OECD countries. It provides new data on old indicators, as well as several new indicators.

For readers not familiar with earlier editions of the Indicators, this serial offers aggregate measures of educational variables and other variables related to education for OECD countries and, occasionally, for non-OECD countries that participate in OECD surveys. Data are provided, for example, on educational attainment school-age populations; staff-pupil ratios; school attendance, dropout and completion rates; youth unemployment by educational level; teachers’ salaries; mathematics achievement; labor-force activity by schooling; and relative mean earnings by level of schooling completed.

New indicators for the 1998 volume include the transition from education to work, adult participation in training, decision making responsibilities in education, and internal rates of return to tertiary education. In addition, this volume contains for the first time trends in upper secondary and tertiary enrollments and in educational spending relative to GDP. Other indicators have been improved or expanded, e.g., mathematics achievement and teachers’ compensation.