School Choice in Chile: Two Decades of Educational Reform; by Varun Gauri; University of Pittsburgh Press, Pittsburgh, 1998, xi+147 pp, index, $45.00 (cloth), $19.95 (paper).

School Choice in Chile is essential reading for economists and education policy analysts interested in market-based reforms in education and other social sectors. Varun Gauri provides a careful empirical examination of Chile’s two decades of experience with educational vouchers, and a balanced assessment of the implications of the Chilean experiment for market-based reforms in education. His book represents an important contribution to the continuing debate on school choice and “post-welfare” reforms in countries around the world.

In 1980 the Chilean military regime initiated the world’s most comprehensive school voucher policy. Administrative control over the nation’s public schools was decentralized to municipal governments. Students were permitted to enroll in any public or private school in the country, taking their public subventions with them. Schools were granted significant new powers, including control over staffing, curriculum, and governance. The democratically elected government that succeeded the junta in 1990 did not significantly alter this policy framework. The Chilean experience with vouchers is thus both the most comprehensive and the most prolonged in the world.

Gauri’s account is exceptional for three main reasons. First, as a World Bank economist, he offers a careful and sophisticated analysis of the ways in which markets work (or not) in the educational system. Second, he displays an admirable familiarity with the institutional context in Chile, including the domestic political dynamics that shaped and constrained the development of educational policies over time. Finally, he is wise about the way schools work, and about the multiple criteria that govern actors’ choices in the education system. This helps him to explain, for example, why parents might rationally choose to remain uninformed about the school choices available to them (72), and why schools fail to lay off teachers (even bad teachers) in response to market signals (34).

It is impossible to do justice to the subtlety and sophistication of Gauri’s book in a short review, but his conclusions will offer little comfort to the advocates of market-based reforms in education.

The first lesson from the world’s farthest reaching neoliberal experiment in education ought to be that simply replacing bureaucratic and professional organization with a market, such as a demand-determined voucher system, is likely to fail. The Chilean reforms of the 1980s were not practicable, did not turn education upside down, and did not dramatically improve school performance. The difficulties the Chilean reforms encountered took a distinctive form shaped by Chile’s institutional landscape...but those difficulties were not merely contingent. They were intrinsic to the post-welfare prescription (103-104).

Gauri draws two other main lessons from the Chilean experience. First, he asserts that the introduction of market mechanisms into the educational system is unlikely to lead to innovation or systemic improvement, “because it is not bureaucratic rules alone, or even primarily, that constrain originality and risk-taking in the classroom (104).” The problem in education is not the “capture” of schools by slothful teachers and administrators, but the general weakness of the education profession relative to a variety of external constituencies.

Breaking up the state monopoly on education...would not necessarily lead to effective schools because educators on the whole would remain weak, and open to control from new sources, such as municipal governments, school owners, or the uninformed public (39).

Second, market failures are inevitable and pervasive in a market-based education system. Gauri draws particular attention to two, information failures and negative externalities. The first of these is familiar: the introduction of markets provides no solution to the problem that parents face in evaluating schools, or that principals face in evaluating teachers. The second is more interesting. Gauri argues that choice is likely to exacerbate problems of social stratification, for two distinct reasons. On the one hand, of course, “More motivated and informed parents will seek out ‘better’ schools at the same time that those competing schools seek them (105-106).” Less obviously,

In education, the exit and entry of peers affect a student’s learning. When the students from better endowed families leave a school, the quality of education for those who remain probably declines; or even if it does not measurably decline, the school becomes a less attractive option for most parents because they believe that associating with those students is itself beneficial (106).

School choice policies may make choosers better off, in other words, but they simultaneously make the many students left behind by choice worse off, by causing further damage to the educational opportunities available in their schools.

Similar market failures have been observed under school choice regimes in other countries, including the U.K. and the U.S. Both could in principle be resolved through state interventions to provide parents and other decision makers with richer information and to compensate students left behind in “abandoned” schools, but...
initiatives on the necessary scale are not in immediate prospect, in Chile or elsewhere.

Apart from its many other virtues School Choice in Chile is elegantly and clearly written. It deserves the widest possible audience, far beyond the relative handful of specialists on Latin American education.

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Education Statistics of the United States; by Mark S. Littman and Deirdre A. Gaquin; Bernan Press, Washington, DC, 1999, vi+643 pp, $65.00 (paper).

Education Statistics of the United States is a recent volume in the Bernan Press U. S. DataBook Series. In this volume, Littman and Gaquin offer a seemingly boundless amount of education-related data gleaned from several sources, including the U. S. Bureau of the Census (Census) and the National Center for Education Statistics (NCES). The volume organizes the data into four topical sections. The first section, Part A, uses Census data to examine enrollment patterns for persons aged three years and older as of October 1996. The section includes more than two-dozen tables that aggregate enrollment data by such characteristics as age, ethnicity, gender, whether enrolled in private or public school, full- or part-time enrollment for college students, family income, and educational attainment of the householder. Particularly valuable are the tables that show enrollment trends over the past 50 years.

Part B of the volume draws from the March 1997 Current Population Survey and presents data about educational attainment. Among the more interesting tables are those that report data about grades completed and degrees earned by persons 15 years and older, aggregated by such characteristics as age, ethnicity, gender, labor force status, occupation, and earnings. In addition, this section also includes several informative tables that highlight changes in educational attainment and earnings (both real and nominal) over the past several decades.

Part C presents a variety of educational data aggregated at the state-level. This sections includes more than 75 tables that facilitate interstate comparisons among such varied topics as K-12 and postsecondary enrollment, educational attainment, achievement, pupil-faculty ratios, and school finances. The section also includes several tables that facilitate international comparisons regarding educational achievement and spending levels. Much of the data reported in this section draws from the NCES’ Digest of Education Statistics 1997. Several tables, however, were updated to include more timely information.

The fourth and final section, Part D, aggregates educational data by county. Drawn from the NCES’ Common Core of Data (1995-96), the data items presented include total enrollment, minority enrollment, number of schools by level, number of dropouts, percentage of students who are eligible for free and reduced price lunches, and several indicators of school revenue and expenditures.

There is clearly an audience for this volume, but it is likely to be more attractive to libraries and instructors than researchers. Libraries, for example, have long relied on statistical profiles and almanacs for topical information. For education data, the legion of publications produced by the Census and NCES meet most information needs. On some occasions, however, it is useful to pull together education data from several sources into a single volume. Littman and Gaquin provide an extraordinary amount of education-related data in a well-organized and well-indexed report. There is no doubt that this volume will find a place in reference collections as a useful supplement to the many Census and NCES publications. Of course, periodic updates will be necessary since the data constantly change.

The volume is also suitable as an instructional resource in a policy-related economics of education seminar, or in more specialized education finance courses. For example, several tables of the volume should provoke good classroom discussion. Particularly useful are the tables that permit interstate and international comparisons of important education statistics such as educational attainment, achievement, and expenditures. Moreover, the tables are clear, easy to read, and will copy well.

The data presented in Education Statistics of the United States beg for analysis, and there is enough data here to keep educational researchers busy for some time. Researchers, however, will find it more useful to turn directly to the Census or the NCES to facilitate their studies. During the past several years, both the Census and the NCES have made considerable progress towards increasing access to their educational-related survey data. In fact, Census and NCES website users can now download for analysis most, if not all, of the data presented by Littman and Gaquin (see http://www.census.gov and http://nces.ed.gov). Researchers can also look forward to the development of the International Archive of Education Data (Archive), operated by the Inter-University Consortium for Political and Social Research at the University of Michigan (see http://icpsr.umich.edu/IAED). During the next several years, the Archive will acquire and disseminate data col-