The Privatization Infatuation

Should We Buy What Think Tanks Are Selling?

By Kevin G. Welner & Alex Molnar

President Truman is said to have wished that his advisers had only one arm—so he didn’t have to repeatedly hear, in response to his policy questions, “on the one hand this, and on the other hand that.”

Half a century later, a phalanx of “one-armed” policy analysts are plying their trade in free-market-oriented think tanks. For these analysts and their think-tank sponsors, privatization is the preordained solution for each new educational problem. Indeed, time spent reading their reports leaves the unmistakable impression that the public nature of public education is the root problem for all that ails schools. Everything else is just a symptom.

In 2007, the second year of our Think Tank Review Project (thinktankreview.org), we reviewed 18 think-tank reports about education policy. Time after time, our reviewers identified analyses that led inexorably to a privatization prescription. Even reports that offered a reasonable analysis of the No Child Left Behind Act (“End It, Don’t Mend It: What to Do With No Child Left Behind,” from the Cato Institute) or the dropout problem (“The High Cost of Low Graduation Rates in North Carolina,” from the Friedman Foundation) suddenly and groundlessly identified as the key policy implication of their findings the need for vouchers or other forms of privatization.

That market-oriented social theorists favor privatization is old news: The modern push for privatization of schooling goes back at least as far as Milton Friedman’s 1955 essay “The Role of Government in Education.” Then, as now, voucher advocacy was coupled with a particular and narrow view of markets’ nature and effects. What’s new these days is the large number of well-funded, market-oriented think tanks that promote their ideological preferences by purporting to provide solid, supportive research evidence.

Milton Friedman’s namesake organization, the Milton and Rose D. Friedman Foundation, was out in front of the 2007 effort to promote privatization as a magic elixir. Its North Carolina dropout report was one of five similar state-specific efforts advancing the argument that private-school-voucher programs would increase graduation rates and reduce the societal costs of dropping out. Our reviewer found that the Friedman reports had so consistently distorted the findings of research and used such flawed calculations that policymakers should avoid the reports entirely.

Three other Friedman reports, reviewed by three different reviewers, similarly trumpeted vouchers, choice, and private schooling:

Of “The ABCs of School Choice,” our reviewer wrote: “Evidence ... is consistently abused in this report, both by misrepresenting individual studies (including those by voucher advocates) and misrepresenting the general body of research on choice.”

For “School Choice by the Numbers: The Fiscal Effect of School Choice Programs, 1990-2006,” our reviewer pointed out that the report...
overaggrandizes the fiscal savings of its own, pro-voucher calculations, since it only “describes a savings of less than 1/100th of 1 percent of annual public school spending.”

Similarly, in “Monopoly Versus Markets: The Empirical Evidence on Private Schools and School Choice,” our reviewer identified embellishment as a prime problem, since a closer inspection of the author’s own calculations shows little difference between public and private schools’ effects on achievement.

The Friedman Foundation was not alone. A report from the American Legislative Exchange Council, the “Report Card on American Education,” was sharply criticized by our reviewer, Arizona State University’s Gene V. Glass, for using “poor and misleading methods” to dismiss as ineffective per-pupil spending increases, pupil-to-teacher-ratio reductions, and raises for teachers.

The ALEC report contends that while these reforms will not make a difference, “empowering parents [school choice] will.” After analyzing the report, Glass described its language as “appropriate if uttered from a politician’s soapbox but not in legitimate reports of research.” He pointed out that the author makes “no attempt” to relate choice “to achievement or even to cite collateral research that might support a claim of superiority,” and found that “ineptness and naiveté in measurement and data analysis have thwarted any attempt to legitimately derive such conclusions.”

The Cato Institute critique of the No Child Left Behind law drew praise from our reviewer, University of California professor Bruce Fuller, for its “solid analysis of No Child Left Behind’s difficult-to-discern effects on student achievement” and for its conclusion that “the law has narrowed the curriculum while failing to boost test scores.” Fuller also noted, however, that “the authors ultimately fall back on the Cato creed: Shrink the central state and expand market-choice in every sector of human activity,” and he criticized the report’s “inferential leap toward its blanket support of market remedies.” This, he added, “ignores the inconclusive evidence on school choice.” The report fails, Fuller concluded, “to subject market-based approaches to the same critical analysis applied to NCLB, lead[ing] them to endorse a very narrow range of policy alternatives.”

It is the tortured effort to make all findings prescribe privatization, rather than the underlying free-market value orientation, that makes these think tanks’ reports so problematic. A positive view of privatization’s potential is not a reason to devalue a researcher’s work. But when expert reviewer after expert reviewer consistently concludes that think-tank reports present misleading and shoddy “research” in support of policy recommendations advancing privatization, it is a serious problem.

In 2006, we handed out our first Bunkum Awards to highlight some of the worst work reviewed. Sadly, finding deserving recipients in 2007 proved no more challenging. This year’s grand prize, the Caveat Emptor Award, goes to the Friedman Foundation for its cumulative body of work. (A full list of this year’s winners is presented at Bunkumawards.org.) While the all-roads-lead-to-privatization theme predominated, plenty of other offenses were documented.

In purely political and ideological (if not social science) terms, biased think-tank reports are understandable. Reports intended primarily to be vehicles for advancing the ideological preferences of the think tanks will view data, logic, and experience as mere tools to be manipulated to serve policy goals. Nuanced (“two-armed”) policy analysis is a notoriously unreliable tool for advocates. A
nuanced analysis of voucher research might conclude, for example, something like this:

Overall, voucher research shows both positive and negative outcomes. On the one hand, means-tested voucher programs provide new choices for families with very limited options, and those families receiving vouchers tend to be happy with their choices. In addition, many students who attend private schools using vouchers undoubtedly gain an academic benefit.

On the other hand, the research shows that on average these voucher recipients show little or no academic benefit as measured by standardized exams. Further, the research shows that even for means-tested voucher programs, the policies often result in stratification, with parents in voucher families tending to be more educated. Moreover, the transaction costs of a full-scale voucher program may make voucher plans more costly than other, more educationally potent alternatives.

Admittedly, that’s not much of a sales pitch, and pretty cold soup for an ideologue. As for policymakers, they will have to decide whether false clarity is more valuable than messy truths. The evidence provided by the Think Tank Review Project suggests that they cannot have it both ways.

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