

Expansion is Helpful, but Openness is Transformational

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One of the key things I realized during my conversation with ‘X’ on co-payment was that there was probably a widespread failure to grasp the significant differences between an expansion of alternatives to assigned traditional public schools, and increased openness to alternatives. Increased openness likely, initially expands the number of alternatives. But an expansion can occur, and typically has occurred, with just a temporary, finite opening. An expansion can leave the entry barriers intact. What we need is openness, which means a levelling of the playing field, financially, so that with competition, public school alternatives charge little or no tuition.

This is a big deal because many scholars and reform advocates have expressed disappointment in the improvements yielded by alleged competition. For example, there was a lot of hype that the Milwaukee tuition voucher program would yield proof that ‘school choice’ was a key element of a school system reform strategy. Studies revealed benefits, but too small to get excited about. That produced the status quo proponent talking point that ‘choice doesn’t matter very much.’ The **failure to meet the hyped expectations** has taken the choice proponent spotlight off of Milwaukee. But the replacement poster child, charter-dominated New Orleans, is another **lousy market experiment**. But the **hype continues**, including reckless, groundless use of the term **‘competition.’ Potential for rivalry** is the correct term. The New Orleans school system is ‘priceless’, it doesn’t allow profit-seeking entrepreneurs to apply for charters, and lacks other normal components of genuine competition. Until the authorities centralized charter enrollment (competition for the authorities to assign children to your school!?!?!?!), nearly half of the children in the New Orleans system were on wait lists, which in the new ‘OneApp’ system means they don’t get their first choice. But **Jeff Murray’s** “How do School Leaders Respond to

Competition: Evidence from New Orleans” insists it is a “highly competitive marketplace.”

Nonsense!!!

Before I go on, I want to make clear the basis for my criticism. I do not object to the Milwaukee or New Orleans school choice expansions. They are huge improvements on what they replaced, and they have helped thousands of families. The replacement policies may have been the maximum expansions possible, politically, and may still be. I object to characterizing them as insightful experiments in market conditions, and to characterizations that they are models to copy.

The Murray article is bizarre. He notes that there is little actual competitive behavior; mostly more aggressive marketing, and then asserts that, “that low level of response in this hypercompetitive market should be worrying.” Hmm! Maybe it’s not “hyper-competitive.” Does “nearly all of the surveyed school leaders reported having at least one competitor for students” mean hyper-competitive to you (some lack even one credible competitor), even without taking into account missing prices and profits?

Another tell-tale sign that some potential for rivalry did not create genuine competition, is that, “non-academic considerations (bus transportation, sports, afterschool care) are often bigger factors than academic quality when parents choose schools.” It means that the potential for rivalry has not yet driven the specialization that typically results from competitive market behavior. Many of the New Orleans chartered public schools are former comprehensively uniform traditional public schools that don’t differ much academically. Some of the other schools have chosen not to specialize. So, lacking major academic differences between many schools, the parents near them will choose based on non-academic considerations (bus transportation, sports, afterschool care).

Words have meaning. Truth in labelling is a critical element of the Herculean task of budging the status quo. Loose use of key terms can sink causes. Because of the Milwaukee failure to meet expectations for ‘choice’ and ‘competition’, reform advocates now have to make excuses.

Indeed, it is true that we didn't really have the touted 'competitive' conditions at work there. We shouldn't give up on 'choice' and 'competition.' Excuses are not a good starting point for moving forward.