

## *Education's Missing Apple: The Free Enterprise Solution?*

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You'll find it in downtown Oakland, in a neighborhood of barred windows and strip malls. Its name is the American Indian Public Charter School (AIPCS)—though most of the students are Hispanic, Asian, or black. As with a lot of inner-city public schools, there's a significant achievement gap between its low-income students and the statewide averages for middle- and upper-income white kids. But as I found when I studied the state's schools earlier this year, it's the poor minority students at AIPCS who come out on top.

AIPCS is just one example of the many great schools in our nation's inner-cities, yet the overall poor performance in these areas persists. The problem is not that we lack models of excellence for serving low-income students, but rather that we lack a means of bringing those models to scale.

Education reformers have spent the last half century searching for and trying to invent teaching methods and materials that would bring educational excellence to America's poorest and most troubled neighborhoods. The assumption has been that once a recipe for success was demonstrated in one place, schools around the nation would inevitably adopt it, discarding their old, less effective practices.

It hasn't happened. Take the now famous example of Jaime Escalante, whose low-income Hispanic students at Garfield High School were, by the mid-1980s, already besting their peers at Beverly Hills High on the Advanced Placement (AP) calculus exam. Though staggeringly successful, Escalante's program was not replicated. On the contrary, his own fellow teachers voted to relieve him as head of the math department after Escalante drew the ire of the local teachers' union because he welcomed over 50 students in his classrooms, while the union contract required no more than 35.

We already have successful models for helping low-income students. What is missing is the means to bring those successes to schools all over the country. In every other field, it is routine for the top services and products to reach mass audiences, but there is no Google of education, no Starbucks, no Apple. Why not?

Almost 20 years ago, I decided to leave a career in computer software engineering to search for the answer. It's a search that took me back to the origins of formal schooling in ancient Greece, and forward through a dozen historical times and places.

So striking was the pattern I saw emerge from the hum of the centuries that I sought to test it against a completely new set of data—the modern scientific research comparing

different kinds of school systems. The consensus that arises from that research is much the same. The more education is organized and funded the way other fields are organized and funded, the more it enjoys the scaling-up of excellence that we've come to expect.

The same free enterprise system that has given us Google, Starbucks, and Apple works in education, too—if we let it. This system works for businesses through several key conditions: freedom to innovate, consumer choice, competition between providers, price signals, and the ability to distribute profits to investors.

These same tools can allow and encourage educational success. In fact, they're already doing so. In the Korean tutoring sector, it is not uncommon for the top teachers to have class sizes in the range of 20 to 40 thousand students, thanks to effective use of the Internet to distribute lessons. The best among them earn millions of dollars a year from profit sharing programs operated by the tutoring firms. The more effective a teacher becomes, and the larger the number of students who seek out her lessons, the more she earns.

At the other end of the economic spectrum, hundreds of entrepreneurial independent schools currently operate in the slums of Hyderabad, India, vying to serve the children of day laborers and food-stall vendors whose poverty is beyond anything in America. These parent-funded independent schools outperform the local state-run schools, and they do so at a fraction of the cost—barely four dollars per month.

If Americans remain committed to providing universal access to a quality education we must ensure universal access to an entrepreneurial education marketplace. This is not a new policy challenge. Many nations already promote choice and private entrepreneurship in education. Sweden has done so since 1992, the Netherlands for over a century.

Given America's long experiment with state-run schooling, dating back to mid-19th century Massachusetts, the free enterprise approach to education may not currently resonate here. But Americans are a commendably pragmatic people. In the end, we prefer what works to what doesn't.

In the coming years, there will be countless stories told about the success of education as a free enterprise around the globe. In a nation that became a superpower largely because of that system, it's time we start playing to our strengths.