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Chile's Proposed Education Reforms Would Kill the Goose that Lays the Golden Eggs

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For the past three decades, Chile has had a nationwide voucher-like school choice program. Parents can choose among public and private schools, and the government picks up most or all of the tab. But, since the election last fall of a left-leaning government led by Michelle Bachelet, the future of the program has been in doubt. In May, President Bachelet introduced a first round of reforms aimed at dismantling aspects of the program, though these are still under debate. I've written about what that could mean for Chile's educational performance and equality in today's edition of the Santiago-based [El Mercurio](#). Here's the original English version:

Chile's elementary and secondary education system has been harshly criticized in recent years for academic underperformance and for having large gaps in achievement between lower-income and higher-income students. There is significant truth to both charges. What is less widely known is that Chile has been improving substantially in both respects for at least a decade, and that president Bachelet's proposed reforms are likely to reverse that improvement.

Though Chilean students perform in the bottom half of countries on the Programme for International Student Assessment (PISA) test, many of the nations that participate in that test are rich and fully industrialized. When compared to other Latin American countries, Chile is number one across all subjects. More importantly, Chile is one of the fastest-improving countries in the world on international tests, and so it is gradually closing the gap with rich nations.

Crucially, the bulk of Chile's improvement has been coming from traditionally lower-performing, lower-income students, so the nation has also been narrowing its own achievement gap between rich and poor. One way that researchers measure inequality is to compare the performance of students who have many economic and educational resources in the home with the performance of those who lack such resources. By 2009, the gap in performance between the high- and low-resource students was already smaller in Chile than in most industrialized countries, including Australia, Denmark, France, Germany, and the United States. Another measure of inequality is the difference in the number of years of schooling that high- and low-income children complete. By that measure, Chile has the least inequality of any country in Latin America.

Chile, in other words, is the top performer in the region and one of the fastest improving in the world. Not only have researchers noticed these golden eggs of Chilean education, they have also begun to understand the goose that lays them. Most studies find that Chilean private schools

outperform municipal schools, but the difference is sometimes quite small. A more important discovery, by Professor Francisco Gallego and others, is that increased competition from private schools improves outcomes across the board. As the ratio of private to municipal schools in a given area rises, so too does the performance of students in both sectors.

Professor Gregory Elacqua has added another important insight: chains of private schools tend to outperform independent private schools. On top of that, the larger chains outperform the smaller ones.

And which type of private schools are the most likely to grow and form new chains? The answer is for-profit schools. Though Catholic schools can also be thought of as a network or chain, and though they, too, perform well academically, they have not expanded as rapidly as for-profit schools in recent decades and they have been less likely to locate in the very poorest neighborhoods.

So an obvious recipe for continuing Chile's pattern of educational improvement and the shrinking of its educational gaps is to encourage the growth of networks of high-performing for-profit schools. This is of course the precise opposite of the reforms proposed by president Bachelet, who wishes to ban for-profit schools and forbid parental co-payments. If implemented, schools serving roughly one million students would have to shut down.

Sadly, the government seems unaware of how successful the existing system has been. It wants to kill the goose that lays the golden eggs without even having noticed the eggs. The Bachelet government, and the student leaders who encouraged it to adopt these reforms, want to believe that a centrally planned school system would work better than the more free enterprise approach that exists today. Camila Vallejo, for instance, once said that Venezuela's centrally planned education system is more advanced than Chile's. But on the famous PISA international test, Venezuela's most developed state performs far below Chile's national average. And the avowed mission of Venezuela's system is to indoctrinate youth with the government's ideology. There seems to be little appetite for that sort of system in Chile.

It is good that Chileans are unsatisfied with the status quo and eager to improve it. High standards are crucial for the advancement of nations as well as individuals. But if the desire for improvement is to be satisfied, it must be accompanied by an honest appraisal of what works and what does not—in the real world. Chile's entrepreneurial approach to education has elevated it above its regional peers, narrowed its educational gaps, and is helping it to improve overall. Central planning, as Venezuelans are rediscovering, has a less encouraging record.

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