

SELDON'S CHARGE

James Stanfield

As the founding editor of this journal, the late Arthur Seldon maintained a particular passion for education, and from the 1960s onwards he led the charge against government monopoly and for the introduction of vouchers in education. After almost half a century of muddling in the middle, our politicians are at last beginning to take note, but unfortunately in the intervening period the debate has become somewhat confused. Therefore, a quick lesson from the great man himself is perhaps just what the doctor ordered.¹

For over a century, education in the UK has been funded through taxation and delivered free at the point of use. This method of funding is based upon a myth that 'education did not evolve spontaneously in response to parents' concern to educate their children but had to wait until politicians took it into their heads to tax parents in order to supply it for free'. As E. G. West has previously confirmed, education in the nineteenth century was already spreading rapidly and being paid for almost entirely by school fees.

This raises some difficult questions. First, if our ancestors were sufficiently concerned about education to pay school fees from their modest incomes, are parents today not likely to be as concerned about education? Second, if parents today are not showing their concern through the payment of school fees, what is stopping them?

Of course, parents in the twenty-first century are just as likely to be as concerned about their children's education, and because their real incomes are now much larger, the amount they would be prepared to pay in school fees would be greater. In fact, the amount that parents would be prepared to pay in school fees would probably be larger than the amount they currently pay for education through taxation. It is important to recognise that there is an obvious distinction between the attitudes that arise when paying taxes and those that arise when paying prices. While a tax is seen as a forced reduction in purchasing power which conveys a sense of loss, a price is viewed as a voluntary act of spending which conveys a sense of gain. The difference is that 'in a free exchange *both* sides are willing; in tax-payments normal tax payers are unwilling because they see

nothing in return'. This helps to explain much that has gone wrong in education and is the key to how education will have to be financed in the future. It shows that 'if we are forced to pay by taxes instead of by prices we shall have less – of education, or anything else – than we should like to have and are able and willing to pay for'.

If it is true that parents would now be spending more on education in fees than they are paying in taxes, what is stopping them? The answer of course is the taxes they already pay to enable the state to provide education for free. Although many may prefer to pay prices instead of taxes they are reluctant to pay double and so total spending on education is restricted.

If the alternative to falling standards in education is higher taxes that people do not want to pay, 'the only way out is individual pricing in one form or another'. The solution therefore is for the state to give parents a voucher which can be used to pay for education at a school of their choice, and parents would also be expected to make a financial contribution themselves. The secret of the voucher is that 'it puts parents into the circulation of the money for education', thereby restoring the customer–supplier relationship between schools and parents. Those parents now paying for education would not only add resources above and beyond those raised in taxes but they would also expect their money to be used more effectively by paying more attention to how it is spent. Paying school fees would therefore help to stimulate parents' interest in education. Like charging in general, it is educational: 'it would in time teach parents how to choose schools'. Of course the voucher would only be a halfway house to the eventual policy of leaving income with tax payers to use for education themselves, which could be achieved gradually over a period of twenty years. '“Take what you want”, said God, “and pay for it”'. End of lesson.

1. A detailed exposition of Arthur Seldon's views on education can be found in Chapter 4 of his 1977 publication *Charge* (Temple Smith, London). All the quotes are taken from this book.

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