

James Stanfield

In his 1946 publication *Economics in One Lesson*, Henry Hazlitt defined economics as the art of tracing short- and long-term consequences. For Frederic Bastiat, writing approximately one hundred years earlier, the inevitable long-term implications of earlier government interventions were already clear to see, as the introduction of new public services in France was starting to eliminate private services of the same nature. Bastiat was referring to the concept of 'crowding out', which today is defined as follows: 'when the state does something it may discourage, or crowd out, private-sector attempts to do the same thing' (*Economics A-Z*, www.economist.com).

The importance of this concept in the development of education in the UK has previously been highlighted by E. G. West, who found that government intervention in education in the late nineteenth century helped to crowd out an already flourishing private sector. This resulted in the growth of a government monopoly which helped to increase costs and restrict choice, competition and innovation. It also had a negative impact on the level of investment in education. While parents had previously been prepared to invest more in their own children's education as their incomes increased, they were much less prepared to pay more in taxation to help fund everybody else's education. The final twist in this tragic tale is that the crowding out of private schools was all a huge mistake, as the 1870 Forster Act was only supposed to fill in the gaps. When presenting his bill to Parliament, Forster repeatedly emphasised that they must take care not to destroy the existing system, when introducing a new one. Unfortunately those who introduced and implemented the legislation failed to take into account the hidden costs and long-term consequences, which would gradually begin to force nearly all existing private schools out of business, with a limited number of elite schools managing to survive.

Having an understanding of the history of education in the UK is therefore essential when attempting to address problems in education today, which can all be linked to the crowding out of private schools and the subsequent growth of the existing government monopoly. In short, since 1870 a straitjacket has been placed on education in the UK and each new piece of legislation has further

tightened its grip. On the positive side, the history of education in the UK also shows that if people are left to their own devices then they are perfectly capable of educating themselves, without any interference from politicians. This suggests that, once the straitjacket is removed, education will flourish. Parents will regain control and they will once again have the pleasure and enjoyment of choosing between a variety of competing educational providers.

The history of education in the UK is important not only for the future development of education in this country, but also for the development of education across the developing world. This is because development experts often use the historical development of education in the UK as an example of best practice which all other developing countries must now follow. For example, the United Nations *Human Development Report (2003)* suggests that while private schools existed in the first half of the nineteenth century they were few in number and poor in quality and that it was only when the government intervened that education became universal. Based upon this interpretation of history, the 2003 UN report concludes that '[t]he experiences of rich countries suggest that the sequence for social services should be comprehensive provision by the state early on, followed by more targeted interventions and then public-private partnerships to serve different markets' (HDR, 2003, p. 111). Mehrotra and Delamonica (2005) make the following remarkable statement about the history of education in the UK: 'What is also clear is that there was no crowding out effect of the increase in public education spending on private schooling' (p. 147).

This is complete fiction, of course. Yet, in 2005, Santosh Mehrotra was a Senior Economic Advisor to the UN Development Programme and Enrique Delamonica was a UNICEF policy analyst. They deserve to be named and shamed for their misreading of history.

## Reference

Mehrotra, S. and E. Delamonica (2005) 'The Private Sector and Privatization in Social Services – Is the Washington Consensus "Dead"?', *Global Social Policy*, 5, 141–174.

**James Stanfield** is based at the University of Newcastle upon Tyne (j.stanfield@ncl.ac.uk).