Education Policy and *Friedmanomics:*

Free Market Ideology and Its Impact on School Reform

Thomas J. Fiala

Department of Teacher Education

Arkansas State University

Deborah Duncan Owens

Department of Teacher Education

Arkansas State University

April 23, 2010

Paper presented at the 68th Annual National Conference of the

Midwest Political Science Association

Chicago, Illinois

ABSTRACT

The purpose of this paper is to examine the impact of neoliberal ideology, and in particular, the economic and social theories of Milton Friedman on education policy. The paper takes a critical theoretical approach in that ultimately the paper is an ideological critique of conservative thought and action that impacts twenty-first century education reform. Using primary and secondary documents, the paper takes an historical approach to begin understanding how Friedman's free market ideas helped bring together disparate conservative groups, and how these groups became united in influencing contemporary education reform. The paper thus considers the extent to which free market theory becomes the essence of contemporary education policy. The result of this critical and historical anaysis gives needed additional insights into the complex ideological underpinnings of education policy in America. The conclusion of this paper brings into question the efficacy and appropriateness of free market theory to guide education policy and the use of vouchers and choice, and by extension testing and merit-based pay, as free market panaceas to solving the challenges schools face in the United States. Administrators, teachers, education policy makers, and those citizens concerned about education in the U.S. need to be cautious in adhering to the idea that the unfettered free market can or should drive education reform in the United States.

Education Policy and *Friedmanomics*:

Free Market Ideology and Its Impact on School Reform

INTRODUCTION

After World War II, both neoliberal and conservative economic and social theorists served as the vanguard of anti-statist critics of the New Deal and resulting economic policies that enabled the creation of what they believed to be a collectivist state. As David Harvey points out, neo-liberal theorists have argued that a "neoliberal state should favor strong individual property rights, the rule of law, and the institutions of freely functioning markets and free trade."[1] Harvey goes on to explain that these theorists insist that "privatization and deregulation combined with competition [will] eliminate bureaucratic red tape, increase efficiency and productivity, improve quality and reduce costs, both directly to the consumer through cheaper commodities and services, and indirectly through reduction of the tax burden."[2] Therefore, through the actions of privatization, competition, deregulation and free markets the means would be put in place to create an appropriate social and economic environment able to positively and efficiently facilitate maximum operational performance of all social institutions, including education.

By the second half of the twentieth century a consortium of neoliberal and socially conservative academics and policy makers would usher in an era of conservative initiatives that would have a momentous impact on education policy in the United States, culminating in *No Child Left Behind*, the standards movement, and an unprecedented emphasis on standardized testing. This consortium would include notable individuals such as William F. Buckley, Frank Chodorov, Friedrich Hayek, and Milton Friedman. Friedman would move to the forefront of this group of social and economic theorists calling for a return to his notion of classical liberal ideals

which he thought promoted the free market as a panacea for all economic and social complexities in the United States. In the process, during the 1950s an unlikely alliance began to be forged between neoliberals, more traditional social conservatives, and southern proponents of segregation. This alliance would claim that collectivist government efforts to reform education were, in fact, as Friedman averred, a primary contributing factor to the deterioration of our educational system.[3] To stop this supposed governmentally imposed deterioration, neoliberals such as Friedman would invoke the power of the free market, competition, and school vouchers to solve the problem. The purpose of this paper, therefore, is to examine the impact of neoliberal ideology and, more specifically, the economic and social theories of Milton Friedman, on education policy.

As Lawrence Cremin pointed out, by 1949 and through the 1950s conservative "hostility" and "suspicion" of public education was being manifested through a scathing criticism directed particularly against Progressive Education. Cremin characterized these conservative efforts at education reform as "the exorcising of this devil [Progressive Education] from our midst and a return to the ways of our fathers." [4] At the time, critics of education, such as Mortimer Smith, Bernard Bell, and Arthur Bestor saw America's public schools, and the colleges of education that supplied the teachers within these schools, as institutions of narrow elitism that assumed too much responsibility in non-academic areas, while attenuating the curriculum that needed to be taught to all students in the United States. For these critics, however, the means to change the seemingly frightful state of American education would be to suggest education reform within the context of the public schools and colleges of education themselves. But it would be neo-liberals such as Milton Friedman who would make available a means to education that would be more dynamic and aggressive, using broad conservative economic principles to directly transform

education. These conservative economic principles would be agents of change from the outside and not corrupted by what he and others of his ilk believed was a narrow professional provincialism dominating public schools and colleges of education, particularly through the efforts of teacher unions and academic elites.

Helping to lay the foundation for a conservative renaissance by the late twentieth century, southern proponents of segregation in the United States during the 1950s became united with social conservatives and free market economists through a symbiotic overlapping of ideologies. While the focus of southern segregationists was steadfastly fixed on maintaining educational apartheid and the mores of their southern way of life, the manifestation of conservative economic theories by individuals such as Friedman demanded the application of free market principles to a broad array of social policies, including education. Through this conservative process, the application of these free market principles would also actually act as a subterfuge for the wholesale privatization of public schools. One core issue that provided common ground for segregationists and economic conservatives was the advocacy of school vouchers. For segregationists, vouchers would become a means of avoiding desegregation, while for conservative economists it became a way of eliminating governmental control over public education. Evidence of this ideological overlapping is illustrated in Judge Tom Brady's defiant response to what would be deemed "Black Monday" by Mississippians, the day of the week the U.S. Supreme Court ruled on *Brown v. Board of Education*. Robert Patterson, founder of the Citizens' Council, a white resistance organization, credits the Yale educated Brady as the inspiration of this group's creation. Earlier in his career, Brady's animus toward government intervention was evident when he labeled the Truman administration's civil rights program as socialistic.[5]

Conservative economist Milton Friedman claims credits for, and as we will see is often incorrectly acknowledged as, the original proponent of the school voucher "concept." He put forth this notion in a 1955 paper entitled *The Role of Government in Education* while he was teaching at the University of Chicago. However, after learning that several southern states were adopting his voucher concept to publicly finance segregated private schools as a means to evade the *Brown v. Board* ruling, his faith in the efficacy of *laissez-faire* economic and social principles for social amelioration was quickly reaffirmed. Friedman applied his long standing allegiance to these principles in order to eliminate the tensions between his abhorrence of segregation and racial prejudice, on the one hand, versus his vigilant opposition to most centrally controlled collectivist efforts to directly transform society.

Significantly, Friedman's economic and social ideas as demonstrated through free market *laissez faire* economics, vouchers, choice, and competition certainly impacted education reform on the national level to one degree or another as evidenced in all presidential administrations from Nixon in 1968 to Obama in 2009. This paper will add clarity to how Milton Friedman's ideas and activities helped forge a larger coalition comprised of disparate groups that greatly influenced the educational environment of the United States. This paper, therefore, also begins to analyze the complex relationship that was forged between these groups and their impact on education reform, an essential task in understanding education reform in the twenty-first century.

THE CONSERVATIVE CONSORTIUM AFTER WORLD WAR II

During the post World War II era, Friedrich Hayek's economic, political, and social theories would find a ready audience among conservatives critical of the New Deal and the perceived encroachment of a supposed collectivistic socialist state that would radically transform

American society. In *The Road to Serfdom*, published in 1944, Hayek warned about what he perceived to be the dangers of excessive economic controls that impinged on individual liberty through over-reaching state planning and central government intervention.[6] Hayek's in depth analysis, while at first given little attention by American economists who had relied on a Keynesian model to bring economic relief during the Great Depression, would find a cadre of conservative ideologues and corporate elites that would use his economic and social theories to promote a free market, anti-statist agenda. Even John Maynard Keynes, in a letter written to Hayek, congratulated him on a "grand book" and stated that he was "morally and philosophically in agreement … with virtually the whole of it; and not only in agreement with it, but in a deeply moved agreement."[7]

Significantly, however, Keynes took satisfaction because Hayek admitted that the degree of government intervention in order to solve the complex economic and social challenges of a society was a "question of knowing where to draw the line."[8] Hayek had actually tempered his discussion of free markets in *The Road to Serfdom* by explaining that some degree of central government planning was necessary in order to meet the needs and challenges of society. However, for both Hayek and Keynes "planning" did not mean a radical transformation of social organization that might include the creation of a socialist or communist state. Hayek also felt that his economic and social theories did not entail "a dispute on whether we ought to employ foresight and systematic thinking in planning our common affairs." Rather, it was a "a dispute about what is the best way of so doing."[9] This is certainly one reason why Keynes did not find Hayek's ideas completely out of order, or at polar opposites of his own economic ideas. And while Hayek was resolute against the dogmatism inherent within socialist economic theory and social order, he opposed a "dogmatic laissez faire attitude" … that would leave "things just as

they are."[10] While he believed that effective competition must be created and that "it is a better way of guiding individual efforts than any other" in order for competition to work, a "legal framework" needed to be in place that would allow his notion of free competition to work.[11] While competition was the key principle of social organization, Hayek admitted that maintaining competition would require "certain kinds of government action."[12] In the social arena, however, he believed that some institutions provide services "which can never be adequately provided by private enterprise." For Hayek, competition is not "incompatible with an extensive system of social services - so long as the organization of these services is not designed in such a way as to make competition ineffective over wide fields."[13] To all of this Keynes seemed to heartily agree. But again, for Keynes, the question was, where were the lines of government intervention and planning to be drawn?

After its publication in 1944, *The Road to Serfdom* would assume a manifesto-like quality after a 20 page condensed version was published in the *Reader's Digest* prior to Hayek's lecture tour in 1945. The lecture tour was initially intended to be academic lectures for economic scholars, but was transformed into venues suitable for audiences of several thousand, and broadcasts over the radio. Hayek was embarrassed by the adulation he was experiencing as a result of the *Reader's Digest* condensation of his book as well as the appallingly simplified cartoon version of *A Road to Serfdom* that was published by General Motors and subsequently reproduced in *Look m*agazine. Hayek was increasingly concerned about the misuse of his ideas. A Chicago newspaper quoted Hayek as stating,

> "I was at first a bit puzzled and even alarmed when I found that a book written in no party spirit and not meant to support any popular philosophy should have been so exclusively welcomed by one party and so thoroughly excoriated by the other."[14]

When speaking with the Economic Club of Detroit, Hayek emphasized that he was not advocating against all government intervention, stating:

> I think what is needed is a clear set of principles which enables us to distinguish between the legitimate field of government activities and the illegitimate fields of government activity. You must cease to argue for and against government activity as such.[15]

In 1948, economist Frank Chodorov was already criticizing what he believed to be excessive government intervention and collectivist efforts into the social organization of American society. He turned his critical lens on public education with the publication of *Why Schools are Not Free* in the October, 1948, issue of *analysis*, excoriating public education as a "state -owned institution" and "socialized education" that "cannot possibly be separated from political control."[16] For Chodorov, reforming education meant "desocializing it."[17]

Chodorov believed that the 1954 *Brown v. Board of Education* decision, in its quest for social justice, simply marked "another step in the direction of centralization of power in the federal government."[18] In his article *A Solution of* [sic] *Our Public School Problem* in the May 19, 1954, edition of the conservative publication *Human Events*, Chodorov was concerned that the Federal government had "undertaken to disregard the prevailing sentiment" of local communities and "to force these people to be 'good'" by abolishing segregation within public schools, while never acknowledging the fact that it was collectivist state government legislation that had created a *de jure* segregated society within the Jim Crow south.[19] Chodorov's solution to public school problems was simply competition and he advocated for the remission of tax revenues for public schools to parents, who would then be free to use those funds to send their children to the private or public schools of their choice. The remission of tax revenues for public schools, later called vouchers, would be a way to both negate governmental collectivist efforts

and destroy Progressive Education, which for him was synonymous with socialized education. Chodorov asserted, "there are no faults in the public school that competition would not eradicate. And the improvement would come easily and automatically, entirely without resort to political methods. The mere matter of tax remission would settle all our school problems."[20] Chodorov, therefore, was actually a proponent for school vouchers at least one year before Friedman put forth this idea. In 1953, Chodorov also forged a relationship with the young William F. Buckley when Chodorov founded the Intercollegiate Society for Individualists (ISI). George Nash explains that the ISI was an "antidote to the Intercollegiate Society for Socialists." Buckley became the first president of the ISI.[21]

During the second half of the1950s, Buckley's *National Review* was equally outraged against what was perceived as increased government collectivist efforts to impact society and potentially become nothing more than total social transformation. For example, in 1956 Buckley warned that "the socialist tidal wave continues to build up a titanic power, and it is on the move."[22] Buckley was particularly concerned with what he considered to be the Eisenhower administration's liberal efforts to somehow carve out a "middle ground between right and wrong" or, in other words, between liberal and conservative political, social, and economic ideas. On the other hand, according to Alan Lichtman, tensions within the Republican Party were already mounting since Eisenhower's advisors in 1954 had warned the president that certain conservative ideologues were vying for party dominance, the advisors describing them as "Neanderthal Men … laying the ground work for a reassertion of party control."[23] For Buckley, federal aid to education, supported by the Eisenhower Administration, was obviously one manifestation of this socialist incursion into an American way of life. Buckley would consider

such federal action as a further "institutionalization of socialist measures and paraphernalia" that would further erode Western society and individual freedom.[24]

Buckley's allegiance to anti-statism and anti-collectivist government intervention would allow him at that time to reconcile the tension that existed between issues of social justice and the totalitarian centralized power within individual southern states. Through this process, however, Buckley provided a rationale for segregationists to continue their Jim Crow society under the banner of states rights, anti-collectivism, and anti-socialism and communism. In his zealous devotion to, what he considered to be, true traditional conservative principles, Buckley extended his anti-collectivist arguments to endorse the continuation of a southern segregated society and, in his words, "the median cultural superiority of White over Negro."[25] For Buckley, southern segregationists were entitled to maintain their social hierarchy, in spite of being a numerical minority in much of the south, because they were "the advanced race." Buckley rationalized:

> National Review believes that the South's premises are correct. If the majority wills what is socially atavistic, then to thwart the majority may be, though undemocratic, enlightened. It is more important for any community, anywhere in the world, to affirm and live by civilized standards, than to bow to the demands of the numerical majority. Sometimes it becomes impossible to assert the will of a minority, in which case it must give way, and the society will regress; sometimes the numerical minority cannot prevail except by violence: then it must determine whether the prevalence of its will is worth the terrible price of violence.
>
> The axiom on which many of the arguments supporting the original version of the Civil Rights bill were based was Universal Suffrage. Everyone in America is entitled to vote, period. No right is prior to that, no obligation subordinate to it; from this premise all else proceeds.
>
> That, of course, is demagogy. … The great majority of the Negroes of the South who do not vote do not care to vote, and would not know for what to vote if they could. … The problem in the South is not how to get the vote for the Negro, but how to equip the Negro … to cast an enlightened and responsible vote.[26]

Thus for Buckley and his *National Review* the ancestral tradition of maintaining a segregated society in the south needed to trump any attempt of a central collectivist federal authority to dismantle that segregated society even in the name of social justice since that federal authority was viewed as a violation of this immutable fundamental principle, a *sine qua non* upon which true conservative political, social, and economic life needed to be based.

SEGREGATIONISTS

During the post World War II Era, while social, political, and economic conservative ideology was beginning to solidify in the broader United States, in the southern region of the United States, white citizens in dominant positions of power dedicated a great deal of their energy to preserving social hierarchy and, in particular, a segregated society. However, the uniqueness of the South's social order and the economic realities of a southern economy, still overwhelmingly agrarian in nature, were at odds with certain essential tenets of conservative economic ideology. Regardless, southern segregationists would find allies among conservative ideologues through a selective distillation of the essential tenets of conservative economic and social theory. This process would then allow the unification of southern conservative segregationists with a consortium of free market anti-statist conservatives who had found the Eisenhower administration too progressive.

The preservation of the southern way of life had been a consistent theme in southern culture since Reconstruction, whether through the writings of William F. Faulkner, Tennessee Williams, Margaret Mitchell, and William Alexander Percy, to name just a few, or through the cultural perpetuation of a southern ethos handed down word of mouth from generation to generation. During the 1950s, Buckley's *National Review* participated in the perpetuation of the

southern mystique. Anthony Harrigan, writing for the *National Review* in 1958, extolled the virtues of the south, stating that visitors are amazed and enchanted as they "walk through the Southern pineywoods [sic], ride on flatboats through the South's swamps, tour Southern "shrines" and historic houses, drive along moss-hung Southern roads, peep into Southern gardens, eat Southern hominy and grits, shrimp and shad and oysters, rice and gravy, crabs and baked breads. These friends enjoy and admire Southern houses, highways, flowers, smiles and victuals."[27] Harrigan further lauded the "essential conservatism" of the south, proclaiming, "The South has a sort of built-in power brake, which is a most effective piece of historical equipment. It has an essential conservatism, which has kept it from skidding into some very unhappy patterns, enthusiasms and crazes." Southerners were united in their determination to preserve their way of life in spite of "judicial, legislative and journalistic pressure" and the result was the formation of "southwide resistance groups." According to Harrigan, "Looking back at their land and its traditions, Southerners have come to realize that the mind of the South took its shape in an age of realism in men and affairs, back in the eighteenth century. The original shapers of the Southern tradition believed that progress resulted not from equality of condition, but from fruitful inequalities."[28]

Among the "southwide resistance groups" that arose in the south during the 1950s was the Citizens' Council which began in Mississippi as a response to the *Brown v. Board of Education* decision in 1954. The absolute goal of the Citizens' Council was to preserve the social order now firmly in place within southern society, and seen as threatened by the *Brown* decision. The founder of the Citizens' Council, Robert Patterson, a manager of a 1,583 acre plantation in Leflore County, Mississippi, feared that the desegregation of public schools would lead to mongrelization, communism, and the destruction of the southern way of life. He vowed, "I for

one, would gladly lay down my life to prevent mogrelization."[29] In July, 1954, Patterson, along with 14 business owners, civic leaders, and elite citizens founded the Citizens' Council as a resistance movement to oppose the *Brown* decision. Recruiting members from civic organizations such as the Rotary Club, Kiwanis, and the Civitans, the Citizens' Council grew to include an estimated 85,000 members in Mississippi and 60,000 in Alabama by mid-1956. Citizens' Council organizations were also operational in all other southern states and several nonsouthern states, such as California, Illinois, and Ohio.[30]

The widespread growth of the Citizens' Council was further supported by the publication of the organization's tabloid newspaper, *The Citizens' Council*, in 1955. William J. Simmons, the publication's editor estimated that the newspaper had a monthly circulation of 40,000, much of which was outside of Mississippi.[31] By 1955, certain fundamental tenets of conservatism that were often traced back to the ideas of Friedrich Hayek were firmly in place in the hearts and minds of southern segregationists. And while "racism remained in the nucleus of its thought," as Neil McMillen makes clear, "the Councils' ideological circumference had expanded to encompass the politico-economic attitudes characteristic of conservatism."[32] So while the ultimate goal of the Citizens' Council was always to maintain a segregated society, the Council rationalized this goal based on larger conservative tenets. As McMillen goes on to explain, for William J. Simmons and his Citizens' Council, the assault on the south's segregated social order was a manifestation of "the apparently ceaseless expansion of a centralized and bureaucratic government, the philosophy of a welfare state and the social gospel, the erosion of states rights, confiscatory income taxes and the increasingly collectivized pattern of American life were all manifestations of a total all-out assault against American conservatism."[33] By 1956, the Citizens' Council railed against what they perceived to be "the tyrannical actions of the Supreme Court,"

particularly as these actions related to the *Brown* decision and the larger social ramifications of this decision.[34] The Citizens' Council lamented, "The present trend brings joy to Communists and their fellow travelers who want to see all power centered in the Federal Government because they can more easily influence one Government in Washington than the 48 governments in 48 states." [35]

For Delta planters who supported the activities of the Citizens' Council in order to maintain the segregated social hierarchy within southern society, reconciling conservative anti-statism, which they endorsed on social issues, conflicted with the economic necessities of maintaining their economic way of life. As James Cobb explains, the Delta planters were willing to take the economic and political assistance of Washington to maintain their planter life style while vigorously denouncing the "regulatory and social welfare activities of the federal government." This generally reflected a fear by the Mississippi Delta's white leadership that by accepting essential economic assistance, it would also mean being required to accept the federal government's demand to desegregate society.[36]

In 1954, Judge Tom P. Brady's speech *Black Monday*, subsequently published as a book, would become a manifesto for the Citizens' Council and white resistance groups in general. Brady's diatribe would be an amalgam of historical and anthropological chicanery, the science of eugenics, and conservative political, social, and economic ideology. Most telling is the fact that he dedicated his book "to those Americans who firmly believe socialism and communism are legal 'messes of porridge' for which our sacred birthright shall not be sold."[37] In this manifesto he asserted that the decision of the Supreme Court of the United States in the *Brown* decision was "socialistic, … usurping the sacred privilege and right of the respective states of this union

to educate their youth. This usurpation constitut[ed] the greatest travesty of the American Constitution and juris prudence in the history of this nation."[38]

While advocating for the abolition of public schools in the event the federal government enforced the *Brown* ruling, Brady offered an alternative course of action to circumvent forced school desegregation. Quoting from conservative economist Frank Chodorov, Brady suggested an economic solution for public schools:

> Whatever is wrong with the public school system, including the voodooism of the New Education [Progressive Education], is due to the compulsory attendance laws and the compulsory taxes which support it. The public school is a socialized or politically monopolized institution, and suffers from weakness inherent in all monopolies. The only thing that prevents the public school from decaying completely is the fact that it is not a complete monopoly. Local control of the school gives the taxpayer and parent some say in its management, even to the point of occasionally throwing out "progressive faddism. If the plans of the Educationists succeed, if the public school is centrally managed by an entrenched bureaucracy, then the present faults of the school will seem insignificant; it will be a political department, not a place of learning. Nothing will do more to better education in America than the breaking of the public school trust. And if it is broken, nothing else need be done to eradicate its faults.
>
> This is not a proposal to abolish public schools. It is a proposal to put them into competition with free enterprise schools, so they can prove their worth. And this can be done by the remission to parents of the taxes they are compelled to pay to support politically-controlled schools, in an amount comparable to what they pay for private schooling. The method of effecting this remission -- whether by deduction from income taxes or allowances from local levies -- is a technical matter; if the principle established that a parent has the right to buy the educational service he deems best for his child, the fiscal problem of tax remission could be solved.[39]

In 1955, one year after Brady's manifesto and, most importantly, at least one year after Chodorov put forth the concept of tax remission to parents for education, economist Milton Friedman began his involvement in education policy. By the 1980s, as we will see, Friedman would become an important influence in economic and education policy during the Reagan administration and beyond.

FRIEDMANOMICS AND EDUCATION POLICY

With his publication *The Role of Government in Education* in 1955, Friedman adopted the term "vouchers" as a means of remitting taxes to parents to choose educational services for their children from an "approved" institution of their choice. "Here, as in other fields," Friedman asserted, "competitive enterprise is likely to be far more efficient in meeting consumer demand than either nationalized enterprises or enterprises run to serve other purposes."[40] The role of government for providing educational services would be limited to "ensuring that schools meet certain minimum standards," such as a minimum core curriculum.[41] He compared this to the government inspecting "restaurants" to ensure that they maintained minimum sanitary standards. Ignoring the complexities of education, Friedman simply relied on competitive enterprise to efficiently and effectively educate America's citizenry, while ignoring multiple social and economic variables that have always affected schooling in America.

Nowhere is this more evident than his simplistic analysis of school desegregation and his dismissive attitude as to the difficulties in dismantling a segregated society and, in particular, segregated public schools. After learning that several southern states were adopting his proposal for public financing of private schools in order to evade the *Brown v. Board of Education* ruling, Friedman adopted a "laissez faire" attitude. While Friedman stated that he deplored segregation and racial prejudice, he adamantly opposed forced segregation, rationalizing:

> Privately conducted schools can resolve the dilemma. They make unnecessary either choice. Under such a system, there can develop exclusively white schools, exclusively colored schools, and mixed schools. Parents can choose which to send their children to. The appropriate activity for those who oppose segregation and racial prejudice is to try to persuade others to their view; if and as they succeed, the mixed schools will grow at the expense of nonmixed, and a gradual transition will take place. …

> The establishment of private schools does not of itself guarantee the desirable freedom of choice on the part of parents. The public funds could be made available subject to the condition that parents use them solely in segregated schools; and it may be that some such condition is contained in the proposals now under consideration by southern states.[42]

Diane Ravitch in 2010 asserts that Friedman "recognized this was a problem for his proposition," although noting that "this did not deter him" from standing by his free market approach to school desegregation.[43] In fact, however, Friedman did not believe this was a problem at all. For example, as Friedman later stated:

> My initial reaction -- and I venture to predict, that of most readers -- was that this possible use of the proposal was a count against it, that it was a particularly striking case of the possible defect -- the exacerbating of class distinction. … [But] further thought has led me to reverse my initial reaction.[44]

The willingness of Milton Friedman to participate in the casual overlapping of ideologies with segregationists was a harbinger of future policies that would, directly and indirectly, promote educational apartheid and hegemonic conservative, free market values in future decades.

During Barry Goldwater's 1964 presidential campaign Friedman served as a key economic advisor. Although he did not actively campaign for Goldwater, Friedman wrote memos and drafts of speeches for the candidate. A *Newsweek* article proposed that "Friedman may … do for Barry Goldwater what Galbraith once did for John F. Kennedy"[45] Friedman later served on an economic advisory committee during Richard Nixon's 1968 campaign. During the Nixon administration Friedman served in an advisory capacity and Nixon would adopt his negative income tax idea. Nixon appointed him to the Commission on White House Fellows and to the Advisory Commission on an All-Volunteer Armed Force. While an enthusiastic supporter of Nixon in 1968, Friedman would later distance himself from Nixon's economic policies, harshly criticizing Nixon's imposition of wage and price controls.

Interestingly, while Nixon sought the council of Milton Friedman on economic issues, he was deeply immersed in the Southern Strategy during the 1968 campaign. During the 1968 presidential election, Clark Reed, Mississippi's ultra conservative Republican party chair had written John Mitchell, Nixon's campaign director, ecstatically proclaiming, "Wallace should take enough Democratic traditional votes to leave the Democrat's with little more than Negroes -- and they should soon take over the Democratic party!"[46] After Nixon's 1968 victory, it became clear that it was the more moderate Republican southern states such as Tennessee, Virginia, North Carolina, and Florida that had put Nixon over the top in the 1968 election. However, once Nixon was in office his administration did not turn to moderate southern Republicans for advice on southern issues. Instead, he went to the utra conservatives of the south for political council.

Ultra conservative state chairs from the deep south had a great deal of influence within the Nixon White House. Leon Panetta, a moderate Republican at the time, and then head of the Office of Civil Rights at HEW, became amazed at the influence of these ultra-conservative Republicans from the Deep South. He wondered why these individuals had received this kind of treatment, and saw this kind of relationship as catering to "the worst element of the deep south."[47] Panetta would eventually be fired for enforcing school desegregation requirements. According to Orflied and Eaton, "Nixon supported strong congressional action, even a constitutional amendment, to limit urban desegregation."[48] An excerpt from H. R. Haldeman's diary states, about Nixon's stance on school desegregation:

> Feb 4 …he plans to take on the integration problem directly. Is really concerned about the situation in Southern schools and feels we have to take some leadership to try to reverse Court decisions that have forced integration too far, too fast. Has told Mitchell [Attorney General] to file another case, and keep filing until we get it reversed.[49]

Nixon would also appoint William Rehnquist to the Supreme Court and Rehnquist would later be elevated to chief justice during the Reagan administration. Rehnquist would become the court's most ardent opponent of school desegregation. Earlier in his career Rehnquist wrote a memo that expressed his approval of the 1896 *Plessy v. Ferguson* decision, stating:

> I realize that it is an unpopular and unhumanitarian position, for which I have been excoriated by "liberal" colleagues, but I think *Plessy v. Ferguson* was right and should be reaffirmed.[50]

The importance of the Nixon administration and the symbiotic overlapping of different conservative ideologies cannot be overlooked. The Nixon administration would play an essential role in solidifying disparate conservative groups that would eventually play an important role in influencing education policy. The Nixon administration had actually begun to dabble in the implementation of schools vouchers in Alum Rock, California. This early attempt failed after three years. Southern segregationists, however, had been employing the voucher concept for more than ten years as a means to maintain segregated schools. This early form of a school voucher program provided state grants for students to attend all white private schools. These state grants, likened to a GI Bill for white southerners, were enacted in Mississippi, Alabama, Arkansas, Georgia, Louisisana, North Carolina, and South Carolina.[51] Most importantly, the Nixon administration played an important part in officially sanctioning both the overlapping of Friedman's economic and social theories with the ultra-conservative ideology of white southerners, and the infusion of this relationship into the ideological essence of the Republican party. By the 1970s Friedman would assume legendary status among conservative ideologues and in 1976 he was awarded the Nobel Prize for Economics.

During Ronald Reagan's 1980 presidential campaign, Friedman served as an unofficial advisor and later served on President Reagan's "Economic Policy Advisory Board."[52] According to Joseph Crespino, Reagan invoked the spirit of southern segregationists when he launched his 1980 presidential campaign at the Neshoba County Fair in Mississippi.

> Addressing a crowd of more than fifteen thousand enthusiastic supporters, Reagan invoked a mantra that had sustained a generation of southern segregationists. "I believe in states' rights," he told the crowd. Reagan pledged that, if he were elected, he would "restore to states and local governments the power that properly belongs to them.[53]

This was the first time Reagan had employed the use of the anti-collectivist term "states rights." The political event in Neshoba County was "designed … to reach out to what the Republican national committeemen in Mississippi described as 'George Wallace inclined voters.'"[54] Neshoba County, it should be noted, is infamous for the Ku Klux Klan murders of three civil rights workers in the summer of 1964.

Friedman would be considered the economic "guru" of the Reagan administration, and his economic free market policies would become synonymous with "Reaganomics."[55] Friedman, along with Freidrich Hayek and Ludwig von Mises, were lauded by Reagan for their "intellectual acuity" during the 1950s when a new conservative coalition was in its nascent stage of development. For conservatives, while this period was considered the "dark times" for conservatism, it was also a time that would become the wellspring for a conservative resurgence by the 1980s.[56]

Friedman's essay *The Role of Government in Education* experienced a resurgence in popularity with its republication in *Capitalism and Freedom* in 1982.[57] By this time his economic policies were becoming ensconced in American economic policy and were also greatly

influencing education policy. In 1980, Friedman explained that what was "wrong with our schools," primarily rested in what he called "government schools" which was synonymous with government financed public schools. He proclaimed that "Few institutions in our society are in a more unsatisfactory state than these public schools." He further claimed that this institution was "generat[ing] more discontent" and was "undermin[ing] our liberty" more than perhaps any other in American society. And even more fundamentally, the problem rested in the "educational establishment," defending "its existing powers and privileges" while being given support "by many public-spirited citizens who share a collectivist outlook."[58] Friedman posited:

Declining test scores throughout the country; increasing problems of crime, violence, and disorder at urban schools; opposition on the part of the overwhelming majority of whites and blacks to compulsory busing; restiveness on the part of many college and university teachers and administrators under the heavy hand of HEW bureaucrats - all this is producing a backlash against the trend toward centralization, bureaucratization, and socialization of schooling."[59]

Friedman's' solution to these social problems and what he perceived to be the scandalous state of public education in America was clear - vouchers! He believed that the establishment of the public school system in the United States was an example of "an island of socialism in a free market" society, and represented among "intellectuals a distrust of the market and of voluntary exchange."[60] The solution to this problem was clear - competition, choice, and a reliance on the free market to guide education policy.[61]

Thus Friedman sounded a clarion call to all conservatives, encouraging them as he observed that the institution of public education and its collectivist supporters were "under attack," and that through the efforts of conservatives the assault on American society could be

halted by surgically altering one of the main reasons for the decline of the United States within the larger world community - America's public school system. By 1983, *A Nation at Risk,* a conservative manifesto calling for the educational reform of public schools would scathingly declare,

> If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war. As it stands, we have allowed this to happen to ourselves. We have even squandered the gains in student achievement made in the wake of the Sputnik challenge. Moreover, we have dismantled essential support systems which helped make those gains possible. We have, in effect, been committing an act of unthinking,unilateral educational disarmament.[62]

Conclusion

By the end of the twentieth century and with the creation of *No Child Left Behind* legislation in 2002, the free market ideas of Milton Friedman had become firmly implanted in education policies. When the renowned educational historian Diane Ravitch served as assistant secretary and counselor to the secretary of the U.S. Department of Education, Lamar Alexander, in H. W. Bush's administration, school choice was a major focus of education reform efforts. According to Ravitch, "At meetings of staff in the department, I sat in on many discussions of school choice in which the question was not whether to support choice, but how to do so."[63] During that time, Ravitch became a staunch advocate of free market reform for public schools, particulary school choice, charters, merit pay, and accountability. This was an approach that would be adhered to, to one degree or another, by both the Clinton and the Bush II administrations. Both Democratic and Republican education policy reformers "saw the public school system as obsolete, because it is controlled by the government and burdened by bureaucracy."[64] And while early discussions of school choice were inextricably tied to the need for school vouchers, when the idea for school vouchers was met with resistance during the Bush

II administration, the charter school movement proved to be more politically palatable. Under NCLB one of the solutions for schools failing to make adequate yearly progress for more than three years was the conversion of the public school to a charter school. As Ravitch explains, however,

> With the election of Barack Obama as president, it seemed certain that federal support for vouchers was a dead issue, at least for the foreseeable future. For supporters of school choice, it mattered little, as they shifted their allegiance to charter schools as the vehicle that would inject market forces and competition into American education. And soon after he entered office, President Obama heartened charter school advocates by urging state legislatures to remove the caps on charter schools. The Obama administration's Department of Education advised states that they would not be eligible for nearly $5 billion in discretionary funds unless they eliminated any legal limits on the expansion of charter schools.[65]

By 2010, however, Ravitch had experienced an epiphany as she rejected her former allegiance to the free market and its simplistic solutions to solving the educational challenges of the United States. Vouchers, competition, high stakes testing, charter schools, all connected to a business model that needed to drive education reform, were now being seriously questioned by this preeminent historian of education and education policy maker. Nevertheless, the power of the economic free market, anti-collectivist economic theorists, and in particular, Milton Friedman, had profoundly impacted education policy in the United States. Nothing could be clearer than when President Obama chose for his secretary of education Arne Duncan. As Ravitch explains, when Obama rejected Linda Darling-Hammond for the position of secretary of education because publications such as the *New York Times*, *Washington Post*, and *Chicago Tribune* warned that she was an advocate for teacher professionalism and was too friendly with teacher unions, these publications called on Obama to select a "real reformer" who, in Ravitch's words "supported testing, accountability, choice, and merit pay based on student test scores." [66]

These were conservative ideals that were clearly connected to the economic and educational ideas first conceived in the think tanks of free market theoreticians such as Milton Friedman.

Milton Friedman's impact on education reform has been profound and in many ways extends beyond education policy. Through his economic free market theories, he was able to help forge a larger coalition comprised of disparate conservative groups that would eventually greatly influence contemporary education reform well into the twenty-first century and around which conservative Republicans could unite. The wholesale acceptance of free market ideology for many individuals, however, has had the effect of threatening the fundamental notion of public education and America's commitment to providing universal, free public education in order to improve the lives of millions of Americans. For these individuals, public schools have played an important role in placing the United States in a preeminent position of power within the world community.

One of the most scathing critiques of free market theories as an education panacea, however, comes from Diane Ravitch, an insider who understands the inner workings of conservative education policy initiatives and their impact on education. Ravitch concludes, after a long journey of analytical introspection,

> It is unlikely that the United States would have emerged as a world leader had it left the development of education to the whim and will of the free market. But the market, with its great strengths, is not the appropriate mechanism to supply services that should be distributed equally to people in every neighborhood in every city and town in the nation without regard to their ability or political power. The market is not the right mechanism to supply police protection or fire protection, nor is it the right mechanism to supply public education.[67]

As education reformers on both sides of the political spectrum in the United States forge ahead with education reform initiatives, they may well want to heed this advice when attempting to meet the educational needs of America and its children.

References

1. David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2005), 64.

2. Ibid, 65.

3. Milton Friedman and Rose Friedman, *Free to Choose: A Personal Statement* (Orlando, FL: Harcourt, Inc., 1980), 150 - 158.; Milton Friedman, *Capitalism and Freedom* (Chicago: The University of Chicago Press, 1962), 85.

4. Lawrence A. Cremin, *The Transformation of the School: Progressivism in American Education, 1876-1957* (New York: Alfred A. Knopf, 1961), viii.

5, Tom P. Brady, *Black Monday* (Winona, MS: Association, 1954).

6. F. A. Hayek, *The Road to Serfdom Text and Documents; The Definitive Edition.* Edited by Bruce Caldwell (London: University of Chicago Press, 2007).

7. Ibid, 23-24.

8. Ibid, 24.

9. Ibid, 85.

10. Ibid, 85.

11. Ibid, 86.

12. Ibid, 86.

13. Ibid, 87.

14. Ibid, 20.

15. Ibid, 20.

16. Frank Chodorov, *Fugitive Essays: Selected Writings of Frank Chodorov* (Indianapolis: Liberty Press, 1980), 237.

17. Ibid, 239.

18. Chodorov, "A Solution of Our Public School Problem (brought up to date)," *Human Events,* XI (20), (May 19, 1954).

19. Ibid, 1.

20. Ibid., 3.

21. George H. Nash, *The Conservative Movement in America Since 1945* (Wilmington, Delaware: Intercollegiate Studies Institute, 1998), 24.

22. William F. Buckley, Jr., "Mr. Eisenhower's Decision and the Eisenhower Program," *National Review,* 1(18), (March 21, 1956), 10.

23. Allan J. Lichtman, *White Protestant Nation: The Rise of the American Conservative Movement* (New York: Atlantic Monthly Press, 2008), 201.

24. Buckley, 10.

25. Buckley, "Why the South Must Prevail," *National Review,* IV(7), (August 24, 1957), 149.

26. Ibid, 149.

27. Anthony Harrigan, "The South Is Different," *National Review,* (March 8, 1958), 1.

28 Ibid, 2.

29. J. B. Martin, "The Deep South Says Never," *Saturday Evening Post,* CCXIX, (June 15, 1957), 23.

30. Neil R. McMillen, *The Citizens' Council: Organized Resistance to the Second Reconstruction, 1954-64* (Chicago: University of Illinois Press, 1971), 138-155.

31. Ibid, 37.

32. Ibid, 191.

33. Ibid, 190-191.

34. Association of Citizens' Councils of Mississippi. *2nd Annual Report, August 1956,* 1.

35. James F. Byrnes, *The Supreme Court Must be Curbed,* (Greenwood, MS: Association of Citizens' Councils, 1956). Originally published by U.S. News & World Report (May 18, 1956).

36. James C. Cobb, *The Most Southern Place on Earth: The Mississippi Delta and the Roots of Regional Identity* (New York: Oxford University Press, 1992), 211.

37. Brady.

38. Brady, Forward.

39. Brady, 56.

40. Friedman, *Capitalism and Freedom,* 91.

41. Ibid, 89.

42. Friedman, *The Role of Government in Education.* School Choices. Available: http://www.schoolchoices.org/roo/fried1.htm, 15-16.

43. Diane Ravitch, *The Death and Life of the Great American School System: How Testing and Choice Are Undermining Education* (New York: Basic Books, 2010), 116.

44. Friedman, *The Role of Government in Education,* 15.

45. Lanny Ebenstein, *Milton Friedman* (New York: Palgrave MacMillan, 2007), 152.

46. Joseph Crespino, *In Search of Another Country: Mississippi and the Conservative Counterrevolution* (Princeton: Princeton University Press, 2007), 221.

47. Ibid, 222.

48. Gary Orfield, Susan E. Eaton and The Harvard Project on School Desegregation, *Dismantling Desegregation: The Quiet Reversal of Brown v. Board of Education* (New York: The New Press, 1996), 9.

49. Ibid, 9.

50. Ibid, 10.

51. Crispino, 240.

52. Ebenstein, 208.

53. Crispino, 1.

54. Ibid, 1.

55. Ebenstein, 208-209.

56. Kim Philips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York: W.W. Norton & Company, Inc., 2009), 261.

57. Friedman, *Capitalism and Freedom,* 85-107.

58. Milton Friedman and Rose Friedman, *Free to Choose,* 188-189.

59. Ibid, 189.

60. Ibid, 154.

61. Ibid, 170.

62. *A Nation at Risk*, National Commission on Excellence in Education (1983), Available at *http://www2.ed.gov/pubs/NatAtRisk/risk.html*

63. Ravitch, 8

64. Ibid, 9

65. Ibid, 145.

66. Ibid, 22.

67. Ibid, 241.