



## Competition or Monopoly

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Colaboraciones n° 1786

June 26, 2007

Are consumers better off with a competitive or monopolistic provision of goods and services? Let's apply that question to a few areas of our lives.

Prior to deregulation, when there was a monopoly and restricted entry in the provision of telephone services, were consumers better off or worse off than they are with today's ruthless competition to get our business? Anyone over 40 will recognize the differences. Competition has provided consumers with a vast array of choices, lower and lower prices and more courteous customer care than when government had its heavy hand on the provision of telephone services.

What about supermarkets? Would consumers be better off or worse off if one or two supermarkets were granted an exclusive monopoly in the provision of grocery services? The average well-stocked super-

market carries over 50,000 different items, has sales, prizes and pursues many strategies to win customers and retain their loyalty. Would they have the same incentives if they were granted a monopoly?

The government gives poor people food stamps. Would poor people be better off or worse off if, instead of being able to use their food stamps at any supermarket, they were forced to use them at a government store?

There's abundant evidence that suggests consumers are better off when providers of goods and services are driven by the profit motive where survival requires a constant effort to get and keep customers. Under what conditions can businesses survive, providing shoddy services, fewer choices, at higher and higher costs, without pleasing customers? If you said, "Where there's restricted competition and a government-

sanctioned monopoly," go to the head of the class. There's no better example of this than in the case of government education.

ABC News anchor John Stossel produced a documentary aptly titled "Stupid in America: How We Cheat Our Kids" that gives a visual depiction of what's often no less than educational fraud.

(The documentary can be viewed at [www.youtube.com/watch?v=pfRUMmTs0ZA](http://www.youtube.com/watch?v=pfRUMmTs0ZA).) During the documentary, an international test is given to average high school students in Belgium and above-average New Jersey high school students. Belgian kids cleaned the New Jersey students' clocks and called them "stupid." It's not just in Belgium where high school students run circles around their American counterparts; it's the same for students in Poland, Czech Republic, South Korea and 17 other countries.

The documentary leaves no question about the poor education received by white students, but that received by many black students is truly disgusting and darn near criminal. Stossel interviewed an 18-year-old black student who struggled to read a first-grade book. ABC's "20/20" sent him to Sylvan Learning Center. Within 72 hours,

his reading level was two grades higher.

"Stupid in America" included one story where a teacher sent sexually oriented e-mails to "Cutie 101," a 16-year-old student. Only after six years of litigation was the New York City Department of Education able to fire the teacher, during which time the teacher collected more than \$300,000 in salary.

The solution to America's education problems is not more money, despite the claims of the education establishment. Instead, it's the introduction of competition that could be achieved through school choice. Most people agree there should be public financing of education, but there is absolutely no case to be made for public production of education. We agree there should be public financing of F-22 fighters, but that doesn't mean a case can be made for setting up a government F-22 factory.

A school choice system, in the form of school vouchers or tuition tax credits, would go a long way toward providing the competition necessary to introduce accountability and quality into American education. What's wrong with parents having the right, along with the means, to enroll their children in schools of their choice?

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