Abstract
There is a wide consensus that the US K-12 public education system is in need of fundamental reform. Reformers face two primary barriers: knowledge and incentive problems. Knowledge problems represent the epistemic difficulties inherent in designing a top-down educational system meant to service the educational needs of diverse youth in a rapidly changing economy. Incentive problems emerge in attempting to design an educational system that isn’t susceptible to the influence of special interest groups or bureaucratic tendencies. We argue that the current public education system is failing precisely because it does not account for these knowledge and incentive problems in its structural design, leading to an educational system that is underperforming, uniform, and susceptible to special interest-group and bureaucratic pressures. All three outcomes are detrimental to a free society. Decentralized education, utilizing the knowledge conveyed through the price system and the incentives provided by it, is necessary for a robust educational system that can deliver quality, adaptable education that isn’t susceptible to special interest-group politics.

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1 Introduction

There is a wide consensus among education researchers, politicians, and especially frustrated parents that the USK-12 public education system is underperforming and in need of fundamental reform (Fiske, Reed, and Sautter 1991, ch. 1; Hoxby 2004; Jones 2012). The US education system is especially failing to service the primary beneficiaries of a public education system: under-privileged youth. According to a 2010 study funded by the EPE Research Center, the average graduation rate in the United States is 68.8 percent. The lack of funding doesn’t appear to be the cause. Despite a tripling of per-pupil public K-12 educational spending in the United States since 1970, there has been no discernible effect on student outcomes (de Rugy 2011). According to Harrigan and Davies (2012), between 1987 and 2007, 90 percent of the increased comparative value of a college degree came from the declining performance of high schools rather than the increasing performance of colleges; in essence, higher education has become more valuable because high school education has become exceedingly less valuable.

Recognition of the US K-12 public school system’s shortcomings is not new. As far back as 1885, the president of Columbia University noted, “The results attained under our present system of instruction are neither very flattering nor very encouraging” (as quoted in Gatto 2001, p. 92). There is a myth that many of the social failures of public education are due to socioeconomic status and culture. Data from a 2003 study showed that there was virtually no difference between urban and suburban public schools regarding exposure to drugs, sex, teen pregnancy, smoking, alcohol consumption, and crime (Greene and Forster 2004). A 1983 National Commission report (“Nation at Risk”) to the secretary of education (Gardner 1983) offered the following conclusion:

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, in effect, been committing an act of unthinking, unilateral educational disarmament.

The vast majority of American children, and particularly those whose parents cannot find, let alone afford, a better alternative than their assigned school, are compelled to attend underperforming schools (Angus and Mirel 1999). The economic costs of inefficient public education are steep; in fact, some estimates claim up to 3.6 percent of GDP per year is lost because of our weak public schools (Gorman 2008).

The top-down approach to education that arrived in the 1850s with the advent of the US K-12 public school system did not provide the experimentation and adaptability necessary to encourage innovative approaches to education. The resulting educational system encourages uniformity and discourages individuality and creativity. Just as disconcerting, the top-down US education system has been susceptible to special interest-group pressures. These pressures have come from educators, politicians, and advocacy groups that have sought to influence the design of the educational system and even the content of education in order to advance their interests.

In short, the US K-12 public education system is fragile. It isn’t robust to real-world deviations from idealized conditions. When unaccounted for, knowledge deficiencies and misaligned incentives can severely undermine the performance of any system. Socialism’s numerous failures can be traced back to similar resource allocation-related knowledge and incentive problems, particularly capital goods (Boettke and Leeson 2005; Caplan 2004; Caldwell 1997; Heath 2007; Gonzalez and Stringham 2005; Sutter and Smith 2013; White 2012, p. 46).
To be successful, an educational system needs to be robustly designed to be operational despite epistemic and motivational shortcomings. When designing an educational system, the assumptions of perfect knowledge and aligned incentives must be relaxed to create a robust educational system. Robust political economy seeks institutions designed to operate in an environment where knowledge is incomplete and incentives aren’t perfectly aligned (Boettke and Leeson 2004; Leeson and Subrick 2006; Pennington 2011). Only decentralized education through market competition would offer the flexibility and accountability necessary to ensure an educational system robust to both knowledge and incentive problems. Prices, generated in the private market for education, are necessary to enable parents to generate and convey local and transient knowledge to educators, as well as to provide the proper incentives for educators to continuously allocate resources to meet the diverse and changing educational needs of parents and students.

This paper demonstrates the structural design problems of the US K-12 public education system by detailing how it has succumbed to both the knowledge and incentive problems. We make the case for a more robust educational system, decentralized education system. Section 2 details the knowledge and incentive problems faced by our current educational system. Section 3 provides a case study of the temperance movement in education to provide a demonstration of how susceptible the US educational system is to knowledge and incentive problems. Section 4 makes the case for more decentralized education. The price system generated through market competition can overcome both knowledge and incentive problems. Section 5 concludes.
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2 Knowledge and Incentive Problems

The top-down US K-12 public education system is susceptible to both knowledge and incentive problems. This section details the effects of both epistemic and motivational problems in the current educational system.

2.1 Knowledge Problems

Knowledge problems arise in education from a genuine uncertainty inherent in education matters over educational outcomes, instructional methods, evaluation metrics, structural design, funding, and educational content. In a diverse world in a rapidly changing economy, top-down education fails to meet the varied and changing needs of parents and youth. A top-down education system also fails to provide the flexibility required for experimentation with educational methods and goals. Grouping students with hundreds of their peers, the traditional, institutionalized K-12 model of education requires a large degree of routinization, standardization, and conformity. These, in turn, engender the bureaucratic inefficiency and academic inflexibility that tends to extinguish creativity and diversity rather than encourage it.

While we noted the under-performance of public education in our introductory remarks, perhaps the most egregious problem of a top-down educational system is the uniformity in thought, expression, and culture it engenders. Students in public schools are taught, first and foremost, to conform, to be quiet, and not to challenge their teachers or their textbooks or to entertain radical ideas (Richman 1994, ch. 2; Robinson 2011). The demand for conformity in public schools is a troubling trend for a country founded on the freedom of thought and expression as well as a healthy distrust of authority. Creativity is responsible for the innovation, health, and general economic well-being enjoyed in free societies. Any discouragement of
creativity in our public schools threatens that prosperity. Yet, the public education system in America tends to both discourage originality and to delay the development of maturity, in children and in parental decision-making.

Rather than fostering creativity and intellectual development, Robinson (2006) argues that through our public education system, “we are educating people out of their creative capacity.” According to Lehrer, “We’re very good at killing creativity in kids, we kill it with ruthless efficiency. The schools have twelve years to sculpt your mind, and they end up convincing kids that they’re not creative” (as interviewed by Newman 2012). These comments by recent observers do not reflect new discoveries. Back in 1895, Harvard University’s president, Charles William Eliot, expressed similar sentiments:

Ordinary schooling, by confining children to books and withdrawing their attention from visible objects, renders the sense useless. It produces dullness. A young man whose intellectual powers are worth cultivating cannot be willing to cultivate them by pursuing the phantoms the schools insist upon. (Quoted in Gatto 2001, p. 92)

With a top-down education system, parents are prevented from exercising control over some of the most important aspects of their children’s education, further discouraging diversity and creativity in educational choices (Billet 1978). As Tolstoy (1967, p. 17) observed of state education, “the dullest boy becomes the best pupil, and the most intelligent the worst. It seems to me that one such fact serves as a palpable proof of the fallacy of the principle of compulsory education.”

The difficulty of determining the correct method to evaluate school performance also brings about measures that further stifle creativity and individuality, such as the Common Core (Tuccille 2013). With any government-provided good, there is no market test of consumer demand. Parents are prevented from voting with their dollars for the best-performing educators
and educational methods by a system that geographically ties students and tax dollars to a single school. The push for standardized results requires standardized curricula, texts, and tests, causing each classroom across America to look very similar, so even the choice of residential location offers little escape from relatively uniform educational alternatives. Without competition, incentives aren’t aligned to improve educational performance or encourage specialization. Without the ability to choose specialized schooling options, parents can’t convey the information on the relative value of different educational methods to educational authorities.

We should expect and celebrate diversity in education, diversity of teaching methods, and diversity of end-goals. Rather than this, though, public education in America has tended to stamp out differences and encourage conformity in virtues and opinions (Richman 1994; Ravitch 2003; Robinson 2011; Howard 2010). H. L. Mencken (1924, p. 504) made note of the staleness in education long ago when he wrote:

> The aim of public education is not to spread enlightenment at all; it is simply to reduce as many individuals as possible to the same safe level, to breed and train a standardized citizenry, to put down dissent and originality.

Mencken’s and others’ concern raises interesting questions: Why do people still believe in public education if the end result is an intellectually and ideologically standardized citizenry? Why is the notion of a “good” education through public schools clung to by so many? Especially, as James Bryce (1888[1995], p. 1485) observed:

> When one sees millions of people thinking the same thoughts and reading the same books, and perceives that as the multitude grows, its influence becomes always stronger, it is hard to imagine how new points of repulsion and contrast are to arise, new diversities of sentiment and doctrine to be developed.

Generation after generation of parents perpetuate the existing arrangement. Rather than allow ideas to compete in the educational marketplace, monopoly providers of education impose
conformity on children through a one-size-fits-all approach, squeezing out any variation. In addition, the monopoly model of education delivers a captive audience, freeing educators of the need to “please parents and meet students’ needs” (Fiske, Reed, and Sautter 1991, p. 166). Schools turn into behavioral clinics bent on producing uniform products and shared values, rather than breeding grounds for creativity and intellectual exploration.

In addition to uniformity through public education extinguishing necessary civil discourse, it also impedes the development of responsible and moral individuals (Buchanan 2005; Howard 2010). According to Spencer (1963), public education was doomed for failure because it would deprive youth of responsibility-building experiences. Thomas Aquinas and Aristotle also worried about the idea of teaching moral virtue through traditional classroom methods; they instead thought moral development required the exercise of free will (Donohue 1968, p. 60). Tocqueville (2010, p. 1259) worried about preventing the development of responsibility through the exercise of free choice as well:

Subjection in small affairs manifests itself every day and makes itself felt indiscriminately by all citizens. It does not drive them to despair; but it thwarts them constantly and leads them to relinquish the use of their will [and finally to give up on themselves]….In vain will you charge these same citizens, whom you have rendered so dependent on the central power, with choosing the representatives of this power from time to time; that use of their free will, so important but so brief and so rare, will not prevent them from losing little by little the faculty of thinking, feeling, and acting by themselves, and thus from gradually falling below the level of humanity.

Rather than encourage a uniformity of values and culture, Nietzsche thinks educational diversity is necessary to allow individuals to overcome the prevailing social and cultural trends (Johnston 2001). If left free and open, education, in fact, is indeterminate and thus diverse.
2.2 Incentive Problems

In addition to those severe knowledge problems, and perhaps precisely because of the genuine uncertainty inherent in a top-down educational system, public provision of education is also susceptible to incentive problems.

Public school systems create a permanent, concentrated special interest lobby pursuing expansion of the system. Unionized public-sector employees with a vested interest in job security and opposed to merit pay (Ballou 2001) dominate the U.S. political conversation about educational policy. Parent complaints about protected teachers who have become dull and detached reflect the political and institutional power educational professionals have been able to secure (Hoxby 1996). The structure and political power of educators, while paying due lip service to innovation and change tends to thwart it, rather than encourage it, creating a “race to the status-quo” (Wilson and Daviss 1994, ch. 4 and 5). As Tolstoy (1967, p. 16) observed, “School is established, not in order that it should be convenient for the children to study, but that the teachers should be able to teach in comfort.” If the purported goal of education were to prepare students to bring about innovation in the world outside the classroom, it would seem counterproductive to allow education to be controlled by interest groups so resistant to such innovation (Spencer 1966, pp. 102–5).

Rather than engaging parents in the educational development of their children, and thus ensuring the educational and cultural diversity necessary for scientific advancement and public discourse, public education often encourages parents to pass off their parental responsibilities to the government (Marshner 1978, p. 158; Spencer 1963 and 1966). With the heavily circumscribed role of parents in the educational process, the public education system ends up promoting a standard of uniformity determined by the political process and the educators
themselves. As Humboldt (1969, p. 50) observes of national education, “whatever has unity of organization invariably produces a corresponding uniformity of results.” This has allowed political agendas to become part of the standard curriculum, often under the pretense of political correctness (Ravitch 2003; Richman 1994; Hefley 1979; Vitz 1986; Finn 2004).

The result is that the very people whom we are attempting to evaluate, the educators, control the means of instruction, evaluation, and promotion. This scheme clearly contravenes what James Madison (1787[2001], p. 44) argued, that “no man is allowed to be a judge in his own cause; because his interest would certainly bias his judgment, and, not improbably, corrupt his integrity.” As public education becomes more deeply institutionalized, it creates a cabal of self-interested government employees that will tend to bring a self-perpetuating political agenda into the classroom. Even if well-intentioned, this channel of political influence undermines the autonomy of parents and children and is troubling for a free society.

The public provision of education also represents a potential avenue for political elites to exercise control over the history, civics, and other topics taught in schools, or for special interest groups to lobby to influence the curriculum to advance their own goals. Given the heavy political influence of educators, the standardization of education brings political agendas into the classroom (Marshner 1978; Richman 1994; Ravitch 2003). Environmental paternalism, labor politics, and the vilifying of capitalists become part of the mandatory conformity thought to be necessary to create good citizens who worry about larger social problems.

One of the prime examples of how totalitarianism can infiltrate a free society is through the top-down control of the U.S. school system. Authoritarian-leaning regimes throughout the

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See Marshner (1978, ch. 2) on the educational establishment as a special interest group.
world seek to control education in order to influence public opinion in the same way that such regimes tend to control media with the same goal (Lott 1990; Prichett 2013, ch. 5). Education, even in modern times, is being used by governments around the world to shape citizens’ thinking (Akram and Rudoren 2013; Businge 2012). As Nietzsche (1974, p. 152) states, “the governments of the great States have two instruments for keeping the people dependent, in fear and obedience: a coarser, the army, and a more refined, the school.” Warned by the Founding Fathers about the dangers of encroaching government, it is puzzling that Americans have allowed such a strong foothold for government expansion and censorship as the control of education. In essence, Samuel Adams’s (1771[1968], p. 256) warning that it is the duty of all citizens to ensure that they are not cheated out of their inheritance of liberty has gone unheeded.

The uniformity is symptomatic of the educational establishment’s push to use public education as a means to create good citizens, promote social order, and advance equality of outcomes. Public schooling has long been considered an institution with the power to mold citizens who share a homogenized set of ideas and beliefs (Apple and Beane 2007; Marshner 1978, pp. 28–35; Nader 2007; Ravitch 2003 and 2007; Richman 1994). Spencer (1966, p. 96) explains how public schools promote citizenship:

For what is meant by saying that a government ought to educate the people? why should they be educated? what is the education for? Clearly to fit the people for social life—to make them good citizens. And who is to say what are good citizens? The government: there is no other judge. And who is to say how these good citizens may be made? The government: there is no other judge. Hence the proposition is convertible into this–a government ought to mould children into good citizens, using its own discretion in settling what a good citizen is, and how the child may be moulded into one.

Educational professionals appear to be comfortable with education being used to promote a good citizenry. For example, according to the Center for Public Education,
a democratic and free nation requires a people who value and practice certain principles in their society. These principles include equality and freedom for all, social mobility and meritocracy, equal opportunity and self-governance, and respect for civil law and civic responsibility. Despite our nation’s size and diversity, the American people have developed a shared vision and a common set of expectations about what living in a democratic and free society means.…Fortunately, in public education, public oversight—along with content standards, curriculum, and text materials, as well as such activities as student government—ensures that students will be exposed to democratic principles in a manner that they can value and practice when they enter adult society.

While some economists say education is a merit good that provides positive spillovers, the returns to education accrue primarily to the individual acquiring education in the form of higher wages in the future (Hanushek and Woessmann 2008; Pritchett 2001; Shleifer 1998). If any positive-spillover aspects of education exists, they are in the areas of civics and history education, which are, of course, the areas where government control of education poses the greatest threat to the intellectual bulwarks of a free society.

The pursuit of engineering a national mind through fostering uniformity of thought and expression poses a threat to a democratic society (Ostrom 1997). Mandated uniformity in education can be, and should be, seen as an extreme form of censorship. “In a country where the dogma of sovereignty of the people openly reigns,”Tocqueville (1835 and 1840[2010], p. 292) observed, “censorship is not only a danger, but also a great absurdity.” Educational censorship in the hands of even well-intentioned people with totalitarian-leaning tendencies can capture the inexperienced and impressionable minds of our youth. Gatto (2001, p. 90) writes:

When we set out to school a nation it is, inevitably, a religion we are seeking to impose, even if we don’t call it that. We are aiming to control the public myths and without such control, as Plato saw, governors have no reliable way to engineer the governed.

3 Temperance Politics in the Classroom

This section uses a case study of temperance politics in the US K-12 public education to demonstrate the operation of knowledge and incentive problems.

The culmination of the temperance movement was the adoption of the Eighteenth Amendment to the Constitution of the United States of America, which banned “the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes.” The noted teetotaler and temperance leader Rev. Billy Sunday greeted Prohibition by exulting, “the reign of tears is over. The slums will soon be only a memory. We will turn our prisons into factories and our jails into storehouses and corncribs. Men will walk upright now, women will smile, and the children will laugh. Hell will be forever for rent” (Okrent 2010).

However, the reality produced by Prohibition was quite different (Miron 1991 and 1999). As Thornton (1991) summarizes, the “national prohibition of alcohol (1920–33)—the ‘noble experiment’—was undertaken to reduce crime and corruption, solve social problems, reduce the tax burden created by prisons and poorhouses, and improve health and hygiene in America. The results of that experiment clearly indicate that it was a miserable failure on all counts.”

The roots of the prohibition and temperance movement in public education go all the way back to the 1880s (Zimmerman 1999). Temperance leaders sought to gain political and popular influence through a multitude of channels, but none were pursued with so much early success as “scientific temperance instruction” (Mezvinsky 1961). Temperance instruction was a push for first voluntary, and then mandatory, instruction that described alcohol as a poisonous and addictive substance that was to be avoided at all costs. Early temperance leaders sought to
influence the curriculum by appealing directly to school boards, teachers’ associations, and colleges (Mezvinsky 1961; Zimmerman 1994). Though active in their petitioning, the Women’s Christian Temperance Union (WCTU) failed to gain traction by appealing at the local level.

In 1881 at a national convention, it was resolved that the WCTU would refocus efforts at the state level (Newell 1919). The Women’s Christian Temperance Union, founded in 1873, led efforts to use political pressures at the state and national level to mandate the gospel of alcohol abstinence in classrooms across the nation, even over the objection of local school administrators and teachers (Zimmerman 1999, p. 13). The WCTU found success in mandating temperance instruction by directly petitioning state legislatures, first in Vermont (1882) and then Michigan (1883), New Hampshire (1883) New York (1884), Oregon (1885), and Pennsylvania (1885) (National Education Association, 1887). The platform met resistance in only a handful of Midwestern states. The Pennsylvania law was particularly stringent, mandating that school boards failing to implement temperance instruction would be stripped of state funding (Mezvinsky 1961; Zimmerman 1992). By 1891, every state mandated scientific temperance instruction (Zimmerman 1999, 7).

Once temperance instruction was mandated in the public schools, the WCTU had no difficulty influencing the actual writing of the texts as WCTU endorsement of books became effectively mandatory. By 1901, every state required the adoption of a textbook endorsed by Mary Hunt, the superintendent of the WCTU (Zimmerman 1999, p. 7). Many physiologists, threatened with cancellation of their textbook deals, began to include temperance instruction, first in the appendices, and then eventually as focal themes of entire texts (Mezvinsky 1961; Zimmerman 1999). Despite many prominent scholars disagreeing with the conclusions, the
required scientific temperance instruction criticized any amount of drinking as poisonous, addictive, and destructive (Zimmerman 1999, p. 8).

This is only one example of political tampering in the classroom. The Grand Army of the Republic heavily influenced the instruction of American history in New Jersey in the late nineteenth and early twentieth century (Speierl 1987). Modern examples abound, from calls for prayer in otherwise secular classrooms (Teitel 1986; Gregory and Russo 1991) to anti-drug campaigns that continue for years in spite of possibly damaging effects on children (Lynam et al. 1999). Even racism made its way into Alabama’s textbooks (Archibald 2015). As recently as 1999, it was required that students in New York’s public education system learn that the Irish potato famine was a deliberate act of genocide against the Irish by the British government (Hernandez 1996). Conservative politics were mandated in Texas high school social-studies textbooks in 2010 (McKinley 2010). Man-made global warming is starting to be incorporated into school curriculums as early as elementary school (Ludden 2013).

Even more disconcerting, Finn’s (2004) in-depth study of state textbook-adoption standards, finds that many states continue to adhere to policies that enable minority groups to influence what is taught in the classroom. Even today, “special interest pressure groups from the politically correct left and the religious right exert enormous influence on textbook content through bias and sensitivity guidelines and reviews that have dumbed down textbook content in an attempt to render them inoffensive to every possible ethnic, religious, and political constituency” (Finn 2004, p. i).
4 Towards a Robust Education: Decentralizing Education

The frustrations of public education seldom translate into calls for radical reforms—reforms like voucher-based education funding, privatization of schools, or greater decentralization of the education system. People continue to cling to the belief that more spending or standardized curricula for public schools will turn things around. Legislation like the Goals 2000 Act of 1994 and the No Child Left Behind Act of 2001 have done little to improve educational outcomes and may in fact have been written to help protect entrenched special interests in the education system. Arguments naming the typical scapegoats, such as the lack of funding and large class sizes, fail to hold water: increased funding and smaller class sizes have failed to impact student achievement (de Rugy 2011; Hanushek 1999; Hanushekand Somers 2001; Hoxby 2000; Postrel 2001). This was recognized with the passage of the Every Student Succeeds Act of 2015, which will reduce the federal government’s role in K-12 education (Robinson 2016; Smarick 2016).

Despite their ability to see that the system is deeply flawed, educational reformers continue to seek ever more resources for schooling, hoping money will fix some of the key problems. A confused public and politicians too scared to challenge special interest groups (which goes a long way toward explaining the steady growth in education spending, alongside the longstanding decline in results) sustain the fallacy. Even calls for administrative efficiency or union restraint in collective bargaining are decried as Malthusian austerity by the educational establishment.

It is this paper’s contention that alternative models, based on decentralized market competition, can deliver better results. Furthermore, a market-based educational regime that falls outside the direct control of the political process would encourage diversity of instruction, method, and assessment. Such a system would better protect a free society against encroaching
governments by fostering the intellectual and cultural diversity necessary for a vibrant free society.

Public education has failed to equip children with the training and skills they need in the workforce and has failed to help in the preservation and advancement of liberty. A free society and higher-quality education both depend on the abandonment of the stale institutions of the public school system as we know them.

Free-market economists have long recognized that the diverse goals of education are best served through decentralized competition, rather than through uniform, comprehensive schools with a monopoly on taxpayer funding. Milton Friedman (1962[2002], ch. 6; 1980, ch. 6) made some of the first popular cases for decentralizing schooling. Unleashing education from governmental control would foster the benefits of decentralized competition, amounting ultimately to decentralized educational reform.

Marketplace competition is necessary to enable the price system to unleash decentralized educational entrepreneurship. Signals generated through the price system could convey subjective, local, and constantly changing knowledge about education to educators (Hayek 1945). The price system would also provide the incentives for educators to respond to that knowledge. Profit would provide the incentives for educators to seek out and adapt to the changing educational needs of students, constantly improve education through innovation and experimentation, and meet the diverse needs of students and parents (Kirzner 2000; Sowell 1980). Losses would provide the incentive for educators to improve failing programs, methods, or models (Mises 1949[2007], ch. 17). Of course, this competitive process requires low entry costs for entrepreneurs entering the education market. High taxes, excessive regulation, or subsidies could prevent the competitive market for education from reaching its potential.
Thus, educators would have a strong incentive to improve quality, reduce costs, innovate, and cater to a wide range of educational preferences. While some think education is too important to be left to impersonal outcomes of the price mechanism, we think people should worry more about education being left to the inefficiencies and perverse incentives of political bureaucratic control. Just as privatization in other areas has proven that market processes are superior to political-bureaucratic provision (Megginson and Netter 2001), we can expect the same if education provision were decentralized. The evidence on private school and school choice supports this (Chubb and Moe 1990; Evans and Schwab 1995; Greene 2001; Hoxby 2004; Sander and Krautmann 1995; Schug and Hagedorn 2004; Stanfield 2012; Tooley 2000 and 2009; Tooley and Dixon 2005).

Decentralized schooling would put educational choices back in the hands of parents and children. It would encourage diversity of instructional methods, assessment techniques, and educational offerings, and would spur the competitive discovery of innovative methods. Furthermore, it would eliminate the direct political control of schooling that is one of the most menacing threats to liberty. Even if it were possible to make public schools more efficient, a free society should reject state control of the minds of its youth. Tinkering on the margin with the current system, as proposed by some (Allen 1992; Murphy 1991; Ravitch 2010; Tyack and Cuban 1995; Wilson and Daviss 1994, ch. 7 and 8), won’t do the trick.

One of the key virtues of markets is their ability to harness limited and dispersed knowledge. Since we don’t know who among us has the best ideas and methods for producing a good or service, it is best to leave markets—including the market for education—open and free to new products, methods, and discoveries (Hayek 1945). Time and again, the market produces innovative ways to handle complex problems, and we could expect the same if the market price
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mechanism drove decisionmaking on what instructional approaches should be produced, how, where, and for whom. As Clinchy (2007, p. 106), urges, the competitive process is necessary when it comes to education:

In the case of the American system of public education, which must always operate within a democratic political system, this means there cannot and should not be any single approach, any single way of educating the young that is arbitrarily imposed on all students, all parents, all schools, and all school systems.

Higher education,\(^7\) which relies to a far less extent on government funding, while still suffering from severe biases, offers a glimpse of what decentralized education will look like. One of the primary reasons for the greater diversity of thought and culture on college campuses is the intense international competition universities are exposed to, and the threat private schools pose to public universities. Tolstoy (1967, p. 19) praises the experimentation when he writes:

Only when experiment will be at the foundation of school, only then when every school will be, so to speak, a pedagogical laboratory, will the school not fall behind the universal progress, and experiment will be able to lay firm foundations for the science of education.

The benefits of competition can also be seen in the homeschooling movement and in the private and charter schools springing up around the U.S. Ray (2011) estimated that in 2010, the U.S. had 2.04 million homeschooled students. Private schools operate at about half the cost of public schools; per-pupil homeschooling costs are substantially lower than the per-pupil costs of public schools (Lawrence 2012).\(^8\) Within private schools and homeschooling, instructors are experimenting with alternative educational methods such as the Montessori approach and the Waldorf system.

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\(^7\) We’re not defending government sponsorship of higher education. Higher education suffers from the problems we’ve described, just to a lesser extent than K-12 schools. We think higher education would be better if unleashed from the purse strings of the state.

\(^8\) And Schaeffer (2010) finds that public school districts’ per-pupil spending is significantly more than is reported.
A market-based education system would deal with changing values, technologies, ideas, and desires by bringing new ways of teaching to the market. Just as the market caters to an array of tastes in consumption (Anderson 2006), it would deliver an array of educational styles, techniques, and assessment criteria, encouraging diversity of thought, expression, and culture. Diversity of education is desirable and necessary for the preservation of a free society.

5 Conclusion

Top-down K-12 public education in the United States has resulted in an under-performing, uniform, and corruptible educational system. The threat to both economic prosperity and individual liberty represented by that system is apparent. Traditional public schools are failing to adequately prepare America’s children for college and careers. They are thereby impeding economic growth and, as a byproduct, encouraging the production of generations of conformists.

The radicalism of our Founding Fathers came about from a diversity of thought and culture not enjoyed today in American education. Today, radicalism and dissension are threatened by the conformity and politicization of public education. The public education system and embedded special interest groups prevent parents from having more control over their children’s education (Tolstoy 1967, p. 18; Howard 2010). “While we give lip service to diversity and freedom of speech and thought,” Robin Hanson (2009) writes, “we in practice only allow such thoughts as can survive decades of mind-numbing public-school conformity.”

While external tyrannical threats oftentimes seem more imposing and pressing, we should not ignore and discount the threat presented by a citizenry educated by the government. America’s internal challenges are enormous, and they parallel the ones the people of Rome faced 1,800 years ago. Rome did not succumb to external threats but, rather, collapsed because the government encroached upon the freedom of Roman citizens (Reed 1979). As Reed writes,
“first she lost her freedom, then she lost her life.” Rome’s fate need not be ours; as Reed goes on to say, “our problems stem from destructive ideas, and if those ideas are changed, we can reverse our course.” Samuel Adams (1771[1968], p. 251) compared the direction of America under British control to Rome:

If therefore a people will not be free; if they have not virtue enough to maintain their liberty against a presumptuous invader, they deserve no pity, and are to be treated with contempt and ignominy. Had not Caesar seen that Rome was ready to stoop, he would not have dared to make himself the master of that once brave people. He was indeed, as a great writer observes, a smooth and subtle tyrant, who led them gently into slavery…. By pretending to be the peoples’ greatest friend, he gain’d the ascendancy over them:[sic] by beguiling arts, hypocrisy and flattery, which are even more fatal than the word, he obtain’d that supreme power which his ambitious soul had long thirsted for: [sic] The people were finally prevail’d upon to consent to their own ruin. (Italics in original)

While these views may seem extreme, the history of the twentieth century shows they are not (Mayer 1955; Rummel 2008). For instance, Aleksander Solzhenitsyn (1986) warns of the Soviet experience, “There always is this fallacious belief: ‘It would not be the same here; here such things are impossible.’ Alas, all the evil of the twentieth century is possible everywhere on earth.”

While reversal of an embedded historical trend with concomitant entrenched interest groups is daunting, it is not impossible. A decentralized education system can make the US educational system more robust to both epistemic and motivational problems through the generation of market competition. Decentralized planning through a price system would break the chains of conformity and censorship that typify the current education system and allow the diversity of thought and culture necessary for the preservation of a prosperous free society.
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