

## Education, Incentives, and Paths to Adulthood

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Alexander Sidorkin argues that schooling is not a consumer good but rather unpaid labor imposed for the benefit of society. This fact, he suggests, explains student apathy. The assumption that schooling *is* a consumer good has distorted the debate about educational choice. He goes on to sketch an approach to school choice, the “learning market system,” which avoids that assumption.

The nonconsumer good argument is circuitous. Schooling is already a consumer good for some students, and for others it would be were it not compulsory or, if compulsory, were it paid for. This complication, however, does not greatly affect the argument about why schools now are ineffective and how the learning market system would change things. These two issues are the main focus of Sidorkin’s essay.

### ACADEMIC EFFORT, ACHIEVEMENT, AND ECONOMIC INCENTIVES

Sidorkin contends that some students and parents behave as if K–12 education is a market, while others do not. Presence or absence of market behavior is correlated with effort or lack of effort in school: the harder students try, the stronger their or their parents’ reasons for choosing a better school over a worse one, and vice versa. Effort and market behavior are correlated with social class: the upper and middle classes typically exhibit them and the lower class does not. This correlation tracks expectations of future income. Higher proportions of upper- and middle-class than lower-class students expect to go on to college, and thus enjoy economic benefits from education. A high school diploma, by contrast, barely brings a worker up to the poverty line. Thus it is rational for lower-class students to make little effort and for their families not to seek better schools, contrary to the expectations of voucher proponents.

Compulsory education, then, unfairly impacts lower-class students, forcing them but not middle-class students to act against their self-interest. School attendance, for them, is like being drafted into a Trotskyite labor army, and they behave accordingly. Why, then, maintain legal compulsion? The answer is schools’ social purpose. Society needs educated citizens who can vote, obey laws, serve in the military, and so forth. Without legal compulsion, lower-class students would leave school early and deprive society of these resources. Lower-class students, in short, go to school to benefit others. Middle-class students go to school to benefit themselves.

There is an interesting parallel here to “deschooling” and “unschooling” arguments put forward by Ivan Illich, John Holt, and others: the contention that, since children naturally learn on their own if allowed to pursue what interests them, school represents an unwarranted and counterproductive restriction of freedom.<sup>1</sup> Granted, for Sidorkin the restriction is counterproductive only for lower-class

students. However, since middle-class families behave like consumers and seek out educational advantages for their children, for them legal compulsion is superfluous. If compulsory schooling is unjustified for one group and not needed for others, then Sidorkin should support Illich's conclusion that it is not needed at all. And, indeed, in the proposed learning market system, school attendance is voluntary.

Sidorkin diverges from unschoolers, however, in his apparent assumption that the value of learning is basically instrumental. Call this the payoff thesis. Whatever the intrinsic pleasure or displeasure of learning, the promise of a payoff is enough to make students want it and lack of a payoff to make them not want it. This assumption challenges a widely held view about the effects of intrinsic and extrinsic motivation. There is considerable research evidence showing that intrinsic rewards — pleasure, satisfaction, and the like — generate more interest and sustained effort than extrinsic rewards, which have a tendency to produce impatience and boredom.<sup>2</sup> Can the payoff thesis be reconciled with this evidence?

#### PAY FOR PERFORMANCE: THE LEARNING MARKET SYSTEM

Suppose the payoff thesis is correct. Middle-class students benefit from achievement; only society benefits from the achievement of lower-class students. How do we change this incentive structure?

Sidorkin proposes that rather than force students to attend school, we compensate achievement directly with cash payments for socially valued outcomes. Social groups desiring specific outcomes are taxed to provide the payments linked to them. Intel and Advanced Micro Devices would provide funds for computer engineering skills. The National Aeronautics and Space Administration would fund knowledge of physics. States would underwrite the knowledge and skills required for citizenship. Payouts can be adjusted to maintain the desired supply.

This arrangement rectifies the Trotskyite army problem. Compulsion is not needed; cash rewards elicit the amount and kinds of achievement society needs. Since schooling is not compulsory, not all students will attend school. Many will learn enough to qualify for payouts by other means. If they do attend schools, the costs of services are charged against payouts. Thus students have a strong incentive to attend school as little as possible and to attend only the best schools. Schools, meanwhile, have an incentive to ensure student achievement. This arrangement ensures competition, which choice plans promise. It differs, however, in that it turns lower-class students and their families into educational consumers since they, like middle-class students, obtain financial benefits from achievement. Fewer teachers are needed. Some of these resources would be shifted to assessment, but there would likely be a net gain, which could be either retained by students or returned to taxpayers.

The plan sounds revolutionary. But is it really? Consider American higher education. Students select the field, level, and price of instruction that appeal to them and earn rewards through higher salaries. Granted, there is no immediate payout: rewards are amortized over their years of employment. Extended payouts, however, ensure that workers actually use the skills employers pay for.

The payment system is not that different, either. Sidorkin proposes that the expense of instruction be deducted from payouts. College students often take out loans to cover tuition and repay them out of increased earnings. One possible difference is that college students absorb the loss if they fail or do not get jobs. It's not clear how failure-related losses are absorbed under the Sidorkin plan.

What about K–12 education? Here, too, educational choices abound, at least for middle-class families. High-achieving students are compensated through access to competitive colleges and ultimately high-paying careers. Thanks to home-schooling laws, they need not attend school; respectable test scores ensure college admission. Home-schooled students, however, are not compensated, and hence many families continue to use services they do not need. The Sidorkin plan would free up resources by eliminating middle-class overconsumption.

But what about lower-class students? Are they really conscripts in the Trotskyite army? Is it true that most receive no benefit from achievement? This seems doubtful. High school graduates enjoy access to community colleges, technical schools, and training programs which nongraduates are denied. Their real wages, though low, may still be higher than those of nongraduates.

Perhaps Sidorkin would argue that the differential in economic prospects for high school graduates and non-graduates is not large enough. If the gap were wider, more would try harder in school, more would seek out good schools and, presumably, more would graduate. But if there are not enough high school graduates, why aren't employers willing to pay them more?

One might also argue that payments are needed because an educated citizenry is a public good, which is undersupplied by the market. But a society must still decide democratically how much of this good is desired and what else should be sacrificed. Legislatures decide this at each budget cycle.

The one glaring difference between the Sidorkin plan and our current system is compulsion. Removing compulsion will not decrease the supply of high school graduates. In most states students can already leave school and go to work at age sixteen. But if we follow the Sidorkin plan, we will have to lower this age. If this results in too little achievement, we will have to pay to increase it. Luckily there will be plenty of funds available as a result of shrinking the school system.

#### EDUCATION AND PATHS TO ADULTHOOD

The learning market system, though not quite as revolutionary as the paper implies, still represents an improvement on current arrangements. It would reduce middle-class overconsumption. It would break the schools' institutional monopoly on academic achievement. It would strengthen assessment. It would provide children with clearer and quicker paths to adulthood. At the margins, it would improve motivation.

Some may object that Sidorkin neglects some of the purposes of school that are not academic: citizenship, autonomy facilitation, multicultural exposure, artistic expression, and cultural homogeneity are among the obvious candidates. But —

assuming for the moment these purposes do justify compulsory schooling — how much do they justify? If it's less than 2,340 days or thirteen full school years, then the balance can be dealt with in the manner recommended. Obviously this recommendation will be unappetizing to teachers, not to mention to teacher educators. Sidorkin has shown considerable courage in offering it.

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1. Ivan Illich, *Deschooling Society* (New York: Harper and Row, 1971); John Holt, *Freedom and Beyond* (New York: Dutton, 1972).

2. Alfie Kohn, *Punished by Rewards* (Boston: Houghton Mifflin, 1999); Ulrich Schiefele, "Learning, Interest, and Motivation," *Educational Psychologist* 26, nos. 3–4, 299–323.