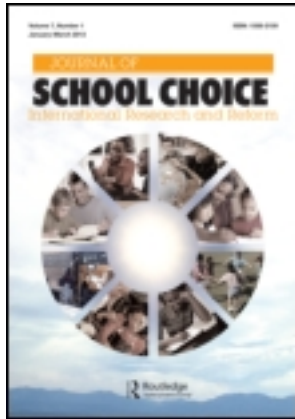


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Rethinking the Market Metaphor: School Choice, the Common Good, and the National Football League

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School choice advocates often assume that market-like competition will create a dynamic K–12 educational environment that will result in improved outcomes. We critically examine this assumption and draw on the literature on market failure and social dilemmas to demonstrate that the market metaphor in a public schooling context has limited utility. We then compare K–12 education to an unlikely context—the National Football League (NFL). We use this comparison to generate a number of insights into how parental choice might be leveraged within the K–12 education system to improve outcomes.

KEYWORDS school choice, market metaphor, school reform, perfect competition market model, systemic privatization, pragmatic privatization

K–12 public education in the United States has its roots in the common school movement that began in the early 1800s. It was during this time period that public school advocates began to champion the idea that all children should attend school. States and local governments began to collect taxes for the explicit purpose of funding public education; before the end of the 19th century, state education departments and other bureaucratic structures had been established, schools were organized by grade level, curricula

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were standardized, and teacher preparation and certification programs had become institutionalized (Urban & Wagoner, 2009). In 2012, approximately 50 million students attended close to 100,000 different public elementary and secondary schools (including approximately 5,300 charter schools). Close to 3.3 million full-time teachers were employed in these schools, and total expenditures were approximately \$550 billion, or about \$11,000 per student (National Center for Education Statistics, 2013a).

Nearly 90% of school-aged children in the United States attended some type of K–12 public school in 2012 (National Center for Education Statistics, 2013d), but there is growing dissatisfaction with the education system (Apple, 2006; Cuban & Shippis, 2000b; Hanushek & Lindseth, 2009; Kozol, 1991; National Commission on Excellence in Education, 1983). Calls for increased parental choice in K–12 education have continued to escalate (Chubb & Moe, 1990; Merrifield, 2008a, 2008b, 2009; Moe & Chubb, 2009; Ravitch, 2010; Schneider, Teske, & Marschall, 2000; Viteritti, 1999, 2010). Although those advocating for increased parental choice are motivated by a wide range of different practical, ideological, and philosophical considerations (see, e.g., Merrifield, 2008b; Viteritti, 1999), their reform efforts are often referred to collectively as the school choice movement. Those involved in this movement generally believe that greater choice will increase healthy competition among schools, improve child–school fit, and free schools from bureaucratic and political constraints (Chubb & Moe, 1990; Godwin & Kemerer, 2002; Henig, 1994; Moe, 2002). Many in the school choice movement openly espouse the language and logic of economic markets in their calls for reform (e.g., Chubb & Moe, 1990; Hanushek, Kain, & Rivkin, 2009; Merrifield, 2008a; Schneider et al., 2000; Walberg, 2007).

In this article, we question the utility of the market metaphor as a reform template for K–12 education. We argue that attempts to replace existing bureaucratic controls with a decentralized and largely autonomous market system would require a fundamental rethinking of the nature and purpose of public education and, ironically, a new set of regulatory and bureaucratic controls in the form of market interventions designed to compensate for market deficiencies. Even if carefully implemented, we argue that such an approach would likely produce unacceptable systemic outcomes. The school choice movement, we argue, should reevaluate its close association with the market metaphor and find other analogies and comparisons that more effectively take into account the unique characteristics of K–12 education and the structural idiosyncrasies of the K–12 educational environment.

As an example of moving beyond the market metaphor, we compare K–12 public education to the National Football League (NFL). The NFL employs a mix of market incentives and bureaucratic controls that both constrain and channel player choice and interteam competition in order to achieve certain system outcomes. Like the public school system, the NFL has had to confront internal conflict between individual and collective interests. The public

school system has to contend with many of the challenges associated with the spillover benefits of producing a merit good,¹ and the NFL has to contend with actions taken by individual teams having both private (to the individual team) and collective consequences (to other NFL teams, considered collectively). We discuss these commonalities and identify a number of lessons that K–12 education can learn from how the NFL has successfully handled these challenges.

Our article is structured as follows. First, we identify and briefly comment on three long-term trends that continue to shape the school choice debate. We then differentiate between systemic privatization (or school choice with a capital “C”) and pragmatic privatization (or school choice with a lowercase “c”) and in the case of the former—systemic privatization—we challenge the utility of the market metaphor as a reform template by drawing on the literature on market failure (Akerlof, 1970; Arrow, 1963; Arthur, 1989; Bator, 1958; Cassidy, 2009; Stiglitz, 2000) and social dilemmas (Beal, 2012; Heckathorn, 1996; Kollock, 1998; Ostrom, 2000). We then turn to a brief history of the NFL, including a brief description of the league’s player agency rules, reverse-order draft, national television contract, revenue-sharing model, and salary cap. We conclude with a discussion of the ways in which the NFL can serve as a model for pragmatic privatization—or constrained choice—in K–12 education.

SCHOOL CHOICE: BACKGROUND

The school choice movement—and the polarization of those affected by it into antichoice and prochoice camps—can be understood as the confluence of at least three long-term trends. The first, and perhaps the most obvious, is a growing dissatisfaction with public schools. A convenient point of origin for this dissatisfaction is Friedman’s 1955 paper, entitled “The Role of Government in Education,” in which he argues that although government should continue to finance education, its role in administering it “is neither required by the financing of education, nor justifiable in its own right” (p. 143). Other significant inflection points in this trend include the National Commission on Excellence in Education’s 1983 report, *A Nation at Risk: The Imperative for Educational Reform*, and President George W. Bush’s *No Child Left Behind* legislation (U.S. Department of Education, 2001). K–12 public education stands accused by its critics of, among other things, resisting technological change (Moe & Chubb, 2009), failing to be responsive to the individual needs of parents and children (Chubb & Moe, 1990), inappropriately constraining the ability of parents to make schooling decisions that reflect their cultural or religious traditions (Godwin & Kemerer, 2002), failing to increase school productivity over time (Hoxby, 2003), being inefficient and ineffective (Chubb & Moe, 1990; Hanushek & Lindseth, 2009;

Moe & Chubb, 2009; Schneider et al., 2000), being an entrenched bureaucracy more concerned about self-preservation than positive change (Moe & Chubb, 2009), failing to motivate teachers or inspire students (Hanushek et al., 2009), failing to adequately engage parents (Schneider et al., 2000), and putting America's competitiveness and standing in the world at risk by failing to address deficiencies in curriculum, communicate appropriate expectations, require students to devote sufficient time to school work, or recruit and adequately train new teachers (National Commission on Excellence in Education, 1983). Frustration has grown over time as numerous reform efforts have failed to produce any real or lasting change (Hess, 2010; Payne, 2008).

In addition to growing dissatisfaction with public schools, there has been a striking increase in income and wealth inequality in the United States since the mid-1970s (Gelman, Kenworthy, & Su, 2010; Waddan, 2010; Xu & Garand, 2010). Deindustrialization, globalization, and de-unionization all appear to be contributing factors, although the precise mechanisms involved remain unclear (Hanley, 2010). Research on the effects of inequality on society is beginning to suggest that it may be associated with substantial socioeconomic costs (Wilkinson, 2006). Although K–12 public education cannot be held responsible—at least not directly—for increasing inequality (and the associated societal costs), the education system is viewed by many as one of the only—if not the only—social institution that might be effectively harnessed to counteract it (Apple, 2006; Cuban & Shipp, 2000b; Viteritti, 1999). This view of the role of K–12 public education channels the ideals espoused by Horace Mann and others, including Thomas Jefferson, John Dewey, and Jane Addams, who envisioned a society where universal public education would promote the ideals of democratic citizenship. Public schooling, according to its advocates during the common school movement, would help to reduce social animosities, bridge the gap between the rich and the poor, and promote social mobility (Reese, 2000). Horace Mann, “leader of the common school movement, saw the public school as both the ‘great equalizer’ and the ‘balance wheel of the social machinery’” (Joseph, 2001, p. 1). This view continues to resonate with those that believe that K–12 public education could counterbalance the centrifugal forces of income and wealth inequality (Apple, 2006; Betts & Loveless, 2005; Cuban & Shipp, 2000b; Kozol, 1991; Van Heemst, 2004; Viteritti, 1999).

Finally, there has been a trend over the past three decades of moving away from a nuanced commitment to a mixed economy or “mitigated capitalism” towards a *laissez-faire* or what might be termed an “expansionist” view of economic markets (Groarke, 2000; Kuttner, 1996). This shift began with deregulation under Carter, found voice in Reagan's espousal of trickle-down economics, and shaped Clinton's rhetoric about reinventing government. Privatization worldwide “reduced state-owned enterprises' share of GDP from over 10 percent in 1979 to less than 6 percent by the end of the century” (Murillo, 2002, p. 462). As Kuttner (1996) describes it,

the “ideal of a free, self-regulating market is newly triumphant. . . . unfettered markets are deemed both the essence of human liberty, and the most expedient route to prosperity” (p. 3). There are those that worry, however, that our enthusiasm for economic markets has weakened our collective will to maintain adequate safeguards against market abuses and, at times, “overwhelmed the impulse toward collective betterment” (Kuttner, 1996, p. 3). Those critical of the adoption of the market metaphor in the context of public schooling view it as a threatening encroachment of market ideology into a public—and democratically-controlled—space (Henig, 2005).

These three trends—increasing dissatisfaction with K–12 education, increasing inequality, and increasing reliance on economic markets—serve as a useful backdrop that brings the school choice debate into focus. For many, school choice has become a significant battleground in an ideological struggle between two camps with different visions of how to best contribute to the common good: those committed to expanding individuals’ ability to pursue their own interests, and those committed to more collectivist approaches. For others, school choice is a way to obligate an inertial bureaucracy to live up to its espoused ideals of providing a quality education to all (Van Heemst, 2004; Viteritti, 1999). Others remain skeptical of school choice, but see no other viable reform alternative (Payne, 2008).

In addition to the different motives and philosophical perspectives of school choice advocates, reform efforts are further complicated by the complex nature of public education, considered as an economic product. An emphasis on standardized testing designed to measure student mastery of specific skills indicates that the transfer of knowledge is a major component. There is also the expectation that students will be taught social skills and be guided in their transformation from dependents to productive members of society. Another critical component, and perhaps one of the most basic elements of K–12 education, although it is rarely explicitly discussed, is simple custody: we expect schools to keep children safe and productively engaged during school hours (Holmes, 2009). The Latin phrase *in loco parentis*, which means “in place of a parent,” refers to the legal responsibility of a person or organization—in this case, public schools—to assume the responsibilities of a parent. As made clear in the desegregation debate, there is also a strong underlying educational equity or social justice expectation (Viteritti, 2010), which is reflected in the Supreme Court’s declaration, in *Brown v. Board of Education* (1954), that education “is a right that must be made available to all on equal terms” (p. 493).

Positive spillovers or externalities associated with education—including, for example, student preparation for democratic citizenship and the strengthening of community ties (Joseph, 2001; Reese, 2000)—indicate that education is a merit good, defined as a good or service that has both private and public components (Koch, 2008). Some proponents of school choice argue that positive spillovers, in addition to being relatively insignificant, are unlikely

to be threatened in a competitive environment because they are inextricably embedded in the private aspects of education (Hall, 2006; West, 1965). These arguments, however, tend to employ a narrow definition of positive spillovers—as basic literacy, for example—and make the mistake of underestimating the innovative capacity of businesses to find ways to either monetize the value they create or avoid the expense associated with producing it.²

Despite near universal acceptance (e.g., close to 90% of all school-age children in the United States will attend some form of public school in the 2012–2013 school year), growing numbers of students are opting out of the public school system—choosing from one of many increasingly popular options, including private schools, virtual schools, or homeschooling. According to *The Condition of Education* survey from 2009 (National Center for Education Statistics, 2013d), the percentage of U.S. children attending a “choice” school (rather than their zoned public school) grew from 11% to 16% between 1993 and 2007. During the same time period, private school attendance rates also increased from 8% to 9% (National Center for Education Statistics, 2013b). Charter schools also continue to grow, from 0.3 million enrolled students in 1999–2000 to 1.6 million in 2009–2010; in 2009–2010, approximately 5% of all public schools were charter schools. Homeschooling also continues to grow, increasing from 1.7% in 1999 to 2.9% in 2007 (National Center for Education Statistics, 2013c).

FRAMING THE SCHOOL CHOICE DEBATE

For some advocates, the school choice movement is an effort to wrest public education from bureaucratic and democratic control. This approach to school choice—school choice with a capital C, or as one scholar describes it, “systemic privatization” (Henig, 2005, p. 177)—envisioned an “environment of competition and choice” in which there would be strong incentives for schools to deliver the educational outcomes demanded by parents and other stakeholders (Chubb & Moe, 1990, p. 190). The “dead hand of bureaucracy” would be replaced by the invisible hand of the market (Friedman, 1955, p. 144). Healthy competition would force schools to improve the value proposition of their educational product, either by reducing its costs, increasing its quality, or both. Schools that were unwilling or unable to do so, would, through a process of natural selection, “find it more difficult to attract support” and would be “weeded out in favor of schools that are better organized” (Chubb & Moe, 1990, p. 190). Market control, it is argued, would result in a more responsive and efficient educational system (Henig, 1990).

School choice (with a capital C) deals with the political economy of the production, delivery, and consumption of K–12 education. Lindblom

(2001), in his book entitled *The Market System: What It Is, How It Works, and What To Make of It*, describes economic markets as “a method of social coordination by mutual adjustment among participants rather than by a central coordinator” (p. 23). Wolf, in a book dedicated primarily to developing a theory of nonmarket failure, conceptualizes it as a choice between markets and governments (1988). In the context of K–12 education, Chubb and Moe (1990) argue that the “democratic governance of the schools is built around the imposition of higher-order values through public authority” and that “as institutional systems, democratic control and market control are strikingly different in their most fundamental properties” (p. 190). According to Chubb and Moe (1990), the deficiencies of public education arise directly from democratic control; market control, despite its imperfections, would yield superior outcomes.

Not all proponents of school choice engage the debate at the level of educational political economy, however. Some pursue a more targeted approach that “involves fine-tuning the allocation of public versus private responsibility in order to maximize the collective good”—an approach Henig (2005) labels “pragmatic privatization” (p. 177). From this perspective, school choice is often promoted as an incremental adjustment of the balance of control between parents and community in order to promote specific outcomes, such as equality of educational opportunity (e.g., Viteritti, 1999, 2010), adoption of new technology and innovative organizational approaches (e.g., Moe & Chubb, 2009), or improved student achievement in specific areas (e.g., Walberg, 2007). Although this approach may involve increasing parental choice in specific ways, it does not challenge democratic control of K–12 education in its broader institutional context or lose sight of public education’s overall objective of contributing to the collective good.

Regardless of how it is approached, efforts to reform K–12 education through school choice require an understanding of the link between the behavior of individual system participants and collective, system-level outcomes. Linking individual participant behavior in a social system to systemic outcomes can be surprisingly difficult (Coleman, 1990; Goldspink & Kay, 2004; Raub, Buskens, & van Assen, 2011; Schelling, 1978). In certain situations, for example, self-interested behavior leads to orderly, self-correcting, and efficient markets. In other circumstances, the same behavior leads to speculative bubbles, panics, technological lock-in, and other inefficient outcomes (Bator, 1958; Cassidy, 2009; Mrozek, 1999). Detailed descriptions of the perfect competition market model (Bator, 1957; Lindblom, 2001; Walters, 1993), market failure (Akerlof, 1970; Arrow, 1963; Arthur, 1989; Bator, 1958; Cassidy, 2009; Stiglitz, 2000), and collective action (Olson, 1965; Ostrom, 1990, 2000, 2010) illustrate the complexity involved. Regardless of the approach (i.e., with a capital C or lower case c), school choice advocates should be cautious about assuming that enhanced parental latitude to make self-interested decisions will necessarily produce desired systemic outcomes.

PROBLEMS WITH SCHOOL CHOICE

As Greenspan (2007) observes in his recent biography, our general understanding of how markets work and “our ideas about the efficacy of market competition have remained essentially unchanged since the eighteenth-century Enlightenment, when they first emerged, to a remarkable extent, from the mind of one man, Adam Smith” (p. 260). Although a detailed description of the perfect competition market model is beyond the scope of this article (see, e.g., Bator, 1957), its logic is fairly straightforward. Proper markets are characterized by large numbers of informed buyers and sellers. Competition among sellers for buyers’ patronage results in significant downward pressure on prices (as suppliers underbid each other). This process creates powerful incentives for sellers to operate efficiently and to carefully consider their level of output. These decisions, when summed across all sellers, lead to the efficient use of resources in the production process (i.e., productive efficiency), and result in the supply of the optimal quantities of goods and services (i.e., allocative efficiency). Downward pressure on prices ensures that the optimal amount of goods and services are exchanged and that the greatest amount of economic value possible is created (i.e., social surplus is maximized). Finally, the market mechanism is assumed to be self-correcting (i.e., disequilibrium in supply and/or demand creates incentives that induce behavior that moves the system back to equilibrium) (Cassidy, 2009).

The Competition Mirage

The ability of economic markets to deliver efficient system-level outcomes, however, is dependent on a number of important conditions. If these conditions are not met, then the literature on market failure suggests that efficient outcomes are unlikely (Akerlof, 1970; Arrow, 1963; Arthur, 1989; Bator, 1958; Cassidy, 2009; Stiglitz, 2000). Properly functioning markets should be considered to be a special case of structured economic interaction. Not every situation characterized by voluntary exchange, or every context that appears to exhibit “market-like” characteristics, will produce optimal outcomes. As Schelling (1978) succinctly observes, “only some ellipses are circles” (p. 33). Table 1, which lists the assumptions of the perfect competition market model and then compares these assumptions to existing conditions in K–12 education, reveals that none of the necessary conditions for proper market functioning are satisfied.

Because the perfect competition market model is a theoretical abstraction, real world markets routinely deviate in significant ways from these assumptions. Influential work on workable competition (Clark, 1940; Sosnick, 1958) and market contestability (Baumol, 1982; Baumol, Panzar, &

TABLE 1 Perfect Competition Market Model Assumption and K–12 Education

Assumptions	Characteristics of K–12 Education
Large numbers of sellers and buyers	Geographic characteristics severely constrain the number of potential suppliers in a competitively relevant area; problems with natural monopolies are likely; because important components of K–12 education cannot be digitized, the Internet cannot be utilized to overcome this deficiency (Mosca, 2008; Walters, 1993; Waterson, 1987).
No pricing power	Social embeddedness reduces student mobility and increases switching costs, as does the social disruption associated with changing schools, and various pedagogical, curricular and sequencing differences between schools; suppliers are likely to have significant pricing power, which will contribute to oligopolistic and monopolistic pricing problems (Baye, 2009; Besanko, Dranove, Shanley, & Schaefer, 2010).
Sellers and buyers act independently	Parental schooling decisions exhibit behavioral interdependence, rendering choice decisions susceptible to network externalities; problems with the restriction of competition and the suppression of innovative efforts are likely (Arthur, 1989; Katz & Shapiro, 1985; Katz & Shapiro, 1986; Liebowitz & Margolis, 1994).
Project homogeneity	Differences in curriculum, race, religion and other demographic characteristics, including socioeconomic makeup and reputation, among other things, increase product heterogeneity and reduce competitive pressure; problems with pricing power are likely (Baye, 2009; Besanko, Dranove, Shanley, & Schaefer, 2010).
No barriers to entry or exit	Social embeddedness of students and parents creates strong expectations regarding continuity that serve to restrict both entry and exit. Because K–12 education is a merit good and is therefore funded through taxation, public oversight is likely to further complicate both entry and exit; problems responding to shifts in supply and demand are likely (Stiglitz, 2000).
No artificial constraints on price	Because K–12 education is a merit good (and therefore has public good components), market-based pricing is problematic; K–12 education is therefore primarily funded through taxation; pricing signals will be muted, and market responses to shifts in supply and demand will be delayed (Stiglitz, 2000).
Complete information	The quality of K–12 education is difficult to accurately assess; information problems will result in negative outcomes related to agency, trust, and transparency (Akerlof, 1970; Baye, 2009; Stigler, 1961).

Willig, 1983; Schwartz, 1986; Schwartz & Reynolds, 1983; Weitzman, 1983), for example, has explored the question of how significantly these assumptions can be violated without compromising market functioning. This work, together with other research streams in economics, particularly in the areas of industrial economics (Carlton & Perloff, 1994; Pepall, Richards, & Norman, 2005) and market failure (Bator, 1958; Cassidy, 2009; Mrozek, 1999; Wolf, 1987) strongly suggests that a wholesale outsourcing of K–12 education to the invisible hand would almost certainly yield disappointingly inefficient outcomes.

Although no market completely satisfies these assumptions, a number of intrinsic features and structural characteristics of K–12 education are particularly problematic. Friedman (1955), for example, in an influential paper calling for a re-examination of the role of government in education, acknowledges the challenges created by the existence of positive externalities (or “neighborhood” effects), including the inculcation of a common set of societal values, and the cultivation of a basic level of knowledge and literacy. Other authors have argued that education contributes to national wealth and collective productivity, political stability, the rule of law, reduced poverty, reduced inequality, and lower prison costs, among other social benefits (Cuban & Shipp, 2000a; Godwin & Kemerer, 2002; McMahan, 2008). Because K–12 education is associated with these public benefits—that is, because it is a merit good—market demand is an inadequate indicator of optimal supply. Friedman (1955) draws a distinction between financing education and administering it, and then argues that although the former—the public financing of education—can be justified, the latter cannot. Although this distinction may be useful in some respects, accepting it is an acknowledgement of the inability of the market mechanism to deliver optimal quantities of merit goods. To correct this deficiency, Friedman (1955) tacitly acknowledges that leaving questions of supply up to “the judgments of the community expressed through its accepted political channels” is more likely to lead to optimal supply levels than the invisible hand of the market (p. 127).

Although conceding the demand function to democratic control may prevent undersupply, significant problems remain (see Table 1). For example, it is unlikely that there would be a sufficiently large number of education providers in many geographic areas to sustain requisite levels of competition. Natural monopolies (see Mosca, 2008; Waterson, 1987) in these areas would reduce the set of available options to private monopoly, regulated private monopoly, or public operation—a set of decisions that Friedman (1955) refers to as a “choice among evils” (p. 130). Switching costs, derived from social embeddedness, particularly with respect to familial relationships and parental employment, and the social disruption experienced by students when changing schools, would contribute to supplier pricing power (Baye, 2009; Besanko, Dranove, Shanley, & Schaefer, 2010). Because parental

schooling decisions are at least partially based on the decisions—both actual and anticipated—of other parents, network effects (or network externalities) would significantly impede competition and lead to reduced levels of innovation (Arthur, 1989; Katz & Shapiro, 1985, 1986; Liebowitz & Margolis, 1994). Significant differences among schools along a number of different dimensions—both intrinsic and cultivated—would lead to high levels of differentiation, thereby further reducing competitive pressure (Baye, 2009; Besanko et al., 2010).

A number of factors, including public disapproval of the social disruption associated with entry and exit, could contribute to significant entry and exit barriers. Public funding of K–12 education would likely lead to artificial constraints on pricing, given that communities would likely be unwilling to cede exclusive control of public funds to the parents of school-age children. Finally, as Chubb and Moe (1990) observe, “virtually everything about good education—from the knowledge and talents necessary to produce it to what it looks like when it is produced—defies formal measurement” (p. 189); these measurement problems are exacerbated by feedback loops with long time horizons (e.g., years may be required before parents are able to accurately assess the quality of a new school). These difficulties would likely lead to problems with information asymmetry, uncertainty, and trust (Akerlof, 1970; Baye, 2009; Stigler, 1961).

Different possible solutions for many of these problems have been proposed (e.g., Betts & Loveless, 2005; Chubb & Moe, 1990). The majority of these solutions, however, represent specific regulatory and/or bureaucratic interventions designed to prevent, mitigate, or compensate for anticipated market deficiencies. Considered individually, the policy implications of proposed solutions may seem feasible. Considered collectively, however, it is clear that in order for a “market” system to produce acceptable outcomes, it would require carefully designed and ambitiously complex regulatory and bureaucratic support structures. Interventions designed to address one problem will often create additional problems that will, in turn, require additional interventions, thereby increasing system complexity. For example, reliance on public financing in order to avoid problems with undersupply will create a number of allocation challenges.

For example, Chubb and Moe (1990) suggest that states set up a “Choice Office” in each district that would associate a specific dollar amount of funds with each individual student and then route that money to the respective schools in which students elect to enroll (p. 219). Given that some students require specialized programs and are therefore more expensive to educate, Chubb and Moe suggest (1990), almost in passing, that it may be advisable to associate different dollar amounts with different students. This would, presumably, require that students undergo some sort of assessment to determine this value. Provisions would also need to be made for those students or parents who, for whatever reason, fail to make an active choice

(Goldhaber, Guin, Henig, Hess, & Weiss, 2005). Other proposed interventions include encouraging school districts to lease out existing buildings to other providers (to reduce entry and exit costs), requiring all schools to administer the same standardized tests and establishing advertising guidelines (to reduce information problems), requiring schools to provide busing (to reduce switching costs), and many others (Betts, 2005; Chubb & Moe, 1990; Henig, 1994). With each proposed intervention, additional considerations multiply, and the need for careful system design, regulatory control, and bureaucratic support structures becomes more apparent (Henig, 1994). If the complexity of the system increases, it becomes increasingly difficult to structure additional interventions in a way that will increase system optimality (Lipsey & Lancaster, 1956).

The allure of a market system—defined by Lindblom (2001) as a “method of social coordination by mutual adjustment among participants rather than by a central coordinator” (p. 23)—is understandable. Properly functioning economic markets require little monitoring or direct democratic control. Because they are characterized by decentralized decision making, they require no coordinating bureaucratic structures. Because individual incentives promote behavior that contributes to the common good, markets are, in many ways, self-regulating. Everyday experience with different consumer products demonstrates that markets are capable of efficiency and innovation without the drama of ideological warfare, special interest politics, and other pathologies of democratic policymaking. In many ways, therefore, economic markets may appear to be exactly what K–12 education needs.

K–12 education, however, is not a typical consumer product; it is both produced and consumed in an institutional context in which the basic assumptions of the perfect competition market model do not hold (see Table 1). From a strategic management perspective (see, for example, Barney, 1991; Besanko et al., 2010; Porter, 1996), the introduction of a profit motive would create powerful incentives for education providers to exacerbate and exploit market deficiencies; Table 1 would serve as a rough roadmap for such efforts. In the case of K–12 education, the notion of a market-based environment in which the rigors of competitive rivalry are effortlessly transformed by the invisible hand into optimal collective outcomes is a mirage; if market-based reforms are to be effective, they will require significant interventions in the form of bureaucratic and democratically-controlled support structures and an unprecedented level of regulatory adeptness.

Merrifield (2009) argues convincingly that reform efforts have so far failed to implement a number of key market elements. Despite the rhetoric surrounding charter schools and voucher programs, Merrifield (2009) argues that these programs are not sufficiently “market-like” and that any conclusions regarding the effectiveness of market-based school reforms based on these programs “undermines a fair comparison of market accountability and

the multiple existing versions of political accountability” (p. 72). We submit, however, that this deficiency should be at least partially attributed to legitimate doubts about the benefits of a market-based education system, given its complexity and lack of favorable precedent.

In addition to legitimate questions regarding the ability of the market mechanism to deliver expected outcomes, the market metaphor also demands a fairly radical rethinking of the nature and purpose of K–12 education that some may find morally and philosophically objectionable (Apple, 2006; Cuban & Shippis, 2000b). As Holmes (2009) states in a rejoinder to Merrifield, advocates of market-based reforms often fail to recognize “the importance of values to educational systems, possibly on the assumption that economic reform of education may take place leaving individuals’ values intact. But this is not the case” (p. 192).

Beyond the Market Metaphor

Henig (1990) asserts that “the greatest risks associated with the movement for educational choice come not from choice itself, but from its overly close association with the market metaphor” (p. 188). One of the weaknesses of the metaphor is a self-referential logic that, although internally consistent, is often associated with a commitment by its advocates to ideological purity. As Wolf (1988) reminds us, however, although the choice between markets and governments is often complex, “it is usually not binary . . . it is often a choice between different combinations of the two, and different degrees of one or another mode of allocating resources” (p. 151). Another weakness of the market metaphor is the inherent assumption that the interests of individual participants are—or can be—aligned with collective interests. In this respect, the market metaphor ignores the critical question of “whether inevitable conflicts occur between education that is organized to benefit the society and education that is intended to provide maximum benefit to an individual or selected groups of individuals” (Graham, 2000, p. xv). The market metaphor also contributes to the mistaken notion that market-based reforms can be implemented organically without accompanying bureaucratic support or regulatory structures. Finally, the market metaphor fails to explicitly acknowledge required changes in the way K–12 education is conceptualized. As Henig (2005) observes, the market metaphor:

involves a concerted and substantial rearrangement of public versus private authority; rather than administrative calibration, it is powered by political, ideological, and institutional forces that, once unleashed, can be mutually reinforcing and may spin out of the orbit of democratic oversight and public control. (pp. 177–178)

These and other deficiencies of the market metaphor limit its utility (see Henig, 1994). Merrifield (2009) argues that other competitive industries “with

much in common with schooling” can be useful sources of data and indirect evidence that could be used to inform school choice dialogue (p. 69). We concur with this sentiment and assert that important lessons could be derived from the careful comparison of K–12 education and similar products or services that are exchanged in contexts with similar structural characteristics. Given that K–12 education has little in common with private consumer goods or industry contexts that approximate the perfect competition market model, comparisons with traditional publicly traded companies is likely to be of limited utility. At minimum, such a comparison should involve goods in which there is at least some conflict between individual and collective interests. We argue that the NFL meets these criteria and has the potential to generate a number of insights into how choice might be harnessed to improve K–12 educational outcomes.

LOOKING TO THE NATIONAL FOOTBALL LEAGUE

Although the NFL is a private entity that operates in a market environment, it is not a typical business. Although individual teams are privately owned and compete with other NFL teams (and indirectly, with other sports franchises and entertainment venues), they do so as part of a larger organizational system. Considered in this context, the output of individual teams (i.e., their play on the field in a particular game) has both private consequences (e.g., individual team success) and implications for all teams, considered collectively (i.e., the success of the NFL as a sports league). Within this system, there are times when the interests of players, teams, and the group (or NFL) conflict. The NFL, in other words, is an organizational system that involves conflict between individual and collective interests, as is the case in K–12 public education. In addition, the attractiveness of a particular team to potential players is at least partially determined by the decisions of other players to play for that team, and this introduces internal network effects (or externalities) into the system. This creates a dynamic that is similar in important respects to the behavioral interdependence observed in school choice settings.

We compare K–12 public education to the NFL to stimulate discussion. The way we set up the analogy is straightforward: students in K–12 schools are analogous to NFL players, schools are analogous to individual NFL teams, and school districts (or any larger grouping of schools) are analogous to the NFL. Success for the NFL might be measured in terms of league profitability, the average market value of individual teams, system market share (compared to other sports leagues) or other similar measures. Success corollaries in K–12 public education might be relative student achievement (compared to other countries), effective inculcation of the ideals of democratic citizenship, the reduction of social animosities, and the promotion of equality of opportunity and social justice. Although we believe the parallels

we draw between K–12 public schooling and the NFL contribute to enlarging the imaginative space of the school choice dialogue, we are also aware that all analogies have their limits, and if pushed too far, cease to be relevant.

Brief History of the NFL³

Although the NFL is now arguably the most successful professional sports league in the world, professional football has not always been popular or profitable (Fisher, 2010; Yost, 2006). According to Backman (2002), the NFL had a “humble beginning as a rural sport operating in the shadows of America’s pastime, Major League Baseball” (p. 1). Professional football was characterized by backroom deals, poor organization, haphazard schedules, and irregular rules. Professional team owners began to realize that if the sport were going to grow in popularity and profitability, organization and uniformity were necessary. Thus, representatives from numerous teams met in September 1920, agreed on rules and regulations, elected organizational leaders, and established the American Professional Football Association (APFA) with 16 participating teams. Jim Thorpe of the Canton Bulldogs was named the league president (Yost, 2006).

At the end of the 1920–1921 season, the league president created league bylaws that included giving teams territorial rights to players within the league, limiting player movement, developing membership criteria for franchises, and keeping official statistics so that a real winner could be determined at the end of a season (McDonough et al., 1994). These new regulations provided greater league stability and contributed to a growing fan base. In 1922, the APFA—then with 18 participating teams—reorganized and changed its name to the National Football League (NFL) (Yost, 2006). The NFL’s evolution included player agency rules, a reverse-order (worst teams pick first) player draft, a national television contract with revenues shared equally across all NFL teams, a per-team player salary cap, and a revenue-sharing model. All five are important to this discussion of social dilemmas because they involved the implementation of constraints—each of which conflicted with individual player and individual team choice in their respective systems—that led to advantageous outcomes at the system level.

PLAYER AGENCY RULES

The NFL has a history of labor disputes between owners, who want to restrict players’ movement between teams, and players, who want maximum ability to move between teams. Restrictions on player movement included the “Rozelle Rule,” which dictated that a new team signing a free agent had to compensate the player’s former team. NFL players filed numerous labor-related lawsuits against the league. The system in place today reflects

the ongoing tension between owners, who want to curb increasing salaries and maintain competitive balance in the league, and players, who want to maximize their salaries and freedoms as players.

REVERSE-ORDER DRAFT

A reverse-order draft system distributes talent across the league. Prior to implementation of the draft, players could sign with teams that offered the most money or with the most prestigious teams. Because teams were not economically equal, that freedom threatened competitive parity, which league officials thought would drive down attendance, and thus undermine profits and player salaries. Fans wouldn't fill stadiums if they knew the outcome of the games before they even started due to an uneven distribution of talent across the league (Yost, 2006). The player draft order is the opposite of the win-loss rankings. The team with the worst record gets the first draft pick of each round; the Super Bowl champion team picks last.

REVENUE-SHARING MODEL

NFL teams share national television contract revenues (the largest source of the league's revenue), licensing fees for official NFL merchandise, and 40% of all away-game ticket sales (Editors at the NFL, 2005; Yost, 2006). Approximately \$3 billion of the league's \$5.2 billion revenue stream is shared equally among the 32 teams (Yost, 2006, p. xvi).

SALARY CAP

The NFL caps each team's player salaries at 65% of the league's shared income. There is also a 56% minimum. The salary cap helps keep costs down and helps contribute to competitive parity by equalizing talent among franchises.

Results of the NFL Model

The objective of these economic measures is to create greater competitive parity, which helps create demand for the league. Fisher (2010) posits that "by giving all teams and fans hope for a playoff appearance and Super Bowl championship, the NFL maintains demand in the sport. Weekly regular season games become more interesting when the victor is unknown" (p. 10). Indeed, due to the constraints imposed by the league, the NFL has not had the degree of team dominance seen in other sports leagues. The focus on competitive parity made the NFL the most successful and profitable sports organization in the world ("In a league of its own," 2006, April 27). The NFL

has the highest revenue, income, and value of the four major sports league in the United States. The NFL also has the highest degree of economic parity of the four major professional sports leagues in the United States (Fisher, 2010).

DISCUSSION AND CONCLUSION

Viteritti (2010) comments on the standoff between those that place their faith in the dynamism and virtues of economic markets to reform K–12 public education and those committed to more incremental reforms grounded in political processes and democratic control: “Neither the market nor the government has done a stupendous job in addressing the educational needs of the disadvantaged, so in a sense the faith of both groups has been misplaced” (p. 209). The same could be said of broader education reform efforts: neither the market nor the government has a track record that inspires confidence. We suggest that the path forward may lie in recognizing the unique characteristics of K–12 education, and rather than appealing to the perfect competition market model, seeking out alternative metaphors and models that are more pragmatic, allow for conflict between individual and collective interests, and serve as templates for managing individual choice and behavioral interdependence in a system context. We believe that the NFL’s success in managing individual-network conflict can help us build such a framework.

The NFL is a hybrid organization in which individual NFL teams are expected to both compete and cooperate, and in which individual choice is simultaneously constrained and leveraged in order to promote desired system-level outcomes. Table 2 includes a list of the organizational characteristics of the NFL with corresponding correlates for K–12 education. Five general observations are listed, along with four specific sets of policies.

Player Mobility

If NFL players are analogous to school-age children, then the NFL is decidedly antichoice. The NFL, since its inception, has aggressively controlled the ability of players to move between teams; these constraints have been a constant source of friction between players and management over the years (Backman, 2002). Constraints on player movement (or on player “choice”) serve as at least two purposes. First, because players are unable to market themselves to other teams, it shifts bargaining power in labor negotiations to management. Second, it prevents the best players from converging on one or on a small group of teams. Although individual teams (or team owners) have a clear incentive to facilitate this kind of convergence, the focus at the moment is player incentives—constraints on team behavior will be discussed below.

TABLE 2 NFL Characteristics and K–12 Public Education Corollaries

NFL Feature or Characteristic	K–12 School Choice Corollary
<i>Generalities</i>	
Ability of players to choose teams is severely constrained (and carefully managed); systemic effects are given priority over the interests of players in managing player mobility	Ability of parents (or students) to choose schools is evolving. Although choice "by mortgage" has long been an option, numerous other choice programs are being implemented (Merrifield, 2008b); it is not clear if systemic effects are adequately considered in determining success of choice programs.
Behavioral interdependence (due to the fact that the attractiveness of a team to potential players is partially dependent on the decisions of other players to play for that team) is carefully managed	In many cases, the desirability of a school to parents is at least partially dependent on the decisions of other parents with certain characteristics to enroll their children in that school; interschool competition based on these characteristics will contribute to a winner-take-all dynamic (based on network effects) and result in competitive lock-in (Arthur, 1989; Katz & Shapiro, 1985, 1986; Liebowitz & Margolis, 1994).
A significant percentage of resources are pooled and distributed equally across teams	Significant funding disparities exist across schools, and these differences appear to undermine the commitment of K–12 public education to provide equality of opportunity to all students; one reason for these disparities is a failure to resolve a basic public goods—or fence—dilemmas (Heckathorn, 1996; Kollock, 1998; Ostrom, 2000).
Teams compete fiercely along a narrow set of dimensions; teams are not allowed to compete in ways that would be harmful in a systemic sense	Interests of schools (and providers who may operate schools) should be carefully managed; competition along some dimensions may be valuable; competition along other dimensions may be harmful (Beal, 2012; Heckathorn, 1996; Kollock, 1998; Ostrom, 2000).
Systemic approach to managing competing interests encourages attention to tradeoffs	Given that individual and system interests may not be aligned, attention should be paid to trade-offs; for example, interschool competition may require parents to bear decision costs, for example, or may lead to significant branding and marketing costs at the school level, etc. (Henig, 1994; Kuttner, 1996; Wolf, 1987).
<i>Specific Policies</i>	
Player agency rules	Should movement of students between schools be managed or controlled? How does increased school choice shift the power dynamics between schools, communities, and larger education institutions?
Reverse-order draft	To what degree do interschool funding differences determine success? Should poor performing schools be given additional resources? Should social-capital deficits (and other extra-school considerations) be factored into funding decisions?
Revenue sharing	Should school funding be made more collective (i.e., should school funding bases be broadened with funds distributed equally across relevant schools)? Should resources—including personnel—be shared more equally?
Salary caps	Should operational control of schools be controlled by establishing spending category parameters? What other arms-length controls might be effective, but leave more room for creative or adaptive school strategies?

These two reasons for constraining player mobility have parallels in K–12 public education. The first—“labor negotiations” in the NFL—is roughly equivalent to the “power” dynamic surrounding the question of appropriate content and how control over that content should be distributed between parents and the state (see Godwin & Kemerer, 2002). In general, the more choice and mobility students have, the more difficult it is to exercise centralized control.

The notion of the most talented players coming together to play for a single team (or small subset of teams) has a more direct corollary: the self-sorting tendencies of parents (and children) based on particular characteristics (e.g., race, religion, ability, socioeconomic status, interests, etc.). Both of these questions—individual versus collective control, and social sorting and stratification—have a long history in public education (see Urban & Wagoner, 2009).

In the context of school choice, however, both questions raise a number of practical issues. Because of the nature and structure of economic markets, a market for K–12 education would shift significant power to individual parents (as consumers). Leaving aside the immediate reform implications of this shift, one result would almost certainly be a significant loss of community or democratic control. It is ironic, given this trade-off, that one of the impetuses often cited by advocates of market-based reform is itself a product of centralized planning and explicitly addresses national education policy and its impact on the nation as a whole (as indicated by its title, *A Nation at Risk*; National Commission on Excellence in Education, 1983). The kind of central planning and policy formulation exemplified by this report would be futile in a properly functioning economic education market where it could be accurately asserted that no one (and at the same time, everyone) is “in charge.”

The self-sorting tendencies of parents (and school-age children) also have important choice implications. The key question in this case is where within the K–12 educational system this “sorting” takes place, given that intraschool differentiation is likely to have very different implications for market functioning than interschool differentiation. If schools offer a variety of internal options and approaches, and students are allowed to self-sort into different tracks and programs within schools, then competition could still be encouraged between schools, because schools would still likely be homogenous enough to support effective competition. If this differentiation were to take place at the school level, however, then interschool competition as a reform impetus would become particularly problematic, given that it would exacerbate nearly every problem identified in Table 1. Incentives for education providers to differentiate at the school level is discussed below—what is relevant here is how the tendency of parents to make schooling decisions based on the schooling decisions of other parents (i.e., based on anticipated school population characteristics) is likely to affect school choice

dynamics (to a greater extent than they already do by their choice of where to live). It should be noted that if, in a competitive setting, parents base their schooling decisions on factors other than the quality of instruction (and other similar factors; Ball & Vincent, 1998; Holme, 2002; Smrekar, 2009), then competition will force schools to attempt to control these other factors (rather than improve the quality of instruction). This issue is revisited below in our discussion of school-level incentives.

Resource Pooling

Art Modell, former owner of the Cleveland Browns, said, “We [team owners] are a bunch of fat cat Republicans who vote socialist on football” (Vrooman, 2012, p. 7). The owners’ motivation is clear: Resources are shared in order to promote competitive parity. An important question for K–12 education is this: Would a more equal distribution of resources improve system outcomes? A number of experts and scholars have argued forcefully that it would (see, e.g., Kozol, 1991; Payne, 2008; Van Heemst, 2004; Viteritti, 1999, 2010).

Although it may be tempting to explain away the behavior of NFL team owners as fundamentally self-interested, given the subsequent success of the league, this explanation fails to acknowledge the difficulty of successfully navigating situations in which the correct (or optimal) group behavior may be obvious, but in order for the group to pursue this course of action, individuals within the group must overcome incentives that work against group cooperation. These situations, referred to as social dilemmas, often lead to inefficient or irrational group outcomes because the individuals in the group are unable to cooperate—outcomes known as “collective irrationality” (Beal, 2012; Heckathorn, 1996; Kollock, 1998). In the case of K–12 public education, for example, if the costs of failing to provide equal educational opportunity to a significant percentage of school-age children is as high as some authors suggest (see, e.g., Kozol, 1991), then our failure to resolve these disparities may be the result of the short-sided pursuit of local interests rather than the product of a rational decision-making process. In other words, current school funding patterns may be an example of collective irrationality. If this is the case, then a careful study of how the NFL has been able to avoid the trap of collective irrationality—a process that has been difficult at times—may yield valuable insights.

Teams, Competition, and Trade-Offs

The role of teams in the NFL system—and the way in which they are managed as part of a larger system—should be instructive for K–12 education. As is the case with the NFL and its constituent teams, the success of K–12 public education is dependent on individual schools. If advocates of

school choice intend to create a market-like environment in which schools are encouraged to compete for students (and in which, as many school choice advocates suggest, the owners of individual schools would have a profit incentive to do so), then the extent to which the NFL has carefully circumscribed interteam competition should serve as an indication of the type of regulatory complexity that would be required. One of the most difficult challenges school choice advocates will face in a market-like environment, for example, is effectively dealing with the incentives for-profit schools would have to ground their value proposition in network effects (or network externalities). If the value of attending a particular school, for example, were derived primarily from the attendance of other students with certain characteristics, then the students would become the draw for other students, and the process would become self-reinforcing. This would lead to a kind of “lock-in” that would preclude effective competition and allow the owners of for-profit schools to charge monopoly rents (Arthur, 1989; Katz & Shapiro, 1985). If competition is to force schools to improve the quality of instruction, then it is imperative that parents base their schooling decisions on school quality. If they base their decisions on other factors, then schools will have incentive to manipulate those factors (and that may lead to unintended and/or inefficient outcomes).

Since its inception, the NFL has had to balance competing internal interests and accept certain tradeoffs (see, e.g., Backman, 2002). School choice proponents—particularly those advocating for systemic privatization—have succeeded in introducing into the public imagination the possibility that schools could be subjected to the discipline of the market mechanism rather than governed through existing bureaucratic and democratic processes. School choice advocates have not, however, done an adequate job of outlining the trade-offs that would be involved in such a shift. Increasing parental control, for example, will require a commensurate decrease in community or collective control, and though the shift may yield a net gain, there is still value in understanding the costs associated with the latter. Interschool competition, for example, will likely lead to increased school-related marketing efforts, and if comparison to the marketing costs associated with other consumer products is a reasonable guide, these costs could be substantial. If competition is to be effective, parents must make informed decisions, and there will be costs associated with this decision-making process (and parents will, in all probability, be expected to bear these costs).

Specific policies related to the general issues discussed above are also listed in Table 2: player agency rules, reverse-order draft, revenue sharing, and salary caps. These policies are accompanied by a brief set of questions that mirror many of the issues raised above. The purpose of comparing K–12 public education to the NFL is not to provide detailed answers to the complex questions surrounding school choice, but to demonstrate that a framework that goes beyond the market metaphor by explicitly addressing

the conflict between individual and collective interests can provide important insight into how school choice can be most effectively leveraged to improve K–12 educational outcomes.

NOTES

1. Merit goods are defined as goods that have both private benefits and positive externalities, such as inoculations, for example, that reduce an individual's likelihood of contracting a particular disease, but also contribute, in a collective sense, to reducing the overall prevalence of the disease, thereby simultaneously reducing others' likelihood of contracting it (see, e.g., Koch, 2008).

2. Positive spillovers that cannot be separated from the private product or service in which they are embedded are referred to as inframarginal externalities. This distinction is important, because goods or services with positive inframarginal externalities are not susceptible to the same market supply problems as public or merit goods or services (Hall, 2006; West, 1965).

3. Information in this section is derived from the following sources: Backman, S. E. (2002); Editors at the NFL (2005); Fisher (2010); McDonough et al. (1994); Roberts and Olson (1989); Yost (2006).

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