

**Removing Compulsory Education:**  
**An Alternative Approach to Solve the School Choice Debate**

**Joshua Barham**  
**Dr. Jeffery Herbener**  
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Education rightly holds an important place as it greatly impacts nearly every aspect of a society. Consequentially, the number of proposals to improve its quality while reducing the cost of education are quite extensive. This paper will focus on the economic theory associated with increasing the value relating to a high school education while identifying the means to reduce the price of one. Overall, there will be more of an emphasis in examining how these economic theories impact the quality of high schools. Moreover, it will serve to highlight an alternative means to improve education amidst the public policy debates. One that would remove the compulsory nature of schooling in order to allow parents and students greater opportunities to pursue the vocational training of their choice. This paper does not call for an end to a formal educational system rather it explores alternative means for improving it and the American work force.

Within the United States a continuous debate rages over school choice. One side stipulates that parents should have the right to choose the school of their choice via a government voucher program. The system would basically allow parents access to the funds collected from property taxes in order for them to pay the education they choose. One that would agree with their personal values and most benefit their child. This would contrast with the current method where parents must send their children to the public school within their district or face paying the entire cost of sending them elsewhere. Another benefit to the program allows parents within the lower socio-economic classes to afford the tuition rates of higher quality schools.

Proponents of a voucher program additionally argue that giving greater liberty to decide what schools to attend would result in instituting competition within schools. This would both create a more efficient system while potentially reducing the overall cost. While this idea relies heavily upon competition, to improve quality it does not necessarily cut the cost of education. Evidence of this fact can be seen within the federal funding of colleges. In fact the government funding merely serves to increase tuition rates as born out with their rapid growth over the past forty years. Thus, while the competition would entail a quality improvement for some, the government subsidy would hamstring efforts to make it more affordable.

Meanwhile, those against a voucher program argue that it would only improve the quality of education for those already receiving the benefits of an education afforded by a higher socio-economical class. It would accomplish this through giving them additional funds to use while effectively excluding lower socioeconomic classes due to the private school's ability to charge higher tuition rates given the infusion of the government's funds. These rates would continue to rise all things being equal as the current students would be willing to pay more since they have access to tax dollars to add to their previously allocated funds. As a result the government voucher program would not enable the poor to attend higher quality schools. Given this argument the voucher program would simply only aid the higher social classes while doing little to actually open up new doors of opportunities to those needing educational assistance.

In the midst of this discussion, both sides universally accept the compulsory nature of education enforced by the government. Moreover, the society quickly moves to embrace the

idea that a formal education is a public good involving the community and as such heartily approve of the role undertaken by the government to ensure that everyone receives an education. In many ways the public sentiment is best articulated by Milton Friedman in his article on “Government’s role within education”, in which he stated that, “a stable and democratic society is impossible without the acceptance of some common set of values and without a minimum degree of literacy and knowledge on the part of most of its citizens.”<sup>1</sup> Since education contributes to both of these objects, both Friedman and the general public believe that it justifies the government’s involvement within the educational system. However, the United States illustrates the fallacy of this belief as the compulsory education system did not exist until nearly seventy-five years after the birth of the country. It was not until the 1840’s that the first compulsory school system appeared.<sup>2</sup>

The government’s takeover of how education was administered systematically shifted where the public placed responsibility for educating their youth. Before it was the parents’ responsibility to see that their children were literate and engaged in obtaining the skills necessary to fulfill the quintessential American dream. In its place government increasingly

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<sup>1</sup> Milton Friedman. “The Role of Government in Education.” In *Economics and the Public Interest*, edited by Robert A. Solo, (New Brunswick: Rutgers University Press, 1955), Pages 123-144.

<sup>2</sup> Private schools were seen initially as a threat to Anglo-Saxon majority. As Rothbard in his *For a New Liberty* writes: "It was the desire of the Anglo-Saxon majority to ... smash the parochial school system of the Catholics." (p. 125) Taxing indiscriminately for education, thus forcing those individuals who would opt for private education to pay twice (once in taxes, and again in tuition to the private school), was one method for discouraging private education. Even more blunt was the attempt in Oregon during 1920s to outlaw private schools (Rothbard, 1978, p. 126). A law was passed making private primary education illegal and compelling all children to attend public schools. Fortunately, in *Pierce v. Society of Sisters* (1925), the Supreme Court found the law to be unconstitutional.

became both the enforcer and provider of education. As a result, education shifted from a micro decision undertaken by the family to a policy one determined by first the states but increasingly the central government. In a similar manner this mirrored the shift in how the value of obtaining a high school education changed. Historically, the vast majority of Americans did not graduate with a high school degrees, but entered the work force before completing it. However, over the last several generation the emphasis on being educated has transformed the workforce to the point where graduating high school is often merely taken for granted.

With the cultural emphasis placing a huge importance on receiving a high school degree, many errors emerge when evaluating and understanding the role of education. Society greatly influences the perspective that everyone should complete a traditional formal secondary education before pursuing further vocational training or education. Only with this mindset does the state receive support in maintaining a compulsory education system while removing other less traditional means of learning trades and skills like apprenticeships and other vocational training programs for minors. The root problem lies in the stress put on simply receiving a formal education without understanding the means nor the ends by which it is applied and productive.

Many fallacies emerge which accelerates the diminishing marginal value of a high school degree. The first basic error confuses the idea of learning as simply occurring within an academic setting. Certainly there is a role which traditional book learning functions in forming an educated society, but it would be wrong to believe that educating oneself can only

occur through this system. Some of the greatest minds of the 20<sup>th</sup> century bear testimony of this fallacy. Both Thomas Edison, Albert Einstein, the Wright brothers, John Rockefeller and Tom Cruz all failed to complete their formal high school education. Instead they chose alternative means of educating themselves differently thus demonstrating the potential while finding their comparative advantage.

In the quest to improve high schools, it is important to note that not everyone needs this type of learning to succeed especially those seeking to becoming tradesmen. Each individual is distinctive and thus possesses a variety of skills unique to each. Often this is overlooked by society when presuming that one can only learn through obtaining a traditional education. From the moment one is born each person embarks upon the voyage of learning. While the term “education” refers to what begins at five or six, one must consider all the learning that accrues within the first five years before one attends the first day of their education. An ability to converse, know one’s numbers, a basic understanding of the alphabet, ability to interact socially, walking, and running are just some of the import functions which take place outside of school for the average individual. While these basic skills occur before formal education, many of the skills involved with vocational training come through on the job training and not through a high school classroom. Therefore in the quest to improve high schools it is important to note that not everyone needs the academic criteria to be successful and prosperous.

Certainly, for some individuals who desire higher education a high school degree is worth the time necessary to complete the requirements. But for a vast sector pursuing more

vocational trades, the value of the high school curriculum does not merit the opportunity costs associated with a traditional education. However, the compulsory nature prevents the families and students from the freedom to pursue other means of developing the skills necessary to find their comparative advantage. Murray Rothbard illustrated this by highlighting the following point:

Fundamental empirically derived postulate that there is a great variety among men in labor skills, in insight into future events, in ability, intelligence etc. It seems empirically clear that this is the case. The denials seem to be based on the simple faith that all men are “really” equal in all respects or could be made equal under proper conditions. Generally, the assumption of uniformity and equality are made implicitly rather explicitly, perhaps because the absurdities and obvious errors of the position would then become clear. For who would deny that not everyone could be an opera singer or batting champion?<sup>3</sup>

The statement illustrate several of the erroneous beliefs that a standard formal education serves all equaling and that a simply educated society ensures a flourishing economy.

Investing in education continuously has been the dominate public policy undertaken within the United States. The implied rational continues to be both that it is an investment to ensure economic advancement as well as duty owed to the next generation. John Galbraith articulated the idea of the necessity for continually funding

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<sup>3</sup> Murray Rothbard, *Man, Economy, and the State*.(Auburn: Ludwig von Mises Institute, 2001), 518.

the educational system in his book *The Affluent Society*. In this he mentions the emphasis the nation plays in the educational system:

There is every reason to conclude that the further and rapid expansion of this [educated] class should be a major and perhaps next to peaceful survival itself, the major social goal of the society. Since education is the operative factor in expanding the class, investment in education, assessed qualitatively as well as quantitatively, becomes very close to being the basic index of social progress. It enables people to realize a dominate aspiration. It is an internally consistent course of development.<sup>4</sup>

This perspective of education being the chief means for progress misunderstands the role education has within the economy. Furthermore, the statement insinuates that mandating the growth of educated class should be the most vital policy goal of the nation without providing how these policies should be directed.

The mistaken belief of equating an education with being the chief means to a prospering society results in a second serious error. The United States demonstrates the absurdity of this claim when one examines the role formally uneducated individuals had in the development of the nation. The Jewish, Italian, and Irish minorities during the early 1920's illustrates how each group achieved success despite the cultural animosity towards these groups. For those willing to work, there has always been opportunities to improve one's living

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<sup>4</sup> John K. Galbraith. *The Affluent Society*.(Cambridge: The Riverside Press, 1958), 345.

standard. The emphasis being was that learning a skill set was intrinsically linked with the skills demanded by the market. Each demographic rose through out competing their competitors in the labor market. Nowhere, is this more evident than in the Jewish minority who were initially excluded from academia. Nevertheless, having risen in business the Jewish immigrants were then able to send their children to school.<sup>5</sup> This tendency is further demonstrated within the modern era in the rise of Hispanics labors.

Ultimately, an education is only valuable for a society if the rationale for it serves a meaningful purpose desired by the market. The term well educated but unemployed underscores this idea. As Thomas Sowell points out:

That more years of schooling cannot automatically be equated with increased human capital. Everything depends on whether more years in [high] schools, colleges and universities actually create economically meaningful skills, or whether academic credentials merely create a sense of entitlement beyond what the holders of those credentials actually produce. This is not to say that economic benefits are the only benefits of education. But it is to say that expectations, or claims, of entitlements to higher incomes or wealth have no basis unless the specific kinds of education, and the specific qualitative level of that education, actually create sufficient additional output to cover the additional income or wealth expected.<sup>6</sup>

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<sup>5</sup> Thomas Sowell. *Wealth, Poverty and Politics*.(New York: Basics Books, 2015), 60.

<sup>6</sup> *Ibid*, 88.

Many of the nations within European Union exemplify this truism with their well-educated but high levels of youth unemployment rates. Instead of increasing the stability, history has shown that:

People who have acquired academic degrees, without acquiring many economically meaningful skills, not only face personal disappointment and disaffection with society, but also have become negative factors in the economy and even sources of danger especially when they lash out at economically successful minorities and ethnically polarize the [their] society.<sup>7</sup>

The ironic tragedy which Dr. Sowell points out is that far from stabilizing a given society to much unnecessary education leads destabilization and undermines sustained economic development.

A fundamental question emerges in considering how the value of an education is ordinarily determined. The answer simply put functions the same way the price of any other good occurs within the market. Value is built upon the market demands formed by the subjective preferences of individuals. This process, otherwise known as the subjective theory of value, relies upon the individual consumer dictates the market signals through the price they are willing to pay for a particular good or service. Ultimately, if the value is greater than the costs the market clears resulting in the market rewarding a profit for the entrepreneur producing that good. Overall this simple means of production entails a great deal of economic calculation in the attempt to ascertain the future demand of a given good or service. As

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<sup>7</sup> Ibid, 85.

Ludwig von Mises pointed out that in many ways an education is an investment for “such schooling and training intensify a man’s one-sidedness; they make him a specialist. .. These expenses are an investment and as such are speculative. It depends on the future state of the market whether or not they will pay. In training himself the worker becomes a speculator and entrepreneur.”<sup>8</sup>

The great impediment evaluating a high school education ultimately is the severe alteration of the value structure. The individual consumer demand shaping the production structure is apparently separated and overruled by the government decree dictating that particular model of education is a worthy good that every teenager should attend regardless of their prospective careers. As a result the means for evaluating whether a high school education is worth the opportunity costs cannot be appropriately considered by the family since the state mandates the child’s attendance. Furthermore due to the government’s enforcement within the States, it prescribes a standard format regardless of different vocations wanting to be pursued by the student. The inefficiency of this egalitarian model continues to grow with additional legislation such as the No Child Left Behind Act which strengthened the notion that everyone should receive the same type of education regardless of their intended career prospects.

The government intervention fundamentally mixes the market signals for weakens the means of valuating it due to the State hijacking the decision power from the family involved and entrusting itself as the third party to make the decisions. While the quality and value of a

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<sup>8</sup> Ludwig von Mises, *Human Action*. (Auburn: Ludwig von Mises Institute, 2008), 619.

high school education becomes misconstrued, so too does the price mechanism indicating the market clearing point. The result of this meddling is an ever increasing cost as a result of misinformation as to the type and quantity demanded by the market. The economic principles involved are collaborated by the effects of a compulsory education as the costs continue to rise within the United States educational system. The evidence of this inefficiency demonstrates itself within the largest and most expensive education systems in the world. With an annual expenditure of over 668 billion dollars, the United States invests more on education than on its national defense.<sup>9</sup> Given the size, scope, and finances, one would believe (if measured strictly on a monetary basis) that American students would perform well against their counterparts. However, many studies show the opposite in which American students lag behind their peers in critical areas such as math and reading skills.

These results demonstrate that although heavily financed the educational system does not perform as it should. Meanwhile the cost of education continues to rise. While much debate centers on how to curtail this spiraling costs, it is important to note the inability for the markets to provide competition given the mandated monopolistic school boards controlling both the sources of funding via property taxes and jurisdiction over the youth within their districts.

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<sup>9</sup> National Center for Education Statistics. "What is the total expenditure of the US education system?" accessed December 12, 2018, <https://nces.ed.gov/fastfacts/display.asp?id=66>

Given these two requisites, the question then arises how is a “just cost” for an education be determined. Friedrich Hayek discussed how this could possibly be achieved within a centralized economy:

What the just prices of a particular commodity *or the fair remuneration for a particular service is* might conceivably be determined objectively if the quantities needed were independently fixed... But the planner must also decide how much is to be produced of each kind of goods, and, in so doing, he determines what will be the just price or fair wage to pay....In deciding the relative importance of the different ends, the planner also decides the relative importance of the different groups and persons... This means, however, that he will necessarily exercise direct control over the conditions of the different people.<sup>10</sup>

There are many infeasibilities in the attempting to determine a just cost. The most notable is that ordinarily the cost could only be determined upon finding what the consumer would be willing to pay for a given good and then determining the cost associated with producing that good. However, it is important to note that there are nations which regulate the career options available to its citizens in the effort to streamline their education system efficiency. To accomplish this goal they rely upon standardized tests to guide what education and vocations are available to each citizen. The key aspect to highlight is that the shorting method is involuntary. Despite the benefits the German model might contain in the short run, it

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<sup>10</sup> Friedrich Hayek. . *The Collected Works of F.A. Hayek*, vol. 2, *The Road to Serfdom*. ed. Bruce Caldwell. (Chicago: The University of Chicago Press, 2007), 141.

continues encourages misallocation because the system takes away the decision making process from the family and imposes the government to manage the selection process continuing the inefficiencies of the system. Ultimately, the replacement of the entrepreneur with the government in determining what should be produced provides the main Austrian critique to the German system of education. With the state owning the means of production and dictating the quantity produced, the market cannot determine the “just cost” of an education as it merely depends upon the value placed on it by the society.

The strengths of the German model combined with the central government enables the system to continue despite these inadequacies. The first main point is the recognition of the impracticality of an egalitarian approach giving everyone the same education. While imperfect, the sorting mechanism rations the educational resources to those offering highest marginal value. The second huge benefit revolves their apprenticeship program which gives high school students work experience in the field of study before they become of age. With over a third of high school age student participating in these programs, the society serves a useful purpose in encouraging the high level of participation. Not only do these aspects improve the quality while reducing costs, but through the apprenticeship programs the emphasis of educating oneself in order to possess economically meaningful skills to employ in the workforce.

As seen in the German model without the market indicators of value judging the quality of an education, standardized tests become the default measure of demonstrating quality. However, standardized tests are a poor replacement with many built in weakness in judging the quality and value of a high school education. The first flaw results in a reordering

of the priority structure. Instead of focusing on mastering a topic of study, the emphasis rests upon doing well on the tests. Thus, studying algorithms and test strategies appear within the curriculum replacing time previously devoted to studying material.

Closely associated with changes in material studied. Some teachers engage in teaching for the test in order to improve their students' scores. Increasingly, teachers' promotions and raises are based upon the test results of their students. This incentivizes further class room time devoted to simply studying for the assessment tests. Additionally, the emphasis on test results encourages more experience teachers to use their seniority to teach the advanced students further lowering the quality of the education for less intellectually bright. The tragedy here is that the students most in need are passed over with less experienced teachers tasked with their education.

Another fundamental impediment to the work of standardized tests is their own inadequacies in adequately ranking an individual's intelligence to an arbitrary standard that does little to clarify the true intelligence of the person. The history of the standardized test were initially used to prove the truth of racism. Carl Bringham, the founder of the modern IQ tests, utilized his standardized tests on American soldiers during the First World War to scientifically prove the lower mental intellect of the African American and other minorities including the Jews.<sup>11</sup> Based on the history and past examples the data behind the

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<sup>11</sup> Sowell, *Wealth, Poverty and Politics*.122.

standardized tests have and can be used to advance a particular agenda. Thus they are not a good means of discerning quality.

Ultimately, without a market influence dictating both the value and cost through prices, the standardized tests become the last resort in illustrating quality for both the politician and the parents of students. They become the metrics of success especially after the passage of the No Child Left Behind Act which linked the test scores to the funding allotted to each district. Due to how the schools receive funding, they are increasingly incentivized to inflate their scores. Additionally, since no child can be left behind, the focus on rising the quality of education for every student results by decreasing the target average effectively limiting the ability to push the more advanced students to gain a higher level of achievement.

In the attempt to improve the quality of a high school education, the voucher proponents and public school reform supporters often focus on how schools competing for students would ensure improvements. However, both miss how the monopolistic nature of compulsory a high school education eliminates the vast majority of other vocational pursuits of teenagers.

Although some competition occurs between private and public schools, there is minimal competition outside of high school for students wanting to pursue other avenues outside of a more formal education. This lack of opportunity chiefly results from the compulsory nature which effectively hampers the ability high schoolers have to pursue meaningful vocational training. As Murray Rothbard highlighted in his *Man, State, and the Economy*:

Even where the government does not have a compulsory monopoly of schooling, it approaches this ideal by compelling attendance of all children at either a government school or a private school approved by government. Compulsory attendance brings into the school those who do not desire or cannot benefit from schooling and forces them out of such competing fields as leisure and business employment.<sup>12</sup>

It is an important reminder in considering the other opportunities these do not necessarily exclude schooling, but in finding employment students may learn different trades before they turn of age.

Some high school do offer course in more hands on skills like carpentry, but for the majority their options are limited both by what their schools offer in addition to the class periods being of so short a duration that it effectively hampers the ability to learn a trade. Moreover, upon graduating from high school the vast majority of student must continue with some sort of training to obtain additional skills to command a higher wage.

To quote Dr. Sowell, “None of this says that education is unimportant. But both its importance as one form of human capital and its distribution require specific scrutiny, rather than a general celebration.”<sup>13</sup> The importance of a secondary education should focus on enabling the student to find his comparable advantage. The best means in finding the vocation of his choice is through an open market indicating the preferences of the general public. The

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<sup>12</sup> Rothbard. *Man, Economy, and the State*. 828.

<sup>13</sup> Sowell. *Wealth, Poverty and Politics*. 84.

most efficient and productive decision maker within the market is the entrepreneur who serves the general public. As Von Mises famously stated, “In training himself the worker [or in this case the student and his family] becomes an .. entrepreneur.”<sup>14</sup> This combination as both a student and entrepreneur provides the best means of allowing the student and his family the means to take ownership of his or her education. Given their role as the entrepreneur, they become the most adept in determining where their comparative advantage lies, and the means best suited to achieve these ends.

The removal of the compulsory attendance of high schools would enable the market to more efficiently indicate the value in obtaining a high school education. Removing the forced attendance policy would allow students to pursue other types of education in the form of trade schools and direct business employment while lowering the cost of educating those students desiring a formal education. The fewer number of potential students would also lead to a reduction of the teaching staffs. The decreased number of teacher positions would improve the quality of the teachers employed through the simply means of self-imposed competition for the remaining position. (Provided that the free markets would be allowed to work unimpeded by the teacher unions.) As a result the quality of education would improve as both better teachers would remain and as the market restores the value in pursuing a high school education.

Ultimately, removing the compulsory education would solve the dilemma between the voucher school programs and public school reform. Allowing the market to provide

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<sup>14</sup> Von Mises. *Human Action*. 619.

opportunities for families and students to decide what to pursue would systemically introduce competition both between schools and without in competing for student attendance similar to the collegiate level. Overall, for the students choosing to remain in school the overall quality would improve due to the quality of both teachers and students.

The public school reform advocates would reap the benefits of the market correction. Avoiding the pitfalls of a voucher program, nevertheless, the removal of the compulsory attendance would not remove the education available to the poor. Additionally, the ability to freely choose which schools to attend would allow poor families further options to improve the education of the children. The improved nature of the education system would further aid their endeavors to achieve the American dream.

One area for greater research into the topic of removing compulsory attendance is at what age should this take place. While the focus of this paper explores a means to improve the high school system within the United States, further study is necessary in determining the feasibility to include other elements within educational system.

Abolishing the compulsory element of a high school education provides a potential solution in the school choice debates. It enables both families and students greater ability to ascertain the value of an high school education and whether one is worth the opportunity costs given the individual's skills and talents. Meanwhile, it leaves the public schools intact ensuring the ability for all individuals to send their children to school.

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