

**Donald Cohen and Allen Mikaelian, *The Privatization of Everything: How the Plunder of Public Goods Transformed America and How We Can Fight Back* (The New Press, 2021)**

Book Excerpt 4

National Center for the Study of Privatization in Education

Teachers College, Columbia University

January 24, 2022

Copyright © 2021 by Donald Cohen and Allen Mikaelian. This excerpt originally appeared in *The Privatization of Everything: How the Plunder of Public Goods Transformed America and How We Can Fight Back*, published by The New Press. Reprinted here with permission.

**School Choice and Competition: When Creative Destruction Is Just Destruction**

The notion that marketplace competition is a meritocracy that efficiently separates the good from the bad and in the process generates innovation and knowledge is these days rarely argued; it is simply assumed. Policymakers have followed these assumptions into the rapid and haphazard development of charter schools and school choice. Again, the assumption is that competition will spawn innovation. Families will flock to success and what works, forsaking what does not. To hear Donald Trump’s education secretary Betsy DeVos tell it, “We are the beneficiaries of start-ups, ventures, and innovation in every other area of life, but we don’t have that in education because it’s a closed system, a closed industry, a closed market. It’s a monopoly, a dead end.”<sup>1</sup>

It is well past time to push back against this notion. The winners in private industry do not always get where they got through brilliant innovations that benefit or please the consumer. Often they just find a better way to work the system or lock out competition. That’s often the easiest way to succeed, rather than doing the hard work of innovation and creation. That’s just a hard truth of the free market. And that’s why we should keep our schools out of it.

**Strangling Innovation with the Free-Market Siphon**

In Washington, DC, almost half of all children are in charter schools. The experiment has gone on for over twenty years. Yet one of the most successful sets of innovations came not from a disruptive charter school, but from an experiment within a traditional public school. It is still referred to as School-within-School (SWS) even after moving out and standing up on its own as one of DC’s traditional public schools in 2013. Since then, it has been in demand. In 2019, over nine hundred families entered a lottery for twenty-five seats. One of the authors of this book was lucky enough to send his kids to SWS.

The school eschews teaching to the standardized tests, but its test scores are among the best in the city. Ninety-three percent of its fifth graders tested as highly proficient in English language

---

<sup>1</sup> DeVos quoted in Jason Blakely, “How School Choice Turns Education into a Commodity,” *Atlantic*, April 17, 2017.

arts in 2019—better than any other traditional or charter DC school. Its innovations involve combining academics with arts integration and social-emotional learning, but one of the key innovations has been team teaching, whereby a math specialist and an English language arts specialist share responsibilities for two classrooms. Team teaching has been an astounding success and is in effect for most of the upper grades, but not in fifth.

Why not in fifth? Because although this public school is a school of choice for at least nine hundred families interested in entering the lower grades, the number of children returning for fifth grade at SWS is typically less than half of the fourth-grade class. Families who were lucky enough to get into one of the best elementary schools in the district spurn that school's fifth grade. And it's not simply because better-quality programs are luring them away.

The reason is because the charter school competition works the system. It's because the DC charter schools with middle and high school programs are competing for those kids and the per-student funding that follows them. The charters have figured out that they need to lock in kids at a younger age than their competitors. So they established programs not for grades 9–12, or for the DC middle school standard of grades 6–8, but for grades 5–12.

So if you are a parent who is trying to decide between a traditional public 6–8 grade middle school and a charter middle school/high school, you play the citywide lottery to get a spot for fifth grade, not sixth. If you get that spot, you better take it. The system dictates this decision by placing incredible pressure on the parents. If you wait a year, you may miss your chance—especially since the odds get longer after fifth grade. So even if you think your ten-year-old kid isn't ready to walk the halls with high schoolers, even if you like your elementary school and want to stay for fifth grade, the grade 5–12 charters have structured their programs to convince you that if your kid wins a seat for fifth grade in one of their programs you have to grab it.

It is not the case that the more innovative fifth-grade program wins. Nor does the program with the best test scores win—no charter school outperformed SWS in 2019 on percentage of fifth graders scoring as highly proficient in math and English language arts. Only one charter school outperformed SWS in fifth-grade math basic proficiency in 2019, by a few percentage points. What wins is a cynical play to parental anxieties and the mathematical fact of diminishing odds. What wins is not the better fifth grade program but the grab for market share. SWS experiences this drop-off from fourth to fifth grade every year, as do all DC public elementary schools, but not all experience this as acutely as some. The much-loved and successful Brent Elementary School on Capitol Hill has seen fifth-grade classes 70 percent smaller than expected.<sup>2</sup>

The system that was supposed to reward success and spark innovation instead stifles them both. Team teaching at SWS cannot continue into fifth grade because half of the per-pupil funding for that grade reluctantly walks out the door, every year. This means it can't afford another fifth-grade teacher. Instead, the system largely rewards schools that are not as successful at that grade level, that pay their teachers less, and that have no solid pedagogy behind the decision to start

---

<sup>2</sup> Matthew S. Schwartz, "How One D.C. Elementary's 5th Grade Enrollment Highlights Concerns About Middle School," American University Radio (Washington, DC: WAMU, March 2, 2016), [https://wamu.org/story/16/03/02/5th\\_grade\\_dropoff](https://wamu.org/story/16/03/02/5th_grade_dropoff).

their high school programs in fifth grade. In fact, what few studies have been done on this issue suggest that middle school and high school is not an ideal place for fifth graders (study or no study, just about any parent could tell you the same thing).<sup>3</sup>

Some of these schools have won praise from families and do well, overall, by their students. When they do innovate and succeed, we should pay attention. But many of their marketplace victories aren't decided based on who was the most innovative. Sometimes the winner is simply better able to game the system or is more ruthless in the grab for market share. Competition doesn't guarantee that schools will be driven to innovate. Sometimes they will just be driven to win.

### Locking Down the Laboratory

When it comes to education, knowledge, and innovation, competition and market approaches are not the best grease for the wheels that generate new ideas and inspire teachers. "There appears to be less innovation than originally anticipated," was the conclusion of a report by the IBM Center for the Business of Government that surveyed charter school curricula. There also appeared to be little use of evidence-based practices and also little credible collection of data. Instead, what the study found was a resurrection of old practices. There were the hyperacademic schools that used high-stakes testing to pressure kids into higher performance (or into leaving the school), there were the schools that demanded longer days, and then there were the hyperdisciplinary schools that meted out harsh punishments for a broad range of trivial infractions, tightly policing student dress, movement, and speech. And, of course, many schools adopted all three of these "innovations." This is about what you'd expect from a competitive environment that revolves around test scores. And it has little to do with reaching those kids who are really struggling and really need innovative approaches.<sup>4</sup>

Charter schools were supposed to be "incubators of innovation," according to Barack Obama, and "laboratories of innovation," according to Greg Richmond, president and CEO of the National Association of Charter School Authorizers. Richmond, and many others before him, asserts that spurring innovation was the prime driver behind the creation of charter schools. He claims that the much-admired and deeply liberal Albert Shanker, a past president of the American Federation of Teachers, invented the charter school idea expressly for the purpose of

---

<sup>3</sup> Julie P. Combs et al., "Academic Achievement for Fifth-Grade Students in Elementary and Intermediate School Settings: Grade Span Configurations," *Current Issues in Education* 14, no. 1 (April 18, 2011), <https://cie.asu.edu/ojs/index.php/cieatasu/article/view/677>; Gahan Bailey, Rebecca Giles, and Sylvia Rogers, "An Investigation of the Concerns of Fifth Graders Transitioning to Middle School," *Research in Middle Level Education* 38, no. 5 (2015), <https://files.eric.ed.gov/fulltext/EJ1059740.pdf>; Jennifer Palmer, "Are 5<sup>th</sup> Graders Ready for Middle School? Oklahoma City Schools Says Yes, but Parents Worry," *Oklahoma Watch* (KGOU, January 28, 2019); Philip J Cook et al., "Should Sixth Grade Be in Elementary or Middle School? An Analysis of Grade Configuration and Student Behavior," Working Paper (National Bureau of Economic Research, August 2006), <https://doi.org/10.3386/w12471>; Duke Today Staff, "Sixth Graders in Middle Schools Fare Worse Than Peers in Elementary Schools, Study Finds," *Duke Today*, February 26, 2007, [https://today.duke.edu/2007/02/sixth\\_grade.html](https://today.duke.edu/2007/02/sixth_grade.html); Elissa Gootman, "Taking Middle Schoolers Out of the Middle," *New York Times*, January 22, 2007.

<sup>4</sup> Patrick Lester, "Laboratories of Innovation: Building and Using Evidence in Charter Schools" (Washington, DC: IBM Center for the Business of Government, 2018).

spawning innovation through competition. This is a pernicious myth. Shanker's vision for an innovative school bears almost no resemblance to charter schools as we have them today. And innovation through market-style competition seems to have never crossed his mind.<sup>5</sup>

Shanker dreamed of small experimental schools, "schools within schools," that were part of the school district but featured "a way for a teaching team to govern itself." They had to be organized so teachers "would no longer be isolated in the classroom throughout their professional lives, but would have the time to be available to share ideas and talk to and with each other." And they had to be open: "The school would announce in advance to the community what it is that it's trying to achieve and announce how it's going to test it." Teachers had to be prepared to announce failures as well as successes. Shanker's proposal shared far more with the scientific model than with the marketplace model, and it's jarring to compare his vision to current charter school practice. It's not simply that the apple fell quite far from the tree; it came from a different tree altogether.<sup>6</sup>

---

<sup>5</sup> Obama quoted in Jack Schneider, "Charters Were Supposed to Save Public Education. Why Did People Turn on Them?," *Washington Post*, May 30, 2019; Greg Richmond, "Collaborating, Not Competing: Charters as 'Laboratories of Innovation,'" *Education Post*, September 17, 2014; Rachel Cohen, "The Untold History of Charter Schools," *Democracy: A Journal of Ideas*, April 27, 2017; Richard D. Kahlenberg and Halley Potter, "The Original Charter School Vision," *New York Times*, August 30, 2014.

<sup>6</sup> Albert Shanker, "National Press Club Speech" (Washington, DC, March 31, 1988), <https://reuther.wayne.edu/files/64.43.pdf>.