

Today's Education-Industrial Complex

Why aren't schools an issue in the 2008 election?

Results from the latest international tests arrived just as *Education Next* was going to press. In math and science, the United States again trailed the average international score achieved by students in the 57 test-taking nations that together comprise 87 percent of the world economy. Embarrassingly, the United States now lags behind Poland, which lifted its scores more than any other nation. Meanwhile, Finland, Taiwan, Hong Kong, South Korea, and our next-door neighbor, Canada, won high marks.

So why hasn't the condition of the nation's schools become a top issue in the 2008 election? Why is lagging student performance going unnoticed so far, undiscussed by candidates, questioners, and commentators alike?

In this issue, Eric Hanushek and Ludger Woessmann ("Education and Economic Growth," page 62) demonstrate the critical contribution to economic growth that good schools can make: If the United States were to join the world leaders in math and science this coming year, the country's Gross Domestic Product, within a couple of decades, could be expected to rise by an extra 5 percentage points—enough to cover the full cost of its education system.

Ah, there's the rub. Most of the economic payoff does not fall within the four- to eight-year horizon of our duly elected public officials. If a country fails to educate its young, the nation does not suffer until all those candidates are writing their memoirs or become subjects of posthumous biographies.

Candidates must worry about the present—and the present requires that one pay close attention to interest groups, especially to powerful teachers unions that pour vast sums into political campaigns. Between 1989 and 2006, the National Education Association (NEA) came in fourth among all entities contributing to national campaigns, right behind the National Association of Realtors. With the NEA opposed to meaningful accountability, genuine school choice, and anything resembling merit pay, politicians have little to gain from trumpeting reforms that might get schools back on track.

When the special interests get control of policy, the consequences can be disastrous, as the housing credit morass

Candidates must worry about the present—and the present requires that one pay close attention to interest groups.

reveals. Realtors loved the free-flowing credit, so politicians had every reason to ignore the risks.

It was not always this way. The United States once led the world in its commitment to education. From the earliest days of the Republic, the United States invested heavily in its human capital, more so than any other nation. Those investments con-

tributed to the extraordinary growth rate that propelled the nation to the world's pinnacle by World War II.

Around 1970, the educational-industrial complex, long under construction, was finally hammered into place. Legislatures gave teachers collective bargaining rights, the courts began instructing the schools on disciplinary procedures, regulations multiplied, the United States gained a national department of education, and state and federal dollars poured into the system.

Despite the cash flow, education itself was put on pause. Grades inflated, learning faltered, graduation rates stagnated.

Forty years later, the impact on the well-being of the country is becoming increasingly obvious. As the world becomes "flatter," the importance of human capital escalates, say Hanushek and his co-authors. The nations of South and East Asia are on the march. Corporations move operations offshore in order to find appropriately educated workers at the going price. Universities are finding it easier to recruit top-level scientists and sophisticated social scientists from abroad rather than try to grow them at home.

At least New Orleans's new superintendent, Paul Vallas, and New York's mayor, Michael Bloomberg, are beginning to address the issues (see "The Vallas Effect," page 30, and "New York City's Education Battles," page 10). After jump-starting schools in Chicago and Philadelphia, Vallas is giving new hope to the hurricane-battered city on the Mississippi. Meanwhile, Bloomberg's education boss, Joel Klein, is deconstructing New York City's educational-industrial complex, while giving merit pay, charter schools, and student accountability a chance. If Vallas, Bloomberg, and Klein have made mistakes, at least they are trying. May their spirit catch on.

— Paul E. Peterson

MISSION STATEMENT In the stormy seas of school reform, this journal will steer a steady course, presenting the facts as best they can be determined, giving voice (without fear or favor) to worthy research, sound ideas, and responsible arguments. Bold change is needed in American K-12 education, but *Education Next* partakes of no program, campaign, or ideology. It goes where the evidence points.
