
CHAPTER ONE

Education Reform and Economic Renewal: Or, It Will Take More Than Robert Reich to Make Schools Work

In the life of a nation, few ideas are more dangerous than good solutions to the wrong problems.

Robert Reich, *The Work of Nations*

If there is a theme which has driven education reform in the United States in the last two decades of the twentieth century, it is the fear of America's economic decline and the need for urgent reform of the nation's schools in order to reverse the slide. The authors of *A Nation at Risk*, the 1983 Reagan administration document which did so much to start the current round of school reform, set the tone. They called for a major overhaul of the nation's schools because, "Our once unchallenged preeminence in commerce, industry, science, and technological innovation is being overtaken by competitors throughout the world." Since then the link between the fear that the United States is becoming a second-rate economic power and the need for school reform has been virtually indissoluble.¹ The same theme has continued to be echoed throughout the 1980s and 1990s. Both the decline in the standard of living for most Americans and the failures of schools to provide young Americans with a quality education are very serious problems. Indeed, both threaten the very fabric of a democratic society. But the link between the two is far more complex, and far less immediate, than is assumed in nearly all of the school reform literature.

The assumption of a link between economic and educational decline did not end with the reports of the early 1980s. In 1986, when the Carnegie

Corporation of New York wanted to launch a major effort to overhaul teacher education, the foundation created the Carnegie Forum on Education *and the Economy* (italics added). And the report which the forum produced, a report which included a number of significant recommendations for improving teacher education, was also framed with the warning, "Our ability to compete in world markets is eroding." The declining standard of living for many Americans seemed to be the starting point for all calls for education reform.² The fact that most thoughtful critics of contemporary teacher education programs were calling for radical surgery was, evidently, not sufficient for the leaders of the Carnegie Corporation. The report's authors felt that only by linking their plea for changes in teacher education to the nation's economic crisis could they get an audience for their generally quite wise prescriptions.

Most dramatically of all, the 1992 presidential campaign was fought around the same basic issues. Stanley Aronowitz and William DiFazio describe the incredibly effective use which Democratic candidate Bill Clinton made of the rhetoric which was begun in the report issued by Ronald Reagan's Department of Education:

An important part of Clinton's approach to recovery was more money for education and a stepped up training and retraining, programs, the assumption of which is that development of "human capital" was a long ignored but important component of the growth of a technologically advanced economy. According to this argument, a poor educational system and inadequate apprenticeship and retraining programs would inevitably result in a competitive disadvantage for the United States in an increasingly competitive global economy.³

The rhetoric won the election, but hardly changed the national mood of worry. While the Clinton slogan "It's the economy, stupid" worked in 1992, two years later, Republicans promising their mean-spirited "Contract with America" took back control of the Congress for the first time in forty years. School reform took a back seat in Clinton's 1996 re-election campaign against Bob Dole, but came back into prominence in his second term. The re-elected president's 1997 state of the union message renewed the call for a national crusade for high education standards, a commitment that every child be able to read by the age of eight, support for the Carnegie initiated National Board for Professional Teaching Standards, as well as proposals for funding support for new school construction, charter schools, and a HOPE scholarship program. The relationship of education and the nation's well being seems likely to continue

to be a subject of both high hopes and significant contention well into the next century.

In the realm of politics, a deep dissatisfaction, a “boiling point,” as Kevin Phillips has described the majority of the electorate’s response to the decline of middle-class prosperity can be expected to continue.⁴ Economics, and a preoccupation with decline, have dominated national discourse, in politics and at the level of school-based reforms. In the realm of politics this focus is likely to lead to continued anger, continued radical shifts in power, and moves to “throw the bums out.” In education the impact has been no less radical.

This theme of the need to reform the schools to stem the nation’s economic decline has spawned the development of creative ideas and led to the provision of some badly needed energy and funds to schools. There is no question that schools are better off for the spotlight of attention which has focused on them, and on their failure to offer a quality education to a large percentage of students. As with the furor around the launch of Sputnik in 1957, when a plethora of new programs to expand science and mathematics education were spawned out of a fear that the Soviet Union was beating the United States into space and in the role of the world’s leader in scientific literacy, the fears of the 1980s and 1990s have pushed school reform. In place of the fears of communism, the focus this time was the rapidly expanding economies of Japan and Western Europe, especially Germany. The students of those countries, so the argument has gone, are doing better in school and the industries of those nations are defeating the United States in world trade, resulting in a rapid decline of the standard of living for the average American.

As with Sputnik in the 1950s, the result has been change in schools. But far too often the result has also been misguided change which has terribly impoverished the educational discourse while misdiagnosing the problems in both the economy and the schools. In the 1950s and early 1960s, the result of Sputnik and the general fears of the cold war were the National Defense Education Act of 1958, significantly improved science and mathematics curricula—developed for the first time with financial support from the federal government—and a plethora of new research and reform projects focused on schooling. There was, at the same time, a significant increase in tracking—as policies focused on preparing the best and the brightest to overtake Soviet scientists and engineers—and a significant expansion of cold war paranoia in school politics. Attention to race, class, and gender discrimination or the terrible plight of many students with special needs was emphatically not part of the Sputnik era agenda. These things came to the fore a decade later as part of the agenda of the Civil Rights movement.⁵ In the 1980s and 1990s, the

results of the fears of economic enemies have also yielded both increased resources and a misunderstanding of the purposes of schooling in a democratic society, including in some places a new kind of tracking in the name of high standards. The time has come for anyone who is serious about meaningful school reform which will improve the opportunities for all of the nation's children—and not merely a select minority—to return to the fundamental questions which have been avoided through most of the discussion of reform in the last two decades: Just what is the link between schooling and the changing nature of the American economy?

What Really Is Happening to the American Economy?

In the early 1990s, two books appeared which are essential reading for anyone who seriously wants to understand the problems of the economy and of education. Robert Reich's *The Work of Nations* (1991) became something of a bible to the 1992 Clinton presidential campaign. It also provides an extraordinary analysis of the changing nature of the American economy and of the nature of work in the United States. *The Jobless Future* (1994), Stanley Aronowitz and William DiFazio's considerably more radical analysis of the changing nature of work at the end of the twentieth century, also places these changes in the context of both shifting economic and shifting philosophical and cultural movements regarding the nature of work, capital, and culture. Taken together, the two are fundamental texts for analyzing the relationship of economic change (and decline) and school reform. And taken together, both works lead to a quite simple conclusion: Problems with schools have not caused the current economic crisis and school reform alone won't fix it.

Both Reich and Aronowitz and DiFazio follow the lead of Bennett Harrison and Barry Bluestone in noting the rapidly increasing gap between rich and poor in the United States. What was still controversial and new when Harrison and Bluestone published *The Deindustrialization of America* and *The Great U-Turn* in the mid-1980s had become virtually common knowledge among economists and among American voters by the early 1990s.⁶ The rich in the United States are becoming much richer and the rest—including the vast majority—significantly poorer. Reich provides one example which describes the growing separation quite clearly:

In 1960, the chief executive of one of America's 100 largest nonfinancial corporations earned, on average, \$190,000, or about 40 times the wage

of his average factory worker. After taxes, the chief executive earned only 12 times the factory worker's wages. By the end of the 1980s, however, the chief executive earned, on average, more than \$2 million—93 times the wage of his (rarely her) average factory worker. After taxes, the chief executive's compensation was about 70 times that of the average factory worker.⁷

These are not modest differences. From 12 times to 70 times the average worker's after tax wages represents a very significant case of the rich getting much richer. At the same time, fewer Americans were able to even find work as "the average factory worker." The literature of the decade, and the experience of many citizens, confirmed that many factory workers were losing their jobs to find replacement work, if they found it at all, in much lower paid service industries. The combination of "labor-saving" technological innovation and the exportation of routine production work to countries with much lower wage scales has left the United States without the blue-collar jobs which were the backbone of the labor market for half a century.

At the same time, Reich's statistical example gives clear evidence of the impact of the changes in tax policy enacted during the early 1980s. While not all of the growing discrepancy is due to changed tax policies, the role of federal tax policy in equalizing the economic plight of Americans has virtually disappeared from economic calculations or the debates about the economy of the future.

In the same two decades in which education reform was called on to counter economic differences, the most well off Americans have become much more well off, while the majority of the country's citizens, and especially the poor, have become much poorer. At century's end, the much discussed "decline of the middle class" is a reality few will dispute. The question which remains, however, is the degree of causation between the educational crisis and the economic crisis.

Different economists focus on different reasons for the changes in the economy. Certainly a number of factors have contributed to the changes including poor planning on the part of American business leaders, the rapid replacement of many older jobs by machines and other computer-driven technology, the decline of organized labor, and the revolutionary changes in the tax code implemented during the Reagan years. Perhaps most significant is the fact that there is virtually no longer any such thing as an "American economy." To cite Reich again:

All Americans used to be in roughly the same economic boat. Most rose or fell together, as the corporations in which they were employed, the industries comprising such corporations, and the national economy as a whole became more productive—or languished. But national borders no longer define our economic fates. We are now in different boats, one sinking rapidly, one sinking more slowly, and the third rising steadily.⁸

Under such circumstances, Reich has cause to wonder at the ease with which the majority of Americans—approximately 80 percent—have “not vociferously contested the disengagement of the one-fifth whose economic future is becoming ever brighter.”⁹ While Reich provides some important answers to his own question, he also misses some of the key elements which must be part of the explanation of these changes.

The Globalization of the Economy

The place where Reich is most insightful, and most important for understanding the current education reform struggles is in his analysis of the changing nature of work in the United States and around the world. While some economists describe the shift from manufacturing to service-related jobs—with a consequent loss in wages for many—and while others describe the growth of the fortunes of the most well-off, Reich links these factors to a new categorization of work in the United States. He begins his argument with a simple assertion that the assumption of “the continued existence of an American economy in which jobs associated with a particular firm, industry, or sector are somehow connected within the borders of the nation, so that American workers face a common fate; and a common enemy as well,”¹⁰ is simply no longer relevant. Given the complex web of international finance and the easy shipment of goods, ideas, and money across international borders, there is essentially no longer any such thing as an American economy (or any other national economy for that matter). On the contrary, there are citizens and workers in many different countries, competing with people who do similar work in their own and in different countries, across the world. The average income of Americans no longer represents anything except a numerical averaging of the money received by the sum of people who happen to live in a certain place at a certain time. It is not an interdependent set of variables related to a single national economy.

So when we speak of the “competitiveness” of Americans in general, we are talking only about how much the world is prepared to spend, on

average, for services performed by Americans. Some Americans may command much higher rewards; others, far lower. No longer are Americans rising or falling together, as if in one large national boat. We are, increasingly, in different, smaller boats.¹¹

As Reich goes on to note, the implications of these changes, for the notions of nationhood and community, for education, and for people's economic prospects have only begun to be explored.

The Nature of Jobs at the Beginning of the Twenty-First Century

Having defined the extent of the globalization of the economy, Reich then differentiates the three "smaller boats" into which most working Americans are grouped as they face this world economy. These groupings significantly replace the older categories of workers in the United States and represent both types of work and types of international economic competition. They are:

Routine production services [which] "entail the kinds of repetitive tasks performed by the old foot soldiers of American capitalism in the high-volume enterprise." These manufacturing jobs have existed in both the older industries and in the newest emergent fields. Assembling the latest computer may be cleaner, but it is otherwise little different from assembling an automobile on the oldest of assembly lines, although the work is likely to be much lower paid in the former given the lack of unionization in the newer industries. In 1990 this kind of work included about one-quarter of the nation's workforce, a radical decline from mid-century.

In-person services represent the range of service work from retail sales to hospital and health care workers to food service workers and "among the fastest growing of all—security guards." These workers represent approximately 30 percent of the workforce and the percentage is growing rapidly. One of the significant differences between service and production work is that service work must usually be done "in person" and is thus not as easily exported as production. A second difference is that much service work has traditionally been stereotyped as nurturing work or women's work. And a third, not unrelated difference, is that most kinds of service work has traditionally been low paid.

Symbolic-analytic services are the work of problem-solvers and the creators of ideas and symbols including research scientists, most engineers, bankers, lawyers, writers, designers, and the growing numbers of consultants.

Like the first group, their jobs are easily internationalized. But unlike the first group, their numbers are growing, their pay is substantial, and the education required continues to make the elite of Americans very much eligible for this kind of work. Symbolic analysts represent approximately 20 percent of American workers.

The remaining workers, another 25 percent or so, are government workers—including teachers and other local government employees, federal employees such as the military, and physicians paid through Medicaid and Medicare—and a small number of farmers, miners, and other “extractors of natural resources” who together form 5 percent of the workforce.

These basic categories describe nearly all of the workers in the United States at the end of the twentieth century. Whatever the points at which one might take exception to Reich, and there are several, his analysis of the basic job categories into which America’s workers fall at the end of the century are far more accurate than any other offered today. This analysis goes a long way toward explaining the job experiences of many of this country’s citizens. As Reich has shown so convincingly, the links between workers in the different categories are significantly less important than their relationships to—and competition with—workers in the same category around the world.¹²

The Other Parts of the Story: What Reich Left Out

As important as *The Work of Nations* is to understanding both the nation’s economic crisis and the future of schooling, there are a number of problems with the Reichian analysis.

Perhaps most important, Reich is significantly better on description than he is in asking questions of morality and the social good. In a critical review of *The Work of Nations*, Andrew Kopkind cites Samuel Bowles as seeing, “a critical flaw in the Reichian scheme . . . its indifference to promoting equality in economic relations.” It is clearly true that the economy of the United States today is at a point where promoting equality is increasingly difficult, in part, as Bowles also says because, “You can’t have a covenant with a labor force that’s less than a fifth unionized. . . . There’s no one to ‘shake hands with’.” From a purely economic perspective, there is good reason to question that “a skilled workforce will bring in multinational investors like miners to gold.”¹³ And even in Reich’s own terms, there is serious reason to question how much good multinational investors who do come will do for the vast majority of the American workforce who

will continue to be routine production and in-person service workers for the foreseeable future. Almost a century ago, John Dewey told his philosophy students, "the class divisions of industrial capitalism are incompatible with the ethics of democracy."¹⁴ Reich gives little reason to hope that the class divisions of postindustrial world capitalism will offer any improvement in the class divisions in this society, but more seriously he fails to pay sufficient attention to the ethics of democracy.

A related problem with Reich's analysis is his weak examination of the other factors, besides the expansion of the global economy, which have exacerbated the class divisions and the economic stagnation for many in the United States. While he does provide convincing evidence of the way in which the changes in the Reagan tax code has aided the rich at the expense of virtually everyone else, while at the same time cutting off many of the countervailing social programs which were born out of both the New Deal and the Great Society, he does not explore, at any level of seriousness, the reasons why such politics prevailed.¹⁵

Race

Indeed, his virtually complete failure to deal with the power of racism is at the heart of Reich's weak political analysis. While he is careful to note the racial divisions within the workforce, he does not look at the power of racism in maintaining an unjust status quo. It makes no sense to discuss the fact that, "The four-fifths of the population whose economic future is growing more precarious has not vociferously contested the disengagement of the one-fifth whose economic future is becoming ever brighter,"¹⁶ and not also discuss Willie Horton. At a point in the 1988 presidential campaign in which democratic candidate Michael Dukakis was making reasonable progress in challenging the impact of the national policies of the Reagan years in exacerbating the separation between the 20 percent who were prospering and the 80 percent who were in economic trouble (a ratio which should have guaranteed a Democratic landslide) the Republican campaign used furloughed Massachusetts prisoner Willie Horton's crime spree to make race—and specifically white fears of African Americans—and not economics, the key issue in the campaign. The Dukakis campaign never recovered. In a political world where such tactics are not unusual, and in which they are effective, any discussion of the divisions of Americans must begin with a thoughtful discussion of race.

Certainly any examination of the politics of the 1990s which does not include an analysis of race simply misses the point. Whether it is the “stop violent criminals” and “welfare reform” promises of the 1994 “Contract with America” or the way in which a campaign to repeal Affirmative Action dominated the 1996 presidential campaign, race and racism and “angry white males” seem to be dominant themes. And as long as the 80 percent who are losing ground economically are so divided, and as long as “angry white males” are given the rhetoric to turn their anger on people of color rather than the top 20 percent, class solidarity will be a chimera.

Gender

Race is also far from the only point of division. The American working class is also divided by issues of gender. And the conservative movement in this country has been brilliant in using “angry white males” as the backbone of their campaigns. In attacks on both abortion rights and welfare mothers, Republicans have used long simmering fears of sexuality and women’s growing political strength to create a powerful backlash. While polls show a significant majority of the electorate favoring women’s right to choose, conservative politicians have expanded the rhetoric of moral decline so that the issue of abortion rights, the successes which women have had in entering the workforce, and the perception of increasing family breakups have combined to fuel reaction.

The fact that American families are not collapsing and that Ozzie and Harriet have never been a reality makes little difference to the current campaigns to return to a past that never was. In an extraordinary study of the changing nature of American families, *The Way We Never Were: American Families and the Nostalgia Trap*, Stephanie Coontz effectively makes the case that the much revered nuclear family of the 1950s was a rare exception in the long stretch of American history and that even in the fifties, things were often not as they seemed. To give but one example from her careful study, the supposed mushrooming of teen pregnancy in the 1980s and 1990s does not fit with the facts of the 1950s. “In 1957, 97 out of every 1,000 girls aged fifteen to nineteen gave birth, compared to only 52 out of every 1,000 in 1983.” But in the 1950s, teen pregnancy for white girls was often hid through adoption and a “fresh start,” and across the races through marriage. “Young people were not taught how to ‘say no’—they were simply handed wedding rings.” How many of those who discuss the “problem” of teen pregnancy today note the almost 50 percent decline since the 1950s? But reality has

seldom blocked the power of nostalgia in politics or public policy. And the "return to stable families" continues to be a pillar in the campaign to undo the gains which women have made in both economic location and in control of their own bodies which is the real shift of the last decades.¹⁷

Foreign Policy and the Domestic Economy

In a thoughtful essay written soon after the 1988 campaign, Stanley Aronowitz also noted a third pillar for the Republican ascendancy besides race and gender. This is the expansion of machismo into a hallmark of American foreign policy. When Richard Nixon ended the military draft, he took much of the force out of future antiwar movements, setting the stage for Ronald Reagan's brilliant ability to "displace a long list of domestic woes to patriotic fervor." The new patriotism has served conservatives well indeed.

For at the very moment when international economic competition and the world-economic crisis were driving U.S. living standards down . . . the U.S. was beginning to flex its military muscle throughout the world. The new Cold War was more than a diversion; it reached down to the wounded (male) collective ego, providing it with renewed virility after the years of humiliation in Southeast Asia and equally taking its mind off the fact that middle- and working-class men were unable to support their families on a single income.¹⁸

No wonder that, six years later, the Republican take over of the House of Representatives was fueled by a *Contract with America* which included as a major plank a commitment to strong national defense and an end to "raiding the defense budget to fund social welfare programs and UN peacekeeping programs."¹⁹ The fact that there is no powerful enemy or rational reason for such promises clearly has not detracted from their political effectiveness. The results are twofold: a frightening expansion of American militarism and economic colonialism and a complete inability of the American working class to vote or act in terms of unified economic interests.

The Decline of Organized Labor

While Reich does note the role of organized labor in bringing about the economic expansion of the 1950s and 1960s, he gives scant attention to the role of organized labor in bringing about the economic declines experienced

by so many Americans in the 1980s and 1990s.²⁰ Of course, the industries which were at the heart of the labor organizations of the 1950s and 1960s have been among those hardest hit at century's end. While the leaders of the auto, steel, and other industrial unions may be faulted for not driving harder bargains, the globalization of the economy has been a guarantee of the decimation of their unions no matter what the unions and their leaders did. The way in which organized labor most significantly contributed to the economic dislocation is in what was not done. As Aronowitz and DiFazio argue:

Ronald Reagan's dramatic and highly symbolic firing of 11,000 air traffic controllers in 1981 may be remembered as the definitive act that closed the book on the historic compromise between a relatively powerful, if conservative, labor movement and capital. As the American unions whimpered but offered little concrete resistance, employers' groups quickly perceived that it was possible to undertake a major frontal assault on labor's crucial practice, collective bargaining. The ensuing decade witnessed rapid deterioration in union power and therefore a decline in real wages.²¹

While Reich might quarrel with Aronowitz and DiFazio on the relative importance of labor weakness in the decline in real wages, his failure to deal with the issue weakens his argument significantly.

The issue here is not primarily the impact of weak unions on the wages of traditionally unionized workers. Routine production workers who were unionized, and who did keep their jobs, were not among the worst to suffer in the recent past. Far more serious was the predicament of the many workers who did not keep their jobs. For these workers, the massive deindustrialization of the nation linked to the deskilling of the workforce meant a bleak future. As Reich notes so effectively, the jobs of many traditionally blue-collar workers were either mechanized or departed overseas in massive numbers. And traditional labor organizing could do little about these shifts.

But there is a point where organized labor has failed this country's workers quite spectacularly: in organizing in new fields. Replacement work for those who lost their jobs in the deindustrializing of America, when it could be found at all, was in very different fields and at much lower salaries. The laid-off steelworker who found employment on a computer assembly line could expect a 50–75 percent salary cut. These low-wage, nonunion jobs also offered fewer benefits and little prospect of advancement.

But the question must be asked—though surprisingly few economists have asked it—why hasn't there been a major unionizing effort in the newer indus-

tries, especially in in-person services?²² If Reich is right that the in-person services are the jobs most resistant to exportation—by the very nature of the need for personal contact—be it from waitperson, health care worker, or cleaner—then these jobs ought to be prime cases for new labor organizing. The same case can also be made for the newer production jobs which have emerged. Aronowitz and DiFazio quote one long-time garment worker, “The only new work they create are the sweatshops in Chinatown, Greenpoint [Polish and Mexican immigrants], Brighton Beach [Russian, Jewish immigrants]. I don’t know what they’re going to do. These people work for peanuts.”²³ But again, why isn’t the union, which organized New York’s garment workers so effectively for half a century, in the newer shops?

The answers are complex. The chilling impact of the Reagan years on any labor organizing cannot be overstated. The efforts to smash long-established unions from the air traffic controllers to meat packers in Minnesota have been exhausting. But the fact that so many of the newer workers are immigrants, people of color, and women must also be included in the equation. Until union movements in this country deal with diversity as opportunity rather than threat, they will be doomed to failure. Aronowitz and DiFazio are right: “With few exceptions, the U.S. working class movement is white, heterosexual, and male. The solidarity of the working-class is empty if it excludes workers on the basis of race and gender.”²⁴ Organized labor in the United States has never conquered its white working-class male bias. And the result is a nation of citizens divided not only by the work they do but by race, ethnicity, and gender, in ways which make divide-and-conquer tactics easy and solidarity difficult.

It remains surprising, however, that so much of the economic analysis in the last two decades, often analysis done by people from a leftist perspective of one sort or another, has paid so little attention to the failure to organize among the unorganized. It is certainly true that many of the relatively well-paying industrial jobs of the 1950s and 1960s are disappearing from the United States and there is little organized labor can do about it. But those jobs were not always well organized. Indeed, a terrible price was paid by a generation of workers and labor organizers for the unionization of coal, steel, auto production, and all of the nation’s major industries. Virtually any social or economic analysis of the United States which was done between the beginnings of the industrial revolution in the mid-nineteenth century and the 1930s would note the terrible salaries, benefits, and working conditions of the—mostly immigrant—workers in the nation’s basic production industries. Only after a century of struggle did these jobs become the “good jobs with good wages” which are remembered with nostalgia now that they are gone.

Aronowitz quotes one important contemporary labor leader as saying, “This union can’t be responsible for future generations or for the rest of the labor movement. We must be mainly concerned with our own.”²⁵ This is the dominant tenor of organized labor in the United States in the 1990s. But imagine the reaction of a John L. Lewis or a Walter Reuther to such words! What happened to the vision of a better life for future generations and more and more of the nation’s workers which animated the great organizing drives of the 1930s and 1940s? As David Bacon has asked, “Where is the social vision that will re-animate the labor movement, a vision of justice and equality to unite millions—union and nonunion, employed and unemployed—across all the lines of race and gender and ethnicity?”²⁶ Where indeed?

Surprisingly, even the most thoughtful of observers seem to fall into the nostalgia for the jobs and salaries of the two decades immediately after World War II. Even Aronowitz and DiFazio fall into this trap. They tell the story of DiFazio’s father who began working as a New York longshoreman in 1937.

He was working without a high school education and he made ten dollars a week more than his college-educated high school teacher. Since the late 1970s unionized jobs that require little more than the willingness to work hard and reward the worker with a decent wage no longer exist. In the 1990s there are almost no opportunities for workers with just high school degrees to make a decent wage and even fewer for those like Sebastian DiFazio without a high school degree but willing to work hard.²⁷

Now a number of questions need to be asked about this rosy picture of mid-century opportunity. While Aronowitz and DiFazio certainly do make the point that these rules applied to white male workers much more than they did to people of color or women, others who tell the story leave that part out. (The teacher who made ten dollars a week less than the longshoreman was more than likely a woman.) And even Aronowitz and DiFazio seem to miss the point that Sebastian DiFazio’s generation was virtually the only generation for whom his experience held true. By few standards would the New York longshoremen of the 1880s or the 1920s, laboring in the days before their union became strong, be seen as receiving the reward of decent wages. But even more important than accurate history is posing the right questions for the future. Certainly the vast majority of longshoremen have been replaced through the containerization and automation of the waterfront. But why can’t the jobs which have replaced their work, in-person service jobs of the twenty-first century, jobs

which Reich and others note are so unlikely to be exported to the lower-paying countries of the world, be the future of organized labor and the future of middle-class prosperity? Why not the equivalent of longshoreman or steel-worker wages in McDonalds, or for home health care aids? It is in the answer to that question that much of the nation's economic future rests.

The campaign for the presidency of the AFL-CIO in the fall of 1995 did provide new reason for hope for the emergence of a newly militant organized labor movement and a change in some of the directions of the past decades. When John J. Sweeney, president of the Service Employees International Union defeated AFL-CIO interim president, Thomas R. Donahue, in the first contested AFL-CIO presidential election in history on October 25, 1995, a new chapter in organized labor history may have begun. If Sweeney can deliver on his promises, then his election will have done more for the American economy, and especially for the majority of Americans who find themselves at the lower ends of the economy, than all of the school reform efforts of the last decade.

Sweeney promised increased spending on new organizing. His track record gives reason for hope. The Service Employees, which he has headed for fifteen years, spends 30 percent of its budget on new organizing while the AFL-CIO norm is closer to 5 percent. As a result, the Service Employees organized in new fields with some of the lowest paid workers such as the 20,000 home health aids added to the union's membership. These are exactly the kinds of low-paid, "in-person service workers" on whose future so much of the nation's economic prosperity—such as it is—rests. He also promised to bring more women and people of color into the union and the union's leadership and before the convention which elected him adjourned the executive council had been expanded from 17% to 27% women and minorities. As the *New York Times* reported the next day, the election marks "an emphatic shift back to the labor movement's militant roots." The *Times* also reported the new president of the United Automobile Workers as saying, "This is the first time in 20 years there's excitement. I heard someone say we have to defend the middle class. Well, that's right. But we've got to defend from the middle class on down." If these promises are fulfilled, then organized labor will be a significant player in determining the shape of the American economy in the twenty-first century; and the result will be a quite different and more democratic economy.²⁸ No wonder House Speaker Newt Gingrich criticized Sweeney's election as "a potential disaster" because it sends "a message of confrontation instead of cooperation."²⁹ Perhaps that is just what is needed.

The Cold War

There is yet another issue which needs significant attention if both the economic decline and the growing class separations of the United States are to be understood. For forty-five years the United States was locked in a Cold War with the Soviet Union. Throughout all of these years, the Cold War was the ultimate priority in the national budget. Education, job creation, health care, all lagged because their costs could not be covered after the heart of the budget was devoted to defense. During the years of greatest economic decline—the presidency of Ronald Reagan from 1981 to 1989—the defense budgets escalated significantly in a massive—and successful—campaign to outspend the Soviet Union on weapons and ultimately develop both massive weapons superiority and bankruptcy on the part of the old enemy. The problem, of course, is that in the process the United States came very close to bankrupting itself.

Economists have only recently begun to take stock of the massive dislocation of both the long years of the Cold War and the special spending of its last decade. In an underappreciated work of social analysis, Eric Alterman raises one of the fundamental questions which must be addressed if economic dislocation and educational decline are to be understood in meaningful terms rather than mere slogans. Long after the names of the major players have been forgotten, Alterman speculates, historians will ask some fundamental questions about these years:

How was it, they will ask, that a nation so blessed with economic advantage, with such abundant natural resources, and with so sophisticated a guiding political class allowed itself to squander its national treasure and destroy the foundations of its prosperity and security in pursuit of enemies that had long ceased to threaten it? By what paradoxical rule of political science, they will wonder, did the United States embark on an orgy of military spending and colossal debt creation just as its enemy was collapsing and its own economy eroding?³⁰

It is a question which everyone concerned with education needs to ponder seriously. This is much more than a matter of the slogan, “Won’t it be a wonderful day when schools have all the money they need and the Navy has to have a bake sale to build a battleship.” For more than half a century, military spending has claimed unquestioned supremacy, and the long-term disinvestment in education will take many years to counter, even if the start

were made immediately. But there is more to the question than that. The largest question must be, Why was this allowed to happen? Why were two generations of Americans allowed to move through the schools and yet gain so limited a skill in critical thinking that very few voices ever rose to question the economic priorities or the economic devastation which was being wrought?

Of course, there were voices of dissent. Throughout the Cold War small numbers of pacifists and others challenged the basic focus of the priorities. And during the war in Vietnam, large numbers of Americans challenged both the killing and the economic priorities behind the war. The antiwar movement which toppled Lyndon Johnson and ultimately ended the war remains an underappreciated flowering of American democracy. A study is yet to be done of what was right in the education of young Americans in the 1950s which led so many of them to be willing to risk so much in ending the unjust war of the 1960s.

Even before the major buildup of the Vietnam War, Columbia Professor Seymour Melman wrote *Our Depleted Society* to warn Americans that the nation's self-image as the world's leader in basic industries and the production of consumer goods was disappearing. In 1965 he wrote:

Entire industries are falling into technical disrepair, and there is massive loss of productive employment because of inability to hold even domestic markets against foreign competition. Such depletion in economic life produces wide-ranging human deterioration at home. The wealthiest nation on earth has been unable to rally the resources necessary to raise one fifth of its own people from poverty.

And the reasons for the depletion were quite clear for Melman. "This deterioration is the result of an unprecedented concentration of America's technical talent and fresh capital on military production . . . [M]ore than two thirds of America's technical researchers now work for the military."³¹ And this was fifteen years before the United States government began the policies of deficit spending which in one administration moved it from a creditor to a debtor nation in the helter-skelter campaign for mutual bankruptcy with its erstwhile enemy.

The most famous American to worry about the military's cost to the nation's economic and cultural well-being made his case very early in the Cold War era. President Dwight Eisenhower not only coined the phrase "the military-industrial complex" in his farewell address, he spent most of his administra-

tion worrying about military expenditures. As David Halberstam has noted in his wonderful book *The Fifties*, Eisenhower “worried about the potential drain on the economy” of military spending and he “believed that the Joint Chiefs cared little or nothing about the dangers of inflation ‘This country,’ he once noted, ‘can choke itself to death piling up expenditures just as surely as it can defeat itself by not spending enough for protection.’ ” And these worries marked all of the Eisenhower years. George Humphrey, his secretary of the treasury was one of his point people on the topic:

Humphrey seemed to speak for Eisenhower’s fiscal conservatism at an October 30, 1953, NSC meeting: “There would be no defense,” he said, but only “disaster in a military program that scorned the resources and the problems of our economy—erecting majestic defenses and battlements for the protection of a country that was bankrupt.”³²

Where, we find ourselves asking, were the likes of George Humphrey and Ike himself as this country moved so close to bankruptcy, first at the time of the war in Vietnam and then more fully under the presidencies of Ronald Reagan and George Bush? Where were the public voices to challenge the massive transfer of public funds to the richest of the country’s citizens who were part of the world of the defense contractors or the decimation of the Great Society programs? The sad reality is that beginning with the Kennedy campaign’s emphasis on a “missile gap” in 1960, no subsequent American president has been willing to challenge “erecting majestic defenses” for bankruptcy. No wonder after thirty-five years, the nation is so close to the bankruptcy which Humphrey prophesied.

Toward a Different Analysis of Education and the Economy

At this point it is time to pause and ask a question about the shape of the chapter. Why so many pages of economic analysis in a book focused on the relationship of education and democracy? The answer is fairly straightforward. Far too much of the contemporary education reform movement is based on an attempt to solve the wrong problems with the contemporary economy. Many education reformers of the 1980s and 1990s have based the rationale for change in the schools on the needs of an American economy in crisis. The majority of economists from a range of political perspectives—while they agree that the economy is in crisis, that both capital and good jobs are fleeing

the country and class divisions are growing to pre-1930s levels—focus their concerns quite differently. The globalization of the economy, the rapid advent of new technologies, the changing nature of work, the investment in arms over domestic spending, the failure to organize unions in the newly emergent industries, all of these far outrank any perceived failures in the schools as the causes of the current crisis.

If this is true, then something terribly strange is going on at the level of school reform. Justifying the need for a major restructuring of the schools on the economic crisis seems to be an extreme example of a good solution to the wrong problem. If the economic analysis contained in this chapter is accurate, most of the current school-reform ventures proposed today will do very little to improve the nation's economy. Deborah W. Meier is right that the problems with today's economy cannot be linked primarily to the schools, "as though it were illiteracy on the assembly line that undid Detroit!"³³ More seriously, by failing to diagnose the real problems in the schools accurately, too many of the proposed reforms are in danger of exacerbating rather than ameliorating the very real problems in the schools and in the education of the majority of this nation's youth.

So, the next question must be asked. If it does not make sense to call for school reform in the name of protecting the nation's competitive economic advantage, what kinds of economic questions do need to be raised in relationship to school reforms and what should the relationship of schooling and the economy be in a nation whose schools are dedicated to the ever greater expansion of democracy, including economic democracy? It is to the answer to these questions that the remainder of this chapter is dedicated.

If the starting point for all kinds of school reform is a commitment to democracy, then this commitment must be foremost in the analysis of the links between schools and the rest of the social structures, especially the economy. Democracy means many things, but among them are:

Equity—Education reform should, at a minimum, not contribute to further division of rich and poor. On the contrary, schools in a democratic society should foster a commitment to equity and be structured in ways which contribute to equity. Indeed, closing the growing gap between rich and poor, and the closely related divisions in this country by race, class, gender, and sexual orientation must be central to all reform policies.

Critical engagement—The economic challenges posed here and elsewhere are massive. Building a prosperous society for all of the nation's citizens, ultimately building a world of both peace and prosperity, will take the very

best work of the minds of all citizens. Finding ways to avoid some of the economic foolishness of the past, the spending into bankruptcy for defense while the nation's infrastructure (including its schools) crumbles, for example will take the best that a generation of thoughtful, critical, and engaged citizens can contribute. And schools must be reformed so as to support the preparation of these kinds of citizens.

Democratic participation—In a haunting “Afterword,” Robert Reich worries that the next generation of Americans could degenerate into a caricature of libertarianism. “There will be no sense of national community. Instead, Americans will secede into smaller enclaves of people with similar incomes, similar values and interests, similar ethnic identities. Pluribus without unum.”³⁴ This decline in public spheres has been a worry of some of the most thoughtful of the nation's commentators for some time.³⁵ But a democratic schooling worthy of the name must be structured to counter these trends; must be a prime place in which a democratic society is both taught and modeled.

While the reforms proposed for a democratic education may be very similar to those proposed by reformers interested primarily in economic competition with Japan and Germany, the criteria for judging any individual reform will be quite different. It is one thing to say that we need to reorganize our schools so that a better trained workforce will graduate. It is quite a different thing, however, to say that we need change in schools to expand democracy, including economic democracy. If the latter is the goal, then democracy will be defined much more broadly and democracy must be the means as well as the end of the reform effort.

Throughout American history, school reformers have had difficulty coming to terms with exactly this division of purpose. Are schools primarily for the expansion of democracy and economic opportunity for all or are schools primarily for sorting and classifying citizens, separating the future winners from the future losers? As the historian James Anderson has written, “Both schooling for democratic citizenship and schooling for second-class citizenship have been basic traditions in American education.”³⁶

Certainly efforts throughout American history to link schooling to larger economic issues, and especially strategies with this end in mind which have been adopted during the reform decades of the 1980s and 1990s, have reflected both the democratic and the oppressive sides of the coin. If schooling for democratic citizenship for all, and not schooling for second class citizenship for any is primary, if equity, critical engagement, and democratic participation are the goals, there are a number of immediate reforms which are