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## "Public Education and the Global Failure of Socialism"

**Warren T. Brookes, Syndicated Columnist, Detroit News**

Editor's Preview: *Hillsdale College's Shavano Institute for National Leadership* hosted two 1989 programs on education. More than 800 educators and community leaders gathered in Indianapolis and Detroit to hear from dozens of well known figures, including Eastside High principal Joe Clark, American Federation of Teachers president Al Shanker, education philosopher Mortimer Adler, Winning the Brain Race co-author Denis Doyle, Forbes senior editor Peter Brimelow, and Westside Prep founder Marva Collins.

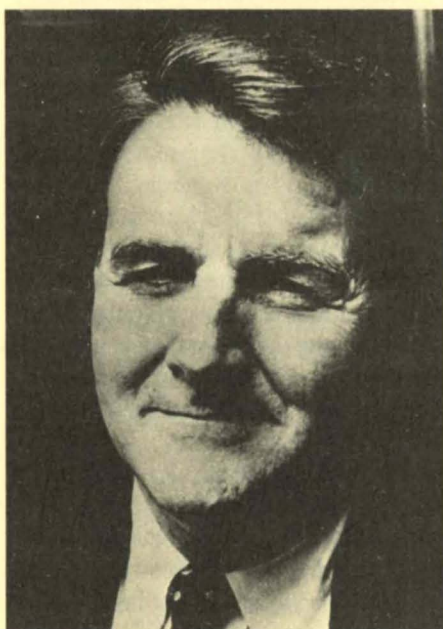
The clear consensus was that America is still a nation at risk, and that the education reform movement has only "tinkered at the margins." Here, syndicated columnist Warren Brookes charges that real reform is impossible until the public school monopoly is broken. Our thanks to the Detroit program hosts, the Detroit Free Press, the Detroit News and WXYZ-TV, Channel 7.

In the last few months, Americans, especially those of Eastern European national descent, watched with both awe and elation as democracy and freedom reared their hesitant heads above the ebbing tides of Marxist socialism in the Warsaw Pact nations.

It is hard to imagine that just ten years ago, the Soviets invaded Afghanistan and those socialist tides were running strongly in the opposite direction, and the waves of communism were lapping at the beachheads of the West.

But, today we can say with some confidence that the decade of the 1980s will be remembered as the period when Marxism finally admitted it was wearing no clothes, and market capitalism swept the global economy with the sheer momentum of its high technological development and telecommunications revolution.

Sadly, though, the 1990s could well be the



decade when that global information revolution left the U.S. market economy in the dust, falling far behind the Pacific Rim nations and Europe.

### **Public Education: Socialism's Last Refuge**

And the ironic cause of that demise could very well be our own reluctance either to privatize or radically restructure the most socialist enterprise in the Western world, that \$180 billion near-monopoly known as U.S. public education.

Some years ago I asked Nobel economist Milton Friedman why it was, given the appalling and obvious failures of socialism everywhere in the world contrasted with the stunning successes of market capitalism, that most American students still graduated from high school with such a surprisingly socialist perspective. His answer was characteristically clear: "Be-

cause they are products of a socialist system—namely public education. How can you expect such a system to inculcate the values of free enterprise and individual entrepreneurship and competition when it is based on monopoly state ownership, abhors competition, and survives only through compulsion and taxation?"

How indeed. Yet, how can a nation expect to compete in an increasingly dynamic and competitive global market when its most important economic capital, its people and their ideas and talents and energies, are the product of such an obviously failed monopoly enterprise? In spite of one of the highest levels of spending (per capita) in the industrial world, the American public school system is generating students who rank 13th out of 13 advanced nations in science and math, and 11th out of 13 in social studies and language. If we want to be genuinely candid about it, the American public education system today is not that much more effective than the Polish economic system that Lech Walesa reluctantly inherited, and the challenge facing would-be education reformers in the U.S. is no less daunting.

Unless they, like Walesa, first understand why the system has been failing, they cannot hope to succeed. If they follow his example and merely tinker at the margins, and "reform" within the present system, their efforts could well be as Myron Lieberman warned in his new book on education privatization, entirely "futilitarian."

Marxist socialism has failed primarily because of its total failure to comprehend the true nature of wealth and of man, seeing both as primarily physical and finite. If such a view were correct, it would be both fair and just to have a system that collectively ensured equitable distribution of a limited resource base. Instead, of course, both reason and revelation, not to men-

tion history and experience, have taught us that wealth is primarily metaphysical, the product more of mind than of matter, and that man himself is primarily mental and spiritual, and not merely a physical component of a collective mass. This alone explains why individual freedom combined with market capitalism has

play among material particles (or as Marx would describe it, the struggle among classes) has collapsed at the heart of matter itself. The most important intellectual event of our century, this development is now transforming global economics and geopolitics."

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invariably produced greater economic growth, wealth and prosperity than collectivist planning and redistribution. Spirituality and freedom will always triumph over materialism and totalitarian tyranny.

### **The Quantum Economy**

If the economic pie is, as we have learned, primarily the result of imagination, ideas, intelligence and human creative energy, the freer the sources of those mental and spiritual qualities are, the fewer the limits to the potential size of that pie, and the development of individual human beings. Although this was the fundamental hypothesis of Adam Smith some two centuries ago, namely that turning loose the creative, God-given energies of the human spirit would enrich all nations, it is infinitely more true today in what George Gilder calls the "quantum economy." In his new book, *Microcosm*, he writes:

"Quantum physics is a complex and elaborate theory. . . But it can be summed in a simple proposition: the overthrow of matter. In quantum theory, the materialist superstition—the belief that all reality can be explained by the inter-

**Warren Brookes** is an award-winning syndicated columnist for the *Detroit News* whose articles appear regularly in the *Wall Street Journal*, *Reader's Digest*, *Policy Review* and approximately 50 daily newspapers nationwide. The author of *The Economy in Mind*, published in 1982, he specializes in looking at the economic side of political and social issues. The well known annual *Media Guide* has given him four stars every year, making him one of only two journalists to earn that distinction.

In a world where information is now capital, and capital is now synonymous with information, wealth becomes virtually unlimited, universally accessible, and totally decentralized. In the 24-hour-a-day rolling referendum that is now the global financial marketplace, national borders disappear, interventionist governments and politicians become dangerously irrelevant and costly, and power is moving inexorably back to the individual from whom (in this country at least) it sprang. As Gilder notes, "unlike the industrial revolution which imposed economies of scale (and which so preoccupied Karl Marx), the information revolution imposes economies of microscale. Computer power continually devolves into the hands and onto the laps of individuals."

A single five-cent plastic disc can contain millions of dollars' worth of programs and access codes that put the world economy within reach of the individual and beyond the reach of government. In this new global marketplace, mercantilism is as obsolete as fascism and Marxism, conglomeration as foolish as state central planning—or, I might add, totally state-run public schools.

Instead of man as a helpless pawn in a huge mechanistic economy, the economy is increasingly within the mind of man, and within each one of us. Indeed, an economy in mind is by definition an economy in us, and not the other way around. This vast technological revolution has reversed the inexorable 19th and 20th century flow of power to central governments and corporate headquarters—and is once again reestablishing individual man as the center of his own economic universe and the key to collective national wealth.

But at the same time it has made the individual and his nation more dependent than ever for economic well being on knowledge, understanding, intelligence, information. And this in turn means that more than ever before the key to

competitive survival lies in extending, not limiting, liberty and improving our education. As Thomas Jefferson wisely put it, "If a nation expects to be ignorant and free . . . it expects what never was and never will be."

It is this reality that is driving the revolution in Warsaw and perestroika in Moscow. Gorbachev is pursuing glasnost not because he is a secular saint (he might well be), but because he is wise enough to understand that Russia is being buried by the information revolution in global markets, and, unless he can open the Soviet system up, it will suffocate, buried under the mounting global sea of intelligence-laden microchips, or else explode from the unleashing of frustrated human aspirations. But perestroika is doomed to failure unless Gorbachev is prepared to tear down Russia's massive, leaden central bureaucracy, arm his people with access to information, and thus free up and turn loose the creative energies of his people.

### **Economic Decline Linked to Education**

What can be said about Gorbachev can also be said about the tragedy of American public education, a kind of collectivist millstone around the neck of our nation which is now in the battle of its life for survival in a world where, as Gilder notes, "Knowledge is not merely a source of power. It is supremely the source of power." The fact that since the 1970s economic power has been shifting rapidly to the Pacific, and to Europe, and away from the U.S. is a clear demonstration that there is something basically wrong with our knowledge machinery. One of the economic mysteries of the 1970s and 1980s is why the nation's productivity growth suddenly fell from nearly three percent a year to one percent and even less. Among the nation's leading students of productivity and national income, John Kendrick, economist emeritus from George Washington University, has maintained for some time now that, contrary to traditional capitalist notions, investment in business equipment explains less than a third of the nation's productivity trends. The leading element, accounting for perhaps 70 percent, is what Kendrick calls "the knowledge factor." To put it simply, as knowledge advances, so does output. That means that knowledge and understanding are now our most basic form of capital.

The brilliant social philosopher Michael Novak argues that it is no accident that the word "capital" derives from the Latin "capitalis," which stands for head, or mind, suggesting that all real wealth has always been seen as ideas and thought. This knowledge = wealth equation is becoming more demonstrable each year. An increasing share of our capital is not even in the

form of hardware (machinery and plants) but in software, logical mental programs that determine everything from product design to the conversion of ideas into goods and services. Indeed, as Gilder shows, with the emergence of the silicon compilers, customized chips or computer hardware is now being "manufactured" entirely at the keyboard by programmers.

If Kendrick is right, the primary reason productivity began to fade in the U.S. can only be explained by a rapid fall-off in the trend of the "knowledge factor" beginning in the early 1970s just as the information revolution was dawning. That just happens to coincide (with some lag) with the sudden decline in U.S. education performance.

Last March, a scholarly study in the *American Economic Review* by Cornell University economist John H. Bishop ("Is the Test Score Decline Responsible for the Productivity Growth Decline?") suggested Kendrick's thesis is on target. While Bishop was able to ascribe only 10 percent of the "unexplained" productivity slowdown from 1973 to 1980 to the significant achievement test score decline that began in 1967, "its major impact on [productivity] growth has come in the 1980s," and has "explained" about 20 percent of that decline. And this factor is now accelerating as the better educated workers retire, replaced by less and less well educated ones. By the 1990s, it will account for as much as 40 percent of our productivity gap, given earlier trends.

These numbers may not sound like much, but the economic costs both to the nation and to workers are enormous. Bishop estimates that as a result of the test score decline, "the labor quality shortfall was 1.3 percent in 1980 and 2.9 percent in 1987... is projected to be 3.6 percent in 1990, 5.5 percent in 2000 and 6.7 percent in 2010." This means, Bishop concludes in a scholarly understatement, that "the effect of general intellectual achievement (GIA) on wage rates and productivity is larger than heretofore believed." He also notes that "Productivity growth and test scores declined almost simultaneously," and he points out that students graduating in 1980 "had learned about 1.25 grade-level equivalents less than those who graduated in 1967."

In the middle 1960s Bishop found that GIA was rising about five percent a year and productivity was rising about three percent. By 1980 it was falling at nearly six percent a year and productivity growth was down to less than one half of one percent a year. The direct economic costs of that lower knowledge (in 1987 dollars) was \$34 billion in 1980, \$86 billion in 1988, and will be \$334 billion in the year 2010.

And, "If the forecasted shortfalls in output up to the year 2010 are cumulated, assuming a three percent rate of growth of GNP... the total present discounted costs of the test score decline is \$3.2 trillion..."

### Spending Not the Answer

Now, I can just hear the National Education Association licking its chops and saying, "You see? This is why we should make much bigger investments in education spending!" Aside from the fact that education spending *has* risen over 25 percent in real terms since 1981, the trouble with that hypothesis is, as Bishop notes, "prior to 1967 student test scores had been *rising* steadily for more than 50 years" and had they continued to rise at that rate, "labor quality would now be 2.9 percent higher."

Yet, the constant dollar growth in education spending per student rose substantially *faster* in the 20 years *since* 1967 (4.0 percent a year in real terms) than it did the 20 years *before* 1967 (3.3 percent). Small wonder education economist Eric Hanushek of the University of Rochester was recently able to demonstrate the weak statistical relationship between student performance and various traditional education inputs—from teacher/pupil ratios to spending per student—all of which are far stronger today amidst declining academic performance than they were when performance was rising. In his May 1989 paper in *Educational Researcher*, Hanushek analyzed 187 separate qualified studies of public schools across the country. His findings were a devastating annihilation of the educationists' agenda. On spending per stu-

dent, he found that of 65 studies on this subject only 20 percent showed a statistically significant positive connection, and even those correlations were not robust. In 152 studies of variations in student-to-teacher ratios only nine percent showed a "positive" correlation between lower class size and better performance, and eight percent showed a "negative" correlation.

He also found few positive correlations between education performance and teacher education (seven percent), teacher salaries (16 percent), administrative support (11 percent), and facilities (nine percent). Only teacher experience seemed to count somewhat, but even that correlation was amazingly weak. As a result, Hanushek warned, "Expenditures' increases if undertaken *within the current institutional structure* are likely to be dissipated on reduced class sizes or indiscriminate raises in teacher salaries with a result that growth in costs will almost surely exceed growth in student performance."

Within weeks of the publication of this controversial study, the *Detroit News* conducted a study of its own that completely confirmed Hanushek's findings in "Schools Can't Buy Success." That was the banner headline of a major article on June 11, 1989 by *News* reporter Mark Hornbeck which concluded that "equalizing how much money was spent by school districts would do little to equalize education opportunity." The *News* analyzed the relative performance and spending levels of Michigan's schools and found that "there is little relationship between spending for instruction and scores on the Michigan Educational Assessment Program (MEAP) tests in the 1986-



1987 school year ...." Hornbeck confirmed that "home life has far more impact on test scores than high teacher salaries, or small class size, and that student dropout rates, a much publicized problem in Michigan (which has the third worst such rate in the nation), generally were highest in school districts with a high percentage of adults who had dropped out of high school years ago." Like parent, like child.

The *News* also found in town after town where high spending coincided with low performance, and vice versa, and that "only weak links exist between a district's average teacher salary and student performance on the MEAP." One article stated that "This finding would seem to shoot holes in the argument that higher salaries lure better teachers leading to better pupil performance. Little relationship can be determined between class size and MEAP scores. Teacher-pupil ratios also played little role." One school on Mackinac Island had only 10 students per teacher but "the lowest scores in the state on the MEAP exams."

## Accountability and Control

**T**he most important observation was that "intense parental involvement in their children's schooling was the most frequently recurring theme in high scoring districts." Parental involvement, of course, raises the whole issue of accountability and control. The performance of any system, of any institution, of any business is a function of its accountability to its constituents or customers.

Socialist systems fail not only because they fail to energize the most productive asset of all, the individual human mind, but because as entrenched monopolies they are so totally unaccountable to the individual consumer—because they provide no market in which competing ideas and products can be tested, priced, approved or rejected, modified or abandoned. As Ray Eppert, the one-time chairman of Burroughs and a Detroit stalwart, once said in effect, "the freedom to succeed is the flip side of the freedom to fail." Abolish the freedom to fail, as socialists both abroad and here have been so eager to do, and you kill or punish the freedom to succeed. (That, incidentally, was the \$166 billion lesson of the U.S. thrift industry.)

One reason why Gorbachev has such an economic mess on his hands is that the Soviet Union has no marketplace in which success or failure can be judged or priced. Its currency isn't convertible because there is no domestic market to determine or confirm its buying power. Without a market, without accountability, without individual power and control, you have a vast stagnant swamp.

And that may explain precisely why, after so many years of early relative success, American public education suddenly went into such a tailspin in the middle 1960s. That tailspin coincided with the rapid centralization of public education away from parental control and local accountability, and into the hands of state and federal bureaucracies.

The genius of the American federal system is that it is the only system on earth that promotes competition among government entities, among cities, towns, counties, and states. That competition, that ability to generate better economic

and greater union domination under the two million-member National Education Association, the less accountable it became to the education consumer, and the poorer the result. This was precisely the finding of a lengthy and well documented Brookings Institution study of education by John Chubb and Terry Moe which asked the question why private schools, especially parochial schools, performed so much better even with similar lower income and minority students than public schools. The 1985 study concluded that parental choice and direct school accountability is what makes "Catholic

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and social performance through better policies, keeps governments from abusing their monopoly powers.

I don't think it is any accident that in the early 1960s when we hit our all-time peak test score levels, about 60 percent of the funding of and therefore the control over public education was still at a local level—and therefore more directly accountable to the local taxpayers. We owned our schools, we paid for them, and we demanded performance from them and our children.

But over the next 20 years, that control rapidly shifted away from local taxpayers and local school boards and parents, to the state and federal level, and with it went the performance levels of education. By 1980, when test scores bottomed out at 890 on the SAT's, that local control had fallen to its lowest level in history, 43 percent:

## Falling Local Control = Falling Performance?

Local Funding	%	SAT Scores
1960	60.0	978
1963	59.4	983
1966	55.5	967
1970	52.9	948
1976	46.4	903
1980	43.0	890
1983	44.6	893
1986	43.9	906
1987	43.9	904

Source: U.S. Department of Education

In short, precisely as the public education system centralized itself into more and more of a classic socialist monopoly model with greater

schools and to a lesser extent other private schools produce significantly greater gains in achievement than public schools . . . equivalent to as much as a full year of learning . . ."

Chubb and Moe looked at the longitudinal studies of some 60,000 students in public and private schools, and concluded that apart from basic socio-economic conditions the one thing that mattered most to school performance was "the differences in the organization of public and private schools." The biggest difference: "Public schools have their resources allocated to them by authorities who do not directly consume their services, while private schools receive their resources in direct exchange for services rendered." One has no marketplace, the other is in the education marketing business. "Perform or perish," said the Brookings analyst, "brings considerable certitude to the relationship between private schools and their environments," and "only by increasing school autonomy, and "relying more on the signals from the market" do we have any chance to "offer the public the means to improve their schools . . ."

## How Local Control Produces Better Education

**T**he best way to prove that they are right is to look at the relative performance of the school systems in this country that are most locally controlled and therefore the least like the socialist model versus those that are most state and federally controlled:

	% Local Funding	% SAT/ACT Scores	Grad. Rate
National Average	43.9	100.0	71.5
10 Most Locally Funded	60.1	109.4	75.4
10 Least Locally Funded	21.2	95.3	66.4
New Hampshire	90.7	103.5	73.3
Vermont	60.6	101.0	78.0
10 Most — NH, NB, OR, VT, SD, MI, WY, WI, IL, CO.			
10 Least — HI, NM, WA, AK, AL, DE, MS, KY, WV, NC			

Source: U.S. Department of Education

The contrast is striking. The 10 most locally-controlled states have 15 percent higher achievement levels than the 10 least accountable and nearly a 10 percentage point advantage in graduation rates. What's more, the locally-controlled systems actually tend to spend more on their students than the state-controlled, and to provide much higher teacher pay levels, and lower pupil-to-classroom ratios. While this is clearly not a scientific analysis, it does hint strongly at the correctness of the theory that when you pay for schools, you tend to demand more of them, and to get more from them, and in return you are willing to pay more for them.

Perhaps the most clear-cut example of this thesis in action is New Hampshire which, to the dismay of the educationists and unions, funds 90 percent of its public schools out of one of the highest local property tax rates in the nation. Its SAT scores are also consistently the highest in the nation, most recently at 938. What is intriguing is to contrast its performance with Vermont which funds only 60 percent of its education locally and has a large state education bureaucracy. A recent study by Colin and Rosemary Campbell of Dartmouth shows that while Vermont spends 39 percent per capita and 14 percent per student more than New Hampshire, it pays its teachers almost the identical average salaries and has about the same low teacher-to-student ratios. This means all of Vermont's extra spending goes into administrative bureaucracy. New Hampshire's SAT scores are 24 points higher than Vermont's, suggesting that not only has centralization weakened education accountability, it has added nothing of real instructional value, only higher costs.

## The Choice Movement and Education Perestroika

It's precisely this notion of accountability and local control that is driving the education "choice" movement which is so essential to education perestroika. As Bill Bennett told us back in 1988 when he still wore the less daunting hat of Education Secretary: "Until parents are given more choice in their children's education—and thus force more competition and accountability on the education bureaucracy, nothing fundamental will change, no matter how much money we spend." He added: "Take the disaster in the Chicago school system where parents are literally begging us to help them get a voucher system started. You're talking about a system that spends \$6,000 a kid in education costs with a 50 percent drop out rate. These kids either get educated or they become criminals or get on drugs. For \$6,000, parents have a right to expect something good, something positive." Indeed they do. I might add that in Boston they are now spending over \$9,000 per attending student, per year, on a system where nearly 46 percent of the graduating class of 1990 were found unable to read or write at the 8th grade level when they were tested in the fall of 1989.

That would have forced nearly half the class to be held back under a new state regulation. What was the response of the state education bureaucracy? Repeal the regulation, or exempt the students from it! This is precisely why Bennett argued that an "education president" has to promote "a voucher system of some kind to empower parents to find better teaching, especially in low-income urban areas where it is obvious the system has broken down. Chicago, for example, can't make the case that parents, making their own choices, could do worse. How can they do any worse than they are doing now?"

John Chubb and Terry Moe reached the same conclusion, namely that "full or partial voucher systems" may be essential to force real educa-

administered as it is, politicians and administrators will not grant schools substantial autonomy." That's because, as he said, "reforms [like vouchers] that would transform the controls over schools from political and administrative arrangements to those of the market would shift much of the power over public education from elected and appointed government officials to . . . the professionals within the schools and to their essential clientele, students and their parents. That is where they run into trouble."

That is precisely why we need an "education president" with the courage to buck the entrenched education establishment and the politicians they now control. Unfortunately, so far, President Bush and Education Secretary Cavazos, while expressing strong support for choice within the public education monopoly, have been unwilling to support either serious privatization or vouchers. This is, I fear, somewhat analogous to Mikhail Gorbachev trying to get agricultural collectives to compete in the marketplace without extending the right to own private property to individual farmers, thus leaving consumers no private market option.

As much as we should welcome the rise of the educational choice movement now sweeping the various states, it is foolish to think that this alone will effect the kind of serious reform we need. The Boston school system has, after all, pioneered magnet schools for more than a decade, and has seen virtually no improvement in its dismal academic performance. The best proof that choice represents no serious threat to the monopoly is that even the quintessentially establishmentarian Carnegie Foundation, in its 1988 report on "The Imperiled Generation," endorsed the notion of choice within the public system. The whole theme of that report was the need for "more accountability" and more "market discipline." Yet the underlying premise of that report was that choice should not be allowed to kill off bad schools or punish teachers.

As Bill Bennett despairingly told us at the time, "the trouble is their approach has no teeth.

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tion reform, in addition to magnet schools and other forms of public school choice. But Chubb admitted then that neither vouchers nor really wide open choice and accountability systems were likely to go anywhere. In a *Public Interest* article under the glum title of "Why the Current Wave of Education Reform Will Fail," he warned, "As long as public education is governed and

No one gets fired in the Carnegie report. What you need in some systems like Chicago is a real house-cleaning, especially of the bureaucracy. You need somebody to take it over and just clean it out and start over." And what if this kind of voucherized private market approach kills off some schools? "So," Bennett told the Yale Political Union students who raised this ques-

tion, "give them a funeral. No one gives a funeral to the kids who are now dropping out of those bad schools, and maybe out of life itself." But that is why he is now drug czar, and the education presidency has faded to an idle campaign promise—all rhetoric but little real reform. Sadly, we have seen somewhat the same dilution of the reformist zeal at the state and local level where a number of school committee candidates have won on the idea of parental empowerment, but which have since accommodated their agenda to the realities of an entrenched education and political bureaucracy.

This is why I now tend to agree with Myron Lieberman, Milton Friedman, George Roche, and others, that education choice without the private marketplace option is doomed to fail, because it is merely tinkering at the margins and from within a basically bankrupt system. As Lieberman puts it in *Privatization and Educational Choice*, "Contrary to conventional reform proposals, the only ways to improve American education are (1) to foster private schools that compete with public schools and among themselves and/or (2) foster for-profit competition among service providers within the public school system. Both require privatization . . . transferring activities conducted by public employees to the private sector." Lieberman is precisely right when he says that too many of today's "Educational reformers show a pervasive bias in favor of the status quo." Just as none of Eastern Europe's new leaders will change their nation's dismal economic performance until they break the grip of the central bureaucracies of *apparatchiks*, it is unlikely that we are going to fundamentally alter the results of the American public schools unless we either move their funding and control back to the local level, or break their monopoly position with aggressive private sector competition.

### **Education Reform, Not Tinkering, Key to U.S. Future**

**Y**et, unless we do alter those results dramatically, the U.S. economy cannot survive the reckoning that is coming now in the global marketplace, and which will accelerate after 1992. Xerox Chairman David Kearns has argued, "the new agenda for school reform must be driven by competition and market discipline . . . the objective should be clear from the outset: complete restructuring. The public schools must change if we are to survive." Unfortunately, last June the delegates to the National Education Association (NEA) voted overwhelmingly to oppose all significant parental choice programs, or any competition between schools. It said "federal or state

mandated parental option plans compromise the NEA's commitment to free, equitable, universal and quality public education for every student . . ."

It remains to be seen whether there is enough political will and courage to stand up to this education monopoly, particularly in the inner cities and among minorities, from which 40 percent of our future workforce entrants will come over the balance of this century. Our productive and competitive future as a nation clearly depends on it. Not only are we facing a steady decline in the rate of growth of entry-level workers, but at the very moment when their education performance continues to falter, the demands on those workers are growing geometrically.

In the 1970s less than 25 percent of the new jobs created were in what are classified as managerial or professional occupations—the highest Labor Department classification.

By the mid 1980s, contrary to the spurious disinformation of organized labor, over half the new jobs are in these higher paying and more demanding skills. As one expert, Janet Norwood, told the Joint Economic Committee of Congress in August 1988, "We are seeing a very large shift in occupational mix. Many of the jobs that used to require very little training are not growing as fast as those that require a lot of training." The Labor Department concluded in a 1987 study of long-term job trends: "Between now and the year 2000, a majority of all new jobs will require post-secondary education . . . and even the least skilled jobs will require a command of reading, computing and thinking that was once necessary only for the professions."

In the information revolution, our economy is increasingly dependent on each one of us. It is

in our minds, and wholly the result of our individual abilities and understanding. Yet with a nearly 30 percent average drop out rate (up to 50 percent in inner cities in the nation's high schools), and with test scores stalled 74 points below their 1963 levels, there is no way the American education system can keep up with this developing demand upon us.

Thus, serious education reform is not merely a public policy issue—it is essential to our economic future survival. We cannot expect to compete in a world which is decentralizing power and freeing up economic wealth, with an education system that is still choking on its past centralization, and chained to a stagnating bureaucracy.

That system is still too deeply involved, both organizationally and ideologically in the old macro-view of socializing "little people" to become physical cogs in a big mechanistic, material machine, instead of opening up the unlimited individual mental horizons that exist in the quantum age. We are still teaching them instead how to adjust to an allegedly limited physical environment, rather than mentally embracing, shaping, and expanding it.

As I listened last June to President Mary Louise Hatfield Futrell's farewell address to the National Education Association, with its applauded litany of social, ecological, and economic limitation and disaster, I realized how far removed our present school bureaucracy and teaching profession are from grasping the emerging and exciting metaphysical reality of the information age, the cosmic potential of the economy in mind. To paraphrase the Preacher in Ecclesiastes, "Where there is no vision, the children perish." 🕯



Westside Prep founder Marva Collins and Hillsdale College President George Roche.

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# "From Reform to Revolution in American Education"

**George Roche, President, Hillsdale College**

Long before the much-publicized "Nation at Risk" study appeared in 1983, most of us knew that our public schools were in deep trouble. But the reforms of the last half-decade, known collectively as the "excellence in education" movement, have, quite simply, failed to deliver what they promised. Why is that? After all, millions of dollars have been spent. In the last 10 years, per-pupil expenditures have increased by more than 400 percent. We have to acknowledge, once and for all, that the crisis in public education is not a matter of money. Ronald Reagan has aptly noted, "If money alone were the answer, the problem would have been shrinking, not growing." We've poured billions of dollars into public education and we've nearly succeeded in killing the patient.

We also have to learn to apply the rules of the "real world" to education. What I mean is that we have to treat it as a business. Parents and students are the consumers of education. Teachers and administrators are the service providers. In the real world, consumers have the freedom to choose among many different products. And the providers of that product are rewarded for their efforts in the marketplace.

But the current public education system doesn't allow parents and students to choose the best school—they are assigned one. And teachers and administrators are not rewarded according to their performance. Good teachers, for example, are paid the same as poor ones. And they

have little control over what goes on in their own classroom.

The Choice movement calls for allowing parents to choose among public schools for their children. This open enrollment leads schools to compete for students, just like businesses in the marketplace. Tax dollars follow the student. Another element of the Choice movement is called "empowerment." This means giving primary control of each school to the principal and teachers who work there. There are lots of other elements which, while not central to the Choice movement, tend to be associated with it. One is merit pay for teachers. Another is performance-based grades for students, meaning that they must master certain skills in order to go on to the next level. Sitting at a desk for four years, for example, doesn't entitle you to a high school diploma.

Allowing private and public schools to compete on an equal basis, empowering parents, students, teachers and administrators and then making them accountable is long overdue. We have tried all the instant powders, drugs and quack cures before. We have tried massive injections of tax dollars, raids on private institutions, regulations, and rhetoric. It is time to try something we haven't tried before—excellence, but excellence which stems from private, not government initiative. If we can afford excellent incentives for our industries, we can afford them

for our schools. If we can afford freedom for our consumers, we can afford that same freedom for parents and students choosing a school.

But as important as structural reform is, what we really require is a revolution—a revolution in our understanding of the aims of education. Much of what passes for education today seems calculated to yield a product totally different from the properly educated individual. The sort of moral leadership required if our civilization is to endure must spring from vastly different premises than those which now dominate our educational institutions.

It is not only basic skills that our students lack. They are also culturally illiterate. Even if they can read well enough to pass standardized tests, they have no "furniture" in their minds, no vocabulary of historical persons or events, no reference to ordinary literary images that fifth graders once imbibed in every common school in the nation.

Millions of Americans feel that our schools fail to impart any sense of right and wrong or any sense of values.

We will not return to literacy or excellence until we apply the immutable rules of life to the classroom. The values of tradition, of property and of family which, by common accord, have made America prosper can again make our schools seats of learning and not mere way stations between childhood and adulthood.

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