

7-1-2011

The Price of Human Capital: Educational Reform and the Illusion of Equal Opportunity

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In his oft-quoted Fifth Report to the Massachusetts Board of Education (1841), Horace Mann sought to popularize the idea that education had individual as well as collective economic benefits. This report became one of the most well-known of Mann's twelve reports to the board, though Mann himself worried that such an appeal would exacerbate the materialism that he hoped the common schools would combat. In 1841, however, the Massachusetts Board was under attack from opponents of a centralized school system, and Mann thought that by showing how schooling benefited the economy he might convince the board's opponents of the value of the state's investment in public education. Accordingly, he replaced his usual arguments about its moral and civic value with a demonstration of its monetary value to workers and manufacturers in the Commonwealth. Arguing that the key to prosperity was an educated populace, he even sought to calculate the rate of return to the state's investment in education by asking a small sample of Massachusetts businessmen to assess the difference in productivity between literate and illiterate workers.

Though Mann's argument about economic efficacy helped save the Board of Education, until the end of the nineteenth century most common-school promoters continued to prioritize the civic and moral purposes of education. Since then, however, those ideas have been eclipsed by ones like those Mann articulated in his Fifth Report, particularly about the school's role in the production of what we now call human capital. Arguments about the school's civic and moral purposes

have not disappeared, of course. They appear regularly on political leaders' lists of desirable educational goals. But over the last hundred years those ideas have been increasingly subordinated to the notion that the primary purpose of education is to equip students with the skills they presumably need to improve their own economic opportunities and to make the nation more prosperous and secure.

Nowhere has the influence of this way of thinking about education been more evident than in the history of federal education policy. It is especially evident today, for example, in programs like President Barack Obama's Race to the Top, which explicitly links federal aid to his desire to restore the nation's competitive edge in the international marketplace. But the influence of ideas about human capital formation on federal education policy began nearly a century ago when they provided the chief justification for passage of the Smith-Hughes Vocational Education Act in 1917. And they have provided the main rationale for nearly all the federal government's most important educational initiatives ever since—including the National Defense Education Act (NDEA) in 1958, the Elementary and Secondary Education Act (ESEA) in 1965, and, most recently, the No Child Left Behind Act (NCLB) in 2001. Indeed, given the long-standing opposition to federal involvement in education, it's hard to imagine that these programs could have passed on any other terms.

Taken together, these initiatives helped justify the expansion of elementary and secondary education to working-class youth, immigrants, women, and people of color as well. As a result, the public high school today is inclusive—no longer the elite institution that graduated only 3 percent of the eligible age

group at the end of the nineteenth century. Yet, if the programs spawned by the federal interest in developing human capital contributed to the democratization of secondary schools, they have also had less desirable consequences. They seldom provided the economic benefits their proponents promised, but operated instead to displace economic anxieties onto the schools, deflecting attention from the need for more assertive labor market policies. And, at the same time, they protected the educational advantages of the nation's most affluent and privileged citizens. This is true even though the conception of equal opportunity that has informed them has actually grown more robust over time as policy has shifted from a focus on teaching specific vocational skills to working-class and immigrant youth to a focus on equipping all students—rich and poor alike—with the cognitive skills that a more fluid, knowledge-based economy presumably requires.

Consider, for example, the movement for vocational education that culminated with the passage of the Smith-Hughes Act, the first major program of federal assistance to public education. In the first two decades of the twentieth century, no other reform attracted such a broad spectrum of supporters or generated such high expectations for success. Businessmen, labor unions, social reformers, as well as many educators all argued that vocational training in schools, particularly trade and industrial education, would be an antidote to poverty, youth unemployment, and the threat of national economic decline. Yet even allowing for the rhetorical oversell that usually accompanies new programs, the payoff to investment in vocational education fell far short of what proponents assumed it would be. Not only did graduates seldom find jobs in the areas for which they had been trained, but most evaluations of vocational programs found that on average their graduates earned no more than graduates from the regular course of study. Indeed, most evaluations concluded that vocational education functioned mainly, in the words of one 1938 report, as a “dumping ground” for working-class and immigrant youth who had been

pushed out of the labor market and pulled into school by tougher enforcement of child labor and compulsory education laws but whom educators did not think were capable of doing more advanced academic work.

It is important not to overstate these failures. Some young people did benefit from vocational education. Yet even in cases where it helped them get jobs, it ultimately did as much to harden as to reduce class and racial disparities in schools and in the labor market. Commercial education courses, for example, provided working- and middle-class young women a path out of domesticity into paid labor, and, in some cities, trade and technical schools provided a small number of immigrant and working-class boys access to the more privileged sectors of the blue-collar work force, where technical skills were highly valued. That, however, is also why vocational educators typically excluded African American and Latina/o youth. They were channeled instead into courses in the “trowel trades” and domestic work or, as they began to attend high school in greater numbers, placed in the general education track that prepared them for neither work nor college.

Theoretically, of course, school officials and political leaders could have adopted policies that expanded access to the labor market by encouraging all students to enroll in courses that would prepare them for college, even if they were unlikely to go beyond high school. That was what the National Education Association's Committee of Ten had recommended in 1893 and what some policy makers recommend today. But at the turn of the century most educators rejected this idea. They believed it was inefficient and undemocratic because it didn't help students adjust to the demands of society and denied those headed for working-class jobs the same opportunity to prepare for their likely future occupations that the academic curriculum had long offered to middle-class youth bound for college and the professions. Once we recognize that the academic course of study was becoming more tightly linked to the most desirable jobs, however, the assumption that working-class students were more suited for vocational than academic study appears less as an expression of democracy than as a way for a relatively

elite population to preserve access to college and subsequently to managerial and professional positions—at a time when students from poor and working-class families pressed for access of their own.

Partly for these reasons, vocational education fell out of favor. But the assumptions about human capital formation that informed it continued to shape educational policy long after enthusiasm for it had dimmed. Following the Second World War, for example, the Cold War inspired a shift in policy interest from preparing working-class young people for working-class jobs to providing equal opportunity for the development of high-level technical skills to counter the threat of Soviet technical superiority. A concern with national security, heightened by the launching of Sputnik, made it possible for many members of Congress to overcome their fear that federal involvement in education would erode the power of local school boards, thereby paving the way for the passage of the National Defense Education Act in 1958. “The present emergency,” it declared, “demands that additional and more adequate educational opportunities be made available.” Nonetheless, although its investment in support for mathematics, science, and foreign language instruction provided some financial heft to efforts already in place, the NDEA did little to create a serious intellectual experience for the vast majority of high school students. Its main concern was “to identify and educate more of the talent of our Nation.” Consequently, it invested in both testing to determine who had the most talent and in guidance that would direct those students to challenging courses—and to college.

This agenda meshed perfectly with the proposals of James Bryant Conant’s highly influential *The American High School Today*. Published a year after Congress passed the NDEA, its affirmation of the comprehensive high school served as a blueprint for school districts across the country. Although Conant believed that all students needed a core of academic subjects, he maintained that there should be ability grouping and then a high-level academic track for the top 15 percent and



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a vocational track for those deemed to have limited academic talent. In harmony with the spirit of NDEA, he was committed to a broader view of equality of opportunity than earlier advocates of vocational education. He wanted to ensure that students who had high scores on aptitude tests did not choose the vocational track and that schools did not succumb to the pressure of affluent parents to place modestly talented students in a curriculum that was too advanced for them. This idea of equality as meritocracy made it possible, to use Thomas Jefferson’s phrase, to rake some diamonds from the rubbish, enabling some outstanding students from disadvantaged backgrounds to get superior educations. Neither NDEA nor Conant, however, had anything to say about how socioeconomic differences produced test-score inequalities that were then reproduced by placement in the different tracks of the comprehensive high school.

The Cold War not only inspired the development of human capital in order to compete with the Soviet Union scientifically, it also inspired a concern to improve the image of

American democracy in order to compete with the Soviet Union for the loyalties of people in Africa, Asia, and South America. The Supreme Court's decision in *Brown v. Board of Education* satisfied this ideological concern by appearing to demonstrate that American democracy would no longer tolerate racial segregation. NDEA, however, paid no attention to matters of racial inequality. In fact, it passed only because proponents allayed the fears of Southern congressmen that greater federal involvement in education would lead to interference with their segregated institutions.

In contrast to the meritocratic emphasis of NDEA, which actually reinforced race and class inequalities in education, federal policy since 1960, beginning with Title I of the Elementary and Secondary Education Act (1965), has tried to address these inequalities. Inspired by the civil rights movement, Title I signaled a shift from the international focus of the Cold War to a domestic focus on poverty—the realm that Commissioner of Education Francis Keppel called our “nearest foreign country.” In introducing the legislation that became the centerpiece of the Great Society and the war on poverty, President Lyndon Johnson stated, “Poverty has many roots, but the taproot is ignorance.” The solution was to provide funding to schools with concentrations of the poor in order to “contribute particularly to meeting the special needs of educationally deprived children.” In this way the poor would be able to accumulate the human capital necessary to find employment, which would then enable them to escape from poverty.

In addition to distracting attention from the ways labor market inadequacies contributed to poverty, there were two major problems with Title I. First, despite an initial investment of slightly more than a billion dollars, the political viability of the program depended on the wide distribution of its funds. As a result, more than nine in every ten school districts ultimately shared the money, making it impossible to concentrate significant resources in the schools and districts with the largest number of poor students. Second, the practice of Title I was governed by the conviction that poor children, especially if they were African American or Latina/o, were hampered in

school because they had cultural deficits that required compensatory education. Although Title I did not specify interventions, the typical practice emphasized pullout programs that focused on low-level skills to make up for what students presumably lacked—and this required them to miss regular classroom instruction.

These limitations became evident once evaluations were conducted. Early on, most of these evaluations found few positive effects. Some studies even found that the achievement of students in the program declined, though this was partly because of the wide dispersal of funding. Later evaluations, conducted once funds were better targeted to the students they were intended to help, were somewhat more encouraging, but they still paled in comparison to the program's original promise to help poor children escape from poverty. By the early 1980s, most concluded that the major benefit of the program was to keep the achievement gap between rich and poor students from getting worse.

Only modestly redistributive and built on the assumption that poor children were deficient rather than that schools were organized to hinder their capacity, Title I was a poor substitute for the more capacious view of equality of educational opportunity that integration promised. But because it distributed its funds so widely, it generated a broad constituency of support from new groups of service providers and recipients, both Republicans and Democrats in Congress and education interest groups like the National Education Association, which rallied to defend the program whenever it was attacked. As a result, Title I turned out to be remarkably resilient, despite its relatively modest impact on student achievement. It survived Ronald Reagan's attempt to turn it into a block grant in 1981, and it continues to be the chief mechanism for distributing federal dollars to the schools, which it does according to the modestly redistributive premises put in place in 1965.

Whereas Title I was motivated by a desire to use education to help children from low-income families escape what Lyndon Johnson

referred to as the “cycle of poverty,” the movement that culminated with the passage of the No Child Left Behind Act (NCLB) in 2001 had little to do with fighting poverty. It was motivated instead by a desire to upgrade the quality of the nation’s labor force and thereby increase the capacity of its businesses to compete in the international marketplace. But as with the Great Society’s poverty warriors, the businesspeople, politicians, educators, and other social reformers who fretted about the nation’s lagging economic performance never questioned the idea that the solution to the problems they faced lay primarily with strategies of educational reform.

At the outset, NCLB did appear to embrace a more robust vision of equal opportunity than Title I of ESEA. Rather than trying to change the character of low-income children, as Title I seemed interested in doing, NCLB aimed to change the schools. By providing test score data to compare schools with students from different backgrounds and sanctioning those that did not bring all groups up to a minimum standard of academic achievement, NCLB countered the idea that low-income children and children of color were somehow incapable of achieving. Instead, it promised to offer proof that schools and educational practices, not children and their parents, were to blame for racially and economically disparate outcomes. And then it promised to press inadequate schools to address those disparities.

But this vision of reform was even more pinched than the preceding one. It rightly rejected the array of stigmatizing practices that accompanied earlier compensatory programs and that had long depressed the educational achievement of low-income children. In doing so, however, it also minimized the ideas that there was any connection between the conditions of educational provision and school achievement and that equality required the redistribution of resources. By setting uniform standards for all students and holding local schools accountable for meeting them, it sought instead to motivate teachers and administrators to raise achievement levels regardless of the often great disparities of resources available to different schools.

Over the last decade, the limits of this strategy have become all too apparent. Touted

as a program to reduce the achievement gap, so that all students would have an equal chance to acquire the academic skills needed in the twenty-first-century economy, NCLB was rarely effective. Most often, it functioned to protect the educational advantages of the most privileged, just as federal policy has done so often in the past. This time, however, the familiar result didn’t come about because educators formally limited access to the most challenging academic classes or because they isolated poor students in pullout classrooms. It was because teachers and administrators in inner-city schools faced the impossible requirement of annual increases in the test scores of multiple subgroups—including special education students—so that all of them attained the same level of proficiency. In order to meet this goal and avoid the NCLB’s penalties for failure, these educators focused narrowly on preparation for the tests in reading and mathematics at the expense of other subjects. In contrast, their counterparts in suburban schools, confident that their white, middle-class students could succeed on the tests without special preparation, continued to offer an enriched curriculum. In this way, the disaggregation of test scores by subgroup, which was the legislation’s most progressive feature, actually worked to produce less than progressive results.

Though the rhetoric around NCLB was all about eliminating the achievement gap between rich and poor, any program that directly attacked the sources of the educational advantages of affluent over poor children was unlikely to have won political support. As a result, NCLB focused on saving the children in urban schools while leaving the district lines that protected the suburban schools and their mostly white, middle-class students intact.

None of this long history has done much to dampen enthusiasm among policy makers today for developing human capital in schools as a way to solve the economic challenges facing the nation and to equalize educational opportunity. Economic problems, such as stagnant wages and rising income inequality, for example, have more to do with the absence of strong labor market institutions, the



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adoption of regressive tax policies, and the social norms that enable vast accumulations of wealth for a few than they do with the quantity and quality of education students receive. Yet the commitment to addressing these problems through ostensibly better education policies not only remains unabated, but, if anything, has been enhanced by the now commonly held belief that the economy's shortcomings stem from too much government intervention rather than too little. In this environment, a "supply-side" strategy like human capital formation has particular appeal, even to many of those who were once skeptical about it.

Some of Obama's supporters hoped he might chart a different course. But his vision of education policy has done little to alter these preferences. His call for the nation to "out-educate" our international competitors continues to assign to the schools responsibility for solving problems that are beyond educational correction. And the policies he has adopted—such as Race to the Top—pose no challenge to the jurisdictional arrangements that have long protected the educational advantages of the affluent. Instead, following the trajectory set in motion by NCLB, they are confined to the technical problems of how to manage schools better, measure achievement more precisely, encourage teachers to work harder, and manipulate incentives to stimulate the growth of charter schools.

No less than when Horace Mann wrote his Fifth Report, Obama's strategy might be the only way in the current political climate to win backing for more spending on education. But the history of past policy suggests that we have paid a steep price for it. We should be thinking instead about how we might establish conditions both inside and outside the schools that will engage students in the kind of serious intellectual work that the Committee of Ten called for more than a century ago, rather than pursuing policies that will only add another dimension of inequality to an already unequal system.

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