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I'm delighted to be here and have looked forward to this occasion because I am so pleased that the school-to-work transition, work skills and productivity agenda among our students is on the front burner for the Chiefs. I'd like to spend time this evening talking about a specific proposal by first putting it into a broader context about what is going on in our country; why these issues are now front burner ones; how they fit into the states' general efforts to restructure and reform education; and what would occur in the states, if this agenda were moved forward.

It's not a coincident that educators are now focusing on work skills, employability, productivity, and high performance issues because as a country, we are finally coming to terms with the changes in the global economy that began affecting us in about 1973 and there's always a lag in absorbing historic developments. That year marked the end of the post-World War II economic dominance of the world by the United States and the entry into full fledged competition of not only our former allies, but most dramatically Germany and Japan. Gradually as the 70s moved on, we witnessed economic competition from countries that didn't even exist a mere 40 years before.

The United States -- both its business and political decisionmakers, as well as the general public -- did not recognize

what was going on in the economy. There was a persistent and firm belief that the United States was paramount and there wasn't any particular economic challenge on the horizon we could not meet. I can remember clearly campaigning with my husband and going to meetings with him in the 70s and early 80s where we would talk about the need for Arkansas businesses to begin thinking about exporting something besides rice and soybeans and about their roles in the global economic structure. It was a message without a responsive audience in those years. I can remember business people asking me why should we make the effort to export when our market in this country is so large. That attitude was not just prevalent in Arkansas, but around the country. Gradually, though, the awareness began to dawn that the game had changed and that the United States, if it were to be competitive, retain its economic position and, therefore, be able to maintain its standard of living had to begin thinking differently about how it was going to be educating its people and doing business.

What has happened in the economy is a critical issue for educators to understand because there is a real push/pull relationship between education and business that is often unrecognized, but which I would argue plays a major role in determining how both enterprises function. If one goes back and looks at the introduction of Tayloristic methods in business in the early part of this century, the gradual acceptance of those methods, and the whole philosophy that lay behind them about

breaking work down into its smallest components -- in a sense human-proofing a lot of the production that was going on -- it is an interesting historic development to see how that method was embraced not just by management in business, but also by labor. The concept of how we organized factory work in a production line approach became dominant in many institutions other than just our factories. If we trace what happened with the development in business represented by Tayloristic thinking and methodology, it's not surprising that the schools became the supplier of those workers and managers who had certain mindsets that were most suited to that kind of production.

But back to what went on in the 70s and the 80s. Slowly but surely the reality of what was happening in the global economy began to penetrate into most parts of the country. Businesses that left states like Wisconsin or New York or Michigan moved south in the 60s and the 70s to escape higher wages and unionization. Then in the late 70s and the early 80s those same businesses began moving to Mexico, Taiwan, Bangladesh, or Thailand. People not just in the rust belt, but increasingly in the sunbelt, began to ask themselves, what's happening? Where is this business going? Why is my job being taken away from me? I played by the rules. Why is this business closing down and laying me off? Why is my pension all of a sudden in jeopardy when I worked hard for 25 years? What is going on?

In 1983 the "Nation at Risk" report sounded the alarm bell and issued a challenge directed at the schools. At that time, the schools were considered the institution in society that was not fulfilling its part of the bargain. The schools were not doing what was needed to be done, and so all of the attention to educational reform which I, and many others participated in, was focused only on changing schools. This approach could not, however, explain why our social and economic problems were occurring. All our school-directed efforts did not paint the whole picture because focusing only on one institution was inadequate to explain what was going on generally in our society.

Now several years later we're beginning to understand that the schools do not stand alone. They are not isolated institutions that can be lectured at, preached at and reformed from either the top or the bottom. They have to be seen as part of a social whole. The role that the economy plays in determining what the schools do, and are able to do, has yet to be fully explored. We're beginning to chip away at the edges of that debate. I think what you're doing here at this conference is a wedge which will lead to a much greater understanding about how schools and businesses together have to be restructured because they are partners in our social enterprise.

Business has gotten the kind of workers it traditionally wanted -- workers who were largely compliant, docile, and followed

directions. When most businesses complain about the schools, they don't complain about skill levels, they complain about not having people who are docile, compliant, respectful and follow directions. These are more character traits when you stop to think about them than intellectual or academic ones. Businesses were used to getting people who were basically malleable, who would do what they were told to do, would fit into a Tayloristic approach to production, and were fungible. They were not supposed to think for themselves. They weren't supposed to do very much for themselves. They were merely supposed to do the tasks that were assigned over and over again. Business began to be uncomfortable because they weren't getting what they had traditionally gotten and began to put more pressure on all of you and all of our schools.

The schools naturally reacted by saying, "wait a minute, we gave you what you wanted for years, you still haven't been very clear about what is different today, so how can we know what product you're expecting us to produce for you?" A lot of the conflict has occurred in the last several years between business, on the one hand with its critique of the schools, and the schools' defensiveness responding, "you know we're doing what you wanted us to do."

If you buy the argument that the economy has changed, and the skills that are going to be required in the future are different, then we're left with a lot of open-ended questions about what do we

do next and how do we get there. Unfortunately, those questions are being asked in an environment in which there is a lot of contradictory information that has to be assessed. The most obvious is the survey data which shows that, although the American public is concerned about education, they like their own schools. We all know that's like how you hate the Congress but love your Congressman. We cuss them up and down and then re-elect 95 percent of the incumbents. Well, it's the same with the school situation. Yes, maybe American education has some work to do and it's not doing what it needs to do, but, boy, my school is okay. Survey after survey shows that basic conflict between people's general experience or perception and their personal experience or perception.

The same contradiction is going on with respect to the economy. Survey after survey has demonstrated that most people believe there are problems in the economy. That has increased in numbers as the recession has continued, despite whatever is said on the television, as more people are on the unemployment line, as the same work pays less, as workers get cut back to part-time. Despite the fact there are economic difficulties and people know there are, they find it very difficult to know how to explain those developments to themselves.

There's a wonderful piece of survey work done by the Higher Education Forum and Public Agenda called "Crosstalk." Based on

focus group and survey research, it concludes that the American public believes the country faces economic problems. Yet, they don't have any idea of what is required to remedy those problems, because they think all we have to do as Americans is make up our mind to solve whatever problem we face and do more of what we've always done harder. They do not see the changing demands of the global economy as threatening their job security so much as their belief that big business is insensitive or that the government is callous or that people don't work hard enough. They don't appreciate that the economic imperatives have changed dramatically and what is required are more skills and more education. It's not just a question of having a job, any job, it's a question of whether America will continue to have the kinds of jobs that have traditionally supported our standard of living.

These questions led the National Center on Education and Economy to form the Commission on the Skills of the American Workforce. The Commission consisted of a broadly representative group from the private and public sectors, education, the military, and organized labor. They conducted the most indepth research that has even been done in our country into what actually is going on in the economy in terms of how people organize their work. More than 2,000 interviews were conducted on three continents, in Europe, Asia and North America. In those interviews, the goal was to determine what the requisites are for high performance economic job opportunity in today's world. What are employers looking for in

employees? What are the most competitive kinds of economic organizations? The interviewers found that there are high performance work organizations now operating in Europe and Asia that use highly skilled workers who exercise more discretion on the job, and have more flexibility to determine how to perform their job. High performance work organization is found not just in the large firms in Europe and Asia, but in second and third tier firms as well. The search for highly skilled workers in those countries has, in turn, put pressure on their education systems to produce a much higher level of productive student than we find acceptable in our country. In contrast, the Commission estimated that only five percent of American firms have understood and applied concepts of high performance work.

Now high performance work is one of those catch words that is becoming current, not just in business, but in education and government too. There are differing explanations of it, but, at root, it tries to focus on value added skills of the individual worker -- what skills will enable a worker to have the capacity to make decisions for him or herself as part of a team given the discretion to participate in fulfilling whatever the goals of the team are. This contrasts with work being directed from above, with workers given tasks that are broken down into small pieces like screwing in the same bolt 700 times a day over and over again. American business has yet to grasp the need for empowering workers by providing them with the opportunities to be as skilled as

possible, in part because it is still gripped by the historic conflict between labor and management, dating back to Taylorism, and the belief that management holds all the secrets about how a job is to be done and what decisions are to be made on that job.

After completing its research, the Commission on the Skills of the American Workforce issued a report in June 1990 called America's Choice: High Skills or Low Wages! The Commission argued that, by default, we are choosing low wages in the vast majority of economic enterprises in our country, because we refuse to acknowledge the need to upskill the workforce and provide opportunities for workers to be more involved. We are, therefore, still choosing to have an education system more suited to the economic challenges of the past. America's Choice has received a tremendous response from all different kinds of decisionmakers to its five basic recommendations that are meant to be part of a comprehensive employment, training and education system.

If we look at our economic competitors it is clear that, in comparison, we have a non-system for the school-to-work transition for our students and that non-system is particularly damaging to the 50 percent of youngsters who do not go on to college and to the 70 percent of youngsters who never complete a four-year baccalaureate degree. That non-system is related to a lot of our beliefs such as individual choice, individual opportunity, letting people rise or fall on their own, and the assumption that young

people will eventually be picked up by the labor market. We refuse to acknowledge that we are failing large numbers of our youngsters because we refuse to help guide them into meaningful educational employment and training opportunities which disadvantages them and disadvantages us as a society.

The five recommendations of America's Choice are as follows. The first is that there needs to be a uniformly high standard of educational achievement for all children which would be marked by a series of passages that youngsters would go through to demonstrate their competency, culminating at the age 16 in a Certificate of Initial Mastery. The idea behind the Certificate of Initial Mastery is that we have to set a benchmark by which we measure all our 16-year-olds in order to assure that everyone of them has the opportunity to reach that basic level of competency on which then can be built additional education and training. The Certificate should represent what society, whether we define it broadly in national terms or more locally, expects 16-year-olds to know.

One immediate reaction to that concept has been to embrace it as Oregon recently did with the passage of legislation modelled on America's Choice and sponsored by Vera Katz, a former Speaker of the Oregon House, who served on the Commission and visited countries and their businesses that are taking the education and training of their workers seriously. As a result, Oregon will

implement the concept in its own state "laboratory" and see how it develops. One of the hurdles the Oregon Legislature had to overcome was the argument that setting a specific standard for all students to achieve by age sixteen and then requiring them to choose among alternative education and employment training opportunities was an explicit form of tracking that would create additional disadvantages for already disadvantaged students.

What this argument fails to acknowledge is that we have a tracking system, reflecting a class system that divides children at early ages, whether they're in an explicit track or not. We put them into a system in which many of them are guaranteed to flounder for years after they get out of high school, assuming that they graduate, because they receive very little career counseling or marketable skills while in high school and because we have this obsession with college education as being the end result of the comprehensive high school. I was pleased to read about what Pittsburgh is doing by eliminating the general education track, a leftover from the Tayloristic model of education that expected little learning from most future workers. It is a disservice, and in some respects a real tragedy, that we even have such a track in our schools because it is not designed to prepare those youngsters for jobs or further education.

The New Standards Project, which is being directed by Marc Tucker, the President of the National Center, and Dr. Lauren

Resnick of the University of Pittsburgh, is in the process of trying to design what the examination system would look like that led to a Certificate of Initial Mastery. No one underestimates the difficulty of doing this, particularly if it is done on a national scale, but we have to begin to articulate what standards of competency should be and be willing to make hard choices about what we expect students to know and do.

Roy Romer, the Governor of Colorado, who heads the National Goals Panel, has referred to the process that will lead to the creation of the Certificate as a "merit badge" system. He's also used the analogy of getting a pilot's license. If you get into a commercial airliner, you expect a licensed pilot. You don't stop and ask whether it took the pilot three years or five years or whether the pilot was a fast learner, and did it in six months. The point is that there is a uniform standard everyone has to meet in order to be licensed. What we are arguing with respect to the Certificate of Initial Mastery recommendation is that there needs to be a standard that every child has to meet in order to be permitted to move on into a new system of education or employment training opportunities. There's a lot of misconception about whether our system is the system that takes care of everybody while European and Asian systems are elite. There are distinctions made at certain ages in other countries, but there is a base level of literacy and achievement that on average is higher than ours, and

so we are doing a disservice to our youngsters by not permitting them to have that same opportunity to achieve.

The Commission's second recommendation faces the reality that, at least for the foreseeable future, there will be a lot of students who will not make it to the Certificate of Initial Mastery within the traditional school setting. There will continue to be dropouts, people who for whatever reason can't achieve that level of competency initially.

The Commission recommends that youth centers be available to recapture dropouts, that they be an institutional home to take care of the needs of children who are not making it within the original system. The Commission's model is based on the programs the Commission found in Sweden where each municipality or school is charged with the "follow-up" responsibility of taking care of and following up on students who do not finish school. These programs are funded to look out for each child and utilize different approaches toward education better suited for dropouts than for traditional students who stay within the system. The Commission proposes that the youth centers be established outside the existing school system. There is a lot of debate about that and many school people argue they ought to be able to do the job inside the system.

The Commission, however, was unpersuaded that most traditional educators either wanted to recover dropouts or alter the

conventional curriculum to retain potential dropouts as students. The models of dropout recovery programs reported on by the Commission have not been replicated. For example, the report highlights the Sweetwater Union High School District in California because it did a remarkable job in recapturing dropouts without expending more dollars per dropout to do so. In fact, the district was able to save money because it set up its system using computer aided instruction. Whatever model is followed, there needs to be a home for these students either inside the existing system or outside it in which the per pupil expenditure follows the student.

The Commission's third recommendation is to develop technical certification processes, including apprenticeships, in which the education system and the business sector jointly try to articulate what skills are needed in a particular job and how they would be described. How would a business know if applicants were qualified, again using the metaphor of the pilot's license? There needs to be a concerted effort among education, business, government and labor to define standards for certification so one knows what skills are required to be a small machine operator or a computer processor; that there is a career path laid out for youngsters interested in certain jobs; and that portable certification is attached to the end of a course of study. Certification may also be attached to apprenticeships linked to movement into the labor force after the age of 16 and built upon the Certificate of Initial Mastery.

The lost time and lost productivity, both individually and societally, that we are now suffering can be seen if you consider that our children attend school less days than students in other countries so that, by the end of high school, they have spent somewhere between 18 months to two years less in school than their European and Asian counterparts; and then, because we have no system for moving youngsters into the labor market, those who don't go directly onto college generally flounder between jobs until their early or mid-20s. Those who had dropped out might eventually obtain their GED. Those who didn't drop out, but only came to the labor market with a high school diploma, may move from minimum wage to minimum wage job until they finally land jobs somewhere. There's no longer the "safety net" of family networking or generationally inherited union jobs that once moved younger generations into the middle class. Those jobs which depended more on a person's brawn than brains are no longer available because of the changing economic system that I described earlier.

The fourth recommendation is that business has to change the way it organizes work. We will do ourselves little good if we try to reform our schools to produce a student with a higher level of competency, more able to think for him or herself, and more willing to take responsibility, if we have the same old work patterns out there waiting for them. If we do not do a better job of altering the way work is performed, moving away from the Tayloristic model into a much more flexible operation that has room for skilled

people who think for themselves, then there will continue to be this conflict between what the schools are attempting to do and what business really wants them to do, as opposed to the rhetoric of what business says that it wants them to do. So the only way we can get a better match is by business itself restructuring so that it is a high performance organization and, therefore, understands what it means to ask the schools to prepare more productive young people.

Now the problem in business is the same as encountered in education. Many people are making a living by providing indirect work to support frontline workers. Take any school district in America and you've got dozens and dozens and, in some cases, hundreds of people providing indirect support to teachers. Take any business in America and you have middle managers who provide indirect support to the frontline worker. Part of what has to be done if you move toward a high performance work organization is to debureaucratize the work, and to provide more individual responsibility at all levels. Once you begin to do that, whether it's empowering the teacher in the classroom or empowering the auto worker on the floor, you have a cultural clash between the frontline worker and the manager.

Trying to figure out how to navigate toward high performance work is going to be one of the real challenges we face. In nearly every other of our competitors, the workforce is much flatter.

There are fewer people doing the indirect jobs than we have here. There are fewer people making their living solely by pushing paper from one desk to another. You cannot have people who think for themselves, whose every decision has to be second-guessed, whether they are a teacher in the classroom or a worker in the auto floor, so moving toward high performance work is going to be difficult. It is going to be dislocative for many people, and there will be jobs lost; but, if it doesn't happen, then the workplace will not be prepared for the kind of educational reforms you are going to be talking about all week where you begin to move toward more applied learning and more opportunities for people to develop critical skills, whether it's in vocational education or traditional academic education.

Finally the fifth recommendation, and the piece which has to tie all this together, is that there has to be a more coherent labor market system with better information about where jobs are and what jobs are required, with better information about what institutions do a decent job of preparing people for work. One of the great scandals in the last several years was the proprietary colleges in so many of our states that were doing a wonderful job of taking every single penny they could from very disadvantaged students and producing very little for all that money. Part of the reason that problem arose is because there was an inadequate informational system that provided good solid information to a student or a student's parents or an employer about which of these

programs worked, which ones worked well for what kinds of youngsters and who got placed in jobs. So until we have a more coherent labor market information system, and a better system for moving people into jobs that are available, then a lot of what we need to do both in education and in business will fall short of where it needs to be because people will still be floundering from job to job without the kind of direction and support they need.

Now those are the five recommendations very briefly and what they have to say about what we need to do in schools and what we need to do particularly with vocational education. They raise a series of questions about what should be the future of vocational education. Good vocational education has always understood the underlying concepts of the America's Choice recommendations or the other reports that have recently come out about what high performance work needs to be and how education needs to be connected with it. How do we move toward better vocational education? How do we redefine what we're giving our students under the rubric of vocational education? How do we alleviate the continuing status problem with vocational education when we know economically it makes no sense for most parents and students to reject vocational education because it isn't college bound? How do we begin to redo the cultural signals that are sent about the importance of work and that quality of work counts? How do we begin to persuade parents that they wouldn't prefer to have their child, as many do now, be a third rate insurance agent instead of

a first rate plumber or electrician? How do we begin to change signals to redignify work at all levels?

Those are some of the questions all of us have to begin addressing if we're going to make any sense about how we provide good opportunities for all different kinds of children, and not just continue giving lip service to equal education opportunity knowing that 25 to 30 percent of those kids who end up with four-year baccalaureate degrees will survive and flourish in the changing economy, and the other 70 percent will continue to see their real wages drop and be pressed very hard because they will not have the skills necessary to be competitive in the 21st century.

Right now a number of states are attempting to deal with these issues, whether through apprenticeship programs like Wisconsin or Arkansas, or the entire America's Choice agenda like Oregon, or the move toward youth centers like New York, or through the creation of a taskforce like in Minnesota to try to determine how to deal with workforce skills. Many other states are attempting to focus on these issues and make them part of what is going on in their educational agenda. So if we can take this moment and begin to talk about how to develop a workplace agenda that fits with education reform and the significant role that vocational education, both traditionally conceived but, more importantly, as it is being reconceived, will play in meeting the demands placed on

us by all of these new economic imperatives, then I think we will have the agenda set for what we need to do in the next several years.

The Commission is available to work with states and provide whatever assistance it can to help think through a lot of these issues. We hope to assist with good pilot projects, programs and legislation to use the states as laboratories. We are also working on the federal level and have proposed legislation that is receiving consideration as to how the national government can support all of these efforts.

Finally I would just add that no one should ever underestimate how difficult the task is you face in any of your states. Bert Grover and I were laughing earlier with Burton Elliott from Arkansas. There have been four chiefs in Arkansas in about the last six or seven years because it is a high stress, high burnout, can't please everybody kind of a job. On the other hand, there is probably no job that is more important right now in part because you have a bully pulpit. You have an opportunity to help change some of these underlying cultural beliefs that impede real reform in education and the kinds of issues that we were just discussing about vocational education in particular.

I would hope that, based on all that you will be doing this week, you will be willing to speak out more forcefully about what

all of our youngsters need. You'll be able to stare down some of these people who think that a watered-down college curriculum is better than a first class vocational curriculum. And then we can begin speaking some truth about what has gone on in education in the last several decades, pointing out the incredibly destructive impact on many children who bought into the idea that the only route to success was a college degree, but who never really understood what it takes to obtain or use one, and so turned their backs on other opportunities that would not only be fulfilling for them, but, very important for the society at large. I wish all of you much success in taking on yet another challenge. It's hard to believe that education can take on any more, but I think that this is one that, added to all that we've done from pre-school on up, is the final piece in the puzzle, as we try to make sense of how the world of work and the world of education have to be integrated in order for either to be as successful as we need it to be in today's society. Thank you very much.