

MONDAY, SEP 12, 2011 13:39 ET

The bait and switch of school "reform"

Behind the new corporate agenda for education lurks the old politics of profit and self-interest

BY DAVID SIROTA



Bronwyn Photo via Shutterstock

Due to a production error, the first published version of this article was incomplete; this is the complete text. We regret the error.

In recent weeks the debate over the future of public education in America has flared up again, this time with the publication of the new book "Class Warfare," by Steven Brill, the founder of American Lawyer magazine. Brill's advocacy of "reform" has sparked different strands of criticism from the **New York Times**, New York University's **Diane Ravitch** and the Nation's **Dana Goldstein**.

But behind the high-profile back and forth over specific policies and prescriptions lies a story that has less to do with ideas than with money, less to do with facts than with an ideological subtext that has been quietly baked into the very terms of the national education discussion.

Like most education reporters today, Brill frames the issue in simplistic, binary terms. **On one side are self-interested teachers unions who supposedly oppose fundamental changes to schools, not because they care about students, but because they fear for their own job security and wages, irrespective of kids. In this mythology, they are pitted against an alliance of extraordinarily wealthy corporate elites who, unlike the allegedly greedy unions, are said to act solely out of the goodness of their hearts. We are told that this "reform" alliance of everyone from Rupert Murdoch to the Walton family to leading hedge funders spends huge amounts of money pushing for radical changes to public schools because they suddenly decided that they care about destitute children, and now want to see all kids get a great education.**

The dominant narrative, in other words, explains the fight for the future of education as a battle between the evil forces of myopic selfishness (teachers) and the altruistic benevolence of noblesse oblige (Wall Street). Such subjective framing has resulted in reporters, pundits and politicians typically casting the "reformers'" arguments as free of self-interest, and therefore more objective and credible than teachers' counterarguments.

This skewed viewpoint becomes clear in this excerpt of a C-Span interview with Brill about "Class Warfare," in which Brill is talking about a group called **"Democrats for Education Reform"** -- a group financed by major hedge fund managers:

"[The group] was created by a small group of frustrated education reformers ... *They happen to be* well-to-do frustrated education reformers who were Democrats and they had an epiphany ... And the epiphany they had was that the Democrats, their party, their party that they thought stood for civil rights, were the political party that was most in the way. And what frustrated them was they consider education reform to be *the civil rights issue of this era*. And they really couldn't believe it was their party that was blocking their idea of *reforms that are necessary*. So they describe it repeatedly ... as a sort of Nixon-to-China gambit in which Democrats are going to reform the Democratic Party and they've made lots of progress." (emphasis added)

Though self-billed as a work of objective journalism, Brill's book reads like an overwrought ideological manifesto because -- like much of the coverage of education -- it frames the debate in precisely these propagandistic terms.

As Brill and most other education correspondents tell it, those most aggressively trying to privatize public schools and focus education around standardized tests just "happen to be" Wall Streeters -- as if that's merely a random, inconsequential coincidence. Somehow, we are to assume that these same Wall Streeters who make millions off of "**parasitic**" investment **schemes** to **leech** public **institutions** for **private profit** couldn't have ulterior motives when it comes to public schools.

No, in the standard fairy tale sold as education journalism, these "reformers" are presented as having had an honest, entirely altruistic "epiphany" that led them to discover that "the reforms that are necessary" (ie., only the policies Wall Street deems acceptable) comprise "the civil rights issue of this era."

In this framing, millionaires and billionaires trying to eviscerate traditional public education from their Manhattan office suites are the new Martin Luther Kings -- even though the **empirical data** tell us that their schemes to charter-ize and privatize schools have been a systemic failure, often further disadvantaging the most economically challenged students of all (one example: see **Stanford's landmark study** showing more than a third of kids whom reformers ushered into charter schools were educationally harmed by the move).

The truth, of course, is that for all the denialist agitprop to the contrary, corporate education "reformers" are motivated by self-interest, too. In a sense, these "reformers" are akin to the Bush administration neoconservatives when it came to Iraq. Some of them wanted to invade for oil, some wanted to invade to create a new sphere of influence, some wanted to invade to further isolate Iran, and still others wanted to invade to "spread democracy." But as **Paul Wolfowitz** famously said, they "settled on the one issue that everyone could agree on which was weapons of mass destruction" as the public rationale for war.

Same thing for those who fund corporate education "reform": they have a lot of different self-interests, but they've settled on schools as a political target that unifies them all.

So, then, what are those self-interests? Here are three of the biggest ones that go almost entirely unmentioned in the ongoing coverage of the education "reform" debate.

Self-Interest No. 1: Pure Profit

First and foremost, there's a ton of money to be made in the education "reforms" that Big Money interests are advocating.

As the **Texas Observer** recently reported in its exposé of one school-focused mega-corporation, "in the past two decades, an education-reform movement has swept the country, pushing for more standardized testing and accountability and for more alternatives to the traditional classroom -- most of it supplied by private companies."

A straightforward example of how this part of the profit-making scheme works arose just a few months ago in New York City. There, **Rupert Murdoch** dumped \$1 million into a corporate "reform" movement pushing to both implement more standardized testing and divert money for education fundamentals (hiring teachers, buying textbooks, maintaining school buildings, etc.) into **testing-assessment technology**. At the same time, Murdoch was buying an educational technology company called **Wireless Generation**, which had just signed a **lucrative contract** with New York City's school system (a sweetheart deal **inked** by New York City school official Joel Klein, who immediately **went to work for Murdoch**).

Such shenanigans are increasingly commonplace throughout America, resulting in a **revenue jackpot for testing companies and high tech firms**, even though many of their products **have not objectively improved student achievement**.

At the same time, major banks are reaping a windfall from "reformers'" successful efforts to take public money out of public schools and put it into privately administered charter schools. **As the New York Daily News recently reported:**

Wealthy investors and major banks have been making windfall profits by using a little-known federal tax break to finance new charter-school construction. The program, the New Markets Tax Credit, is so lucrative that a lender who uses it can almost double his money in seven years..

The credit can even be piggybacked on other tax breaks for historic preservation or job creation. By combining the various credits with the interest from the loan itself, a lender can almost double his investment over the seven-year period.

No wonder JPMorgan Chase announced this week it was creating a new \$325 million pool to invest in charter schools and take advantage of the New Markets Tax Credit.

On top of this, "reformers" initiatives to divert public school money into voucher schemes -- which data show have **failed** to produce better student achievement -- means potentially huge revenues for the burgeoning **for-profit private school** industry, an industry that "has fascinated Wall Street for more than a decade," reports **PBS Frontline**.

The bottom line is clear: In attempting to change the mission of public education from one focused on educating kids to one focused on generating private profit, corporate leaders in the "reform" movement are pursuing a shrewd investment strategy. Millions of dollars go into campaign contributions and propaganda outfits that push "reform," and, if successful, those "reforms" guarantee Wall Street and their investment vehicles much bigger returns for the long haul.

In light of all the money that's already being made off such "reforms" (and that could be made in the future), pretending that businesspeople who make their living on such transactions are not applying their business strategies to education is to promote the fallacy that the entire financial industry is merely a charitable endeavor.

Self-Interest No. 2: Changing the Subject From Poverty and Inequality

Inconvenient as it is to corporate education "reformers," the well-proven fact is that poverty -- not teacher quality, union density or school structure -- is the primary driver of student achievement. We can see this most easily in two sets of data.

First, as **the Nation** magazine reports, "The research consensus has been clear and unchanging for more than a decade: at most, teaching accounts for about 15 percent of student achievement outcomes, while socioeconomic factors account for about 60 percent." Second, as **Dissent** magazine notes in its examination of U.S. Department of Education data, American students at low poverty schools consistently score near the top on international tests. Indeed, U.S. students in public schools with a poverty rate of less than 10 percent "outperformed students in all eight participating nations whose reported poverty rates fall below 10 percent."

The reason America's overall scores on such tests are far lower is because high poverty schools produce far worse results -- and as the most economically unequal society in the industrialized world, we have far more poverty than our competitors, bringing down our overall scores accordingly. Predictably, as economic inequality and poverty have **spiked** in America during the Great Recession, those poverty-fueled education problems have gotten even worse.

This reality obviously represents a problem for the growing ranks of economically struggling Americans. More and more citizens simply cannot afford to live in rich neighborhoods that benefit from a property-tax-based education financing system which has created gated communities out of school districts. As documented in a **new study by the University of Kansas**, this system allows wealthy enclaves to disproportionately target their tax revenue to their own public schools and "hoard" public monies -- all while other schools in low-income areas are starved for resources.

This structure is hugely beneficial to the super-rich -- but the poverty question poses a potential political problem for them. As the **New York Times** recently put it, if America realizes that "a substantial part of the problem (is) poverty and not bad teachers, the question would be why people like (Wall Streeters) are allowed to make so much when others have so little."

That question, if it became central in our political discourse, would potentially lead the growing ranks of economically struggling Americans to start demanding governmental policies that address wealth inequality and its consequences -- policies such as re-regulating Wall Street, raising taxes on millionaires, eliminating tax policies that allow revenue hoarding, and targeting disproportionately more public funds at schools in high-poverty areas rather than at schools in wealthy neighborhoods.

But, then, those policies are precisely the ones that offend and threaten rich people. So the wealthiest and most politically astute among them have constructed front groups like "Democrats for Education Reform" to press a message of education "reform" that seeks to change the subject from poverty altogether. Their message basically says that the major problem in America is not the fact

that our public policies are helping make more citizens poor, nor the fact that the same economic structure that allows the Walton family to own **more wealth** than the bottom 40 percent of the whole nation has **one in five kids living in poverty**.

No, reformers give us what I've previously called the "**Great Education Myth**," telling America that the *real* problem is supposedly the schools -- and that if we just make radical and empirically unproven school changes then everything will supposedly be great. And, tellingly, the "reformers'" specific policy prescriptions tend only to be those changes that don't ask rich people to share in any sacrifice.

Thus, for instance, **the "reformers" push to tear up teachers union contracts and demonize the structure of public schools, rather than, say, initiating a discussion about raising more revenue for schools most in need.** Seeking to avoid any larger debate about raising taxes on the wealthy to pay for such new education investment, they float their favorite one liner about how we "can't throw money at the problem," even though many of the schools with the biggest challenges need more resources to combat poverty.

You don't have to believe me to know that the need is there; just listen to the corporate education "reformers'" own much-celebrated hero, Harlem Children's Zone's Geoffrey Canada, who insists schools in high-poverty areas "can't succeed ... without substantially increased investments in wraparound social services," reports the **New York Times**. But since those are investments that probably require tax increases, they aren't the thrust of the corporate "reform" movement's agenda.

In the bait-and-switch of the "Great Education Myth," then, the corporate "reformers" get to pretend that they care about poor people and brag that they are benevolently leading "the civil rights issue of this era," when what they are really doing is making sure America doesn't talk about the macroeconomic policies that make Wall Streeters so much money, and impoverish so many others in the process.

Self-interest No. 3: New Front in the War on Unions

Today, unions are one of the last -- and, unfortunately, weakening -- obstacles to corporations' having complete control of the American political system. Whenever there is a fight over economics in particular -- whenever a Wall Street-backed tax, deregulation, Social Security privatization or trade bill comes down the pike -- it is the labor movement that comprises the bulk of the political opposition. Therefore, crushing unions in general has been an overarching goal of the corporate elite, and one way to crush unions is through education policy that undermines one of the largest subsets of the labor movement: teachers unions.

Looked at through this prism, we see a key reason that education "reformers" are not satisfied with merely finding common policy ground with unions on points of potential consensus. They don't want any agreement with unions because the underlying goal is to destroy those unions entirely. Hence, "reformers" are increasingly focused on promoting union-free charter schools and diverting public school money into union-free private schools as a means of crippling the labor movement as a whole.

To know this truth is to know that the Walton family of Wal-Mart fame is now one of the biggest financial forces in the education "reform" movement. As the single most anti-union force in contemporary American society, the family now annually holds out a huge wad of Wal-Mart cash as a hard-to-resist enticement for cities to divert public school money exclusively into union-free charter schools or union-free "innovation" schools. Essentially, the money is offered, but on the condition that policymakers put it into education initiatives that undermine teachers unions.

While the foundation publicly insists it is looking only to help kids excel, union busting -- not student achievement -- is clearly what drives the Walton family's education activism. As but one example proving that motive, consider that just five days after news broke that Los Angeles' traditional public schools are **outperforming** charter schools, the Walton family **announced** it is dumping a massive new tranche of Wal-Mart cash into a plan to expand the city's charter schools. If the family was truly focused on helping kids, it would have put that money into traditional public schools that were showing success. Instead, the money went to the union busters, student achievement be damned.

Brill epitomizes how that motive has been ignored by establishment reporters covering education. After spending years reporting a massive tome on the education debate, he told the **New York Times** with a straight face that "I didn't see it as the rich versus the union guys," as if schools' being an arena for the age-old battle between capital and labor is so preposterous, it didn't even cross his mind.

Brill may be telling the truth here, because corporate education "reformers" are so ubiquitously branded as disinterested altruists, that any other motive probably never did cross his mind, just like it never crosses most other reporters' mind. But just because the union-busting part of the story isn't being told, doesn't mean it isn't a key objective of the "reform" movement.

None of this is to argue that teachers unions don't act out of self-interest. They do. The point, though, is that they do not have a monopoly on self-interest in the education debate. As the modern-day version of what Franklin Roosevelt would call "organized money," the underwriters of the corporate education "reform" movement are just as motivated by their own self-interest. It's just a different portfolio of self-interest.

For Americans looking for credible voices in the confusing education debate, the question, then, is simple: Which self-interest is *more* aligned with improving schools for our kids?

Teachers unions' self-interest means advocating for better teacher salaries and job security -- an agenda item that would, among other things, allow the teaching profession (as in other nations) to financially compete for society's "best and brightest" and in the process help kids. The unions' self-interest also means advocating for decent workplace facilities, which undeniably benefits not only the teacher, but also students. And it means pressing for curricular latitude that doesn't force educators to teach to a standardized test, a notion that would help actually educate students to think critically, rather than train them to be test-taking robots.

Corporate education "reformers'" self-interest, by contrast, means advocating for policies that help private corporations profit off of public schools, diverting public attention from an anti-poverty economic agenda, and busting unions that prevent total oligarchical control of America's political system. In short, it's about the profit, stupid.

Neither side's self-interest is perfectly aligned with the goal of bettering our education system. But one side is clearly far more aligned with that goal than the other.

-- David Sirota