For the Record

Kappa Delta Pi Record, 50: 9–12, 2014

ISSN: 0022-8958 print/2163-1611 online
DOI 10.1080/00228958.2014.871674

Economic Dominance with Political Incompetence

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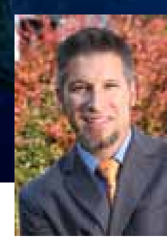
Academic Editor

Abstract
The fraudulent claims by policymakers and pundits that the United States is losing its economic competitiveness due to a failing education system continue unabated. However, the latest data on competitiveness suggest that it is poor economic policy, not education, that is holding back the economy.
Key words: *global competitiveness, failing schools, Growth Competitiveness Index*

The drumbeat of education failure has been ongoing since the passage of the No Child Left Behind Act of 2001 (NCLB, 2002). Education bureaucrats, pundits, business profiteers, and policymakers make fraudulent claims about how the performance of teachers, school administrators, students, higher education faculty, and parents are causing economic Armageddon for the United States. Policymakers and bureaucrats forewarn of impending doom and the need to save America's children from ineffective teachers and administrators through education corporatization, curricular standardization via Common Core State Standards, and national testing. But who is failing whom?

Previously I presented data that called into question the link between education output as measured on international tests in G7 countries and economic growth as measured by such indicators as per capita gross domestic product (GDP), overall GDP, purchasing power parity (PPP), and similar in-



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The opinions expressed in this editorial are those of the author and do not reflect any official position of Kappa Delta Pi, International Honor Society in Education.

dicators (Tienken, 2013). I also presented data that suggest rankings on international tests do not predict a country's economic fortune in the G20 economic shark tank (Tienken & Orlich, 2013). Furthermore, I demonstrated with empirical evidence that students do quite well on international tests when one compares apples to apples based on poverty and childhood welfare indicators (Tienken, 2011, 2012). The continued cries of education failure by those who view education from a profit margin standpoint do not hold up well to empirical scrutiny. In this article, I present rankings and data from the World Economic Forum ([WEF], Schwab, 2013) that question the claims of cataclysmic U.S. economic performance and the accusation that educators, students, and parents are to blame for any economic shortcomings.

Growth Competitiveness Index

The World Economic Forum releases data yearly on the Global Competitiveness Index (GCI), a tool that measures the overall competitiveness of more than 145 national economies. The WEF (Schwab, 2013) defines *competitiveness* as

> the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy. The productivity level also determines the rates of return obtained by investments in an economy, which in turn are the fundamental drivers of its growth rates. In other words, a more competitive economy is one that is likely to grow faster over time. (p. 4)

The WEF researchers rank countries' economies based on a set of "12 pillars" (Schwab, 2013, p. 4) of competitiveness. The pillars are (1) institutional environment, (2) infrastructure, (3) macroeconomic environment, (4) health and primary education, (5) higher education and training, (6) goods market efficiency, (7) labor market efficiency, (8) financial market development, (9) technological readiness, (10) market size, (11) business sophistication, and (12) innovation. The health and primary education pillar is made up of six indicators, only one of which is education related: primary education enrollment rate. The WEF calculates an overall GCI from the 12 pillars and also provides rankings for each pillar.

Every index has its weaknesses, and the GCI is no exception (Ensor, 2013). Among the potential weaknesses is the overall subjectivity of the rankings based on survey responses from business and governmental officials. As with all rankings, these should be interpreted with caution. I present rankings and data from the GCI as yet another set of data to be considered among other data I presented in the past. The GCI data should be interpreted along with other indicators, such as the World Competitiveness Rankings from the Institute for Management Development ([IMD], World Competiveness Center, 2013), Global Entrepreneurship and Development Index (Acs & Szerb, 2010), Global Creativity Index (Martin Prosperity Institute, 2011), and Global Innovation Index (Dutta & Lanvin, 2013) to either confirm or disconfirm the findings.

Overall Competitiveness

Since 1995 the United States ranked either first or second on the GCI 11 times and ranked in the top three of the world rankings 13 out of the last 19 years. The United States ranked seventh on the 2012–2013 list and fifth on the 2013–2014 list. The average ranking for the United States during the last 19 years is 2.89 out of 148 economies. The data suggest a rather robust economic record dating back almost two decades. For a point of reference, China ranked 29th during the last two years whereas Switzerland ranked first.

As noted earlier, there are 12 pillars that make up overall competitiveness. All the pillars are outside of the control of educators and are influenced more by industrial, health, trade, monetary, tax, and labor policies. According to the researchers at the WEF, the recent three-year slide of the United States in the rankings is attributed to political and regulatory factors, not education output from teachers and students. For example, the WEF (Schwab, 2012) explained the 2012 downward move of the United States to seventh place by stating:

> The global economy faces a number of significant and interrelated challenges that could hamper a genuine upturn after an economic crisis . . . notably in the U.S. where political gridlock on fiscal tightening could dampen the growth outlook. (p. xiii)

Furthermore, the WEF researchers (Schwab, 2012) commented, "The political brinkmanship in the United States continues to affect the outlook for the world's largest economy" (p. 3). The comments by WEF researchers suggest that education pundits and bureaucrats should perhaps turn their attention inward to government policymakers instead of making fraudulent claims about public education.

Perhaps the most direct indictment of incompetence and ineptitude on the part of bureaucrats by WEF researchers (Schwab, 2012) was:

> [S]ome weaknesses in particular areas have deepened since past assessments. The business community continues to be critical toward public and private institutions (41st). In particular, its trust in politicians is not strong (54th), perhaps not surprising in light of recent political disputes that threaten to push the country back into recession through automatic spending cuts. . . . A lack of macroeconomic stability continues to be the country's greatest area of weakness, 111th, down from 90th last year. (p. 21)

One of the most troubling comments to me was that no matter how well our children perform academically, policymakers seem to be sabotaging the economy from within with poor planning and lack of attention to sustainability issues. The WEF researchers provided a foreboding warning to tone-deaf politicians (Schwab, 2012):

> The United States shows middling results in both social and environmental sustainability, which results in a slightly lower score in the sustainability-adjusted GCI than in the GCI itself. The country's social sustainability score is affected by increasing inequality and youth unemployment. However, it is the score in the environmental sustainability . . . that is a concern for the country's sustainable prosperity. (p. 60)

Finally, only 6.8% of GCI survey respondents in the United States cited an inadequately educated workforce as a major concern for future economic growth, whereas almost three times as many respondents were concerned with tax policy and inefficient government bureaucracy (Schwab, 2013).

Other Indicators

The data presented in the 2013–2014 GCI report (Schwab, 2013) show that the United States ranked behind other industrial countries in areas that influence future economic growth—areas controlled by policymakers, not 2nd grade teachers or university professors. For example, the United States ranked 25th in protecting intellectual property rights behind such countries as Oman, the United

Arab Emirates, and Qatar. The United States ranked 29th in diversion of public funds to corporations, friends, or private interests due to corruption, behind countries including Chile, Uruguay, and Rwanda. The United States ranked 50th for trust in politicians, behind Botswana, Iran, Vietnam, Kazakhstan, Malaysia, and China. In the area of irregular payments and bribes, the United States placed 38th, behind Georgia, Rwanda, Bahrain, and Estonia. Even in the area of judicial independence, the United States ranked lower than one would expect, given our rhetoric about liberty and justice for all: 32nd, tied with Rwanda and Kuwait, but below Saudi Arabia, Botswana, South Africa, and Oman.

U.S. government officials continue to fail the country in other ways. In the area of favoritism in decisions of government officials, the United States ranked 54th, behind Turkey, Iran, Liberia, Ecuador, Bolivia, Azerbaijan, and Indonesia—all countries that have been on the U.S. State Department travel watch list at one time or another. Nor is the U.S. government the bastion of transparent policy making, ranking 48th, behind China, Panama, Kazakhstan, and Armenia. The United States fell to the 19th position in quality of infrastructure, behind Oman, Portugal, and Singapore. I consider the quality of the electric supply important to economic success, but apparently policymakers do not because the United States ranked 30th, behind Slovenia, Czech Republic, Bosnia and Herzegovina, and Qatar. There are other indicators under the control of policymakers, but outside the control of educators, which influence economics that I can cite from the WEF, the Council on Competitiveness (2013), the International Monetary Fund (2013), and the World Bank (2013); but there is no need to belabor the point that educators do not control any of them.

Really?

Maybe policymakers and government bureaucrats should restore local control to U.S. public schools and allow community members to be the democratic overseers of the quality and finances like we have been since 1607. Clearly they have much more pressing issues to worry about in terms of their job performance than whether my child's kindergarten teacher has enough rigor in her classroom. There exists no independently verified empirical evidence that common core, uncommon core, no-core, national testing, international testing, or inter-galactic testing for that matter will fix our roads, give ethics to corrupt officials, feed or house our hungry and homeless children, or prevent inept policy making.

Policymakers' and bureaucrats' rankings on key areas of economic strength are obviously in need of attention and deserve closer scrutiny and oversight, and above all, accountability. Public school personnel are not failing the economy. Policymakers are failing public schools and society. Children residing in America deserve better.

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