

U.S. Commission Calls for Drastic Action to

ENHANCE COMPETITIVENESS



By Kermit Kaleba

In December, The National Center on Education and the Economy's Commission on the Skills of the American Workforce released a report, "Tough Choices or Tough Times," designed to enhance United States workforce competitiveness. Developed by a bipartisan commission of experts, including several former cabinet officials, the paper calls for sweeping changes to the nation's educational and workforce development systems.

This new report is a sequel to NCEE's 1990 report "America's Choice: High Skills or Low Wages!," which argued that U.S. competitiveness could be maintained by allowing other countries to provide low-skill labor while training Americans to shift into high-skill jobs.

The new report observes that a generation of globalization has introduced a new dynamic: Many countries, most notably India and China, are now producing large numbers of highly skilled workers, and advances in information technology make it easier for these individuals to participate in the global economy at lower wages than U.S. workers. To remain competitive in this environment, the United States must ensure that more training and educational opportunities are available to greater numbers of Americans.

While most of the report's recommendations focus on overhauling

education for the next generation of workers, the report also suggests that federal and state governments invest in educating the current workforce. Primary suggestions include

- passing federal legislation that would entitle all adult workers to receive a free education to the level required to enter college without remediation
- creating "personal competitiveness accounts" that could be applied to tuition, books, and fees for continuing education and training at accredited institutions. These individual accounts would be created and funded by the federal government, and both employees and employers could contribute to them tax free.
- creating "regional competitiveness authorities." These economic development entities comprise key business and education leaders that would develop and implement plans to align

workforce and educational policies for regional labor markets. The authorities would be empowered to raise and invest funds to support workforce and economic development initiatives, and would be responsible for coordinating the education and training needed to ensure economic growth.

In addition, the commission recommends significant restructuring to the nation's educational system, including establishing standard examinations that measure the skills needed by employers, increasing compensation for teachers, shifting funding of schools from the local to the state level, and increasing investments in early childhood education.

While "Tough Choices or Tough Times" does a fine job of exploring the challenges facing the United States in the new global economy, and provides some bold and thought-provoking ideas, it is unclear how many of its proposals will be considered in their current form. With numerous competing priorities on both the federal and state levels, coupled with increasing financial burdens, it seems unlikely that legislators will be willing to implement such broad changes.

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