March 29, 2006

Op-Ed Columnist

Facts and Folly

By THOMAS L. FRIEDMAN

I was leaving for a trip the other day and scooped up some reading material off my desk for the plane ride. I found myself holding three documents: one was the Bush administration's National Security Strategy for 2006; another was a new study by the Economic Strategy Institute entitled "America's Technology Future at Risk," about how America is falling behind the world in broadband. And the third was "Teaching at Risk," a new report by the Teaching Commission, headed by the former I.B.M. chairman Louis Gerstner Jr., about the urgent need to upgrade the quality and pay of America's K-12 teachers.

The contrast was striking. The Bush strategy paper presupposes that we are a rich country and always will be, and that the only issue is how we choose to exercise our power. But what the teaching and telecom studies tell us is that key pillars of U.S. power are eroding, and unless we start tending to them in a strategic way, we aren't going to be able to project power anywhere.

Because we've long been rich, there is an abiding faith that we always will be, and those who dare question that are labeled "defeatists." I wouldn't call Lou Gerstner a defeatist. He saved I.B.M. by acknowledging its weaknesses and making dramatic changes — beginning with scrapping I.B.M.'s arrogant assumption that because it was such a great company, it could do extraordinary things with average people. Mr. Gerstner understood that an extraordinary company could stay that way only if it had a critical mass of extraordinary people. This is the message of his Teaching Commission: We cannot remain an extraordinary country without a critical mass of extraordinary teachers.

"If teaching remains a second-rate profession, America's economy will be driven by second-rate skills," Mr. Gerstner says. "We can wake up today — or we can have a rude awakening sooner than we think."

The Teaching Commission notes that "our schools are only as good as their teachers," yet this "occupation that makes all others possible is eroding at its foundations." Top students are far less likely to go into teaching today; salaries are stagnant; nearly 50 percent of new teachers leave within five years. To remedy this, the commission calls for raising teachers' base pay, finding ways to reward the best teachers, raising standards for acquiring a teaching degree and testing would-be teachers, on the basis of national standards, to be certain they have mastered the subjects they will teach (theteachingcommission.org).

Meanwhile, the report by the Economic Strategy Institute, a nonpartisan think tank, is equally harrowing. It notes that while the U.S. led the world in broadband Internet access in 2000, it has now fallen to 16th place. In 2000, 40 percent of the world's telecom equipment was produced in America. That share is now 21 percent and falling. The U.S. ranks 42nd for the percentage of people with cellphones.

In an age when connectivity means productivity, when communications infrastructure is at the heart of any innovation ecosystem, these things matter for job creation and growth. The lack of ultra-high-speed networks in the U.S. "makes it impossible for U.S.-based companies to enter key new business sectors" — one reason venture capitalists are moving their R.&D. start-ups to Asia, E.S.I. noted.

"The wealth and long-term economic growth of the United States," it added, "have long depended upon technological advancement as a means of competing with our foreign rivals. ... America's emphasis has always been on achieving such high levels of productivity that it could be the low-cost producer while still paying high wages." The study offers a variety of regulatory and investment prescriptions (econstrat.org).

It's not surprising that the Bush strategy paper is largely silent about these educational and technological deficits, as well as about the investment we need to make in alternative fuels to end our oil addiction. Because to acknowledge these deficits is to acknowledge that we have to spend money to fix them, and the radical Bush tax cuts make that impossible. It would be one thing if we were going into debt to solve these problems that affect our underlying national strength. But we are going into debt to buy low-interest houses and more stuff made in China.

We're like a family that is overdrawn at the bank just when the parents need to send their kid to college, buy a computer and a D.S.L. line, and replace a gas-guzzling furnace. Whatever "strategic plan" that family has for advancement, it won't get anywhere until it rebalances its books.