

By David Moberg

HERE'S A PROPOSITION THAT NEARLY EVERYONE from left to right endorses: if the U.S. is going to prosper in coming decades, its workers—new and old—must be far better educated.

Beyond that point, unity disappears.

There is a common belief that jobs in the emerging "post-industrial" service economy will demand much more skill and education. And so, the prevailing wisdom goes, because

LABOR

of an impending labor shortage, even currently disadvantaged workers will likely find better jobs. The flip side is that employers worry they'll have to hire more minority or ill-trained workers.

"Workforce 2000," a 1987 study prepared for the U.S. Department of Labor by the Hudson Institute, concluded that 30 percent of the jobs created between 1984 and 2000 would require a college degree, compared to 22 percent of jobs in 1984. The same study also claimed U.S.-born white males would make up only 15 percent of new workers in 2000, compared to 47 percent in 1985.

But in a recent report prepared for the Economic Policy Institute, economist Lawrence Mishel and sociologist Ruy A. Teixeira conclude that the economy itself is not generating a "job-skills explosion," and that even a slowdown in the labor-force growth rate may not create the predicted labor shortage. Many economists argue that if living standards are to rise, the U.S. must pursue an economic strategy that emphasizes skilled, creative labor.

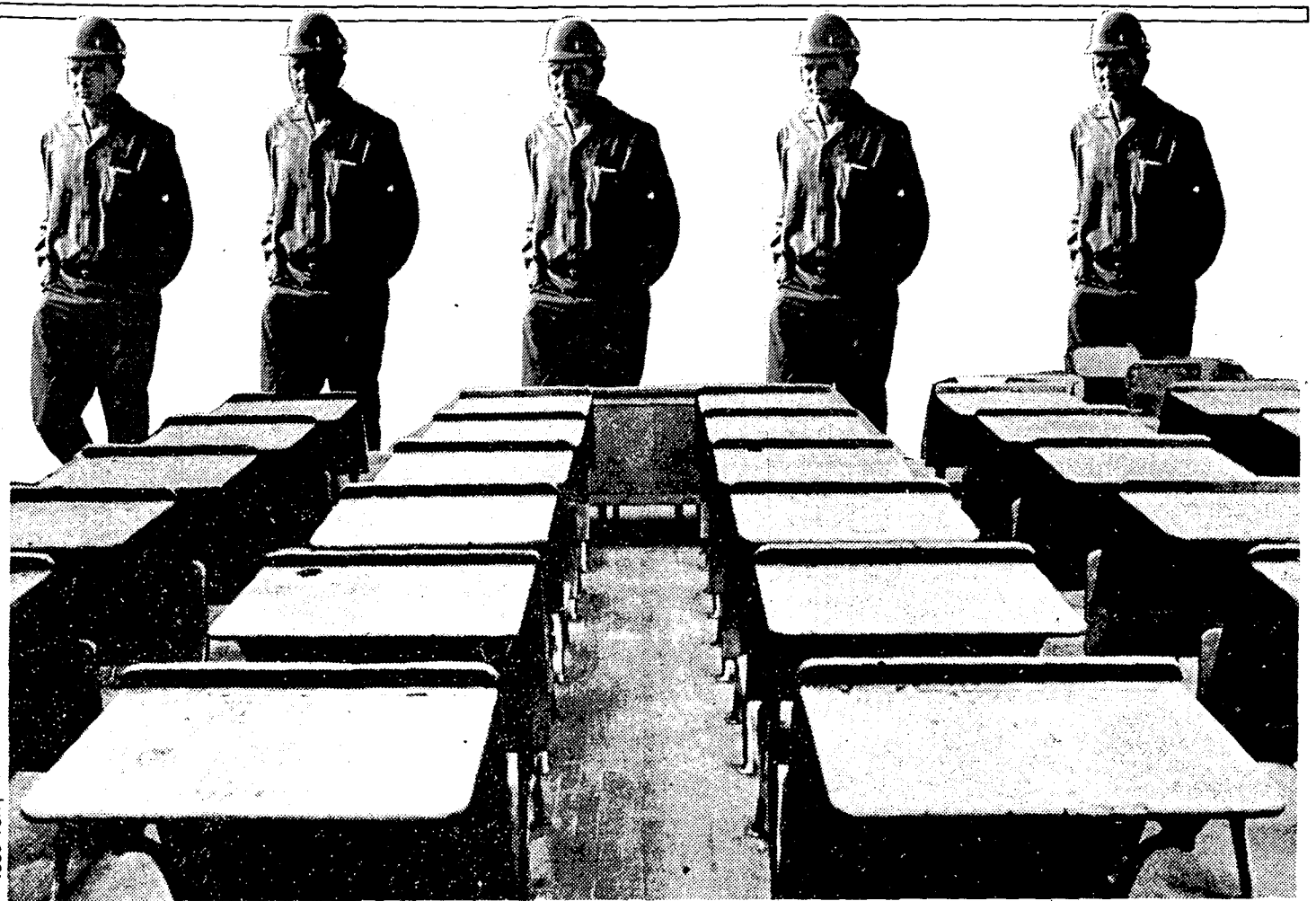
Mishel and Teixeira report that although some of the fastest-growing jobs will require more skill, the overall mix of occupations projected to evolve by 2000 by the U.S. Bureau of Labor Statistics will change little: 10 years from now, workers on average will need only about .04 more years of school. Many workers will also find that although they are more skilled, they will make no measurable wage gains because of rapidly growing lower-wage industries.

Over the college edge: During the past decade the monetary advantage of a college education has grown, fueling the conviction that there's a hot market for scarce, well-educated workers. But Mishel and Teixeira say the rise in the college edge mainly reflects slowing growth in the supply of college graduates and losses to less-educated workers because of shifts to lower-paid industries and a decline of unionization. Also, since the '60s the rate of increase in job complexity has declined sharply, hardly an indication of a looming skills explosion. But there is a rising threshold of basic math and reading requirements for even the low-skill jobs.

Skills often decline even with more complex technology, as Harry Braverman argued in his 1974 classic treatise, *Labor and Monopoly Capital*. Whether skills expand as technology becomes more sophisticated often depends on what strategy management pursues. Management may choose to "deskilling," or simplify, work to minimize both its reliance on workers and their power, or it may choose to train workers to have broader skills (for example, programming computers that run machines). U.S. business, more than its European competitors, has emphasized deskilling.

Citing European experiences with slow labor-force growth yet high joblessness in the '80s, Mishel and Teixeira emphasize that

1990 Terry LaBan



Reading, writing and no economic salvation

slower growth of the labor force will not automatically reduce unemployment in the U.S. In any case, although minorities will constitute a bigger share of the new workforce, they say white non-Hispanic men and women will still comprise two-thirds of the increase in the labor force. There should be plenty of skilled workers, but those who raise their skill levels will probably not raise their wages much, if any.

One implication of Mishel and Teixeira's projections is that even if the country produced many more well-educated workers, it would not reap the potential gains in productivity unless U.S. business changes drastically. Economist Edward Denison concluded that from 1929 to 1982, learning on the job contributed about 55 percent of improvements in the nation's productivity, compared to about 26 percent from pre-employment schooling. Informal job progressions and apprenticeships have since largely disappeared.

Mission unaccomplished: U.S. businesses today provide far less on-the-job training than their Japanese and European competitors, and what training they offer is concentrated on middle management. (In one survey, 60 percent of firms reported courses for managers, but only 18 percent offered anything for non-managers.) About 40 percent of the adult population of Sweden is enrolled in some education or training program, with a result that, a London School of Economics study concluded, Sweden is the most economically adaptable major industrial country and the U.S. the least. Schools in this country are clearly failing their mission: one-fifth of young American adults can't read at even an eighth-grade level. But business is also failing to educate as it should, in part because of its hostility or indifference to workers.

In recent testimony before Congress, the Government Accounting Office concluded

that non-college-educated workers are far worse prepared in the U.S. than in Germany, Japan, Sweden and Britain because U.S. schools, unlike schools in those countries, do not expect a high success rates among their students. In addition, these governments insure that schools and businesses work together to aid the students' transition into the workforce, establish national standards of trade-skill competency (not just course completion), and invest more in post-school training.

But job training in the U.S. lacks more than money. Paul Osterman, a professor at MIT's Sloan School of Management, argued in a

Even if the country produced many more well-educated workers, it would not reap the potential gains in productivity unless U.S. businesses change drastically.

1988 report written for the Economic Policy Institute that U.S. job training is fragmented and so stigmatized as an extension of welfare that employers discriminate against graduates of many job-training programs. Only a comprehensive training system, perhaps a modification of the famed German system providing three years of formal schooling combined with on-the-job apprenticeship for all non-university youth, could have enough prestige and significance to make employers take it seriously. Expanding and improving job training to cover most young people—not just poor or problem students—would better help those poorest youth succeed in the job market.

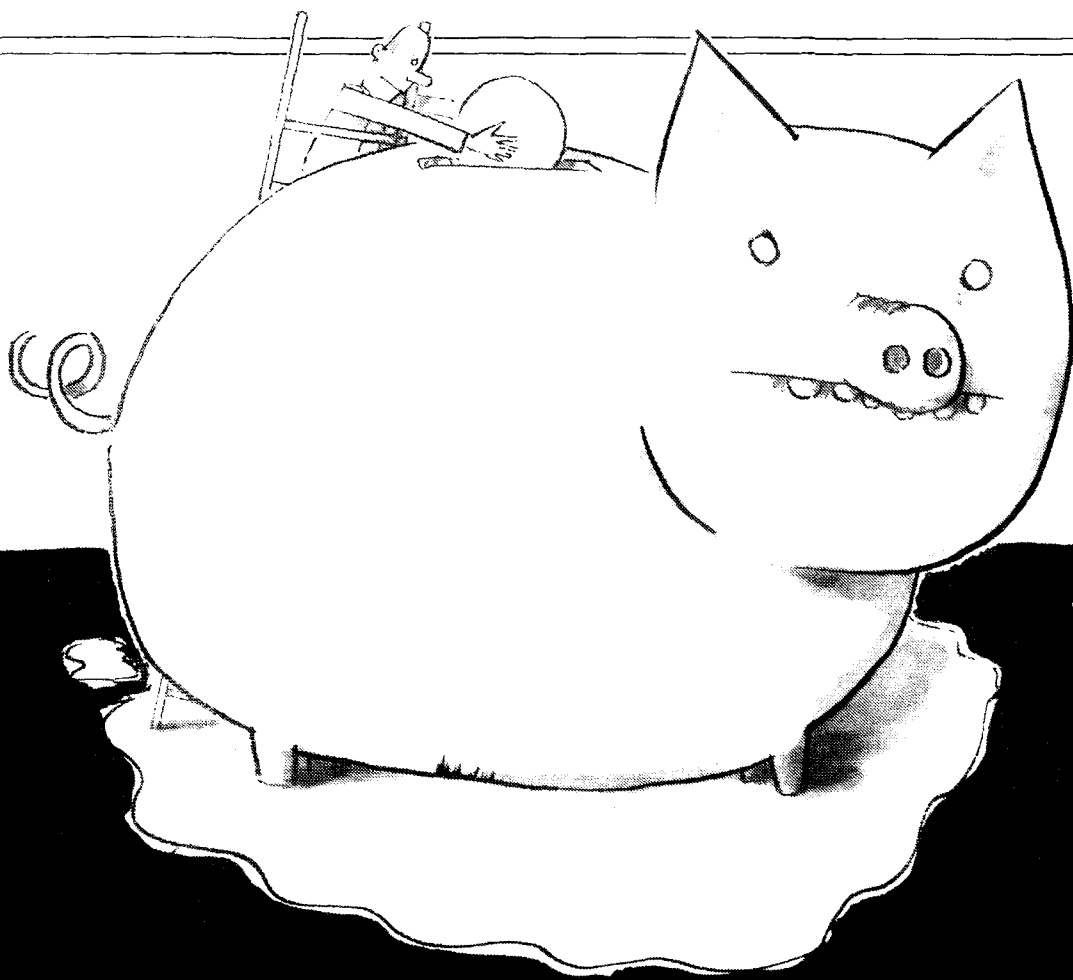
In another recent report from the Economic Policy Institute (also published in the current issue of *The American Prospect*), economist Barry Bluestone and his colleagues suggest an Equity Investment in America proposal that would provide up to \$10,000 a year—or \$40,000 over a lifetime—in loans for any post-secondary school education.

Although a boon to college students, who are increasingly hard-pressed to finance university education, Bluestone's plan wisely encompasses any accredited post-secondary education (tougher new standards are needed to prevent currently rampant trade-school ripoffs). Recipients would repay the loans at a rate contingent on their income: those making more would pay back faster, thus giving students more career flexibility.

Bluestone's proposal to finance the plan out of the Social Security surplus is a clever gimmick to make investment in education for future productivity more politically palatable at a time of budget gridlock. But such linkage is a mere accounting device and has one disadvantage: Social Security taxes supporting the plan are more regressive than income taxes.

Food for liberal thought: Behind both Osterman's and Bluestone's proposals lies an increasingly important lesson for liberals: in order to make programs work for the poor, let alone gain political acceptance, it is crucial to make them part of a more universal program that wins broad working- and middle-class support.

There are two caveats worth keeping in mind about these eminently sensible proposals. First, in the country's mad rush to find economic salvation through education, it is important not to forget that schools don't exist just to feed the factory and office maw. They exist also to educate self-governing citizens and well-rounded people, whatever economic stations they may occupy. Second, all the best schooling in the world will go for naught if U.S. business is not reshaped to permit these better-trained workers to flourish and to foster continued expansion of their skills. As so many underemployed and overqualified workers and graduates around the world have learned, training without opportunity means nothing. □



This is the first of a three-part series.

By Paul Hockenos & Jane Hunter

BUDAPEST, HUNGARY

THE WEST'S EUPHORIA OVER EASTERN Europe's metamorphosis is conspicuously absent in the Third World. The Southern Hemisphere's developing countries and liberation movements—particularly those with left orientations—see themselves as the victims of the political turnover and East-West rapprochement.

The erosion of Moscow's support and the sudden loss of Eastern Europe as a political patron is an enormous blow to Third World anti-imperialist struggles. Moreover, the new democracies in Central Europe will not prove neutral players in the arena of global politics. The mésalliance of East and West has cast the beholden nations into strategic accomplices in Western foreign-policy objectives in Africa, Asia, Central and South America and the Middle East.

To various degrees, all seven Warsaw Pact members have distanced themselves from their former "socialist brothers" in the Third World and have embraced a myriad of old adversaries, South Africa foremost among them. In Eastern Europe, decades of solidarity with the African National Congress (ANC) has either been hedged or outright reversed in favor of closer political and economic partnerships with the South African government. Charges of betrayal from the ANC and other liberation movements have done nothing to slow the process, which has had a resounding impact on their strategies.

Although not without its own share of hypocrisy, Soviet and Eastern European foreign policy provided resistance movements with critical military, economic and political support. Under the Brezhnev Doctrine, the Cold War logic of competing power blocs demanded extensive assistance programs to secure markets and establish a separate political identity outside the capitalist sphere of influence. The aid kept many of its beleaguered recipients afloat—dictatorships and genuine revolutionary struggles alike. Eastern Europe's backing

East Europe, South Africa forge 'special relationship'

came mostly, but by no means exclusively, in the form of non-military aid. The diverse projects, from educational exchanges to giant development efforts, often proved more effective than the bloody results of arms.

Since Soviet leader Mikhail Gorbachov took office in 1985 and the withdrawal of troops from Afghanistan in 1988-89, the doctrine's reappraisal has seen assistance to the Third World slashed at every level. Soviet Third World policy has been largely concessionary—a dignified rout as Moscow directs its resources to its own economy and seeks to cement its relations with the U.S. and Western economic powers. While the Soviet Union has won almost universal kudos for its willingness to wind down the Cold War, in practical terms, a hard-pressed Moscow has capitulated to Washington in region after region.

Using the space created by Gorbachov, the Communist governments in Eastern Europe embarked on a gradual re-evaluation of their relations with the south as early as two years ago. This year, however, the newly elected governments have plotted a far more radical course. With their strapped economies plainly at the mercy of Western capital, the realpolitik of self-preservation has informed a near-total abandonment of the Third World. At the same time, the association of solidarity programs with the orthodox regimes has won the new policies—and the politicians behind them—popular approval at home.

Of inhuman bondage: Just as the anti-apartheid struggle in the West is intensifying, Hungary, Poland and Czechoslovakia are developing ties with South Africa. Hungary, long on the cutting edge of East bloc reform, has also been the pacesetter in mending fences with the apartheid regime.

The country's opportunistic policies have already evoked charges of breaching international sanctions. In January, two months before Hungary's free parliamentary elections, Foreign Minister Pik Botha became the first ranking South African official to visit a Warsaw Pact country. Under the then-ruling Hungarian Socialist Party (HSP), a reformed version of the hardline Communist party, the two nations agreed on a gradual "normalization" of relations and the development of commercial and industrial links.

The HSP feared that the Botha visit and earlier contacts with the white government in 1989 would be used as political ammunition against them. But their worry was short-lived as the fledgling opposition parties jumped at the chance to greet the South Africans. In a gaffe to Western reporters, the now-foreign minister of the ruling Hungarian

Pretoria has begun actively recruiting Hungarians to immigrate.

Democratic Forum (HDF), Geza Jeszenszky, let it slip that no debate at all occurred within his party before the decision.

Since the right-nationalist HDF's victory, diplomatic liaisons have been exchanged and economic contacts greatly accelerated. On the third floor of the Budapest Intercontinental Hotel, the South African mission has overlooked the Danube since April.

There, its single representative, Cornelius Scholtz, meets with "the flood" of South African businessmen inquiring into joint ventures, investments and potential markets. Scholtz plays down the increasing trade with Hungary but is openly optimistic about the new relations.

"The government here has been very helpful and encouraging. There is no reason that full diplomatic relations will not be a reality in the near future," he explains, echoing statements by Hungarian politicians. On the subject of commerce, he says that there "is little that Hungary can offer us. Our business interests see the Hungarian market primarily in terms of export, mining and technology, for example."

The latest deal includes a joint bus-manufacturing operation, central bank coordination, air traffic by the Hungarian and South African national airlines (the latter is banned from the U.S.) and an easing of visa requirements. Over the past year South African fruit has appeared on Budapest store shelves, and other commercial, academic and tourist contacts were stepped up months previous

TRADE

to the diplomatic swap. The cooperation opens the way for Central Europe to serve as an entrepot for sanction-busters with an eye toward the West European market.

The scam is not without precedent. ANC exiles in Budapest have confirmed recent French reports that despite Hungary's past claims of adherence to a total embargo against Pretoria, imposed by the faltering Soviet-bloc trade group Comecon, it has for several years been helping South Africa skirt Western sanctions by re-exporting South African products with fraudulent "made in Hungary" labels. And employees at a Budapest publishing house say that South African firms have used the facilities to print Afrikaans-language books that are identified as being produced in South Africa.

Budapest feebly justifies the "special relationship" with talk about a tiny 14,000-strong Hungarian community in the white-ruled country, most notably exiles from 1956. In order to strengthen the bonds, Pretoria has begun actively recruiting Hungarians to immigrate through help-wanted ads in newspapers. For skilled white labor such as engineers, doctors, mathematicians and other professionals, the apartheid state will pay 80 percent of travel expenses plus other costs and grant full citizenship. More than 23,000 Hungarians have rushed to apply for visas at the South African Embassy in Vienna, and approximately 2,000 Hungarians are on their way south each month.

The other link that the new allies draw upon is their mutual disdain for socialism. In the Hungarian press, Botha directly appealed to the potent anti-communist sentiment here: "So far the ANC is still preaching and advocating systems that Central and Eastern European nations have thrown out and that have brought misery and oppression to their people." The message strikes a chord in Hungary, where resentment runs so deep that even solidarity with South African blacks is tainted with overtones of the old regime. The complete absence of an anti-apartheid movement enabled the racist government to walk into Hungary without a word of protest.

The HDF leadership responds to questions about the connection testily. Prime Minister Jozsef Antall neglects even to criticize oppression of the black majority. "When did the international community ever protest the treatment of the Hungarian minority in Transylvania?" he answers instead, reflecting the self-pity and egoism characteristic of his nationalistic party. Foreign Minister Jeszenszky distances the new government

Continued on page 10

IN THESE TIMES JULY 18-31, 1990 9