

Can Government Training Programs Boost Competitiveness?

By Marc Levinson - Oct 31, 2012

President [Barack Obama](#) promises to “make education and training a national priority.” His electoral opponent, Republican [Mitt Romney](#), favors using federal funds to reimburse private companies for hiring and training new employees.

This issue -- what role the federal government should play in developing a skilled workforce -- first became campaign fodder a century ago. Debate over whether the government can promote national competitiveness has raged inconclusively ever since.

A century ago, during the 1912 presidential campaign, Democratic candidate Woodrow Wilson put worker training on the national political agenda. Various farm, business and education organizations had urged more attention to teaching the “mechanic arts” since the 1880s, and what we would now call a lobbying group, the National Society for the Promotion of Industrial Education, had been founded in 1906. Official [Washington](#), though, hadn’t responded.

Wilson sought to incite public interest by [phrasing the issue](#) in terms we would find familiar today: “America is very much behind some of her chief competitors in the commercial world in the matters in which she prepares her people to earn their living by skillful work,” Wilson warned shortly after his nomination. [Germany](#)’s commercial advantage, he insisted, stemmed from government support of worker training. “Why should you prefer to buy something made in Germany rather than something made in the [United States](#)?” he asked. “The only conceivable reason is that you believe that the hands that made that in Germany were better trained.”

National Training

Wilson’s electoral coattails brought in a Democratic- controlled Senate and an enlarged Democratic majority in the [House of Representatives](#). The new Congress embraced worker training. In 1914, it established a nine-member Commission on National Aid to Vocational Education, with Senator Hoke Smith of Georgia as chairman. Relying heavily on the ideas of the National Society for the Promotion of Industrial Education, the commission’s 45-member staff produced a report in just two months.

“Our foreign commerce, and to some extent our domestic commerce, are being threatened by the

commercial prestige which Germany has won largely as a result of a policy of training its workers,” the report said. “France and [England](#), and even far-off [Japan](#), profiting by the schools of the Fatherland, are now establishing national systems of vocational education.” Without action, America would be left behind.

The Smith commission recommended that the federal government support vocational education. Ideas to create a more sophisticated urban workforce to help industry compete with the Germans soon captured the public imagination. The commission proposed a system of full-day schools devoting half their time to skills training, part-time schools for 14- and 15-year-olds who already had jobs, and evening schools for workers over 16, along with funds for training vocational teachers.

But while international competitiveness was a big selling point, the Smith commission’s detailed recommendations pointed in a different direction. Their focus was not on training the burgeoning industrial workforce, but on agriculture. Although the 1910 census would be the last to show that most Americans lived in rural areas, the commission called for spending equal amounts on agricultural and industrial training. The funding distribution would especially benefit the southern states, which generally spent far less on education per pupil than other states.

Little Connection

For good measure, all programs were to be run by the states, according to their own policies -- meaning that girls could be shunted into home-economics classes and black pupils in the South might get no vocational training at all.

The Smith commission’s recommendations became law in the Smith-Hughes Act of 1917. The act was the main federal vocational-education law for 20 years, paying to train thousands of teachers and funding high-school shop, agriculture and home-economics classes across the country.

Whether the programs raised workers’ living standards, as the commission promised, has never been clear. But the U.S. trade surplus in the years following World War I was far smaller, relative to the size of the economy, than it had been when [Woodrow Wilson](#) was elected in 1912 -- indicating that, in the end, there was probably little connection between vocational training and America’s international competitiveness.

([Marc Levinson](#)’s books include “The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger.” The opinions expressed are his own.)

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