Introduction

For decades, the New Orleans public school system was a vivid example of American education gone bad. Its students, almost all of them minority and disadvantaged, were achieving at appallingly low levels. The local school board was disorganized, incompetent, and corrupt. Efforts by reformers to turn the system around made little headway.

On August 29, 2005, Hurricane Katrina slammed into New Orleans, unleashing one of the great natural disasters in American history. The public schools, like the rest of the city, were devastated. But out of the rubble, reformers managed to create what is surely the most innovative, distinctively different education system in the entire country, and the city's children have shown academic gains.

The new system is made up almost entirely of charter schools. Every child chooses a school, and there is considerable competition among schools to attract and keep them. Key decisions – about teachers, curriculum, organization, salaries, the allocation of resources – are made at the school level, and all schools are subject to accountability requirements. Performance information is public and transparent. So is the centralized choice process, called OneApp, which applies equally to all children, and is designed to facilitate access and reflect family preferences. The city is infused with educational energy, attracting enthusiastic young teachers and principals from across the nation, as well as nonprofit entrepreneurs intent on bringing change and improvement. The system has its critics.

But everyone involved is well aware that something extraordinary is happening in New Orleans.[1]

Katrina was a unique event in modern American history. The new school system that emerged in its wake is also unique, a stunning institutional transformation that goes well beyond what reformers in other cities and states have been able to achieve. But is there is anything more fundamental to be learned from all this? Can a unique event and its unique aftermath open the door to a better understanding of American education reform, and even of institutional reform more generally?

The obvious response, and a common refrain among reformers and journalists, is that what happened in New Orleans can serve as a model for other school systems. And there is much truth to that. Precisely because New Orleans has ventured where no other school district has dared go, the nation is now able to see what one version of a full-blown choice system looks like in operation.

Experience of this sort can be enlightening. But its practical value is also limited, because even if leaders in other places want to emulate New Orleans' choice-based reforms, they cannot really do that. For wherever these leaders may be located, and however abysmal the performance of their systems may be, each inevitably faces an entrenched institutional status quo that is protected by vested interests: groups that benefit from the jobs, resources, and perquisites of the existing system, and that have a stake in keeping the system as it is regardless of its performance.

The reality is that leaders who want to change existing institutions are heavily constrained by the prevailing structure of power. This is the case, moreover, not just for education systems, but for all institutional systems across all realms of public policy, from health care to agriculture to national defense. Something comparable occurs everywhere in the world.

[1] As of the 2017–18 school year, 94 percent of the district's students attended charters, and that figure is expected to become 100 percent in the near future. For convenience, I will sometimes refer to the New Orleans system as an all-charter system, even though it is not quite there yet. Also, I should note that, at this writing – just prior to the 2018–19 school year – all New Orleans charters, pursuant to state legislation, are being transferred back to the authority of the local school district, which will then serve as a "portfolio" district that oversees and supports – but does not directly run – a diverse population of autonomous schools of choice. For an overview of the system and its features, see Kate Babineau, Dave Hand, and Vincent Rossmeier, *The State of Public Education in New Orleans* (New Orleans: Cowen Institute, 2018). For a discussion of the portfolio model, see Paul T. Hill, Christine Campbell, and Bethany Gross, *Strife and Progress: Portfolio Strategies for Managing Urban Schools* (Washington, DC: Brookings Institution, 2013).

All institutions generate vested interests. And they are all protected from change by the power those interests wield in politics.[2]

So yes, the New Orleans experience provides helpful evidence about a radically different kind of education system. But at least on the surface, that same experience does not say anything at all about how such a system could actually be adopted in other communities. Nor does it speak more broadly to how major change might be brought to a seriously troubled institutional status quo. These reform issues are ultimately matters of power. And to understand them, we must understand the connection between power and the politics of institutional reform. Can the New Orleans experience, unique though it is, teach us something about that?

The answer is yes. The key to its analytic leverage, however, isn't the novel school system that emerged after Katrina. The key is Katrina itself: a horrendously destructive force of nature, randomly inflicted on the city of New Orleans, that shut down the school system for many months – and in the process, destroyed the vested-interest power that had long protected it from change.[3]

What Katrina provides, as a result, is a rare natural experiment. It allows us to observe what no one in in this country has ever observed before, at least during the modern era of American education reform: a reform process in which the power of vested interests has mostly been removed, and policymakers are largely free to pursue institutional reform without obstruction by the core political opponents that, under normal circumstances, are the most formidable barriers to change.[4]

[2] See Terry M. Moe, "Vested Interests and Political Institutions," *Political Science Quarterly* 130 no. 2 (2015): 277–318. For applications to education systems across the world, see especially the introduction and concluding chapter to Terry M. Moe and Susanne Wiborg, eds., *The Comparative Politics of Education: Teachers Unions and Education Systems Around the World* (New York: Cambridge University Press, 2017).

[3] Throughout the book, I will use the short-hand that Katrina destroyed the power of the local vested interests, but what I mean is that its physical destruction *set in motion a series of events* that did that. The vested interests, as I'll explain in the next chapter and those that follow, were the local teachers union and the local school board. The union was decimated when the absence of children and schools, post-Katrina, led to all the district's teachers being fired, thus depriving the union of the members and money that were the basis of its power. The school board was left with (almost) no schools to run, (almost) no resources to control, and no real capacity for action, rendering it powerless to protect its turf.

[4] Natural experiments are used throughout the social sciences to gain leverage in causal inference. See, for example, Thad Dunning, *Natural Experiments in the Social Sciences: A Design-Based Approach* (New York: Cambridge University Press, 2012). With a natural experiment, the subjects of study are randomly assigned (or nearly so) to treatment and control groups by acts of nature or some other exogenous mechanism, rather than by

To be able to observe such a thing is a remarkable opportunity. America's education reformers have struggled against great opposition for more than a quarter century to bring major change to the public schools. Throughout this period, much has happened that people refer to as reform – having to do, for example, with the growth of charter schools, the advance of standards and testing, the evaluation of schools and teachers, the reconstitution of failing schools, and more. To many educators, it may seem that the modern era has been disruptive and overwhelming in the changes it has rained down on them. But what are these changes, really? From an institutional standpoint they are weak, disjointed, and leave the basic structure of the existing system intact. They are what passes for reform in a power-constrained world. And because this is the world we normally live in, these are the versions of reform that everyone observes – and that scholars typically study – in seeking to learn what reform is and what brings it about.[5]

To be sure, there is much to be learned in this way. The policymaking process involves open political conflicts among contending groups, and we can study those conflicts to determine who wins, who loses, and how and why reform happens. We can learn about power, in other words, by studying conflict. In the case of education reform, we can look at cases where leaders and their allies have tried to reform their educational institutions; we can look at how the vested interests and their allies have opposed them; and we can observe the outcomes of these struggles – all

conscious manipulation and selection by the researcher – which in many situations is not practical or even possible. In this case, the act of nature is a hurricane, and the treatment of *theoretical* relevance is that it randomly destroyed the power of the vested interests in the New Orleans school system, making that system and its relevant decision makers the treatment group. The obvious control group consists of the many thousands of American school districts that were unaffected by Katrina (in this particular way). Another control group, however, is New Orleans before the storm – and as I'll discuss later, the analysis of this book mainly uses this version of the experiment, focusing on a comparison of behaviors before and after Katrina, to explore the power issues of central concern here.

[5] For detailed assessments of the messiness and incrementalism of education reform, see, for example, Frederick Hess, ed., *Urban School Reform: Lessons from San Diego* (Cambridge, MA: Harvard Education Press, 2005); Jeffrey R. Henig, Richard C. Hula, Marion Orr, and Desiree S. Pedescleaux, *The Color of School Reform: Race, Politics, and the Challenge of Urban Education Reform* (Princeton, NJ: Princeton University Press, 1999); Jeffrey R. Henig and Wilbur C. Rich, eds., *Mayors in the Middle: Politics, Race, and Mayoral Control of Urban Schools* (Princeton, NJ: Princeton University Press, 2004); Katrina E. Bulkley, Jeffrey R. Henig, and Henry M. Levin, eds., *Between Public and Private: Politics, Governance, and the New Portfolio Models for Urban School Reform* (Cambridge, MA: Harvard Education Press, 2010).

of which tell us something about how power is distributed, how it gets exercised, and to what effect.

But power is a shaper of behavior and outcomes in ways that run much deeper than the study of visible political struggles can reveal. As Peter Bachrach and Morton Baratz famously pointed out more than half a century ago in one of social science's truly great contributions, power also has a *second face* that is profoundly consequential – yet mostly hidden from view.[6]

Consider. In any institutional arena, the simple existence of superior power in support of the status quo, even if that power is rarely used, inevitably affects how reformers calculate their options and whether they decide to launch serious political actions to transform the system. Most important, they can *anticipate* fierce opposition if they attempt any major changes, and they know that they are likely to lose and to suffer all the financial, reputational, and organizational costs that go along with losing. Most of the time, then, they have no incentive to venture down that path. In a system well protected by power, therefore, the law of anticipated reactions ensures that reformers *will often do nothing*.

This second face of power is an integral part of all politics across all policy realms, including education. But most people pay it no attention, because its chief consequence – an all-pervasive nothingness that is the normal state of affairs – cannot be observed for what it is. Reform appears on their radar screens only when there are battles being fought. And what they see when they look at these battles are the reform proposals and legislative bills that actually make it to the surface and find political expression – situations that occur only rarely, when the political stars line up for reformers and they try to make some progress. When that happens, the power constraints ensure that they almost always seek limited, inside-the-box changes that stand a chance of being adopted. This is "reform" in common parlance. It is all that can be observed. What can't be observed are all the things that decision makers *would* do – the changes they would adopt, the innovations they would embrace, the new systems they would create – if their actions weren't stifled by the simple existence of a power structure whose opposition they fear and do not want to provoke.

Power keeps the lid on. And in keeping the lid on, it ensures that much of the underlying energy and enthusiasm for major change remains bottled up, unobserved, and unappreciated. The visible world of institutional reform is a power-constrained world. What we have difficulty knowing,

[6] Peter Bachrach and Morton S. Baratz, "Two Faces of Power," *American Political Science Review* 56 no. 4 (1962): 947–52.

because we never see it, is what would happen in a world in which the constraints of power are taken away and the lid is lifted. When we actually get to see that – when we get to see what power is preventing – we then have a measure of power's true impact. That is precisely what Katrina makes possible.

A ROADMAP TO THIS BOOK

The New Orleans charter system is the brightest star in the education-reform universe, and much has been written about it.[7] Reformers have extolled its virtues and held it out as a model for others.[8] Journalists have documented its step-by-step evolution, charting and commenting on its problems, successes, and promise.[9] Researchers have carried out analyses of student test scores and other measures of performance.[10] And all the while, critics have had a field day excoriating the city's new system as the most prominent example of the "corporate take-over" of American education[11] – and of "disaster capitalism," in which corporate interests, allied with right-wing think-tanks and policy organizations, take advantage of the confusion and desperation of crisis situations worldwide to replace traditional governmental institutions with free-market alternatives.[12]

[7] That said, detailed objective assessments of the system's politics of reform by academics who don't have a normative or ideological axe to grind are rare. For an exception, see Peter F. Burns and Matthew O. Thomas, *Reforming New Orleans: The Contentious Politics of Change in the Big Easy* (Ithaca, NY: Cornell University Press, 2015).

[8] See, for example, Hill, Campbell, and Gross, *Strife and Progress*.

[9] See, for example, Jed Horne, "New Schools in New Orleans," *Education Next* 11 no. 2 (Spring 2011).

[10] Douglas N. Harris and Matthew Larson, *What Effect Did the New Orleans School Reforms Have on Student Achievement, High School Graduation, and College Outcomes?* (New Orleans: Education Research Alliance for New Orleans, July 15, 2018); Douglas N. Harris and Matthew Larson, *The Effects of the New Orleans Post-Katrina School Reforms on Student Academic Outcomes* (New Orleans: Education Research Alliance for New Orleans, February 10, 2016). Both are available on the web at http://education-researchalliancenola.com. See also *Charter School Performance in Louisiana* (Stanford, CA: CREDO, Center for Research on Education Outcomes, August 2013).

[11] Diane Ravitch, *The Death and Life of the Great American School System: How Testing and Choice Are Undermining Education*, 3rd edn. (New York: Basic Books, 2016); Diane Ravitch, *Reign of Error: The Hoax of the Privatization Movement and the Danger to America's Public Schools* (New York: Vintage Books, 2014).

[12] Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Picador, 2008); and Cedric Johnson, ed., *The Neoliberal Deluge: Hurricane Katrina, Late Capitalism, and the Remaking of New Orleans* (Minneapolis: University of Minnesota Press, 2011).

What I have to say in this book will occasionally refer to these writings. But they are not my focus here. My purpose is analytical. It is to harness some simple theoretical ideas – about vested interests and power, with special attention to its second face – that are fundamental to the politics of institutional stability and change more generally, whatever the policy realm, whatever the nation, and then to show, by applying these theoretical ideas to the basic facts of New Orleans, that they shed important light on the politics of education reform and are a key means of understanding it.

As a subject of study New Orleans has two, closely related roles to play. First, it provides a context for studying how power and vested interests shape the politics of education, and thus for exploring whether the ideas being advanced here are consistent with decades of evidence, as well as what insights they are able to provide. In point of fact, any city could have served as an enlightening subject of study for these general purposes, given the universal relevance of power and vested interests. New Orleans, however, stands to be especially enlightening. This is so because of the uniqueness of Katrina – which provides us with a natural experiment not because of its physical destructiveness per se, but because its destructiveness set in motion events that did something of great *theoretical* importance: by wiping out the power of the vested interests. In so doing, it produced an unusually sharp variation in the power structure that is enormously helpful in exploring the ways in which power affects the politics of education reform.

New Orleans' second role is more specific, and the marquee concern here. Katrina's natural experiment doesn't just give us an opportunity to explore what happens when power varies, important though that is. Because the storm eviscerated the local vested interests, it allows us to see what their power had long been preventing, and thus to pierce the veil of the second face of power and explore its profound consequences for politics and reform: consequences that are normally hidden and can't be studied at all. Under normal conditions we only observe the first face of power, the face that reflects action, conflict, struggle, and winning and losing. The challenge in understanding the *overall* effects of power is to somehow recognize the hidden effects of the second face as well. We now have an opportunity to do that.

I should add, finally, as I describe what this book is about, that I am not writing it to be a cheerleader for the New Orleans charter system. In my view, the evidence thus far does indicate that, by comparison to the state of affairs pre-Katrina, it has been successful at raising student

achievement, as well as high school graduation and college attendance, and at providing the community with a higher quality education system.[13] Notwithstanding some inevitable missteps along the way, it seems to offer a genuine improvement over the dysfunctional system that plagued New Orleans in the past. That said, my focus here is not on whether this major change was good, but rather on the sheer fact that major change of *any* kind happened at all – and that an entrenched institutional status quo, long resistant to change, was transformed.

This is a book, then, about ideas and theory. It is a book about how we can understand institutional reform in the realm of American education. Here is a brief roadmap of the ground I'll be covering in the chapters that lie ahead.

In Chapter 1, I set out a theoretical perspective on the politics of institutional reform, rooted in ideas about vested interests and power. I go on to briefly apply this perspective to the nation's education reform efforts since the early 1980s, and to suggest why these efforts to fix an ailing system have proven so difficult.

In Chapter 2, I turn to New Orleans, telling the story of its failing education system during the normal times that prevailed prior to Katrina, and of the persistent stifling of real reform when power kept the lid on.

In Chapter 3, I tell the story of Katrina's destruction of vested-interest power – which transformed the politics of education, opened the door to institutional reform, and led over a period of years to the crafting of a revolutionary new system of public education for the city.

In Chapter 4, I tell the story of how reformers – having created a new status quo, and along with it new vested interests – used their advantages to try to mobilize political power, institutionalize their new creation, and ensure its survival in an uncertain political future.

These empirical chapters provide a narrative arc that is shaped by the theory, but they are largely descriptive in content. Their main job is to provide factual accounts of what happened – and didn't happen – in New Orleans pre- and post-Katrina. In Chapter 5, the conclusion, I step back from the details of the New Orleans experience to put them in sharper theoretical perspective – discussing what they have to say about the key theoretical issues at the heart of the book, particularly those bearing on the second face of power, and exploring the broader implications for an understanding of institutional reform.

[13] See, for example, Harris and Larson, *What Effect Did the New Orleans School Reforms Have on Student Achievement, High School Graduation, and College Outcomes?*

If there is a guiding subtext throughout this analysis, it is that the institutional world is extraordinarily complex, but that the best way to understand it, or at least big parts of it, is through analytic simplicity. What I'm saying is that, although we can make institutional reform and its politics as complicated as we want, and we'd be accurate in doing so, the fundamentals most crucial for understanding it are actually very simple – and they are universal. They have to do with vested interests, which are inherent in all institutions. And they have to do with power, the driver and shaper of politics.

We can see and study the actions of vested interests. But under normal circumstances we can't see and study the full impacts of their power, or anyone else's, because its second face is hidden. Katrina allows us to pull back the curtain and, for the first time in the history of modern American education, see the unseen, study the unstudied, and gain a better understanding of the politics of institutional stability and change. My focus here is on public education. But the themes at work are just as valid, and just as valuable, for what they say about institutions more generally.

We can learn from Katrina.