

ERI SEE

EDUCATION REFORM INITIATIVE OF SOUTH EASTERN EUROPE

ERI SEE thematic seminar

“Investing Efficiently in Education”

A synthesis of the European developments

Education and training are seen at European level as being crucial to achieving the strategic goal set for EU Member States at the Lisbon European Council - to make the European Union the most competitive and dynamic knowledge-based economy (and society) in the world.

The Heads of State and Government, meeting in a sequence of spring European Councils in Lisbon (2000), Stockholm (2001) and Barcelona (2002), confirmed the role and importance of education and training and set priorities for concerted action at European level.

In order for this role to be fulfilled, not only must sufficient resources be invested in Member States' education and training systems, but these must be well targeted and managed in the most efficient way. The new focus at European level on education and training policy issues gave a new context for considering questions of investment efficiency.

To take the work forward, the Commission has set up working groups of experts covering one or more associated objectives, including a working group on **“Making the Best Use of Resources”**. Investment in human resources was addressed in a **Communication from the Commission “Investing efficiently in education and training: An imperative for Europe”**¹ in January 2003 and is considered as one of the main priorities and levers for action in the **1st Joint Council (Education)/Commission Interim Report** ² on the implementation of the Lisbon strategy, adopted by the Council (Education) in February 2004. The question of resources is central for all aspects of the work and thus for all the working groups. The importance of education and training for the knowledge society and the need to provide life-wide and life-long learning (LLL) increases the overall need for investment in human capital. The LLL approach calls for new approaches to investment and requires resources to be allocated across the “learning spectrum” of formal, non-formal and informal learning⁴. The European Council therefore called for **“a substantial annual increase in per capita investment in human resources”**. However, owing to the relative scarcity of public resources,

¹ See: http://www.europa.eu.int/eur-lex/en/com/cnc/2002/com2002_0779en01.pdf

² See: http://europa.eu.int/comm/education/policies/2010/doc/jir_council_final.pdf

there is **also** a strong need for a **more efficient use of existing resources and a larger contribution from the private sector and the social partners.**

The Communication of the Commission indicates that investments in certain areas that have been identified as shared priorities of the Member States. An analysis made by experts and European Commission shows that it calls for investments in the following main areas:

- **Investment in the training and retention of education staff**

This concerns mainly: a) young and in-career teachers and trainers in initial and adult education, in particular concerning open and flexible teaching methods and e-learning, the use of ICT, the renovation of curricula in initial education and continuing education courses and the availability multimedia; b) heads and administrative staff at all level to underpin the decentralisation of curricular and management issues; and c) staff providing customised guidance and counselling. Similarly, higher education needs to remain attractive to young researchers and mature talent, in particular by building up bridges and mobility between universities, research laboratories and industry.

- **Investment in new basic skills**

The new basic skills include digital literacy, learning to learn, social competencies, entrepreneurial skills and language learning and should be accessible to all age groups. Needs for higher levels of basic skills adapted to the new labour market and the knowledge society concern young people and adults, employed or unemployed, and are particularly acute for certain categories (e.g. low-skilled and older workers or inactive women who want to return to work) and in certain regions or whole countries. The potential of ICT and new e-learning methods to improve the learning process, reach more people and reduce costs needs to be further researched and exploited.

- **Investment in providing access to lifelong learning to all**

Public expenditure in this area has generally risen and there is evidence of increasingly shared responsibility for financing, including a rise in businesses' expenditure on continuing training. Since 1997, Member States have developed efforts in the direction of coherent lifelong learning strategies and increased investment in quality and access within the context of the European Employment Strategy. The Communication on lifelong learning calls for adequate resources and for their redistribution across the learning spectrum. Key conditions for success are the development of further fiscal and other incentives to learning, and the involvement of the social partners in these strategies.

- **Investment in ICT**

Investment is needed in hardware, software, maintenance and training, as well as in the development of e-learning activities and teaching material, in line with the new e-learning programme. Substantial investments have been made in all countries in the past few years, equipping schools with ICT, providing nearly 100 % of them with an Internet connection, creating web-based information and educational resources, etc. Nonetheless, ICT is likely to remain a significant cost item until the pace of technological change slows and it becomes a universal commodity such as stationery, which may be the case by 2010. The potential of networking between public education and training institutions and of public-private partnerships

as a source of complementary funding in this area does not seem to have been fully exploited up to now.

– **Investment in social inclusion and active citizenship**

Measures aimed at fostering social inclusion concern key aspects such as pre-primary education, active citizenship education, gender mainstreaming, the prevention of failure and dropout, second chance schools for adult learners, etc. They go well beyond employment-related issues and are strongly emphasised in both the Communication on Lifelong Learning and the *Detailed work programme on the objectives of education and training systems*. These longer-term measures are maybe the most fundamental ones. They require deep-reaching curricular and structural reforms to enhance the quality and relevance of learning opportunities available to all, as well as targeted increases in public investments to underpin these reforms - including in the form of support to relevant civil society organisations which have played, and will need to play a crucial role in this area throughout the enlarged EU. Such investments are a natural priority in all countries in need of more efforts to ensure that the development of education and training systems is for the benefit of all.

– **Investment in guidance and counselling**

Investment in guidance and counselling services should be seen as providing early prevention strategies capable of significantly reducing mismatches between education and training and the needs of the labour market, increasing completion rates in secondary and higher education and facilitating the transition to work as well as the return to studies. Reinforcement of these services is also needed in view of the necessity to increase the number of young people, especially young women, choosing further study and careers in mathematics, science and technology.

The working group established by the European Commission on the topic of "Making best use of resources" produced a report and a more detailed document called *"A European toolbox of policy measures"*

The messages and recommendations included in these documents are built on the analysis of policies implemented in various countries throughout the world in the field of education and training. They cover a broad set of independently evaluated and validated practices being a product of a relative consensus in the academic community.

Message 1: To improve the governance of European education and training systems, reforms should concern both changes in the administrative structure of the educational institutions and the development of combined public-private initiatives. Organisational changes should aim at introducing new methods of financial and project management (e.g. the use of "management by objective" schemes to ensure that funds are properly targeted and that an accountability system is in place which matches the result obtained with the cost) while granting significant decision-making authority at the local level. Public-private initiatives should be used more systematically to encourage the exchange of efficient management techniques between both sectors.

Message 2: In order to ensure the match between labour supply and demand, labour market reforms should aim at improving the functioning of European labour markets and the quality of the workplace. For instance, reforms to reduce obstacles to geographical and occupational

labour mobility would help to improve the functioning of labour markets and allow a better match between demand and supply. New financing mechanisms (e.g. loans, grants or tax incentives) well targeted at disadvantaged learners would encourage greater participation in lifelong learning.

Message 3: *More financial incentives should be introduced into European education and training systems so as to compensate for the constraints in public budgets and introduce a stronger performance element into the system. Such incentives would (e.g. in the case of non-compulsory education) combine a stronger diversification of funding possibilities and a better mix between public and private financing. Concerning the teaching force, a more diversified wage and reward system for teachers/trainers/principals based on learner performance would encourage motivation of the staff and raise quality for the learners.*

Message 4: *Non-financial incentives should focus on teacher/trainer and learning quality as major areas for improvement. Teachers'/trainers' careers should be more directly related (although not solely) to learner performance so that they could better respond to these incentives. Learning quality necessitates three main changes. First, a new focus on learning needs at an early age. Indeed, in order to substantially eliminate differentials in learning, policies must start at preschool level. Second, a stronger stance on the quality of learning conditions would reflect the importance of informal and non-formal learning. Third, the development of accountability systems for learning institutions in the form of standardised tests would create useful indicators of performance. They would facilitate the use of benchmarks and the assessment of national and local performance.*

Message 5: *When public budgets are constrained, private investment is necessary to ensure an increase in resources. However, the increase in private investment should not imply a decrease in public investment but rather act as a necessary complement. More funding could come from: a) charging/increasing tuition fees while developing funding mechanisms (such as grants or loans) to encourage access for all; b) increasing private-sector investment through developing and charging for research and consultancy services as well as encouraging the provision of non-academic services in the form of Public/Private Partnerships, outsourcing and donations.*

Message 6: *In order to encourage the participation of all in lifelong learning, new incentive schemes should be introduced. For instance, new forms of contract providing a better balance between the rights of the firm and of the trainee would encourage participation. Furthermore, the introduction of income-contingent loans would allow the trainee to finance part of his/her traineeship (notably in the case of general training). Since both the employers and the employees benefit from LLL, there is also a clear need to develop collective agreements for funding between firms, industry and the social partners. More guidance and counselling services are required to reduce the mismatch between education and training and the needs of the labour market. Finally, to ensure strong participation, quality assurance, appraisal and assessment of training opportunities have to be developed.*