



Business and Industry Advisory Committee to the **OECD**

Comité Consultatif Economique et Industriel Auprès de l' **OCDE**

BIAC DISCUSSION PAPER TO THE OECD EDUCATION COMMITTEE MEETING OF CHIEF EXECUTIVES

COPENHAGEN, DENMARK

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INTRODUCTION

BIAC appreciates the opportunity to provide comments to the Education Committee in advance of the OECD Education Committee Meeting of Chief Executives to be held in Copenhagen 22-23 September 2005. We will elaborate upon the BIAC May 2003 submission to the Chief Executives, which is included as Annex I of this submission. The issues discussed in 2003, namely governance and quality assessment, teachers, lifelong learning and tertiary education, can still be considered BIAC's main priorities. The purpose of this submission is to build upon the comments already given, and to align them with the proposed Copenhagen agenda.

METHODOLOGY

1. Collecting and analysing data as core business of OECD

BIAC appreciates the role that the OECD plays as a non-political party and facilitator for constructive policy dialogue, and encourages the Directorate's work methodology to reflect this important role. Evaluating member country's educational outcomes (hard data) is at the centre of OECD work and enables governments to benchmark their system of education. The other main support instrument for governments is the OECD work on policy analysis (soft data).

2. Working method: focussed projects

Looking back at what has been achieved in the last 2 years with respect to the 6 strategic objectives, we feel that there has been quite a difference between work that is linked to well defined projects with a high commitment from members, and work where this was not the case. Clearly defined projects have more clear outcomes and are more effective to support governments in making choices and setting priorities for their own national policies. A good

example of such a successful project is the Teacher project. It is also important to mention that such projects also give good opportunities for BIAC to participate throughout the project, and not just at the starting or concluding stages. We have the same expectation, given the approach and structure, of the tertiary review project.

BIAC recommends that for the period 2007-2010, the method of working through well defined projects in combination with strong commitment from countries should be reinforced. This fits very well with the independent facilitating role of the OECD and makes interaction among members more intensive and effective. We feel that well defined projects to which member countries have subscribed ensures a stronger level of commitment, and allows for better results not only for those countries participating in the specific project, but for the OECD as a whole. It would also provide a more focused agenda for BIAC, facilitating our ability to provide constructive input in our advisory position.

An interesting comparable working method, launched at the EU-level, is the Peer Learning Activities, which is attached as Annex II of this paper. Through this programme, the EU is now experimenting with clusters of countries that sign up for peer learning on a particular objective. These clusters will build on earlier work of experts groups, but the host country of each meeting of the cluster holds responsibility for critical tasks as well as a core-cluster group of countries that deliver major contributions. Social partners are also invited for cluster activities where appropriate. We suggest that the OECD work should develop along similar lines.

3. Integrated approaches to Education

Another observation on methodology is that the 6 priorities are either inherently, or through implementation, very much inward oriented within the education system itself. One of our major comments on the Teacher project was that more could have been done in analysing the changes in the environment of the school, including the use of ICT, flexible working relations, and new ways of organising work. This analysis could then be applied to education and the teaching profession. While we commend that, for example, the Directorate's strategic objectives one and four clearly refer to interdisciplinary approaches, BIAC suggests that this perspective should be developed further. The same applies to the proposals and national plans for emerging education priorities: in almost all cases the policies are formulated without sufficient reference to a context other than education. A good example of a more integrated and "whole of government" approach to education is a recent document of the directorate for financial and enterprise affairs. The task force on a policy framework for investment recently published a report on Human Resource Development Policy, which includes recommendations for education policy, labour market policy, fiscal policy, and social security regulations¹. We encourage the Directorate for Education to always include in its work a consideration of how non-education policies can be put in line with the education policy for the issue that is studied.

4. Consultancy

We welcome the role that, on request, the OECD plays to advise and consult governments on educational issues. The independent role of the OECD as an expert-centre and facilitator makes the OECD a very interesting and valuable partner for governments.

¹ A Policy Framework for Investment: Human Resource Development Policy, DAF/INV/TF(2005)11, September 1, 2005.

POLICY ISSUES

BIAC has several comments to make with respect to the actual work programme of the Directorate for Education. We will provide our input in a structure that matches the Copenhagen agenda. Again, we refer the Directorate to the May 2003 BIAC submission which still offers valuable insight into the priorities of the BIAC membership.

1. Quality/Equity/Efficiency

Autonomy and accountability:

Primary/secondary education (PSE) must be analysed differently than tertiary education. For example, as a general statement, PSE institutions are often not given enough autonomy, while the opposite could be said about post-secondary institutions.

BIAC favours greater autonomy for educational institutions, especially primary and secondary schools. This autonomy is especially important in the context of globalisation, where increased labour mobility is affecting the demographic structure of communities. Each community must be able to adapt to the needs of its population, and this can only be accomplished through greater autonomy. However, BIAC cautions that policies aimed at ensuring autonomy can only be implemented alongside those that increase accountability. After all, given that such a high portion of public expenditure goes towards education, the public has every right to ensure that the resources are being spent appropriately.

Given the differences in PSE and tertiary education, the approach to ensuring such accountability must also differ. At the PSE level, BIAC recommends that strong national evaluation of student skills and learning is needed. Moreover, this assessment must be undertaken by a politically independent and unbiased evaluator.

To ensure accountability at the tertiary level, it is important to ensure that these institutions are held accountable to the government, but to a greater extent than in PSE also directly to their stakeholders and students. To ensure accountability to the government, performance indicators and targets established between institutions and government are good instruments. We furthermore underline the importance of systems of accreditation in higher education. The emergence of networks of Quality assurance agencies, within the US and EU but also world-wide, is welcomed by BIAC in the perspective of the globalisation of the labour market for workers with higher education, and by consequence the need for a more international view on quality.

Strong Leadership

Quality education is also accomplished through strong educational leadership. BIAC believes that at the primary and secondary levels, the administrative leaders of educational institutions, often called headmasters or head-teachers, should in fact be teachers themselves, properly trained for their new position. OECD work should focus on determining what skills and training is needed to provide teachers with the additional, complementary expertise needed to administer a school, and on analysing what the appropriate formal position of the head-teacher should be relative to the position of the teachers and the board of the school.

For vocational and higher education, the leadership can be a mix of leaders with educational background and general management. As in several other sectors of society (i.e., hospitals) a combination of educational and academic leadership with financial and facility-management can be fruitful.

2. Lifelong Learning

School-to-Work Transition

We endorse the OECD ambition that every school leaver should have attained at minimum a post secondary qualification. BIAC also believes that it is important to support a smooth transition from school to work for both those who have completed school, as well as those who have not. This issue of transition from school to work was mentioned in several contributions of the Chief Executives (Denmark, Flemish Belgium, Australia, and Finland) in preparation for the meeting in Copenhagen. We can also add those countries with a dual vocational system (Germany, Austria, Switzerland, and the Netherlands) as dual education is an important concept for a smooth transition from school to work.

While acknowledging the work that has already been done on this topic by the OECD in the past, BIAC notes that it is still a very relevant topic, and that countries are facing new challenges in today's global markets. As such, this is an area in which BIAC would also support further OECD work.

In addition, this topic is especially important for BIAC as our members hire the students leaving the education system. More importantly, businesses can work directly with educational institutions to address the difficulties that students face in attempting to transition to work.

Addressing Early School-leavers

As expressed, BIAC endorses the objective that the highest possible number of school-leavers finishes their traditional education with at least an upper-secondary education, and applauds the work being done by governments to address this issue. However, equally important to BIAC are efforts to ensure that those people without such a level of traditional education are not left behind. Increased access to vocational training and life long learning, especially by offering pathways that combine working and learning, is a key step to addressing this issue, as is early guidance to students regarding alternative options to traditional education. BIAC would encourage a practical analysis of how these objectives can best be achieved.

3. Globalisation

Funding of Tertiary Education

In many OECD countries, especially in EU-countries, tertiary education continues to be largely publicly funded. When funding schemes were initially established, many years ago, the tertiary participation rate was significantly lower, thus making this a much more affordable and feasible practice. BIAC questions whether this practice is sustainable. BIAC further suggests that while public investment should be maintained at least at the present level, a higher level of private investment is necessary to maintain or improve the quality of higher education in light of the increasing number of students attending post-secondary institutions. Such additional private funding would also help to increase investment in research, and create a stronger link with the needs of the labour market. In order not to lose talents, a policy towards increased private investment should be accompanied by a grant system for gifted students of lower income families.

BIAC also would like to call the Committee's attention to the BIAC contribution of Rick Johnson to the LMP of 2004 on higher education, which addresses the issue of paradigm shifts for universities. This paper is very relevant to the discussion on tertiary education, and is included as Annex II.

Increased Enrolment in Science, Math and Technology (SMT)

BIAC encourages work to determine why students do not enrol in SMT post-secondary programmes, and what policies have been or could be adopted to address this problem.

CONCLUSION

BIAC appreciates the opportunity to provide this contribution to the Chief Executives as they re-evaluate the work programme for the Directorate for Education for the coming years. BIAC also appreciates having had the opportunity to have had a Consultation with members of the Committee on September 16. We hope that the input provided will offer meaningful assistance to the Chief Executives at the OECD Education Committee Meeting of Chief Executives, and also to the Directorate for Education in its ongoing work.

ANNEX I

BIAC COMMENTS TO OECD ON EDUCATION PRIORITIES

May 30, 2003

BIAC appreciates the opportunity to provide comments to the OECD Education Committee in response to the March 25 OECD Document on the “Meeting of the OECD Education Chief Executives: New Education Policy Challenges – Issues Proposed for Discussion EDU(2003)5” as input to the development of the OECD Education 2003-2004 Work Programme.

We note that education plays an increasing and crucial role in the “innovation policy” of OECD countries. The quality of human capital is a key contributor to innovation and economic development and is becoming all the more important in the context of the knowledge society. As trade in services and information grows, the economy of today will increasingly call for employees with new skills and competencies beyond those in the traditional economy. Therefore, an efficient education system, adapted to the needs of the labour market, and the improvement of skills and employability are crucial to continued economic growth and increased employment.

Education, research and development, and the use of new technologies are key factors to promote employment, competition and economic growth. Links between education, innovation and technology need to be continually strengthened; in this context basic scientific knowledge is fundamental.

With respect to the themes outlined in the OECD document EDU(2003)5 BIAC is pleased to provide the following specific comments:

1. STRATEGIC GOALS:

1.1 Governance and system management:

Key issues identified by BIAC under this heading include:

- More autonomy
- Quality standards; monitoring of results; performance related financing systems admission of private providers to the public system (this means that a public financed education system is not identical to a system that exclusively exists of public institutions; it is also another issue than privatisation of education)
- Public-private partnerships, especially in vocational and higher education are important

1.2 Life Long Learning:

- BIAC continues to emphasise the importance of lifelong learning, which becomes more and more important as reskilling will be increasingly distributed throughout life. High-quality initial education, commitment by both employers and employees, and application of ICT are important aspects of developing effective LLL, as well as cost issues.
- BIAC will hold a joint LMP meeting with TUAC on the subject of Life Long Learning on September 24, 2003, which will serve as a basis of our continued input to the OECD on this issue.

2. IMPROVING THE QUALITY OF EDUCATION

Key issues identified by BIAC under this heading include:

- More autonomy
- Quality standards are necessary
- With respect to the PISA instrument: Is this satisfactory or can it be developed further? Are there needs for other OECD-wide benchmarks (For example the use of ICT in education)

3. TERTIARY EDUCATION:

- In many countries universities have such strong autonomy that they have no incentive to co-operate closely with business. There should be a balance between “academic freedom” and the mission to answer needs of business and society in general. Also the transfer of knowledge to enterprises is often weak. The mission of universities in a Knowledge Economy could be an interesting point of discussion at the OECD.
- With respect to the Bologna Process in Europe, could OECD consider follow-up to and widening of this process to a world wide standard for the structure of higher education, in favour of transparency and mobility?
- Increasing recruitment in science and technical studies is an important issue in several OECD countries. We suggest that OECD address best practices in this area.
- As with in company-HRD, more and more vocational education is also competency based. This implies new didactic approaches and the need for closer co-operation between schools and companies. It could be of interest to exchange experiences and discuss the implications of competency based vocational education for schools as well as for companies

4. TEACHERS:

- BIAC members, in particular the Oliva Group are doing important work in this area. We look forward to discussions on this issue following the publication of the Oliva 2003 Study.

5. OTHER ISSUES:

Several issues are of particular importance to BIAC including:

- Avoiding curriculum overload
- Developing entrepreneurship and entrepreneurial attitude in education
- Promoting language learning
- The use of ICT in education

- Annex II

OECD LABOUR MANAGEMENT LMP PROGRAMME – “HIGHER EDUCATION, RESEARCH AND INNOVATION: PARTNERSHIP AND MOBILITY IN A GLOBALIZED ECONOMY”

Informal comments by Richard A. Johnson

Paris, 5 November 2004

The great Danish physicist Niels Bohr once remarked, “Prediction is difficult, especially if it is about the future.” Nevertheless, I wish to suggest that several paradigms that have been central to the development of our research universities, and our policy framework for them, no longer adequately answer the challenges we are discussing in this program. As a result, drawing on the new USC plan, let me highlight four examples of significant paradigm shifts that I believe are central to “Rethinking Higher Education in a Global Economy.”

First, we have a changing innovation model and the blurring of boundaries between basic and applied research. In the prevailing 20th Century model, most research and scholarship in higher education could be classified as either fundamental and basic or applied and functional. And basic research carried more prestige, both across and within disciplines. Today, these two approaches not only coexist, but also they stimulate and inform each other – and neither is confined to either the university or the private sector.

Today, complex applications suggest new directions of fundamental research, and the results of basic research inform applications. The distinction between fundamental and functional scholarship will continue to blur and, in turn, this raises new questions for higher education about the domains and boundaries of disciplines, multi-disciplinary interfaces, public-private partnerships, and the organization and structure of the university – internally and externally.

Closely related is the growing recognition that a linear approach to innovation no longer reflects how we do R&D or how innovation occurs. Modern innovation theory sees innovation as a process rather than a product. It stresses complex feedback systems and network multiplier effects among basic research, industrial product development, and economic markets. In this framework, industry-university relations become more than a set of transactional mechanisms for dividing labour and resources in the production of knowledge. They represent an institutionalized form of learning that provides a specific contribution to the stock of economically useful knowledge.

Almost all the latest studies confirm that innovation increasingly is the outcome of a complex, non-linear, and highly uncertain process that requires collaboration among multiple parties across disparate fields. In many ways, the new Triple Helix – the interactions among higher education, industry and government --emerges from the interdependencies and feedback loops that link various parts of non-linear innovation process – basic research, development activities, engineering tasks, cumulative technology effects, and market commercialization

A second key paradigm shift is a vision that increasingly looks to universities to solve pressing problems and create new societal opportunities. This theme requires us to render traditional boundaries more flexible and permeable – within higher education and with other societal institutions such as business. The problems that our universities productively can address span an increasingly broad spectrum, from those that are technological and

economic to those that touch directly the human condition, spirit, and aspirations of our times.

But because universities may not encompass all the skills and knowledge required to respond to the most the most pressing societal needs and questions, new types of partnerships are needed. Besides business, these include links to other universities on a global basis; non-profits such as digital libraries, think tanks and unions, and government policymakers – including those outside our home countries. And, finally, this paradigm shift suggests that higher education at all levels will have to rebalance the theoretical and the practical, the benefits of a broad liberal education with the increasingly specialized skills demanded by a knowledge-based society, and the strengths required in core disciplines with an ability to think and team across disciplinary boundaries and interfaces where many of the most challenging issues are likely to arise.

Third, the globalization of universities represents a profound paradigm shift from the historical basis of the academy. Even if we wish to think locally about higher education, we increasingly must act globally if we are to achieve their research, education and public service missions. The convergence of an increasingly interdependent, global society with higher education will require that our universities become truly international in presence, focus, and scope.

Universities will need to integrate a transnational dimension into their structures, orientation and external relationships. Paradigms of global disease, transformations in artistic culture, the generation of new mass media, environmental sustainability, and the internationalization of S&T all call out for deeper understanding and context on a global basis within higher education. As the world of ideas changes and the nature of innovation and economic growth are transformed in OECD countries by the imperatives of a knowledge-based society, universities must begin to think of themselves as an integral, innovative part of a global community.

As USC's new strategic plan recognizes, universities are both microcosms and clearinghouses of ideas. The best universities in the 21st Century will understand, gather and explain the world.

The fourth paradigm shift in the plan will focus on the educational needs of the student rather than the structure and needs of the institution. It likely will combine a “learning-centered” orientation with lifelong learning. Most of all, learning-centered education is a way of thinking that places the needs of students above the needs of the institution. This means greater flexibility and individual responsiveness in the way we structure and deliver education, and the ways we arrange business-university interactions with higher education.

And, of course, new technologies expand the learning opportunities and promise the transformation of all elements of research and education. Two current examples from MIT illustrate this potential. The first is the growing impact of MIT's Open Courseware initiative in which the detailed notes, outlines, and readings for all MIT courses are available on the web for free to everyone around the world. And new technology already enables MIT and Singapore National University to offer joint courses and lectures in real time through advanced video technologies despite the geographic distance between them.

Technology continues to reshape higher education in many ways. For example, until recently, the role of many higher education institutions was to transmit all the accumulated knowledge from the past and present to future generations through faculty members who were the only persons with privileged access to this information. But today, technology makes information broadly accessible, and knowledge is accumulating and changing so quickly that information rapidly becomes outdated. We, therefore as USC suggests, need new models that deemphasize the roles of transmitting information and focus on more active roles in learning to locate, assess, analyze and create increasingly complex information.

To provide these opportunities, universities systematically need to develop strategic partnerships that enhance research, scholarship and learner-center education for life because no single university can possibly encompass all the skills, viewpoints and resources required. And this is not limited to science and technology. We need new partnerships to advance the humanities and the arts by providing new audiences, new venues, new collaborators and new inspiration.

Notwithstanding these paradigm shifts, however, higher education can best assure excellence and productive relationships with business and others by upholding shared values about the university. Values define our communities and bind us together. They connect our past to our future, and provide the cohesiveness for the next generation. And they define and shape the nature of the relationships that higher education must forge with a growing range of stakeholders and partners. Four such values are (1) free inquiry and openness; (2) respect for individuals and an appreciation for diversity; (3) the creation and diffusion of knowledge broadly; and (4) a willingness to support informed risk-taking and experimentation. By constantly testing what we think we know about the world, and by linking our experiments to our visions and strategic capacities, we open new vistas on a changing world that help promote innovation in a globalized economy.

By recognizing the magnitude and breadth of the paradigm shifts, we can begin to pose larger, more global questions. And this will help enable us to rethink the role the 21st Century university across all the OECD countries.