

Also, a single headline figure derived from multiple indicators for environmental, social and human capital can conceal as much as it reveals; in effect, it risks treating things like environmental resources and human capital as interchangeable even when clearly they're not. And, as with any social or economic indicator, there are plenty of practical difficulties in garnering accurate and up-to-date figures.

Despite the difficulties, many OECD countries have developed, or are developing, sets of alternative indicators to complement measures like GDP. In Canada, for example, a state-appointed commission has recommended setting up a system for evaluating the country's resources in terms of natural, human and social capitals. It argues that such assets are "at least as important to the future economy as factories and machinery". Other countries, too, take a "capital" approach, which offers potentially useful insights into the state of both their environments and their societies.

It's likely that in the years to come, as pressure grows on our environment and amid a rising appreciation for the economic importance of human capital, more and more governments will consider such approaches.

## By way of conclusion

What would Davies Giddy make of our world today? In 1807, Mr. Giddy, a member of the British parliament, was campaigning hard against a bill that would have provided children aged between 7 and 14 with two years of free education. According to Mr. Giddy, educating the poor would be "prejudicial to their morals and happiness; it would teach them to despise their lot in life, instead of making them good servants in agriculture, and other laborious employment to which their rank in society had destined them..."

The bill never became law, but Mr. Giddy's victory was relatively short-lived. Today, 200 years later, young people in the United Kingdom spend an average of 12.6 years in education, just slightly above the average for the OECD area of 11.9 years. A few OECD countries, such as Mexico, Portugal and Turkey, still have

some way to go before catching up on that average, but by and large most developed countries are nearing the limits for how long young people can spend in education. Already, young people in most OECD countries are offered free education until about the age of 18; and even after that, in many countries they can go on to avail of free university education.

So, in much of the developed world, the era of huge expansion in mass education is nearing an end. To some extent, that will make one of the standard measures of human capital – the number of years people spend in education – less useful. Increasingly, differences in human capital between countries will depend not on quantity of education but on **quality** – or the success of education systems at developing people’s full talents and abilities across the course of their lives.

### **A challenge for education**

The roots of this process can begin in the preschool years. As more and more women go out to work, the needs of preschoolers are becoming a bigger issue for societies. But instead of regarding this as a problem, we might do well to see it as an opportunity. Well-planned care and education for preschoolers has the potential to help ease the impact of poverty on young lives. In particular, preschool education can help children from immigrant backgrounds to learn new languages and to feel as if they belong in the societies in which they’re growing up.

**“In several countries, policies to expand access to early childhood services for immigrant and ethnic minority groups have been pursued in order to expose children and families to the language and traditions of mainstream society, and provide opportunities for parents to establish social contacts and networks.”**

*Starting Strong I*

And then there’s the school years, that long period in our lives in which we go from being a child dependent on our parents to a young adult stepping out into the world. How does school prepare us for this change? Not always as well as it might do. The social and economic disadvantages of family poverty can be set in stone during these years, determining people’s futures. In Germany, for example, schools may effectively place children as young as 10 on either a

vocational or academic track. Regardless of their early respective educational performance, a child from a white-collar family is four times more likely to go on the university track than one from a blue-collar family.

There's nothing wrong with vocational education. Indeed, Germany deserves praise for keeping it alive at a time when it has been allowed to wither away elsewhere, depriving young people of an important educational alternative. But the choice of whether a child will eventually go on to university should surely be determined by his or her talents and abilities, not by family background.

Our social background also tends to be too much of a factor in determining whether or not we go with education and training after school. As populations age, many governments want workers to postpone retirement. To be able to do that, though, workers will need to go on updating their skills and abilities; in many cases, people from poorer backgrounds will only be able to do that with considerable help from the state, and that will cost money.

Indeed, societies face some tough decisions on how they fund the development of human capital. The resources available are limited, and how they are allocated will be extremely important for societies in the years to come.

At the preschool level, for example, many countries have already begun to spend more on care and education, but it's probably still not enough. When it comes to schools, there may be a temptation to cut back funding as demographic changes reduce the size of the student population. But that could mean missing out on opportunities to innovate in the classroom, and to develop education alternatives for young people whose needs are not currently being met.

At the tertiary level, there are more and more calls for students to pay a greater share of the cost of their education. The argument is that as graduates gain such a big income boost from having a degree, it's only fair that they should pay some of the price. That may well be a reasonable response, but fees must be levied in ways that don't make it even harder than it currently is for young people from poor families to go to university.

### **Looking ahead**

By raising people's human capital, education has already played a significant role in bringing developed countries to where they are

today. Economies and individuals are wealthier than ever, and people are healthier and living longer.

But where will this long process of increasing human capital take us next? Will we choose to create “winner takes all” societies, in which the talented and educated pile up economic and education resources, leaving everyone else far behind? Will economic inequality – in some ways a powerful incentive for people to improve their lots – turn into a trap from which those who lack educational, social and economic capital cannot escape?

Or will we choose to create societies that try to give everyone, regardless of their gender, class, or ethnic background, a fair chance of competing? Will we accept that while every society has its winners and its losers, it’s just not acceptable for children to be deprived of the chance to make the most of their abilities simply because of their social background, nor to be deprived of the opportunity to fully contribute to the well-being of the society in which they live.

The choice is surely ours.