



Investing in Human and Social Capital: New Challenges

ISSUES FOR DISCUSSION

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Theme 4

Reinforcing the social benefits of education

The issue

The economic recession has had major social consequences in terms of higher unemployment rates, especially among young people and more vulnerable segments of the labour force, increased risk of poverty and social exclusion, heightened social tensions and weaker social cohesion. Governments are developing employment and social policies to deal with these issues, but in this context it is also relevant to examine the contribution education can make to social progress.

Indeed, education is a crucial driver and enabler of well-being and social progress. Findings from the OECD project on Social Outcomes of Learning suggest that education can have an important and positive impact on many aspects of people's lives. Moreover, the available evidence indicates that education is among the most cost-effective options to improve some of the key measures of social progress such as better health, higher civic participation and lower rates of crime. The issue is how to enhance the social benefits of education.

The challenges

The ways in which education and training help to build human capital (comprising both knowledge and skills) of a nation and the ways in which human capital contributes to economic growth and welfare are well documented. In recent decades research has also focused on the contribution education can make to non-economic outcomes, such as health or social cohesion. Developing and maintaining quality education, health, social networks and trust are considered important objectives in their own right. The term 'social capital' has been coined to refer to the norms, values and networks that facilitate co-operation and mutual trust in and between communities. There are strong links and interactions between human and social capital. This is reflected in the choice of *measurements* of well-being and progress of societies adopted by such global initiatives as the OECD's project on Measuring the Progress of Society.

Human capital and social capital are also key drivers of social progress. Knowledge, skills, values, norms and networks of people have a very high impact on individuals' social behaviour and the collective social cohesion of communities and society at large. For example, evidence suggests that human and social capital at the individual level improve not only labour market outcomes, but also health, civic participation, political engagement, trust and tolerance. Individuals are less likely to engage in risky health behaviour and more likely to participate and trust others when surrounded by those with a high level of human capital (i.e. due to cumulative education effects). Social networks

play an important role in weathering health challenges such as depression and mental illness, and could also reduce the incidence of risky behaviour including criminal activity.

Human and social capital is constructed over the course of a lifetime by various kinds of *learning* activities. Formal and non-formal learning, taking place in educational settings and institutions, is a very powerful generator of human and social capital. Education can play a central role by raising skills and shaping norms and habits. Education matters because it helps individuals make informed and competent decisions by increasing their knowledge, basic competencies and social skills, strengthening their attitudes to risks, resilience and self-efficacy. The outcomes of education go far beyond the immediate outputs in terms of explicitly defined curricular objectives. Knowledge, skills, norms and habits acquired in education have external effects in many domains of life. In contemporary societies, education is one of the most powerful ways to improve social outcomes and foster social progress.

The relevant political question, then, is how can the positive *social impact of education* be improved and strengthened? Schools can promote active citizenship through curricular and extra-curricular activities that emphasize situated learning in which students learn “democracy in action” by engaging in democratic participation. Active citizenship can be promoted in an open classroom climate in which students feel free to openly participate in classroom discussions. Education also matters since it provides individuals access to contexts that are conducive to progress – e.g., better jobs, safe neighbourhoods and social networks. Schools can also promote healthy lifestyles and diet by promoting extra-curricular activities and improving student’s access to healthier food (via school meals and vending machines).

In their contribution to socialisation, schools reinforce norms and values already shaped by previous learning in *families and communities*. Families play an essential role in developing children’s cognitive skills and non-cognitive traits during early childhood. The earlier and better children acquire these skills and traits in the family, the more they are likely to further enhance them later in their lives. Evidence suggests that disadvantaged children (i.e., those with parents of low social-economic status, (SES) are less likely to develop critical skills before starting compulsory schooling. Such early deficits are often compounded, since those with less developed skills sets generally face difficulties in enhancing skills later on.

Policy responses

If education has such a significant impact on social progress, what then are the policy levers that can be used to enhance its positive social outcomes, for example on health and civic participation? On the basis of the available evidence policy-makers have a number of policy options to consider. Investments in such policies can deliver huge returns in terms of improved health outcomes, greater social cohesion and stronger democracies.

Invest in the development of key skills: Evidence suggests that investing in *basic literacy* and *high-order cognitive skills* help improve health (e.g., obesity, mental health and alcohol abuse) and civic and social engagement (e.g., civic participation, political interest and trust). Moreover, an individual’s *non-cognitive traits*, such as self-efficacy and social skills, have been shown to be strongly associated with an increase in civic participation and an improvement in health habits.

Improve curricula and school environment: Evidence points to the importance of limiting the teaching of abstract information in curricula and moving towards more engaging activities and towards mobilising extra-curricular activities. For instance, *situated learning* helps to promote active citizenship, while *extracurricular sports activities* improve healthy lifestyles. Moreover, school/classroom climate matters. Schools would do well to develop the ethos and norms of democratic participation through an open classroom climate and through opportunities for student participation. Schools can also create norms of healthy diet by improving healthy food options in school meals and vending machines.

Target disadvantaged children, especially during early childhood: Evidence points to the importance of investing in the skills that matter, especially among disadvantaged children who are less likely to experience home environments that are conducive to developing important skills, values and behaviour. Targeting can be justified on grounds of efficiency as well as equity.

Target disadvantaged adults: Equity considerations mean that it is important to take into consideration those who have missed opportunities to improve their skills at an early stage in their lives. Evidence suggests that raising basic adult literacy can help improve health outcomes, civic participation and trust.

Ensure dynamic complementarities throughout the educational trajectory: In order to have lasting impacts on social outcomes, each stage in the learning trajectory of an individual learner should be connected to other stages. Early interventions may yield high returns in the long-term only when subsequent learning environments are *synchronised* with early investments.

Ensure horizontal complementarities: While improving the quality of the school environment is essential to promoting children's healthy lifestyles and active citizenship, such efforts may only be fruitful when other contexts are aligned with school-based activities. Parents and local communities play an important role in ensuring education and training produce high social outcomes. For instance, school-based active citizenship programmes are likely to work better when there are sufficient opportunities for students to engage in voluntary activities in the community. School-based initiatives to promote healthy lifestyles and diet may only work if parents are mindful of preparing healthy foods and avoiding sedentary behaviour at home.

Develop social organisations that reward skill development: Learning and acquired competences should receive reinforcement and rewards in the organisation of social life after the completion of formal education. A learning organisation or a high quality work environment also rewards people for their competences, their creativity, their sense of innovation, etc. and this in turn reinforces further learning. Indeed, social progress is by no means the sole responsibility of the education system; it is a shared responsibility with other social organisations.

Promote policy coherence: Findings from the OECD project on Social Outcomes of Learning suggest that policy coherence across sectors and across levels of education raises the effectiveness, efficiency and sustainability of investments made on various fronts to promote health, civic participation, political engagement and trust. This will be challenging as OECD countries have limited experience of fostering policy coherence across different areas of policy-making: education, health and social policies. Governments should invest in management structures and policy instruments to improve

horizontal collaboration and policy-coherence in a ‘whole of government’ approach to social progress.

Questions for discussion

1. When making crucial decisions on education budgets, do policy-makers take into account the wider social benefits of education, such as health and civic and social participation?
2. How can education policies be designed to strengthen non-cognitive competences, values, norms and attitudes with regard to health, civic and social participation?
3. How can policy coherence across sectors be enhanced – for example between education and health policy?