



Education at a Glance 2018

TUAC assessment

Paris, 19 September 2018

1. The OECD released its Education at a Glance (EAG) report on September 11 including a wealth of data on educational outcomes, lifelong learning and structural conditions (English: <https://bit.ly/OECDDEAG2018>; French: <https://bit.ly/21e9UxC>). This year's volume focussed on equity outcomes which is welcome as it highlights large gaps in regard to access and labour market outcomes, specifically for disadvantaged groups. It also illustrates contributing factors such as decreasing funding, low teacher salaries, large class sizes, inherent gender gaps and high student fees amongst other. New material in the 2018 edition (p. 462) includes:

- market outcomes are impacted by dimensions such as gender, parents' educational attainment, immigrant background, and regional location
- a new indicator on equity in entry to and graduation from tertiary education
- a new indicator on the levels of decision-making in education systems
- data on repeaters in lower and upper secondary general programmes
- trend data on expenditure on early childhood education and care, and data on the enrolment of children in all registered early childhood education and care settings.

However, the publication mostly strays away from making policy recommendations. Apart from a reference of the role of teacher unions and of trade unions in VET provision, there is insufficient discussion on the role of social dialogue or collective bargaining in the provision of training.

2. Education International (EI) released a statement and summary of the report's main findings (see here: <https://www.ei-ie.org/en/detail/15958/education-at-a-glance-big-data-can-help-union-advocacy> ; podcast: <https://soundcloud.com/user-918336677-743440864/education-at-a-glance>). It notably acknowledged the discussion on the OECD's contributions to the SDGs. EI expressed concern for decreasing school funding and its negative impact on vulnerable groups with long-term consequences, especially in early childhood education. On average across OECD countries, less than one-third of children under the age of 3 are enrolled in early childhood education and care, and 1 out of every 3 are enrolled in privately funded institutions. This does not point to equal and sufficient access. EI criticised the "*OECD's continuing arguments that there is a trade off between lower class sizes and higher teachers' salaries is invidious. It would be much more productive if it started arguing strongly for reducing class sizes for students with significant needs.*"

3. The TUAC looked into the report's findings on equity and labour market outcomes, investment levels and adult learning patterns. In his editorial, the OECD Secretary General underlines that **inequalities need to be tackled by strengthening skills systems and inclusive labour markets** in reference to the OECD Framework for Inclusive Growth (released at this year's annual Ministerial Council Meeting) (p. 13). This is an important message as well as the call in the main report for more public investments, in particular during economic downturns (p. 58): *"To improve the transition from education to work, regardless of the economic climate, education systems should aim to ensure that individuals have the skills required in the labour market. During recessions, public investment in education could be a sensible way to counterbalance unemployment and invest in future economic growth, by building the needed skills."* Despite these affirmative messages, the report does not provide details on how such investment could be channelled and which governance frameworks are most suitable. Also, stable and robust investment is important – not only during economic downturns.

4. The EAG underlines the **benefits of VET** in general (e.g. higher employability compared to upper secondary programmes) and of social partner involvement therein. This is an important policy message given the lack of funding into these systems, lower uptake for reputational reasons and the challenges posed by an increasing need for technical skills and re-training:

"Through work-based learning, students acquire the skills that are valued in the workplace. Work-based learning is also a way to develop public-private partnerships and to involve social partners and employers in developing VET programmes, often by defining curricular frameworks. Moreover, high-quality VET programmes can be effective in developing skills among those who would otherwise lack the qualifications to ensure a smooth and successful transition into the labour market" (p. 184).

5. Data on adult learning displays **low take-up with increasing age, which calls for measures to enable access to training**. The analysis does not provide guidance as to how to allow for time and means to take up full- or part-time training (e.g. paid educational leave, training guarantees, individual learning accounts) apart from the example of credit-based systems in Sweden that allow to choose part-time courses in formal training programmes. Despite increasing numbers in the majority of OECD countries (see New Zealand, Slovenia), on average only 7% of adults between age 30 and age 39 are enrolled in some form of training (rates are higher in countries like Australia [19%] and Finland [16%]) (pp. 155-156). The numbers are alarmingly low for adults over age 40: 1% on average across the OECD countries. This does not point to a culture of continuous learning needed for the transition to more digital and green economies. The highest rates can be found in Australia at 6%. According to the OECD, *"higher enrolment rates for these age groups in certain countries may be explained by more part-time enrolments or the prevalence of lifelong learning programmes"* (pp. 155-156).

6. The report also looks into the link of educational attainment and earnings (see for example 'Qualification match or mismatch and earnings (pp. 94-95)'). In doing so, it importantly concludes that income distribution and **wage inequalities come about as a result of several system factors including the existence and level of minimum wages and coverage of collective bargaining agreements not only educational**

outcomes (pp. 88-89). On the basis of these findings, it is however important to go a bit more into detail as to why those factors matter in creating more inclusive labour markets and reaping the benefits of training.

7. In regard to gender gaps in education and the labour market, the report confirms the persistent trend of girls performing better in school but earning less later – **women earn 26% less than men for tertiary educated individuals** (p. 25). The explanation for it however is limited and disappointing by linking wage gaps to inactivity spells due to care responsibilities. The report would do better in calling it a wage penalty and name other reasons (lack of women in leadership, inherent bias and discrimination, not enough or expensive care services, lack or insufficiently long paternity or parental leave, etc.).

8. Unsurprisingly, the higher the level of education, the higher the earnings (see Indicator A4, p. 294). BUT the report rightly highlights the issue of **increasing student debt linked to tuition fee systems**. It shows that in some OECD countries graduates leave their studies under enormous financial pressure entering their professional careers. The OECD identifies interest rates, repayment system or remission/forgiveness mechanisms as best practices to create more accessible study systems and decrease debt levels:

“Countries whose tertiary institutions charge high tuition fees are also those whose students have the highest levels of debt at graduation from public loans or loans guaranteed by the state. In countries with a relatively small proportion of students taking public loans, the debt burden also tends to be lighter. For example, in Finland, where about 29% of students benefit from government guaranteed private loans, the average debt at graduation exceeds USD 9 000, while in Japan, Mexico (for master’s and doctoral students only), Norway, Sweden and the United States, where at least 40% of students benefit from public loans, debt at graduation can exceed USD 20 000 at bachelor’s level” (p. 298).

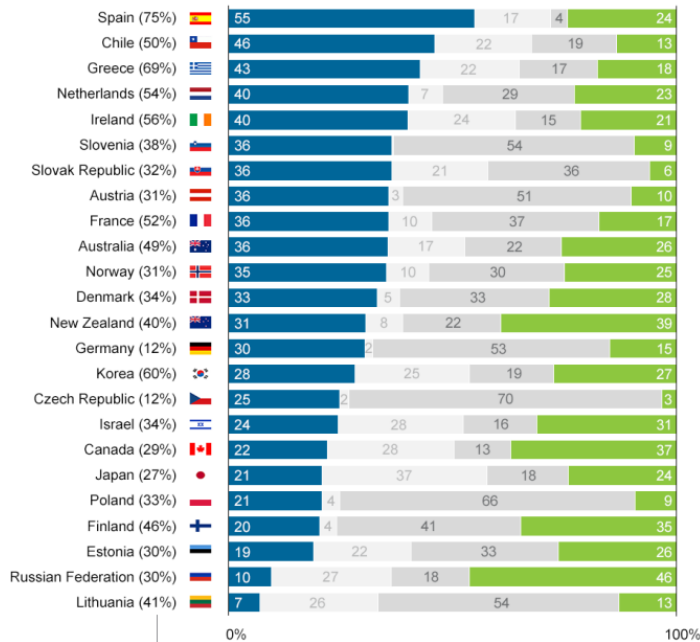
9. **Tertiary education is often out of reach for disadvantaged groups.** The report displays the big gap between those in tertiary education (with better labour-market and social outcomes) and the low share of young adults from potentially disadvantaged groups (lower educational attainment of parents and/ or migrant background) among them. And, while the number of young adults with below upper secondary education fell by 5% in the last ten years, it is still too high at 15% and variations amongst countries are substantial (p. 44). In addition, upward mobility between generations in education persists and is considerably high in Spain, Chile and Greece:



Upward education mobility is still a challenge in many countries

Educational attainment of 25-64 year-old adults whose parents have not attained upper secondary level:

■ below upper secondary ■ upper secondary - general ■ upper secondary - vocational ■ tertiary



The (%) represents the share of 25-64 year-olds whose parents have below upper secondary education.

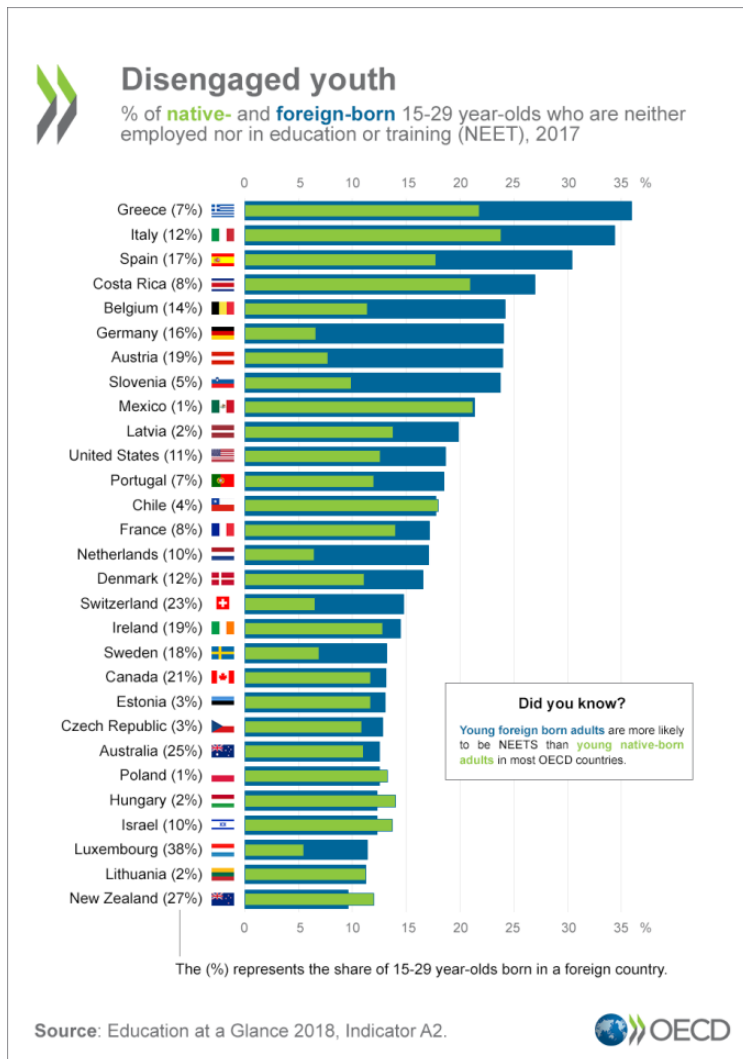
Reference year: 2015 for Chile, Greece, Slovenia, New Zealand, Israel and Lithuania, 2012 for all other countries.

Source: Education at a Glance 2018, Indicator A1.



10. **The share of NEETs is persistently high and increases with age:** “On average across OECD countries, 16% of 20-24 year-olds are NEETs, and this percentage increases to 18% among 25-29 year-olds” (p. 61). One underlying factor is that public transfers and subsidies to reverse these trends are lacking but investments into the ‘private sector’ are increasing : “From primary to tertiary education, public transfers to households (such as scholarships and loans to students for tuition and other fees) and subsidies to other private entities for education (e.g. to firms or labour organisations that operate apprenticeship programmes) comprise 0.2% of GDP on average across OECD countries” (p. 262). It would be good to see a distinction between those investment flows, their share and their purpose. For example: disadvantaged simply might not be informed about such possibilities and private education and training programmes could be less open to NEETs and other vulnerable groups.

11. The report rightfully discusses the **barriers faced by foreign-born individuals** in accessing training and quality jobs (e.g. recognition of qualifications), amongst other by encountering wage discrimination and difficulties to have their past competencies recognised. “Foreign-born adults are also more likely to be neither employed nor in education or training (NEET). Some 18% of foreign-born 15-29 year-olds are NEET compared to 13% of native-born young adults” (p. 23).



12. Finally, the EAG confirms wage premiums and career opportunities in STEM fields (p. 221), which is fair but elsewhere comes to the oversimplified conclusion that **literacy and numeracy skills might not be enough in digitalised economies** and ICT skills need to be enhanced (p. 31). This is by no means wrong but omits other sets of skills and competencies needed for the Future of Work. Not everybody will be a coder.

13. Overall, the EAG as every year provides a wealth of data on different dimensions related to educational and training systems and outcomes. It is important to consider vast variations amongst OECD members – policy recommendations on average data would possibly be misleading. However, certain trends that are well portrayed in the report warrant a more analytical and policy assessment in follow-up OECD work based or triggered by these data.