Beerkens kritisch over OECD / Lisbon Council rapport

Eric Beerkens van de Universiteit van Sydney is blij met de aandacht voor kenniseconomie en meer aandacht voor de noodzaak hier in de EU grotere inspanningen te leveren. Maar dat neemt niet weg, dat hij het recente betoog vande Lisbon council daarover onder de maat vindt. In een artikel uit zijn blog dat hij ScienceGuide aanbood, geeft hij zijn analyse en raadt aan het goede verhaal met betere gegevens en argumentaties te ondersteunen.

'This **'landmark' study** offers no more than a collection of graphs and some comments that, in many cases, are not at all based on the graphs. The reason why the Lisbon Council calls it a landmark study is probably because the outcomes are directly in line with their goals (many of which I agree with) and because they commissioned the study. It is not that I don't agree with the recommendations, it is not that I ignore the problems.

It is the way in which the recommendations and conclusions lack support, the way in which statistics are used selectively, the way in which glossy policy briefs are presented as landmark studies and the way in which they are reported in the media. And then there's something that I noted before **here** and **here**: the way in which Europe can always be used to support your arguments by just cherry-picking the country that fits that argument.

Let's go through the report step by step and do some selective nitpicking.

The report starts of with its main conclusion and some key recommendations. In the end I'll come back to the recommendations, but the main conclusion is: education pays off, always! Not true. Education also has a point where the benefits are optimal and there after its marginal benefit will decrease (for more myths on education and economic growth see: Does Education Matter, Alison Wolf, 2002).

Then the report tries to make a point for higher education as a private investment. In **Fig. 1**, it is claimed that investment in education gives higher return rates than real interest rates. Basically this translates to: it's better to go to school than to put your money in the bank. Fine.., but nor very useful. However, the graph also shows that the private rate of return is a lot higher in the US (I guess because of bigger income inequalities) and therefore the graph makes a good case for private investment (meaning tuition fees) for the US and the UK, but less so for other countries.

Fig. 2 shows that if you are better educated, you will earn more. That obviously is the case everywhere. However, it is highest in Hungary, the UK, the US and Korea and the pattern tells more about the differences in income inequalities than about differences in education. More education pays of, especially for Hungarian males! The most interesting observations in the table is probably the fact that female Korean university graduates earn around 2.5 times more than their male colleagues. And in the UK they earn about a quarter more than their male colleagues.

Somehow, **Fig. 3 & 4** show that "Countries that give individuals one additional year of education can boost productivity and raise economic output by 3% to 6% over time" (p.4) (although I can't really see how the graphs support that). Table 3 basically says that a decrease in unemployment and an increase in productivity will lead to a higher GDP per capita. Not really rocket science. Table 4 however is supposed to show us that education drives labour productivity. If that were the case, the red parts in the graph would gradually increase together with labour productivity. As we can see, the growth in the

level of education seems to show no relation at all with labour productivity!! And I wonder how the annual percentage change in the level of education is measured anyway. In addition, the data for both graphs are from 1990-2000, the pre-**Lisbon era**.

Then we move to the issue of access and participation. This has increased everywhere, but not in the same way. The first point that is made is about the remarkable progress of Korea and how it climbed from rank 21 to 3, in terms of the proportion of the population with tertiary education. This remarkable growth, as is shown in **this graph**, can be mainly attributed to the policies in the 1980s. Countries like Spain, Portugal and Ireland also made significant progress, the report says. Obviously these countries were clearly lagging behind many other OECD countries in the 60s and needed to catch up.

Then the report continues: "most of Europe's major economies, including France Italy and the UK, only held their ground or, in the case of Germany, significantly fell." This is true for the whole post-war era. On the other hand, and the report does not mention that, **this graph** shows that there was a considerable growth in people with tertiary degrees in the 1990s in Norway, Sweden, the Netherlands, the UK, Finland, Poland, France, Ireland, Spain, Belgium, Turkey and Portugal.

Then there's quality. On the basis of the Shanghai Jiao Tong Ranking of universities (that only featured 2 European universities in the top 20), the report concludes that Europe "is running behind in the quality of the graduates it produces". A slightly bold conclusion from a ranking in which quality of education (measured in the amount of Nobel Prize and Field Medal winners among their alumni!) counts for only 10% of the total score. If we look only at the quality of the graduates, there would be 5 European universities in the top 20, instead of 2. And besides, the report does not mention that the 'Korean miracle' is not present at all in the top 100 of the ranking.

After praising American higher education the report switches to secondary education: "the results are not much more encouraging". On the basis of the **OECD PISA** (Programme for International Student Assessment) data, it concludes that "students in very few of Europe's most important countries performed much above the OECD average and many performed below it." Pretty vague statement. Since we were comparing with the US anyway, let me rephrase that somewhat differently (as shown **here for the case of math skills**): "students in 18 European countries performed above the US average and four performed below". And that while it spends **so much more** on education. It's not my intention here to criticize American education, I just try to make clear how statistics are used selectively.

And then it's time for the public-private debate. I already pointed to the fact that the private rates of return of tertiary education are higher in the US than in many other countries and that that could justify the fact that there is more private spending in the US, as **this graph** shows. A better reflection of public-private benefits in the funding of European higher education can be justified in my opinion. There are several studies, like **this dissertation**, that support that, but there is no way that you can support that on the basis of **this data** !

After a story on 'what is so great about Finland' the report continues with access and participation in relation to social backgrounds. The point here is that the US, Australia, Japan and Korea have improved access in higher education by letting students pay for their education. "Most (?) continental European countries are holding back their universities by neither making the public investment nor charging tuition fees". However, other OECD data shows that such an increase in participation has also taken place in predominantly publicly funded education in countries like Sweden, Norway, Finland and Iceland.

With regard to the issue of equity versus school autonomy, the report shows **this table**. Finland supposedly steers on outcomes: teachers and schools have a lot of freedom in what they teach and how they teach, as long as the results are ok. Other countries, on the left side of the graph, want to guarantee that everyone gets an equal education. However, the result of the latter strategy is that kids from 'better' social backgrounds are more likely to enter universities and therefore it increases inequality. There is a logic in this kind of reasoning. However, considering that all Nordic countries are concentrated at the right side of the graph, it might also (or additionally) be that equity is enhanced by a high degree of public funding of the education system. After all, this way there is no reason for richer students to get better quality education than poor background students. I think that here the report again fails to present a complete picture.

Another interesting passage is the following about social mobility: "Here lies perhaps the biggest disappointment in Europe's education systems. Many of them make ambitious

claims when it comes to securing equity in learning opportunities. But the OECD's PISA study reveals that social background plays a larger role in determining a student's performance in countries such as Germany, France and Italy than in the U.S. (..) In many countries, the data suggest that European schools reinforce existing socio-economic inequities." In a report full of tables and graphs, I would have loved to see one on this data! If we look for instance to a study by the **Education Policy Institute** (p.40) that also looked at the relation of social background and participation in higher education, we can see in **this table** that it is at least not correct to talk about 'Europe' in this sense.

An interesting point however (but again no data) is that participation seems to decrease if student pathways are established early in the educational career. In Germany for instance, kids are divided for the academic or vocational track already at the age of 10. In Dutch education, I had to make those choices at the age of 12.

Finally then, there is continuing education. Europe underperforms here as well, although again, Denmark, Sweden and Finland are doing well, especially for the groups that need it most. In the US, the continuing education market is also large, but there the lower level segment only accounts for a small part.

Having gone through the report, let's have a look at the recommendations:

1) Create and maintain a system of diverse, sustainable and high-quality educational institutions with the freedom to respond to demand and accountable for the outcomes they produce

2) Ensure that the growth and development of tertiary educational systems are managed to improve access, raise quality and enhance equity

3) Implement financing and student- support policies which mobilize public and private funding in ways that better reflect the social and private benefits of tertiary education

4) Encourage universities to evolve so that their leadership and strategic management capacity matches that of modern enterprises, with appropriate strategic, financial and human resource techniques to ensure long-term financial sustainability and accountability requirements, and

5) Ensure that universities are governed by bodies that reflect a much wider range of stakeholder interests than the academic community

Only the second and third recommendation can be directly related to the report, although no data was presented on these issues. The other three might be useful but seem to come out of the blue. I repeat that I don't necessarily disagree with the recommendations and that I don't ignore the problems (**like some politicians do**). But I don't think that the ends always justify the means.....'