



TRADE UNION ADVISORY COMMITTEE  
TO THE ORGANISATION FOR ECONOMIC  
COOPERATION AND DEVELOPMENT  
COMMISSION SYNDICALE CONSULTATIVE  
AUPRÈS DE L'ORGANISATION DE COOPÉRATION  
ET DE DÉVELOPPEMENT ÉCONOMIQUES

## **INVESTING IN HUMAN AND SOCIAL CAPITAL: NEW CHALLENGES**

### **TUAC STATEMENT TO THE MEETING OF THE OECD EDUCATION POLICY COMMITTEE AT MINISTERIAL LEVEL Paris, 4-5 November 2010**

#### **Introduction**

Over recent years, education, training and learning have become increasingly important items on the agenda of trade unions across the OECD member countries. Unions have spread the learning message in a broad variety of actions, predominantly through social dialogue and collective bargaining with employers, through formal representation in the governance of VET systems as well as through innovation, like the establishment of union learning representatives in order to motivate and support workers in taking up training opportunities as well as to rise employers provision of training and demand for skills. Thus, TUAC welcomes the opportunity to contribute to the deliberations of Ministers of Education at their meeting at the OECD. The following outlines TUAC's views and recommendations regarding the issues on the agenda of the 2010 Education Ministerial. The key messages we would like to bring to the attention of Ministers are summarized below. The text subsequent to the summary outlines our views and proposals in more detail.

Right at the outset TUAC would like to express concerns regarding an excessively utilitarian view of the purposes of education. TUAC maintains that it is essential that the broader value of education in enhancing the ability of individuals to contribute to the wider cultural, political and civic life of the society within which they live must underpin the development of policy across the education and skills sector. Government policy on education must not neglect the right of all individuals to enjoy learning as an intrinsically worthwhile activity. For this reason, TUAC emphasizes that policies to promote education, training and lifelong learning must go beyond a focus on employability; they must continue to be guided by a broad vision of the purposes and benefits of education.

#### **Executive Summary**

##### **1. *Tackling the effects of the crisis***

As long as unemployment remains a huge concern, governments must take action tackling high or rising unemployment, in particular youth unemployment, through the provision of transitional employment opportunities like a temporary 'job guarantee' for young people. Young people as well as our societies would benefit from employment under such schemes, provided the jobs are useful (in terms of output for the economy respectively the society) and decent. Such schemes would protect young people against 'scars' through unemployment and facilitate social cohesion.

- In a striking contrast to the rhetoric on education, data available highlight once more that in more than half of the OECD member countries spending on education did not keep up with growth in national income.
- Against the background of a prevailing financing gap in education, it has been important that the education sector benefited in several countries from the implementation of fiscal stimulus packages.
- Contrary to calls for ‘exit strategies’, the persistence of high youth unemployment requires that appropriate education budgets be maintained.
- It is essential to avoid that budget consolidation adversely affects education. Educational spending must not be slashed; on the contrary, it must be maintained and increased relative to GDP. Students cannot acquire world class skills in ill-equipped, broken and battered schools, staffed with poorly paid teachers.
- Budget cuts in education would have large adverse consequences on institutions, staff and quality of educational provision.

## **2. *Matching skills to emerging needs***

- Skills policy needs to be based on more realistic expectations. An open and honest debate is necessary about how education and training policy can contribute to sustainable growth, decent work, social justice and inclusion.
- Vocational education and training policy cannot focus narrowly on the supply of skills, assuming that skills, once created, will automatically be utilized to their full potential.
- VET policy cannot be pursued as a stand-alone intervention; governments must attempt integrating it into a wider package of contextual factors and determinants that shape the formation of skills as well as their use. VET policy must in particular
  - . aim to increase training opportunities available, in particular workplace based training;
  - . take into account the workplace and industrial relations context in which skills are created and mobilized;
  - . ensure union involvement in the design and implementation of training policy as well as in the assessment and subsequent revision of curricula;
  - . recognize the positive impact of collective bargaining on participation in training and further training;
  - . avoid promoting exclusively core technological underpinnings like science, technology, engineering, and mathematics, allegedly required by an advanced economy;

- . tackle underinvestment into training by employers through the implementation of train-or-pay levy/grant schemes and thus encourage them to increase the levels of investment and commitment they make to skills, development and training;
- . introduce workplace training entitlement for employees as a means by which greater levels of take-up of skills training and subsequent occupational mobility can be secured.

### **3. *Equipping effective teachers for the 21st century***

Governments should consider adopting the following components in any strategy for their teachers.

- Continuing Professional Development should be owned by all teachers and be a career-long entitlement.
- Teacher evaluation approaches should be developed, which teachers can trust, which provides effective feedback and focused and practical professional development.
- Teachers should be able to draw on and contribute to a central resource for pedagogic practice.
- Teachers should be at the centre of advising on and carrying out educational research.
- Government and state education policies should factor in the views of teachers both in the development of new policies and the implementation of new ones.
- Governments should commit themselves to checking consistently whether their policies are enhancing the self efficacy of teachers.
- There should be a continuum of high quality initial teacher education and teacher continuing professional development.
- A number of governments have set up professional councils for teachers. Teachers should be at the centre of deciding the nature and remit of teacher professional councils.
- Student test scores should not be used by administrations in high-stakes personnel decisions; they are neither valid nor reliable indicators of teacher effectiveness.
- Teachers should be at the centre of the debate with Governments and States about the nature and purpose of (different) types of evaluation.
- Governments should enter into a debate with teachers and their organisations about the nature and structure of national curricula.

### **4. *The social impact of education***

Besides the provision of knowledge and skills necessary for participation in the world of work, educational institutions and teachers are the primary agents of socialisation in modern

societies. Education and training across all ages plays an important role in promoting and sustaining economic, social and well-being of citizens and societies.

The social benefits of education are considerable, and any decisions regarding public support for education and the design of educational policies should take these benefits into account. In order to improve the social outcome of education, education policy and school reform must

- promote active citizenship and social cohesion through education. Social cohesion, although culturally specific, remains an important policy objective. In order to accomplish this end, there is a particular role for education as well as for a broad range of policies;
- promote equity in education opportunities. It is essential to confront the role of social class in the reproduction of educational inequalities and learning outcomes;
- address special learning and social welfare needs of students from disadvantaged social backgrounds;
- tackle dropout from lower secondary education and failed transition to vocational training;
- go beyond focusing exclusively on improving students' cognitive outcomes; policies must also aim to enhance non-cognitive skills, primarily through targeted programs and improved conditions for teaching and learning;
- facilitate a reduction of the size of classes in order to contribute to the enhancement of non-cognitive skills. Class-size reduction as an element of school reform is anything but expensive and unproductive;
- address antisocial behaviour like verbal and physical aggression as well as dismissive or exclusionary behaviour, which is negatively related to learning outcomes.

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TO THE MEETING OF THE OECD EDUCATION POLICY COMMITTEE  
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**1. *Tackling the effects of the crisis***

The process of economic globalisation and restructuring in the world political and economic systems requires more and better knowledge, information as well as skills and competencies. At the same time it brings about new educational needs (in terms of access, structure, function, curriculum, approach and outcomes). We all know that education is central to achieving a better future. However, many of our societies have failed to ensure education and lifelong learning for all – a right explicitly set out in the *Universal Declaration of Human Rights*. In a striking contrast to the broadly shared rhetoric on the high importance of education, there is a billion dollar financing gap; resources needed to ensure an education of good quality for all are often not available.

As the editorial of *Education at a Glance 2010* OECD points out, education is a large item of public expenditure in most countries. However, the data available on spending on education highlight once more that governments have failed to act in line with the education mantra. The increase in spending on educational institutions between 1995 and 2007 in more than half of the 27 OECD and partner countries for which data are available did not keep up with growth in national income. Expenditure for all levels of education combined increased at a faster rate than GDP only in 10 of the 27 countries for which data are available. The increase exceeded 0.8 percentage points over the period in Chile (5.1% to 6.4%), Denmark (6.2% to 7.1%), the United States (6.6% to 7.6%) and the partner country Brazil (3.7% to 5.2%). Across the OECD countries spend on average 6.2% of their collective GDP on educational institutions.

**A prevailing financing gap in education ...**

Against the background of a prevailing financing gap in education, it has been important that the education sector benefited in a number of countries from the implementation of fiscal stimulus packages. These packages provided important funds for investment in infrastructure, including educational buildings, as well as in training. However, more needs to be done. Contrary to calls for ‘exit strategies’, the persistence of high youth unemployment requires that appropriate education budgets are being maintained. Unemployment causes young people to stay in education while others, either unemployed or facing job losses, may wish to re-enter education and training in order to acquire new or additional skills. In order to tackle youth unemployment, governments must link education and labour market policies.

As long as unemployment remains a huge concern, governments must take action tackling rising long-term unemployment, for instance through the provision of transitional employment opportunities like a temporary ‘job guarantee’ for young people. Young people as well as our societies would benefit from employment under a ‘job guarantee scheme’, provided the jobs are useful (in terms of output for the economy respectively the society) and appropriately paid. A ‘job guarantee’ would protect young people against ‘scars’ through unemployment, it would promote their well-being and facilitate social cohesion.

Despite public budget constraints caused by the global economic financial and economic crisis it is essential to avoid that budget consolidation adversely affects education. Educational spending must not be slashed; on the contrary, it must be maintained and increased relative to GDP. Students can't acquire world class skills in ill-equipped, broken and battered schools, staffed with poorly paid teachers. The challenge of making public finances sustainable must not be taken as an excuse to cut educational spending. Public spending on education pays large and rising 'dividends' for individuals as well as for the society as a whole. With regard to tax revenues it is important to note that education – as OECD Secretary General recently has pointed out - is a generator of greater tax revenues in the future.

### **... does not allow for spending slashes**

Budget cuts in education would have large adverse consequences on institutions, staff and quality of educational provision through reductions in teaching and support staff, reduced availability of teaching and learning material, larger class sizes, suspended construction and lesser maintenance of educational buildings. Moreover, it would – as the issues paper on *“Tackling the effects of the economic crisis on education”* prepared for the Ministerial meeting rightly points out – “disproportionately harm those who are most vulnerable” and thus create new barriers for students struggling not to fall behind as well as for those who are in desperate need of raising educational achievements like the unskilled and the excluded.

The increasing pressure on governments to consolidate public budgets raises the question of how to make education systems more efficient, innovative and productive in order to deliver the same or even better learning outcomes with lower spending. The search for answers in this respect has turned to new management practices as well as to the evaluation of teachers and to policies linking teachers pay to student test scores respectively to dismiss teachers of failing students. However, there is no compelling evidence suggesting that the injection of market discipline and private sector management practices into education will lead to improved learning outcomes at lower public cost. The same applies to policies tying teacher's remuneration and employment to their alleged effectiveness in order to improve student achievement. The claim that teachers will be more motivated to improve student learning if they are evaluated and remunerated according to the results of 'value added testing', which measures the progress of educational achievements of students, is not substantiated by evidence.

Policies pursued with the objective to improve efficiency of educational systems must also be linked to social and labour market policies. With regard to the impact of the crisis on education it might be too early to accurately assess its impact, however, we do know from evidence on past crises that the most vulnerable, poor families, marginalized groups and students from weak socio-economic backgrounds are among those to be hit particularly hard. Thus, the crisis provides a particular challenge to policies aiming at social equity in education. The measurement of learning outcomes has revealed that educational expansion has not led to any significant reduction in social class inequality in recent years. In spite of an overall increase in the proportion of young people completing secondary education, the socio-economic background of students has been maintained as a decisive determinant of learning outcomes.

Education policy must not accept disparities in educational outcomes between members of social, racial or ethnic groups based on their different social status or preconceptions about their potential abilities. The goal to close the gaps in educational attainment between different

groups of students and learners, to promote equity in education, must be reaffirmed and maintained.

## **2. *Matching skills to emerging needs***

OECD's work on future skill demands assumes (broadly in line with Thomas Friedman's 2005 book entitled *The World is Flat: A Brief History of the Twenty-first Century*) that in today's highly integrated and competitive global economy, advanced economies can no longer count on past comforts and competitive advantages. Indeed, the barriers of time, space, and nationality have been shrinking between the world's buyers and sellers, relentlessly levelling the economic playing field. The ongoing global economic integration, however, has neither 'flattened' the world as asserted nor has it, based on technical progress, led to a shift in labour demand that favours skilled over unskilled labour. On the contrary, the world has become more unequal. Inequalities within and between countries have increased, labour markets have become more polarized.

### **Polarization of labour markets in advanced economies**

There is increasing evidence suggesting that expanding job opportunities in both high-skill, high-wage occupations and low-skill, low wage occupations, together with contracting opportunities in middle-wage, middle-skill white-collar and blue-collar jobs, have lead to a strong polarization of labour markets in advanced economies. The polarization of employment, the widening gap between 'good' and 'bad' jobs, has been mirrored by wage growth – rising wages for highly skilled workers, falling wages for low- and unskilled workers. Long-term occupational employment projections by the *US Bureau of Labor Statistics* predict that the polarization of employment is not going to go away. According to its occupational employment projections for the U.S. up to 2018, only seven out of the 30 occupations with the largest projected job growth in numerical terms are classified under a bachelor's or higher degree education or training category. However 20 out of these occupations all fall under an on-the-job training category or under the category of work experience in a related occupation.<sup>1</sup>

Current employment trends and occupational predictions are in a striking contrast to the profound belief in boosting the supply of workforce skills. Policy makers and employers alike have asserted that relatively poor workforce skills and low skilled employees are the root causes of many economic and social problems. By the same token they are arguing that higher and better stocks of qualifications will push the economy onto a new, higher value added pathway, enabling the economy to better cope with challenges of globalization, boosting wages and lowering inequality, increasing employment levels, facilitating mobility and career progression and thus improving social justice. Such an outcome of education and training policy would be most welcome. However, policy to boost skills is a necessary but not sufficient factor, of itself, in order to achieve significant impacts across such a broad range of economic and social outcomes.

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<sup>1</sup> T. Alan Lacey and Benjamin Wright, Occupational employment projections to 2018; *Monthly Labor Review*, November 2009, p. 94

## **Behind the curve: OECD work on vocational education and training**

Skills policy needs to be based on realistic expectations. What is necessary is an open and honest debate about what education and training policy can contribute to help improve economic performance and deliver social justice and inclusion. Previous OECD work on skills and training issues, like “Learning for Jobs”, the OECD policy review of vocational education and training (VET), designed and conducted to help countries make their VET systems more responsive to the needs of employers, has not sufficiently focused on the broad range of characteristics and issues of VET systems. Focusing narrowly on the supply of skills, the work has been based on the assumption that skills, once created, would almost automatically be utilized to their full potential. Moreover, it has neglected the workplace and industrial relations context in which skills are mobilized and increasingly created.

No particular attention has been given to corporate strategies of investment in skill development despite worrying signals related to cuts in corporate training budgets and efforts maximizing shareholder value. In the light of the latter it is anything but surprising to note that companies across many West-European member countries of the OECD have cut spending on continuous vocational training (CVT) and have reduced both the number of employees participating in CVT as well as the hours spent in training. According to an EU survey published in Spring 2010, overall enterprise spending on CVT courses per employee decreased significantly from 1999 to 2005. At EU level, spending per employee decreased in all enterprises by more than a quarter over that period. At EU level, small enterprises spend 0.7 % of total labour costs on CVT courses, compared to 0.8 % in medium-sized enterprises and 1.0 % in large ones; analysis shows that this applies to most countries.<sup>2</sup>

Regrettably, previous OECD’s work on vocational education and training has hardly given attention to the role of trade unions as advocates of training and as stakeholders in the process of governing VET systems. The fact that union involvement as stakeholders within VET systems has increased over the recent past is not without reason. Unions can effectively balance the influence of employers by representing students’ and employees’ interest regarding the design and implementation of curricula and the acquisition of both transferable and firm-specific skills. The role of unions is particularly important with regard to making lifelong learning a reality for all; available evidence suggests a positive impact of collective bargaining on CVT participation.

And last but not least, the review has considered VET policy more as a stand-alone intervention; it has not focused sufficiently on particular promising approaches to vocational education and training policy, attempting to integrate VET policy into a wider package of contextual factors and determinants that shape the formation of skills as well as their use. Among these factors are business settings (like product market and competitive strategies), institutions and policy frameworks, modes of engaging labour, the design of jobs and work systems, the level and type of skill formation.

In order to be effective, VET policy must

- aim to increase training opportunities available, in particular workplace based training;

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<sup>2</sup> CEDEFOP (ed): Employer-provided vocational training in Europe. Evaluation and interpretation of the third continuing vocational training survey; Luxembourg 2010

- take into account the workplace and industrial relations context in which skills are created and mobilized;
- ensure union involvement in the design and implementation of training policy as well as in the assessment and subsequent revision of curricula;
- recognize the positive impact of collective bargaining on participation in training and further training;
- avoid promoting exclusively core technological underpinnings like science, technology, engineering, and mathematics; allegedly required by an advanced economy;
- tackle underinvestment into training by employers through the implementation of train-or-pay levy/grant schemes and thus encourage them to increase the levels of investment and commitment they make to skills, development and training;
- introduce workplace training entitlement for employees as a means by which greater levels of take-up of skills training and subsequent occupational mobility can be secured.

### **3. *Equipping effective teachers for the 21st century***

Educational institutions, in particular those publicly financed, as well as the facilitators of learning, teachers, are facing a dual pressure. Financial resources available in the aftermath of the global crisis are limited, educational spending, although often insufficient, is threatened by cuts. Educational institutions and their key personnel, educators, are challenged to adopt at the same time a new paradigm of education for the 21st century.

Advocates of a paradigm shift consider the present structures as inadequate to meet the changes imposed by a more diverse and globalized economy and a complex, media-dominated society. They are increasingly calling for profound reforms of public schools as well as for implementing a performance-driven culture in schools. Key elements of the reforms proposed are more parental choice, competition between schools and a new practice of hiring, remunerating and firing teachers in accordance with their alleged performance – based on the measurement of how well students are doing academically.

It is not without cause to expect that the implementation of market mechanisms in education comes at the cost of increased social polarisation. Research has revealed that greater competition arising from more parental choice does generally not seem to boost students' performance. However, there is much stronger evidence suggesting that school competition increases segregation and inequality.

Qualified teachers must be at the heart of any profound educational reform for the 21st century. There is no doubt that the quality of teachers is an important in-school factor determining learning outcomes. However, it's not the only one. There are also many other in-school factors, like the quality of school leadership, the quality of the curriculum and last but not least teacher collaboration. Blaming educational underachievement on teachers is easy, but seriously misleading. It distracts our attention from other equally and likewise important school areas in need of improvement.

School Leadership is vital to effective systems. OECD's publication *Improving School Leadership* (2008), a comprehensive and exhaustive survey of the latest approaches to school

leadership including instructional and system leadership, should have explored the importance of distributed leadership as well as the capacity of teachers to show leadership in their own fields of expertise. We strongly believe that Governments should focus on working with teachers and their organisations to develop new forms of leadership which enhance the capacity of schools to innovate and the confidence of teachers to develop their own practice.

### **Blaming educational underachievement on teachers is dangerous**

Student test scores must not be used by administrations in high-stakes personnel decisions; they are neither valid nor reliable indicators of teacher effectiveness. The progress of student learning is not only influenced by the individual teacher, it is also strongly influenced by the co-operation of teachers across the boundaries of classrooms and grade-levels, by the socio-economic background of students as well as by the local community, school conditions, school attendance and experiences related to out-of-school learning. Personnel management of teachers, based on an inappropriate evaluation system is likely to undermine morale and engagement of teachers, to discourage them from working with those of particular learning needs and causing many to leave the profession. At the same time it will prevent others from entering the profession.

Using students' test scores as the key indicator of teacher quality will bring with it a host of unavoidable negative consequences: it encourages a narrowing of the curriculum towards subjects to be used for the test. Teachers who will be evaluated mainly by test scores will be under pressure to "teach to the test;" they will emphasize topics likely to appear in the tests rather than other equally important but untested topics. Moreover, due to other factors impacting on learning outcomes, tests are likely to misidentify teachers — good teachers may be labelled as poor and poor teachers as good.<sup>3</sup>

Policies aiming at a higher efficiency of educational systems cannot rely on narrowly defined yardsticks, based exclusively on the economics of education. Instead, they must assure that every classroom gets a well-trained professional teacher, working together with colleagues in educational teams, and that education systems recruit, train and retain qualified teachers, working under decent conditions of work. Moreover, education policy makers must respect that schools are collaborative institutions where teachers co-operate toward the common goal of educating all learners to their maximum potential. And last but not least, evaluation, properly designed and conducted, can be a key element of analyzing and improving the performance of education systems and the quality of teaching, provided it is designed and implemented in line with the following criteria:

1. The evaluation of students should be diagnostic and formative. It should identify the next steps for students in their learning. It should provide meaningful feedback to parents, teachers and students.
2. The evaluation of teachers should be based on appraisal which identifies teachers' strengths and need for development. Teachers need to be able to feel that they can be honest about their needs as well as their strengths without being penalised for their honesty. There is no evidence that individual financial incentives (performance related

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<sup>3</sup> For a detailed discussion of test-related issues see Eva L. Baker, Paul E. Barton, Linda Darling-Hammond, Edward Haertel, Helen F. Ladd, Robert L. Linn, Diane Ravitch, Richard Rothstein, Richard J. Shavelson, and Lorrie A. Shepard, *Problems With the Use of Student Test Scores to Evaluate Teachers*, Economic Policy Institute, Washington 2010.

pay) works in schools. OECD's 'Evaluating and Rewarding the Quality of Teachers' recognized that there was no hard evidence to show that performance related pay improves teacher performance. Instead there is a great deal of evidence that appraisal linked to identifying and providing high quality professional development does have positive effects.

3. The evaluation of schools should focus on celebrating strengths and embedding ownership of improvement by school communities where improvements are needed. Evaluation should encourage innovation and creativity. School self evaluation with the self evaluation processes owned by school communities combined with external moderation of the evaluations has the greatest chance of yielding sustained institutional self improvement.
4. System wide evaluation by Governments of the overall health of their educational provision is important and can be achieved by a number of national sampling mechanisms based on anonymous surveys and tests.

### **Governments must put in place strategies for the teaching profession**

Many Governments simply do not have a perspective and long term strategy for their teaching professions. They simply assume that once appointed teachers can continue to teach over time without development and support. Although there were a number of concerns about TALIS it did show for the first time how important high levels of teacher self efficacy were to effective education systems.

Governments should consider adopting the following components in any strategy for their teachers.

1. Continuing Professional Development should be owned by all teachers and be a career-long entitlement.
2. Teacher evaluation approaches should be developed which teachers can trust which provides effective feedback and focused and practical professional development.
3. Teachers should be able to draw on and contribute to a central resource for pedagogic practice.
4. Teachers should at the centre of advising on and carrying out educational research.
5. Government and state education policies should factor in the views of teachers both in the development of new policies and the implementation of new ones.
6. Governments should commit themselves to checking consistently whether their policies are enhancing the self efficacy of teachers.
7. There should be a continuum of high quality initial teacher education and teacher continuing professional development.
8. A number of governments have set up professional councils for teachers. Teachers should be at the centre of deciding the nature and remit of teacher professional councils.

9. Teachers should be at the centre of the debate with Governments and States about the nature and purpose of (different) types of evaluation.
10. Governments should enter into a debate with teachers and their organisations about the nature and structure of national curricula.

#### 4. *The social impact of education*

Education has numerous benefits for individuals and society. Economic analysis, building on ‘human capital theory’, has primarily focused on estimating the market-value of benefits – ‘private returns’ - received by individual due to schooling, in particular due to extended years of schooling. These include economic benefits such as higher lifetime earnings and lower levels of unemployment. However, other benefits of education, in particular its contribution to the well-being of citizens and societies, the social benefits respectively the social outcome of education, are not reflected in estimates of market returns. Nevertheless, there is a burgeoning literature on the social benefits of education, such as improved own health and increased life expectancy, improved child development and higher rates of social mobility, increased civic and political engagement as well as indirect effects on crime.

However, the social benefits of education impact in the first place upon individuals and communities, they may be less obvious and measurable at the aggregate national level. Social cohesion is a case in point in this respect, it clearly benefits from preparing students through education for active citizenship, but it is not independent of the existence of various other, non-education related factors and institutions like welfare regimes, inclusive labour markets as well as low rates of poverty and inequality as a result of more redistributive tax and social policies.

#### **Promoting social cohesion through education remains an important objective**

Although social cohesion in our countries is historically derived and culturally specific, it remains an important policy objective. In order to accomplish this end, there is a particular role for education as well as for a broad range of policies. Bringing about social cohesion depends on the acquisition of skills and competencies as well as on the transmission of values through education. However, it also depends on the distribution of skills and opportunities. With regard to the latter it is essential to confront the role of social class in the reproduction of educational inequalities and learning outcomes. Governments and educational policy makers must address special learning and social welfare needs of students from disadvantaged social backgrounds by targeting educational spending toward society's underachievers.

With regard to worsened employment prospects of low-skilled young adults, dropping-out from lower secondary education and failed transition to vocational training have become issues of growing concern in most OECD member countries. Research on the determinants of educational dropout has identified a particular role of ‘non-cognitive skills’ in this respect. “Non-cognitive skills” is an overarching term, related to a broad range of behaviours, habits, and attitudes that are not measured by conventional tests of students’ learning outcomes. Classroom behaviours as attentiveness, disruptiveness, tardiness, absenteeism, completion of homework, in particular motivation and self-regulation, self-discipline, self-confidence and collaborative learning are increasingly seen as highly predictive indicators of long-term educational and labour-market outcomes. Thus, it is important that education policies do not

exclusively focus on improving students' cognitive outcomes; they must also aim to enhance non-cognitive skills, primarily through targeted programs and improved conditions for teaching and learning.

In order to promote non-cognitive skills, a reduction of the size of classes seems to be appropriate. Class-size reduction as an element of school reform is anything but expensive and unproductive. As research has revealed, reductions in class size facilitate the improvement of non-cognitive skills related to student engagement. They also matter for subsequent academic and labour market success.<sup>4</sup> Enhancing non-cognitive skills facilitates at the same time pro-social behaviour, linked to encouragement, cooperation and sharing and thus leads to improved learning outcomes. The opposite applies to antisocial behaviour, often characterised by verbal and physical aggression as well as dismissive or exclusionary behaviour. It is unsurprising that research has revealed that antisocial behaviour is negatively related to learning outcomes.

### **Conclusion: Enhance co-operation with the Advisory Committees of the OECD**

A recent OECD Policy Brief on *Labour and the OECD* reported that major stakeholders of democratic societies, in particular business and trade unions, also have an important role in the work of the organization. Indeed, since its creation in 1961, OECD Directorates, committees and working parties have undertaken close consultation and dialogue with business and labour through the Business and Industry Advisory Committee to the OECD (BIAC) and the Trade Union Advisory Committee to the OECD (TUAC). Various OECD committees involve both BIAC and TUAC in their activities at committee meetings, at working party sessions and at the Secretariat level.

Regrettably, however, that does not apply in full regarding the relations between TUAC and the Education Directorate respectively its bodies. While relationships at the working level have been well established, that is not the case with regard to the Education Policy Committee. Its co-operation with BIAC and TUAC has been limited to informal meetings of the Committees' Bureau with representatives of the Advisory Committees for about one hour prior to Committee sessions. Against this background TUAC would like to request Ministers to revisit the current mode of co-operation between the Education Policy Committee and the Advisory Committees with the aim to make consultations with TUAC and BIAC more meaningful and to facilitate more direct participation of both in Committee discussions.

The fact that TUAC and BIAC were invited to take part and intervene in the OECD Council Meeting at Ministerial Level in May 2010 should be taken as an encouraging reference in this respect.

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<sup>4</sup> Dee, T. & West, M. (2008), The non-cognitive returns to class-size, NBER working paper 13994, Cambridge, MA, p. 43