



The Commonwealth
Education Hub

Education & Economic Growth

Discussion Summary

This e-Discussion was conducted by The Commonwealth Education Hub as a precursor to the Educational investment and pathways to economic growth Roundtable at 19 CCEM, Bahamas June 2015.

Education & Economic Growth

Introduction

Leading up to the 19 Conference of Commonwealth Education Ministers (CCEM) to be held on 22-26 June 2015 in the Bahamas, The Commonwealth Secretariat organised an e-discussion on “Education & Economic Growth” through its newly launched knowledge service - **The Commonwealth Education Hub**. The objective of the two week e-discussion was to engage a wide range of stakeholders from various professional and geographical backgrounds and to solicit their expertise and opinions on the purpose of Education in our societies and the extent to which education can address issues of economic growth and youth employment.

Guest Moderated by a leading education professional - Salim Vally of the University of Johannesburg - the discussion reached out to about 750 participants, comprising representatives from Education Ministries, development organisations, the private sector and academia from across the 53 countries of the Commonwealth. Responses were received from seven countries spanning the majority of Commonwealth regions (Africa, The Americas, Europe and Pacific). Key areas of focus which emerged from the discussions included: improving the quality and relevance of TVET provision; including secondary, primary and early years in planning educational contributions to economic growth; and adopting an integrated approach to TVET, working in partnership with ministries, educational institutions and employers.

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About The Education Hub



Conceived as a ‘network of networks,’ The Commonwealth Education Hub is intended to promote knowledge sharing and collaboration among policy-makers and practitioners across the Commonwealth. Through its virtual ‘one-stop-shop,’ the Hub offers an array of online knowledge services designed to enable easier access to relevant information and resources, as well as to strengthen the collaborative context within which approaches, solutions, and best practices can be shared and adopted at scale across the Commonwealth, and perhaps even more widely.

www.thecommonwealth-educationhub.net



Discussion Summary

Key points & recommendations

Discussion questioned the evidence base to demonstrate a direct link between education and economic growth and emphasised that policy making in this area needs to take a holistic approach to both delivery and the content of curricula. Participants balanced the need for greater alignment between education and economic policy, with a need to ensure that skill sets taught are broad and flexible enough to meet employability needs. Recommendations included:

- Improve and transform the quality of TVET provision, ensuring coverage of the full spectrum of skills. Curricula should include foundation and transferable skills for a changing global and digital world, alongside more specialised technical skills.
- Look beyond tertiary provision to secondary, primary and early years' curricula to ensure occupationally relevant skills are taught throughout the education cycle.
- Adopt an integrated approach, working across ministries to ensure alignment between education and economic policies, and fostering partnerships with education institutions and industry/employers to ensure relevant skills are taught and that graduates are employed.

Issues discussed

Limited evidence base

Discussion noted the limited evidence available to demonstrate the direct impact of education on economic growth, and noted that policy makers are rarely able to refer to specific data on the assumed correlation to inform decision-making. Some respondents did cite clear evidence of return on investment in TVET in particular - in [Australia](#) research has identified an 18% return in increased productivity for every dollar invested in vocational and educational training. But others, felt that the economic value of investment in TVET, or education more generally, is not always tangible - [Uganda](#) spends 30% of its GDP on education, focussing on literacy and employability skills in particular, but unemployment remains high and 33% of the population remain illiterate. Discussion recommended that some caution and a holistic approach to policy making should be taken.

Bridging the skills gap

Inputs did call for increased investment in technical and vocational education (TVET) but, whilst financing was thought important, participants focussed on the need to improve and transform the quality of existing TVET provision. This was widely felt to be insufficient, due in part to obstacles including: teachers with insufficient experience of the workplace; poor remuneration or incentives for teachers; outdated equipment; and reliance on artificial simulations rather than workplace experience. Discussion noted the high levels of unemployed university and technical college graduates, indicating that skills gained are not meeting employers' needs. Greater focus was needed on identifying relevant skills and on ensuring that they are locally applicable - insufficient indigenisation of the knowledge and skills required to create economic competitiveness was noted as

a particular issue in [Africa](#). The difficulty in keeping TVET curricula up to date as employers needs change was also acknowledged

Old problem. New context.

Whilst the issues raised were not new, and policy-makers were pointed towards existing research and recommendations on TVET provision, all acknowledged that in a rapidly changing global and digital world, the context has changed and therefore new responses are needed. Basic technology and ICT skills were seen as fundamental, but focussing on softer transferable skills such as communication, problem solving, initiative, team work were regarded as even more important, [particularly in the informal sector in developing economies](#). Policy makers were encouraged to consider carefully what constitute skills for employment, suggesting that, given limited budgets and a fast changing environment, provision of those technical skills which are not relevant or needed by the employers may be less valuable than emphasising universal skills like [literacy, numeracy and critical thinking](#).

Focus beyond tertiary

Linked to an emphasis on a broader skillset for employment, were calls to focus not just on tertiary education, but also on the quality and relevance of secondary education. The demand for flexible, occupationally relevant skills at all levels was highlighted, with the role of primary and early years in building the foundations for this also mentioned.

An integrated approach

Demand for improved quality and more relevant skills is coming from both employers and unemployed youth. Discussion identified the need for a holistic, cross sectoral approach. More research and analysis of TVET systems is required, with an integrated focus on economic growth, social equity and sustainability. Better labour market intelligence and partnerships between employers and tertiary institutions is needed. Similarly, strong inter-ministerial coordination, including greater alignment between education and economic or industrial policies through strengthening of bridging mechanisms between employers and providers would help encourage employers to make use of the knowledge and skills being produced at tax-payers' expense and counter the secondary status often accorded TVET participants and graduates. All sectors must work together in mutually supportive ways to ensure the dynamic and continuous transformation necessary to unleash the potential of TVET systems.

Commonwealth Case Studies

High Status of TVET in Society, Germany *(from Michael Crossley)*

TVET has a long history and particularly high status in Germany. Their successful dual training system - combining periods in an educational institution and in the workplace - is highly regarded internationally and parts of the system have been replicated by other countries. The dual system emphasises strong public-private collaboration, with enterprises financing apprenticeship training and state agencies financing TVET centres or schools. Vocational training is offered at both the secondary and tertiary levels and includes an extensive system of apprenticeship and on-the-job training. Vocational education qualifications are regulated by public-private partnerships institutions. However, this highly regulated labour market environment is being challenged by recent political and economic changes, including the emergence of a low paid service sector in Germany. If skills are no longer worth a premium a [rethink of existing approaches](#) to TVET may be required. [Read more.](#)

Well aligned educational and industrial policies, Singapore *(from Geoff Hayward)*

Singapore's successful alignment of educational and economic policies and heavy investment in TVET make it a much cited case-study. Educational policies and economic development have been closely aligned since independence in 1969, allowing the TVET system to respond effectively to sometimes rapid changes in the direction of economic policy. Economic and manpower policies have ensured that graduates from educational institutions have the necessary skills for the many new jobs created in a rapidly growing economy. Singapore has invested heavily in higher education and vocational institutions, notably its flagship Institute of Technological Education (ITE), an internationally recognised model of excellence which has led the way in changing poor public perceptions of TVET. ITE has successfully created an educational pathway for school leavers who are less academically-inclined. Leveraging industry collaboration and partnership are integral to how ITE works, alongside a broad curriculum emphasising learning for competence. [Read more.](#)

Use of family engagement, Canada *(from Paul Quassa)*

In Canada, the Nunavut Department of Education is working with Nunavut Teachers' Association and the Coalition of Nunavut District Education Authorities to develop tools and resources to support family engagement in education in all Nunavut communities. The project focuses on the role that communities can play in shaping a child's education, arguing that students who are supported by a community are better prepared to achieve academic and personal goals. A [guide](#) has been produced to help schools and families increase family engagement. In addition, The Nunavut Early Childhood Education Program of the Education programs division of Nunavut Arctic College is facilitating consultations with Inuit Elders expert in Early Childhood development, in order to inform Early Childhood Education programmes. Elders' input has helped inform strategies for integrating Inuit culture, knowledge and language into course content, for graduates to demonstrate skills, knowledge and attitudes required to work with Nunavut children. [Read more.](#)

Related Resources

The Economics of Education. Proceedings of a conference held by the International Economic Association. *(from Peter Williams)*

Robinson, E.A.G. and J.E. Vaizey, Macmillan, London (1966)

Covers the contribution of education to economic growth, measurement of education costs and expenditures, the balance between different types and levels of education, and the problems of finance and planning.

The Vocational School Fallacy in Development Planning. *(from Michael Crossley)*

Phillip Foster, in *Education and Economic Development*, ed. Arnold A. Anderson and Mary Jean Bowman, Chicago, 1965

Influential article arguing that schools have limited abilities to change society. Critiques TVET in the school setting, arguing that academic study generating literacy, numeracy and analytical and critical thinking are the skills most needed for employment.

Unleashing the Potential: Transforming Technical and Vocational Education and Training *(from Keith Holmes)*

P.T.M. Marope, B. Chakroun and K.P. Holmes, UNESCO 2015

<http://unesdoc.unesco.org/images/0023/002330/233030e.pdf> (PDF, 1.8 MB)

UNESCO publication analysing contextual trends and intersecting demands on education and training systems. Proposes a new framework to help rethink the role of TVET systems in contributing to more equitable and sustainable holistic development.

World Employment and Social Outlook - Trends 2015 *(From Katie Epstein)*

International Labour Organisation, 2015

http://www.ilo.org/global/research/global-reports/weso/2015/WCMS_337069/lang--en/index.htm (PDF, 3 MB)

Forecasts global unemployment levels and explains the factors behind trend predictions. Looks at employment drivers and structural factors shaping the world of work.

Innovative Secondary Education for Skills Enhancement, Phase 1 Synthesis Reports *(From Katie Epstein)*

Results for Development Institute, Washington, 2013

http://r4d.org/sites/resultsfordevelopment.org/files/R4D_SynthesisReports.pdf (PDF, 905 KB)

Project synthesis report suggesting that transferable and non-cognitive skills are required for work in the 21st century economies of Africa and Asia, and assessing innovative models of delivering these skills to youth of secondary school age.

Position Paper - Employment and economic benefits of additional investment in technical and further education *(from Peter Holden)*

TAFE Directors Australia, 2013

[http://www.tda.edu.au/cb_pages/files/130919%20TDA043_Position_Papaer_EmploymentEconomic_Benefits_COMMERCIAL_printing%20\(2\).pdf](http://www.tda.edu.au/cb_pages/files/130919%20TDA043_Position_Papaer_EmploymentEconomic_Benefits_COMMERCIAL_printing%20(2).pdf) (PDF, 576 KB)

Technical and Further Education (TAFE) Directors Australia commissioned research into the productivity gains from investing in vocational education and training (VET).

Creating a Learning Society, A New Approach to Growth, Development, and Social Progress (from Jim Wynne)

Joseph E. Stiglitz and Bruce C. Greenwald, Columbia University Press, 2015

<http://cup.columbia.edu/book/creating-a-learning-society/9780231152143>

Argues that closing knowledge gaps is crucial to growth and development and that policy needs to support the creation of “learning societies” if improved living standards are to be sustained.

Analysis of Technical Vocational Education and Training systems in Five Commonwealth Countries: Bangladesh, The Gambia, Jamaica, Kenya, Papua New Guinea (from Beth Kreling)
Commonwealth Secretariat, 2013

<http://assets.thecommonwealth.org/assetbank-commonwealth/action/viewAsset?id=27532>

A research study conducted by the Commonwealth Secretariat to identify key issues and policy gaps in Technical and Vocational Education and Training (TVET) in selected Commonwealth countries covering all Commonwealth regions.

Roundtable on Technical and Vocational Education and Training (TVET): Proceedings Report (from Beth Kreling)

Commonwealth Secretariat, 2013

<http://assets.thecommonwealth.org/assetbank-commonwealth/action/viewAsset?id=27533>

Proceedings report from a TVET roundtable conducted by the Commonwealth Secretariat with international partners and countries participating in a TVET research study.

Discussion Question

From: Salim Vally
Sent: 10 June 2015

Dear Discussion Group Members,

In the lead up to the 19CCEM Ministerial Roundtables, taking place on 25 June, the Commonwealth Secretariat recently launched a special series of online discussions that are part of the roll out of The Commonwealth Education Hub. The first discussion on ICT Integration in Education was launched on 29 May, and will continue until 15 June. In parallel, we are launching the second discussion on "Educational Investment and Pathways to Economic Growth," which will also be the theme of a second Ministerial Roundtable at the 19CCEM. A [brief note](#) on the Roundtable is attached for your reference.

The discussion will remain open until 24 June. We strongly encourage you to share your perspectives and experience based on the questions below, particularly if you are unable to attend the 19 CCEM Ministerial Roundtables. Your reflections and inputs are important and will serve to make the Roundtable discussion more focused and its outcomes more relevant. Should you, however wish to opt out of this particular discussion, please email the Moderation Team.

Discussion Background and Questions

The purpose of the Ministerial Roundtable on "Educational Investment and Pathways to Economic Growth" is to consider the implications of changing demographic needs to respond to global economic trends, and the ability of education systems in the Commonwealth to respond to these challenges. The discussion will consider the dominant view that the present education system will need to adapt to become a vehicle for investment and a successful catalyst for growth; and how policy makers can prepare young people to play a positive role in a changing global economic climate. Other critical views which question the relation between education and the economy and the obstacles confronting youth involvement in society and the economy will be considered.

Specifically, we invite you to respond to the following questions:

- **What is the purpose of education in our societies?**
- **To what extent can education address issues of economic growth and youth employment?**
- **What particular issues and challenges are you facing in (a) adapting your education system and (b) preparing your youth to respond the new global economic climate?**
- **Have you had any success stories that may be of interest to share with the group?**

We look forward to receiving your contributions and synthesizing them to share with the Chair, presenters and participants of the Ministerial Roundtable to enrich the discussion on this complex challenge.

Best regards,

Salim Vally
Guest Moderator

Associate Professor, Faculty of Education
Director, Centre for Education Rights and Transformation (CERT)
University of Johannesburg
Visiting Professor, Nelson Mandela Metropolitan University
Johannesburg, South Africa

Full Responses

Responses received with thanks from:

[Paul Quassa](#), Ministry of Education, Canada

[Jim Wynn \(2\)](#), Imagine Education, UK

[Sue Dale Tunnicliffe](#), Institute of Education, UK

[Keith Holmes](#), UNESCO, France

[Katie Epstein](#), Skills International, UK

[John C Muyingo](#), Ministry of Education, Uganda

[Olubunmi Owoso](#), Commonwealth Association of Polytechnics in Africa, Kenya

[Geoff Hayward](#), University of Cambridge, UK

[Peter Holden](#), International Engagement & Business Development, Australia

[Jim Wynn](#), Imagine Education, UK

[Michael Crossley](#), University of Bristol, UK

[George Jonathan Maeltoka](#), Ministry of Education, Vanuatu

[Peter Williams](#), Commonwealth Consortium for Education, UK

From: Quassa, Paul

Sent: 26 June 2015 21:04

In Nunavut Territory in Canada, we also focus on Early Childhood Education and one of the main tools we use is Family Engagement.

Paul Quassa
Ministry of Education
Nunavut, Canada

From: Jim Wynn

Sent: 26 June 2015 21:15

And globally there are as many young people unemployed as the population of North America whilst many companies can't fill vacancies. What does this tell us?

Jim Wynn
Imagine Education
Bristol, UK

From: Sue Dale Tunnicliffe

Sent: 25 June 2015 23:03

I agree with all that has been said but remember, foundation of education is laid preschool and in the early years. Investment in that produces results later on when learners have a sound foundation.

Dr Sue Dale Tunnicliffe
Institute of Education, UCL
United Kingdom

From: Keith Holmes
Sent: 25 June 2015 23:31

I am one of the authors of a new book, **Unleashing the Potential: Transforming Technical and Vocational Education and Training** ([PDF](#), 1.8 MB). Given the combination of rising economic growth, social equity and sustainability demands on TVET, we ask, 'What would it take to unleash the potential of TVET systems?'. We recognize that the challenge ahead is more complex than simply scaling up existing models.

Increased investment in TVET is crucial, but this is not the only issue at stake from a sustainable development perspective. Whilst TVET can contribute to economic growth, the inter-relationships between economic growth, social equity and the sustainability of development should also be kept in mind.

Transformation implies TVET that is relevant and accessible for all; TVET that helps individuals to make transitions between education, the world of work, and further learning; and TVET that enables individuals to make informed choices and to fulfil their aspirations.

As well as specialised learning, there is often more scope for the integration of TVET across the curriculum, closer integration of theory and practice, and more work-based learning. Soft skills, including transversal skills and entrepreneurial skills, are to be encouraged. Mechanisms are needed that support the horizontal and vertical progression of learners, flexible learning pathways, the recognition of prior learning, and careers information and guidance. Information and communications technologies, whilst not being a panacea, provide multiple opportunities. Furthermore transforming TVET will require strong inter-ministerial coordination, the mobilization of networks and strengthened partnerships, including between TVET providers and labour market stakeholders.

Unfortunately research and analysis in the field of TVET are insufficient. Decision-making has often taken place in a fragmented and piecemeal fashion. Policy-makers have often proceeded without a shared approach through which to analyse country contexts and TVET systems. We therefore propose an integrated analytical tool for transforming TVET systems comprising of three inter-connecting analytical lenses - an economic growth lens, a social equity lens and a sustainability lens. These lenses can be strategically combined so as to address contemporary policy concerns such as youth unemployment, gender disparities and climate change in a balanced and holistic way. From a sustainable development perspective, it is not only the economic returns on investment that matter.

In the context of rapidly changing contextual demands, the authors assert that unleashing the potential of TVET systems will require not only their expansion, but even more importantly, their dynamic and continuous transformation into lifelong learning systems.

Keith Holmes
UNESCO
Paris, France

From: Katie Epstein
Sent: 25 June 2015 21:46

To what extent can education address issues of economic growth and youth employment?

Picking up on Peter Williams points about skills development, while the problems being addressed are not new, the rapidly changing global and digital world in which these now occur means that different responses and solutions are needed in the curriculum and pedagogy across the education spectrum, from primary to secondary, from secondary to tertiary and into lifelong learning. This is not just an economic debate about skills but one about rising expectations of young people, accountability within the education system, and governance. In 2014, 201 million people were unemployed while global youth unemployment stood at 74 million and is projected to increase ([ILO Trends 2015](#)). Youth especially young women continue to be disproportionately affected by unemployment. While some of this is due to macroeconomic factors the persistently high rate of youth unemployment reflects a gap between the skills required for work, and those obtained through the education system. Young people want a return on their investment.

Economic growth and competitiveness in a global economy depend on an educated, enterprising and skilled workforce. Skills contribute to economic growth directly, through increased productivity - they build capacity in a community to transform their environment, they enable a work force to adopt new technologies or smarter ways of working that lead to innovation and growth, and they equip unemployed youth to work for themselves. The ability to harness technology using a mobile phone or more complex software is a basic skill for employability in a digital age, but while basic technical and cognitive skills are important in the workplace, the softer transferable skills such as communication, problem-solving, initiative, team work, and flexibility are even more so in a rapidly changing world. Research undertaken by [Results for Development Institute](#) (2013) has shown how much more important these skills are for the informal sector in developing economies. In many countries these skills are not sufficiently emphasized in existing curricula or in the methods of teaching and learning across the education spectrum, particularly at secondary level. As developing and emerging economies move towards knowledge-based industries the demand for workers with these skills makes the quality and relevance of the secondary school curriculum particularly critical for economic growth and longer term economic competitiveness, as well as the employability of young people.

The expansion of primary education is increasing the demand for secondary and tertiary education but enrolment at secondary level remains limited, while the quality and relevance of the secondary curriculum is often poor with few opportunities for young people to develop the range of transferable skills they will need not just for employment now, but for employability in the future. These skills are just as vital at tertiary level. The argument that a knowledge-driven economy demands a larger proportion of the workforce with specialised knowledge and skills, has had a major impact globally on participation rates in tertiary education, but even more on the demand for occupationally relevant skills at all levels, particularly intermediate and advanced. There is far greater understanding now that it is how the knowledge, skills and capabilities gained at tertiary level are applied and combined in the workplace that is critical to competitive advantage (and to the employability of the individual), and this has implications for styles of teaching and learning, as well

as the design of the curriculum in the tertiary system.

Rising expectations of tertiary education for relevant knowledge and skills, particularly transferable skills have changed not just from employers, but from graduate students who find themselves unable to get work commensurate with their qualifications. The development of better labour market intelligence, and partnerships between employer and industry bodies with tertiary institutions for the planning and the design of up to date qualifications and career pathways are one tried and tested solution. However there is a wider need to engage multiple stakeholders at local as well as national level, and build greater accountability within the system in order to address equally the issues of economic growth and youth unemployment.

In many countries there are different structures for tertiary provision - in universities, in technical and vocational education institutions, in adult education colleges and training centres, a range that has emerged for historic and cultural reasons. Traditionally there has been little articulation between these different types of institution, or progression from them, with consequent dead ends. The latter is a major waste of human capital and a major barrier to upskilling or for those returning to the labour market. The move from informal training systems to formal transparent competency based skills systems based on occupational standards which are increasingly global in design is a major cultural shift, and is at very different stages across the Commonwealth with marked results and transformations.

Against this background many countries recognise the need to focus on developing a holistic and integrated approach which allows access and mobility between institutions, and across levels and types of provision. This approach has key features. The range of provision encompasses good quality teaching and research universities, technical institutes with high quality apprenticeships in technical and vocational fields linked to industry, community colleges which provide outreach, access and mobility for adults in remoter or disadvantaged communities, and progression routes to further and higher education. It is an integrated system articulated on a national qualifications framework which maps academic, professional, technical and vocational education, adult education within it, and which can be accessed on a lifelong learning basis by transparent credit accumulation and transfer; a system that also recognises and accredits prior learning at point of entry. There are critical challenges in this for quality and standards, particularly for teacher training, and the costs for implementation, but the costs of not developing an inclusive and progressive system based on equity, social mobility and sustainable development will be much greater in the longer term for economies which do not grasp this challenge.

I hope this is a useful contribution to the discussion

With best wishes

Katie Epstein
Skills International
London

From: Hon. John C Muyingo

Sent: 25 June 2015 21:05

The topic under discussion is very important, more especially for the low income countries that have decided to pump their scarce and limited resources in education. In my country, for example, 30% of our GDP is spent on education with quite a number of programmes to reduce illiteracy levels and

prepare our products with employable skills. Despite the big sums of money pumped in education, many products of our education system are unemployed and 33% of our people remain illiterate.

Hon. John C Musingo
Ministry of Education
Kampala, Uganda

From: Olubunmi Owoso
Sent: 25 June 2015 20:35

I appreciate the earlier, incisive contributions to the discourse.

While global development agendas have some bearings on all nations, a realistic position is that the MDGs and the proposed post-2015 SDGs are far more pertinent to the developing countries. Therefore, the following is an attempt to bring some African perspective to the discussion, by providing a justification of why African governments should prioritise investments on education and also advocating that the Commonwealth should adopt the strengthening of TVET and entrepreneurship training, as a core agenda in the context of the global post-2015 SDGs.

Africa's development dilemma is due in part to the insufficient indigenisation of the knowledge and skills required to create economic competitiveness, industrial development and sustainability from its huge human population and natural resources. In essence, they lack adequate infrastructure and a critical number of skilled personnel that have been trained and oriented towards production. However, questions are often raised on the paradox of the inadequacy of technical personnel in the midst of the high levels of unemployment even among science, engineering and technology graduates from the universities, polytechnics and technical colleges. Based on this standpoint, some criticism of government efforts to increase access to education, particularly at higher levels, viewed these steps as capable of worsening the unemployment situation.

Education is and must continue to be regarded as a public good and human right. It is also universally accepted as the most potent force for change and development. Governments should create and foster optimum environment for every individual to attain his or her potential. The challenge, particularly in the context of most developing countries, is to provide access to quality education for all and for the output to find gainful employment.

The global post-2015 SDGs appear to adequately cater for the aspirations of the Commonwealth member countries. However, the Commonwealth should establish its priorities for a core agenda. It is suggested that the Commonwealth promote Technical / Vocational Education and Entrepreneurship Training for job creation, industrialisation and innovation to the centre stage of development action in Commonwealth Africa, within the context of the SDGs. The following lines of strategic action are recommended:

1. Establishment of well-equipped national centres for skills training, business and entrepreneurship education and orientation, with the Commonwealth leading support by governments, donor agencies and development finance organisations that could provide soft loans for the establishment of enterprises by graduates from these centres.
2. Deepening of flexible training schemes especially for youths in the informal sectors
3. Strengthening closer collaboration between educational institutions and local industries whose technology-practice have greater potential to benefit from the educational institutions' R&D and innovation efforts; thereby accelerating endogenous technological development, industrialisation and economic growth.

The competency-based skills training would ensure a good match between the demands of the labour markets and the skills posed by graduates. Moreover, the graduates would have acquired the technical skills and confidence to venture into self-employment and themselves become employers of labour.

Olubunmi Owoso
Commonwealth Association of Polytechnics in Africa
Nairobi, Kenya

From: Geoff Hayward
Sent: 24 June 2015 20:56

Dear Colleagues

I echo Peter and Michael's comments but there is an additional factor that needs to be borne in mind when considering the relationship between education and the economy. This is the political economy in which education, as an institution, is embedded. Arguably the German model 'works' as far as it does (see below) because of a political economy which drives employers to behave in certain ways. If so then alongside an educational policy for economic growth you will need an industrial policy which coerces employers and firms to make the use of the knowledge and skills that are being produced at such huge expense by the tax payer. Singapore is an excellent example of how this might be achieved.

In terms of the German model a reasonable question is the extent to which this model will continue to be successful with the emergence of a low paid service sector in the German economy. The model seems to work best in manufacturing and higher paid service occupations when there is a need for skills that employers will pay for.

With all best wishes

Geoff Hayward
University of Cambridge
UK

From: Peter Holden
Sent: 24 June 2015 20:42

Greetings,

In Australia we commissioned research into the productivity gains from investing in vocational education and training (VET). The key point was that for every dollar invested, there was an 18% return in increased productivity.

The two main benefits of VET boost the pre-tax earnings of students:

- The most important benefit from VET is improvements in the employability of students. Those students are more likely to participate in the workforce, less likely to be unemployed, and more likely to work full-time compared to those with no post-school education.

- VET also improves the productivity of students. VET study allows students to work in more highly-skilled occupations which command higher wages.

However, obtaining these benefits involves two main costs:

- VET study involves a tuition cost, which is borne by governments, students and businesses.
- Some students also forego earnings opportunities because they spend time in training that they could otherwise have spent earning income. Alternatively, their earnings may be reduced by working as an apprentice.

The full report and summary can be found [here](#) - Position Paper - Employment and economic benefits of additional investment in technical and further education (PDF, 576 KB).

Peter Holden
International Engagement & Business Development
Sydney, Australia

From: Jim Wynn
Sent: 24 June 2015 20:42

Can I draw attention to this text to look at learning beyond its use in education -

Creating a Learning Society, A New Approach to Growth, Development, and Social Progress - Joseph E. Stiglitz and Bruce C. Greenwald; abstract available [here](#).

This is a game changing look at the future for all of us.

Jim Wynn
Imagine Education
UK

From: Michael Crossley
Sent: 24 June 2015 05:08

I feel very much in sympathy with both the spirit and content of Peter William's comments on this theme as below so I will not repeat the specific points he has made but I do endorse them.

In addition I believe it is important for decision-makers to realise that it is the status (and rewards) given by society to participants and graduates of TVET that play a large part in programme success or failure. If TVET qualifications and pathways are seen as second best then success will be hard to achieve. German models have arguably done best in avoiding this but what about the Commonwealth approach?

We would do well to remember Phillip Foster's critique of TVET in the school setting in his paper on the Vocational School Fallacy - ie. good academic study generating literacy (ies), numeracy and powers of analysis and critical thinking (as listed in the Roundtable briefing paper) are the skills and

qualifications most needed for employment. TVET is also well documented to be expensive and an ever changing target as employment needs and demands change.

And are these societal problems that we (or employers) are expecting education to solve alone? All sectors must work together in mutually supportive ways for real change.

I hope this helps

Michael

Michael Crossley
University of Bristol
Bristol, UK

From: George Jonathan Maeltoka
Sent: 24 June 2015 02:31

Dear Peter,

Thanks for the paper.

I have one consideration, surrounding knowledge economy, particularly, for indigenous epistemology - by way of research scholarship awards.

I see education being economically consolidated when knowledge is derived, articulated and translated at its contexts specific logic, which in this case by supporting indigenous scholars to research and publish home inherent knowledge from first degree courses as general studies. To make knowledge as commodity in view of intellectual property.

George Toka
Ministry of Education
Vanuatu

From: Peter Williams
Sent: 23 June 2015 23:17

The title of this discussion suggests it is broadly about the economics of education, but the accompanying text suggests that the real focus is identifying knowledge and skill requirements and vocationalisation of education, implying as the paper does that the principal economic function of spending on education is to prepare individuals for the job market. These two different conversations should both be explored, but kept separate to avoid confusion.

Economics of Education

After decades of discussion and debate (I was Rapporteur of the International Economics Association Conference on the Economics of Education at Annecy in 1963) are we any nearer being able to demonstrate with precision the profitability to a country of educational investment in terms of producing an additional 'Y' amount of output by spending 'X' million dollars on education of a

particular kind at a particular time? We may as individuals have a sense that meeting the cost of attending a particular course is likely to 'pay off' (give a good 'private rate of return') in terms of a better job with a higher salary. But it is far trickier for governments to know whether at a particular point of time their decision to double the size of the upper secondary education system will be a good or bad investment as compared with anything else public money might have been spent on (e.g. farm subsidies, immunisation programmes, better internet connectivity).

Many of the data show an association between higher spending on education and economic development. But is it a case of economic growth enabling education expenditure, of education investment being 'the pathway to economic growth', or a fair amount of each?

The overall consequences of educational investment are played out over a very long time-period, and in considering national economic growth it is hard indeed to disentangle the different effects of good (or bad) economic policies, demographic trends and migration patterns, technological advance, or the discovery of oil or diamonds. One will also encounter very different opinions on whether any genuine effects on the economy from investment in schooling are derived from education's role in giving students particular specialist skills in for example accountancy or hydraulic engineering; from imparting broad-based skills of communication and calculation; from changing students' perceptions and cultural values; or from the extra spending power in the economy that paying teachers and building schools generates. Different countries may in any case have very different experiences.

As already indicated all these are very long-term considerations. But Ministry of Education decisions have to be short term about the here and now. In my own brief seven years working in educational planning units in ministries of education in Commonwealth countries I don't remember a single real spending decision being based on the latest finding of economists of education regarding investment returns. The real factors were forecasts of impending bottlenecks in teacher supply or ability to accommodate certificate holders at the next level, and the political clamour to build more schools, 'do something about' youth unemployment or 'train more doctors/social workers'.

Where economists were sometimes useful was in preparing financial projections, calculating costs and where efficiency savings might be made, and in considering possible alternative sources of revenue for education. These are real everyday issues on which our Conference could usefully exchange views and which I hope can be fed into the Roundtable discussions. So I encourage participants at the Roundtable to approach discussion of 'educational investment and pathways to economic growth' with scepticism, whilst acknowledging the need, where necessary to "talk the economics of education" talk to the World Bank and aid donors, in order to get the desired education grants and loans.

Knowledge and skill requirements/vocationalisation

The challenge here will be for Ministers to identify what they would find useful to discuss. I would question some of the assertions raised in the background paper (whether policy makers "command of high levels of professional expertise" is a reality or aspiration; whether those starved of resource really do "lack fundamental understanding of how to improve opportunities"; whether there is agreement that TVET is the "means through which to eradicate the extremes of poverty"). Whilst not a specialist in the area, I offer a few rather commonplace points, some obvious and others not so obvious, about skills development:

1. The problems being addressed are not new but very very old. Discussion of unemployed school leavers is centuries old.

2. Skills for employment is a far more ambitious target than skills for work, or skills for earning a livelihood. It is obvious that not every young person in the Commonwealth will find employment at all soon.
3. Skills for the workplace come in a variety of shapes. Some like those of a surgeon or professional footballer may be highly occupation-specific, but leadership skills, ability to communicate are valuable in a very wide range of occupations.
4. The fallacies underlying the extremes on manpower forecasting, so fashionable for a brief period in my youth, are now widely discredited. You only have to look around at the job titles of your friends and to ask them what courses they took in school and college to realise there is no 'one-to-one match between pre-work education and training and particular occupations.
5. Demography, it seems to me, is absolutely fundamental. Young people learn quickly when they are placed in settings in which they perform production tasks under supervision and alongside experienced colleagues. There are just not enough adults, enough of these workplace settings, in relation to work-seekers when population structures result in a ratio of one experienced adult to one or two apprentices instead of perhaps three adult workers to one apprentice in a more demographically 'mature' society. In time the demographic transition will play a significant role in helping to sort this problem out but in the short and medium term it will be difficult to find ways to acclimatise young people to the rhythms of the workplace and the operations of the market.
6. Schools and colleges do not readily provide convincing substitute settings for the workplace when it comes to skill development. Equipment is expensive, difficult to maintain and quickly becomes outdated. Teachers tend not to have recent experience of the workplace, and their terms of service in the public TVET system are unattractive compared with what is available in the productive manufacturing, mining and service sectors. Large classes of students doing artificial tasks and projects at school or college hardly resemble the reality of a workforce with varied complementary skills engaging in production for the market. It is not surprising that in some Commonwealth countries the record of TVET graduates in obtaining modern sector jobs has been so disappointing in relation to the resources expended.

Of course specialists in skills development and TVET have been grappling with these problems, have developed more realistic strategies for skill development through education and training - often drawing enterprises into closer partnership with training institutions, and have shared the fruits of their experience through UNESCO, ILO and others. Hopefully such lessons as have been learned will be communicated to the Roundtable. I would suggest that future background papers and discussion on the topic focus more on surveying existing work in the area and the options facing policy makers in the real world of resource constraints. Ministers and stakeholders alike need to address the realities of the situation confronting those who are asked to prepare a whole generation of young people for work.

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