

Inclusive human capital development – A call for more effective leadership

**Dr Ian Cosier
Principal Research Adviser
Queensland Studies Authority
Australia**

Abstract

Higher levels of education has the potential to increase human capital in both developed and developing countries. The benefits of higher levels of human capital include supporting:

- ◇ Economic growth and poverty reduction
- ◇ Robust labour markets
- ◇ Lower unemployment levels
- ◇ Better health outcomes and well-being
- ◇ Lower levels of incarceration
- ◇ More robust and cohesive communities

If differential rates of human capital development occur in developed and developing countries then the human capital gap could continue to grow, leading to a destabilised world.

This paper draws together research and theory associated with a broad range of discipline areas and attempts to highlight areas of commonality and difference.

I construct a case that there is a concordance between human capital theory, equity and inclusivity in education and training. Secondly, these factors and the interrelationship between these factors are impacted on by the collective processes known as globalisation. The third aspect of building human capital explores educational planning for human capital development and contrasts the approaches used by developed and developing countries. Recent policy shifts in Australia and Queensland illustrate the interoperability of all of these factors and issues. Finally, for the benefits of human capital to be realised by individuals, regions, and nations stronger leadership is required to ensure that the education of all individuals increasingly underpins education policy focus.

Examples to illustrate these themes rely on research and analysis sourced from: the United Nations, the OECD, The World Bank, The European Commission, The United Kingdom, Scotland, Australia, Queensland and Papua New Guinea.

My reflections in this paper are drawn from advanced research, my experiences as an academic, an executive manager in major Australian education reforms in the schooling, TVET and university sectors, and as an organisation development adviser with the Department of Education in Papua New Guinea.

The views expressed in this paper are my own and do not necessarily represent the views of my employer the Queensland Studies Authority.

Introduction

The following section derived from a recent United Kingdom Government report highlights the importance and timeliness of the theme of this important conference.

In a knowledge-based economy, education is the motor that drives social mobility. In the UK, our education system is characterised by world-beating centres of excellence at every level, from primary schools to higher education institutions. But we also have a long tail of educational under-achievement. It is no longer sustainable for our education system to produce a cohort of youngsters who lack the skills to compete in the modern labour market. The changing nature of our economy demands that every child must be given better opportunities to learn and to choose careers.

In the last decade, there has been a substantial effort on the part of government to raise educational attainment across the board. The priority given to education is most welcome and, in many regards, is paying dividends in improved results, modern schools and higher standards.

It is heartening that the Government has invested so heavily in early years education and, in so doing, has learned the lesson from the Scandinavian countries where universal childcare has enhanced mobility and narrowed inequality. We hope that early years will continue to be a priority for investment in the future.

In general, higher levels of education spending are associated with higher levels of mobility and we would be concerned if the recession and pressures on government spending led to reductions in education budgets. We agree with the Sutton Trust, however, that more could be done to target resources on policies and programmes that work towards enabling children from all backgrounds to fulfil their academic potential.

Educational attainment has risen. Considerable progress has been made recently in reducing the number of schools that are deemed to be failing. There is also evidence of progress in narrowing educational inequality. Despite this progress, the attainment gap by social position is still substantial, and it starts very early in life.¹

Human Capital

In a rapidly changing world, the success of nations, communities and individuals may be linked, more than ever before, to how they adapt to change, learn and share knowledge. This report helps clarify the concepts of human and social capital and evaluates their impact on economic growth and well-being. Although the evidence on social capital is less developed, reflecting the novelty of the concept in economic and social science, the report draws on a number of empirical studies which suggest potentially important linkages between human and social capital. The evidence suggests that human and social capital can be of key importance in contributing to a wide range of positive outcomes, including higher income, life satisfaction and social cohesion. Although there is no evidence for systematic "under-investment" in either human or social capital, concerns are expressed about the distribution and quality of each form of capital and how this might impact on future well-being. There is limited scope for public policy to change the quality, stock and distribution of human and social capital in the short-term. However, a number of areas are discussed in which public, private and voluntary actors may leverage long-term improvements in both human and social capital.²

In a knowledge-based economy, education is the motor that drives social mobility. In the UK, our education system is characterised by world-beating centres of excellence at every level,

¹ http://www.cabinetoffice.gov.uk/strategy/work_areas/accessprofessions.aspx

² OECD The Well-being of Nations: The Role of Human and Social Capital 2001

from primary schools to higher education institutions. But we also have a long tail of educational under-achievement. It is no longer sustainable for our education system to produce a cohort of youngsters who lack the skills to compete in the modern labour market. The changing nature of our economy demands that every child must be given better opportunities to learn and to choose careers.

Some forty years after the birth of the human capital theory, education is still one of the central topics in the public policy debate. This is particularly true in Finland which has one of the most expensive education systems in the world. The need to decrease public spending causes pressure to cut the resources that the society allocates to running the school system. On the other hand, it is widely realized that an increasingly complex society and rapid technical change requires highly educated workforce, if the country wishes to succeed in the international competition. Interestingly enough, most of the arguments in this debate are cast in economic terms.

The basic principle of the human capital theory that stresses the role of education as a productivity enhancing investment (Becker 1964) is widely accepted in this discussion. Education policy is directed to meet the skill needs of the modern workplace and to improve the performance of the individuals in the labor market. In fact, education is seen almost as a universal cure to some of the most severe economic problems such as unemployment and poverty. Human capital is also regarded as key factor in generating higher productivity and economic growth³.

This thesis focuses on the effect of education on individual earnings. This does not necessarily fall far from measuring its effects on productivity. Only few datasets contain better measures of the productivity of individuals. On the other hand, earnings differences are an important outcome themselves. Developments in inequality and poverty have become increasingly important topics and, after recent developments in US and UK, also attracted more and more attention in academic research.⁴

Educational Planning

Many economically developed countries, following policy advice from the OECD, have established targets to increase educational attainment to the end of secondary schooling or equivalent. On the other hand, the United Nations and the World Bank support the Millennium Development Goals (MDG) for developing and less developed countries. A key MDG target involves the achievement of universal primary education by 2015. In many less developed countries it is only the children of the elite who complete senior secondary schooling before undertaking further education and training. These policy dichotomies increasingly support a two tier educated world which will be increasingly unsustainable economically and socially.

The eight Millennium Development Goals as developed by the United Nations are:

- Goal 1 Eradicate extreme poverty and hunger
- Goal 2 Achieve universal primary education
- Goal 3 Promote gender equality and empower women
- Goal 4 Reduce child mortality
- Goal 5 Improve maternal health
- Goal 6 Combat HIV/AIDS and other diseases
- Goal 7 Ensure environmental sustainability
- Goal 8 Develop a global partnership for development.

³ Robert J. Barro & Xavier Sala-i-Martin, 1995. *Technological Diffusion, Convergence, and Growth*, Economics Working Papers 116, Department of Economics and Business, Universitat Pompeu Fabra.

⁴ Roope Uusitalo Essays in Economics of Education <http://www.oecd.org/dataoecd/4/38/37576324.pdf>

The six Education for All goals that were agreed to by all nations at Jomtien, Thailand, in 1990 and reaffirmed in Dakar, Senegal are:

- ◇ Expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children
- ◇ Ensuring that by 2015 all children have access to free and compulsory primary education of good quality
- ◇ The learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programs
- ◇ Achieving a 50 per cent improvement in levels of adult literacy by 2015
- ◇ Eliminating gender disparities in education by 2005
- ◇ Improving all aspects of the quality and excellence of education with measurable learning outcomes.⁵

An example of a country struggling to progress towards achievement of the Education for All goals at the primary school level is Papua New Guinea (PNG). Its progress is increasingly supported by a range of international aid providers contributing in a harmonised funding approach. Australia plays a key support role in this process.

The forward of the PNG National Education Plan 2005 to 2014, (NEP), states that the document serves as a road map for education in PNG and, as the title suggests, it points the way towards Achieving a Better Future. The prime objective of the NEP is to provide a basic education for all. This will mean that all of our people will be literate and numerate and be able to contribute towards an improved quality of life in their communities. This will lead to a better future for all. The NEP will also give the opportunity of further education or training for all completing nine years of basic education.

It is too early to speculate whether the systems, structures and infrastructure that supports the educational capacity building in PNG will allow the achievement of the Education for All targets by 2015.

While many developing countries struggle to find the resources to progress towards achievement of the Education for All Goals, many developed countries are progressing to near universal attainment of upper secondary school attainment to underpin more dynamic knowledge based economies. Still other countries have a combination of the above approaches where the elite in major cities enjoy near universal completion of upper secondary school that is not a situation enjoyed by rural and remote students especially Indigenous or minority ethnic group students, or students with a disability. The situation for girls in these situations tends to be worse.

While most countries have educational plans to achieve their government's objectives, their capacity to achieve their desired goals differs markedly.

A recent OECD report noted the evolving and dynamic roles of schools and education systems:

As countries are seeking to adapt their education systems to the needs of contemporary society, expectations for schools and school leaders are changing. Many countries have moved towards decentralisation, making schools more autonomous in their decision making and holding them more accountable for results. At the same time, the requirement to improve overall student performance while serving more diverse student populations is putting schools under pressure to use more evidence-based teaching practices.

The 21st century is still in its first decade, yet many countries have already seen dramatic shifts in the way schools and education systems are managed compared with those of the end of the last century. A prime stimulus for these changes is a combination of shifts in society, including greater migration, changes in social and family structures, and the use (and misuse)

⁵ <http://www.unesco.org/en/efareport>

of information and communications technologies. Also influential is a greater emphasis on relative performance of different schools and education systems, between schools, school systems and countries.

The strong focus on education by governments and society is entirely appropriate. Only through education can we develop the knowledge and skills that are vital for our countries' economic growth, social development and political vitality. And most importantly, for the success of the children who will be our future generations.⁶

Equity in Post-Compulsory Education - In the compulsory phase of education, participation is by definition near universal, and equity issues arise over the extent to which such participation realises the potential of all, regardless of social background or circumstances. In post-compulsory education, the equity issue arises in a quite different form because of the extent of individual variation in participation. Two such issues addressed below are: *i*) the extent to which the expansion of post-compulsory education has enhanced equality of opportunity in access; and *ii*) the distribution of costs and benefits of public spending on post-compulsory education.

Expansion of post-compulsory education and the equality of opportunity - Over the past 30 years participation rates in post-compulsory education have increased rapidly. Thus, on average in OECD countries, nearly three-quarters of the younger cohort aged 25-34 have completed upper-secondary education, and one-quarter have completed tertiary education. Conversely, among those currently aged 55-64, under half have completed the upper-secondary phase of education, and only one in seven has completed tertiary education. Much of the progress is attributable to women catching up with men – the attainment levels of younger men and women aged 25-34 are now very similar. For those aged 55-64, only 6 per cent of women (compared with 12 per cent of their male counterparts) have university degrees and 38 per cent have upper-secondary qualifications (compared with 50 per cent of men). A question arises over whether this overall expansion in educational opportunity has been equitably shared.

Upper-secondary education - Evidence from a number of countries suggests that the minority of young people who fail to complete upper-secondary education tend to come from less affluent backgrounds. Thus, in France in the late 1990s, 62 per cent of the 15-year olds coming from the poorest two deciles of families had to repeat at least one year in school compared with 17 per cent from the richest two decile (INSEE, 2000). In the United States in 1999, over three-quarters of high-school drop-outs came from families with below-median income, and only 8 per cent from the highest family income quartile (National Center for Education Statistics, 2000). In the United Kingdom in the late 1990s, young people from households headed by a professional and a managerial worker were twice as likely to remain in full-time education at the age of 18 as those from households headed by an unskilled manual worker.

Given that young people from poorer backgrounds are most likely to lack upper-secondary education, the extension of upper-secondary education has targeted benefits at young people from poor backgrounds. Thus, in the United States, for example, between 1970 and 1999 the high-school drop-out rate fell from 28 to 21 per cent among students from the lowest family income quartile, and from 5 to 4 per cent among students from the highest income quartile.

Although the proportionate change was similar in the two quartiles, there were roughly seven times more additional participants in the lowest than in the highest family income quartile (National Center for Education Statistics, 2000). Several countries have set universal participation (at some stage in life) in upper-secondary education as a policy goal, but achievement of this goal remains a challenge in virtually all OECD countries. Indeed, experience shows that as participation rates rise above 75 per cent further increments in participation rates appear to diminish sharply. The relatively small group of remaining non-

⁶ Improving School Leadership OECD 2008 pp.1-6

participants often suffers severe problems of disaffection from secondary schools and lack of interest in formal education. Private rates of return for this group may therefore be lower, although broad measures of the social rates of return may be higher (because of the high social costs imposed by factors like crime).⁷

Globalisation

There are many different definitions of globalisation, but most acknowledge the greater movement of people, goods, capital and ideas due to increased economic integration which in turn is propelled by increased trade and investment. It is like moving towards living in a borderless world.

There has always been a sharing of goods, services, knowledge and cultures between people and countries, but in recent years improved technologies and a reduction of barriers means the speed of exchange is much faster. Globalisation provides opportunities and challenges. Bigger markets can mean bigger profits which leads to greater wealth for investing in development and reducing poverty in many countries. Weak domestic policies, institutions and infrastructure and trade barriers can restrict a country's ability to take advantages of the changes. Each country makes decisions and policies that position them to maximise the benefits and minimise the challenges presented by globalisation.

The issues and perceived effects of globalisation excite strong feelings, tempting people to regard it in terms of black and white, when in fact globalisation is an extremely complex web of many things.

Educations impact in a globalised world is often discussed in term of high skill mobility or 'brain drain', where high level skills are poachable to high income countries or countries without war and conflict. Globalisation of education and expertise has another context which is most commonly illustrated by the employment by aid agencies of capacity building advisers in developing countries. Another example of building capacity that has made a significant human capital contribution is Cuba's training and export of doctors to developing countries.

Inclusive Schooling

Both internationally and within Scotland, there is support for the development of inclusive schooling. Such developments can be linked to concerns about social exclusion and social justice within education systems specifically and in society at large. Evidence across the UK indicates an overall raising of living standards, yet concentrations of social deprivation. Within education systems, there has been an increase in overall levels of educational attainment; yet the *relative* attainment and under-achievement of individual pupils and groups of pupils, particularly linked to socio-economic status, gender and 'race', requires attention. Investigating and seeking to understand the processes and outcomes of social and economic disadvantage and discrimination within schooling is central to developing inclusive schooling, through which all schools meet the needs of all their pupils.

However, there is no single agreed definition of inclusive schooling. It is a concept which is growing in prominence, and is therefore continuing to develop. As a term, inclusive schooling has been most closely associated with Special Educational Needs (SEN). In this context, inclusive schooling relates to the inclusion in mainstream schools of pupils designated as having special educational needs.

Within the SEN literature, some key components of inclusive schooling include:

- ◇ a recognition of individual needs;
- ◇ a recognition of individual achievement;

⁷ Sveinbjörn Blöndal, Simon Field and Nathalie Girouard Investment In Human Capital Through Upper-Secondary and Tertiary Education *OECD Economic Studies No. 34, 2002/I* 41 2002

- ◇ an appreciation of diversity (as normal and positive rather than as deficit and problematic);
- ◇ the physical location of pupils in schools;
- ◇ the educational experience of pupils;
- ◇ the emotional well being and social interaction of pupils.

This focus on individual needs has been further developed in ‘inclusive schooling for all’, which aims to positively recognize diversity and develop *all* children. This approach is linked to human rights and a recognition of the multiple and inter-connected needs of children. There are concerns, however, that an all-encompassing definition of pupils’ needs may undermine an awareness of particular forms of disadvantage, discrimination and the specific needs of certain groups.

While all children have formal/statutory equality of *access* to schooling (e.g. in their right to attend school), evidence indicates that inequalities in *participation* within schooling (e.g. in classroom practices, curriculum coverage and assessment) and inequalities in the *outcomes* of schooling (e.g. attainment and leaver destinations) persist. Such inequalities can also be linked to inequalities of *circumstances* within society, e.g. socio-economic circumstances, ‘race’ and gender. The connections between inclusive schooling and social inclusion are important. In particular:

- ◇ There are concerns about linkages between school exclusion and the tendency to be socially excluded.
- ◇ Many advocates of inclusive schooling perceive it as being a component of wider social inclusion.

There has been considerable debate about the balance between ‘school effects’ and wider social and economic inequalities on pupils’ performance in school. Research continues to indicate that social disadvantage impacts significantly on educational outcomes. Research indicates also that *schools can and do make a difference*, drawing on research evidence from real schools in international contexts.⁸

The dimensions of educational equity

The central goal of education is to allow all individuals to develop to their full potential. A realisation of this goal would not remove differences between individuals in educational achievement and the associated benefits. Nor would it necessarily mean access for all to the same educational experiences. However, it would imply access to skill development that would enable each individual to develop his or her full potential. In practice, it will often be unclear whether differences in educational outcomes reflect variation in “full potential” or differentially effective provisions.

Consideration of equity in education must address outcomes as well as access. The question is not whether outcomes vary but whether they do to an extent that is unreasonable and whether the distribution of outcomes is equivalent in groups between which it is not reasonable to expect differences. For example, it is accepted in OECD countries that no factors (genetic, social or cultural) should automatically constrain female educational achievement to a different level or distribution from that of men, and many countries have increased female achievement to match or go beyond that of males.

Socio-economic equity raises different issues. General cognitive abilities are significantly heritable, and these genetic effects are sustained throughout life (McLearn *et al.*, 1997). To the extent that innate abilities determine the educational attainment and socio-economic level of

⁸ Developments in Inclusive Schooling, Carol Campbell, David Gillborn, Ingrid Lunt, Pam Sammons, Carol Vincent, Simon Warren, Geoff Whitty and Pamela Robertson, Institute of Education, University of London (2001)

⁸ OECD Economic Studies No. 34, 2002/I, 68 OECD 2002

parents, and are genetically linked to the capacities of their children, success in one generation will be correlated with that of the next. However, the evidence suggests that socio-economic privilege confers many direct benefits, both through a home culture which tends to reinforce the goals of formal education and through the capacity to fund access to education in private schools and post-compulsory education (Dearden, 1998; McPherson and Schapiro, 2000).

Particularly in the post-compulsory phase, systems of educational finance also have an impact on outcomes by virtue of how they distribute the costs of human capital investment between different parties. Overall outcomes for any individual depend not only on the benefits of educational attainment, but also on how much of the cost of that education falls on the individuals who benefit.

New research has shown that in the compulsory phase of education, the relationship between socio-economic background (measured on a variety of dimensions) and educational achievement is present in all OECD countries but varies in strength, and is independent of average achievement. The message is that national educational policy and practice can ameliorate the influence of social and economic privilege on educational achievement without sacrifice to the overall level of achievement.⁹

What drives social mobility? *Unleashing Aspirations* a recent UK Report

Social mobility is about each new generation benefiting from more and better opportunities to get on in life. At its simplest, social mobility means better jobs for each generation so that our children can do better than us, and fair chances so that everyone has an opportunity to access those jobs and realise their potential.

In a modern economy the professions are at the heart of this new opportunity story: social mobility will rise if there are more professional opportunities, or if the relative chance of getting into a professional career increases. The most important resource of a company or a country is no longer its raw materials, or its geographical location, but the skills of its whole workforce. A knowledge economy needs a mobile society.

It is no coincidence that countries such as Australia, Japan, Sweden and the Netherlands, which are the most socially fluid in the world, are also among the most equal. The fact that the UK remains such a persistently unequal society is in large part the reason why social mobility is lower than in other less equal nations. Greater equality and more mobility are two sides of the same coin.

We believe that a socially mobile society is not just a laudable objective. It is a necessity if the UK is to flourish – economically as well as socially. We believe that all children should have the opportunity to fulfil their potential. Individual success should reflect innate talent and ability, not background or birth. We also believe that what is right on ethical grounds in the 21st century is also right on economic grounds. In a globally competitive economy the key to success depends on unlocking the talents of all our people. During the course of its work the Panel has heard directly from leading experts about what drives social mobility. The evidence we have been given has helped us develop our specific policy recommendations.

Maternal health and child poverty - It is an unfortunate fact that the life chances of a child born in 2009 are still determined by the circumstances of their birth. Indeed differences in life chances start well before birth. Children who grow up in disadvantaged families and poor communities suffering bad housing, with high levels of crime and low levels of school performance, face an uphill struggle to get on in life. They have to climb not just one hill, but many, to succeed. Getting social mobility moving relies on action being taken on many fronts. Too often this has not been the case.

⁹ OECD Economic Studies No. 34, 2002/I, 68 OECD 2002

We believe that unless child poverty is tackled social mobility will be thwarted. Eradicating child poverty should be a policy priority and requires a new, more holistic approach to tackle the many forms that disadvantage can take.

Early-years - There is strong – and growing – evidence about the importance of high-quality early-years care in giving every child a good start in life. Provision of high-quality early years care is good for all children but seems to have a disproportionate impact on children from poorer backgrounds.

We believe that early-years care is beneficial for all children, the most disadvantaged especially. Continued investment here is important for social mobility.

Family, parenting and community - What parents and families do, and the social circumstances they do it in, have perhaps the greatest influence on a child's fortunes in life. Parents' expectations and aspirations for their children are important predictors of educational attainment. There is good evidence, for example, that access to moderate amounts of financial capital at an early age can have major impacts on later life outcomes. Spreading asset ownership – by encouraging more home or employee shared ownership – has an important role to play in tackling inequality and increasing social mobility.

We believe that good parenting is the foundation for a mobile society and that parents and families should be better valued and supported. We also believe that asset-holding should be more widely encouraged.

Education - Education is becoming an increasingly significant driver of social mobility. Success in school up to the age of 16 has long been regarded as a key factor in explaining rates of social mobility. Studies show that around 38% of inter-generational social mobility can be explained by observable educational factors. Moreover, softer skills such as communication and team working have become more important to employers, driven in part by the growth in service sector employment.

We believe that the quality of education is vital for a mobile society and that it is becoming ever more important as the economy becomes increasingly knowledge-based. We believe that every child deserves a good well-rounded education to improve their employability prospects and that continuing investment and reform are key to that happening.

Post-school qualifications and transitions to work - Post-school qualifications are crucial to provide people with the skills and capabilities to progress. Indeed, some estimates suggest that around one-fifth of all inter-generational social mobility can be explained by post-16 qualifications. Higher education is particularly important.

Participation rates in further and higher education remain strongly correlated to parental income. The evidence also shows that those who choose vocational routes into work tend to be from lower socio-economic backgrounds. Such vocational routes have lower rates of return than higher education and also receive less support from the Government.

We believe that post-16 education and training – including the important work of further education colleges – are becoming more important for people's employability and need greater recognition as a driver of social mobility.

Opportunities to work and progress - Social mobility can often stall when unemployment rises and opportunities decline. The UK has the eighth-highest rate of employment out of 30 countries in the Organisation for Economic Co-operation and Development (OECD), but one in six children today grows up in a workless household and too many people remain trapped in an endless cycle of low-waged work and spells of unemployment.¹³ Improving people's employment prospects is vital, but equal attention needs to be paid to their opportunities to progress once in work and to develop further skills. The pace of technological change means that employees need to develop and update their skills continually.

We believe that the notion of a one-off chance in education and training can no longer deliver a mobile society. More focus needs to be placed on learning throughout life, with a flexible training system that empowers individuals and that is personalised to their needs.¹⁰

Possibly the best example of a strategic approach to build the role of education and training across nation states is the European Commissions move to a single labour market underpinned by an integrated set of education and training systems. The achievement of their strategy could have the impact of furthering the divide between developed and less developed countries. The following summary provides an update of Europe's education and training strategy.

An updated strategic framework for European cooperation in education and training

Building higher skills through better education and training systems is an essential part of Europe's strategy to meet future challenges such as the ageing of society and to deliver the high levels of sustainable, knowledge-based growth and jobs that are at the heart of the Lisbon strategy. Knowledge, skills and competences determine an individual's chances to succeed in the labour market and to have an active role in society. They are crucial for social cohesion as well as the competitiveness and innovative capacity of enterprises and the entire economy.

As set out in the initiative on *New Skills for New Jobs*, also published with this year's Lisbon package, labour market changes will require both upgrading the skills of the population and skills development policies that better match current and future labour market needs. This will only happen if lifelong learning becomes a reality, not a slogan, allowing people to acquire key competences early and update skills throughout their lives; and if education and training systems become more responsive to change and more open to the wider world.

EU Member States and the Commission have been cooperating closely to support national reforms of education and training systems through the "Education & Training 2010" work programme. While taking into account Member States' very different starting points, the open method of coordination (OMC) has supported progress towards a set of shared objectives measured against common indicators and benchmarks and in line with the integrated guidelines for growth and jobs, aimed at increasing investment in human capital through better education and skills, facilitating innovation, and promoting a more entrepreneurial culture¹. The current framework for cooperation, which was agreed by the Education Council in 2001/02, is coming to an end and this is an appropriate point to take stock and look ahead.

Following a wide consultation with Member States and other actors during 2008, this Communication suggests long-term strategic challenges to guide the policy cooperation for the period to 2020. The challenges reflect the contribution of education and training to the Lisbon Strategy and the renewed Social Agenda. The Communication also outlines the most urgent priorities which merit particular attention during the initial period ahead, for 2009 and 2010. This, together with improved working methods, will strengthen the focus on implementation and make the new framework more flexible to address both certain long-identified weaknesses and to open policy cooperation on new challenges. It also includes the possibility to refocus later, in the light of progress made, to reflect new issues as they emerge in the policy dialogue and to adapt objectives, benchmarks and reporting mechanisms as necessary in the light of decisions that will be taken on the future Growth and Jobs strategy beyond 2010.

At this time when the EU is seeking to minimise the impact of the current economic downturn and set the course for renewed growth, it is vital that the momentum in favour of educational investment that is both efficient and equitable is maintained. Good policies will simultaneously aid recovery from recent shocks and build the basis for meeting future challenges with confidence.

¹⁰ http://www.cabinetoffice.gov.uk/strategy/work_areas/accessprofessions.aspx

Responsibility for education and training policy lies with Member States. Europe's role is to support the improvement of national systems through complementary EU level tools, mutual learning and exchange of good practice.

Policy cooperation on education and training has supported national reforms of lifelong learning and qualification systems, the modernisation of higher education and the development of European instruments promoting quality, transparency of qualifications and mobility in learning. But progress varies considerably between Member States and is insufficient in key areas. Implementation therefore needs to be strengthened. While the maths, science and technology benchmark was reached in 2003, progress on early-school leaving, upper-secondary attainment and adult participation in lifelong learning is insufficient to reach the targets.

Performance on low achievers in reading literacy has even deteriorated. The 2008 Spring European Council therefore urged Member States to take concrete action to reduce substantially the number of people who cannot read properly and the number of early school leavers, to improve the achievement levels of learners with a migrant background or from disadvantaged groups, to attract more adults into continuing education and training and to further facilitate geographic and occupational mobility.

Seen in a wider perspective, the EU's education and training performance is broadly comparable with the best in the world. But comparisons with other OECD countries reveal significant backlogs for the EU, both at the level of basic schooling and in higher education.

Secondly, many of the EU's key competitors have higher shares of people with tertiary level educational attainment. The EU average for 25-64 years old is 23% compared to 40% for Japan, 39% for the USA, 32% for Australia and Korea and 27% for New Zealand.

Finally, while ensuring the efficiency of investments is a key concern for the EU, many countries outside Europe are investing significantly more in higher education, in particular from private sources. Private investment (0.23% of GDP in the EU) is much higher in both Japan (0.76%) and the USA (1.91%). These comparisons show that if Europe is to succeed in its ambition to be the world's leading knowledge economy and society, it must step up its performance in these areas.

Education and training policy remains crucial to achieving growth and jobs, social inclusion and active citizenship but continues to face important challenges. Progress on key educational issues such as literacy and early school leaving is slower than hoped. The current focus on the economic crisis must not divert attention from setting the right long-term, strategic education and training policies. As highlighted in this communication, Europe has to address a number of educational deficits if it is to avoid falling behind globally. For these reasons, there is, more than ever, a need for an effective open method of coordination supporting the improvement of education and training policies.

The Commission calls upon the Council to endorse this proposed framework for the future European cooperation in education and training, the set of long-term strategic challenges until 2020 and priority issues for the period 2009-2010 and the proposed improved working methods. The framework should be reviewed and any necessary adjustments made in the light of the decisions taken on the EU Strategy for Growth and Jobs beyond 2010.¹¹

¹¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

National Partnership Agreement on Youth Attainment and Transitions, Council of Australian Governments

An agreement between the Commonwealth of Australia and the States and Territories, being: The State of New South Wales; The State of Victoria; The State of Queensland; The State of Western Australia; The State of South Australia; The State of Tasmania; The Australian Capital Territory; and The Northern Territory of Australia.

In entering this Agreement, the Commonwealth and the States and Territories recognise that they have a mutual interest in improving outcomes in educational attainment; engagement of young people aged 15-24 with education, training and employment; and transitions of young people from school to further education, training or employment; and need to work together to achieve those outcomes.

The Commonwealth, States and Territories will work together to ensure the non-government school, training and community sectors are included in the reforms under this National Partnership.

Purpose of the Agreement - This Agreement has been established to achieve a national Year 12 or equivalent attainment rate of 90 per cent by 2015, provide an education or training entitlement to young people aged 15-24; better engage young people in education and training; assist young people aged 15-24 to make a successful transition from schooling into further education, training or employment; and better align Commonwealth, State and Territory programs and services related to youth, careers and transitions.

Delegations - The Commonwealth Minister for Education and Training is authorised to agree the implementation plans on behalf of the Commonwealth.

State and Territory Ministers for Education and Training are authorised to agree the implementation plans on behalf of their State or Territory.

Commonwealth project payments will be authorised by the Commonwealth Treasurer on advice from the Commonwealth Minister for Education and Training that States and Territories have satisfied conditions under this Agreement for receipt of project payments.

Subject to the provision of the Intergovernmental Agreement on Federal Financial Relations, and the independent assessment of the COAG Reform Council, the relevant Commonwealth Minister will certify that reward payments may be made to the States and Territories on the achievement of performance benchmarks specified in this Agreement.

Interpretation - Unless otherwise specified, the following terms and definitions are used throughout this Agreement:

Attainment of Year 12 or equivalent: having been awarded or completed the requirements for being awarded:

- i. a Year 12 Certificate (Senior Secondary Certificate) by a Board of Studies; or
- ii. an equivalent qualification such as the Certificate of General Education for Adults (at Certificate II level of above), the International Baccalaureate or other higher education pre-entry course; or
- iii. an Australian Qualification Framework (AQF) Certificate II or higher qualification issued by a Registered Training Organisation or by a higher education institution.

Objectives - Through this Agreement, Parties commit to:

- a. work towards achieving improvements in high level outcomes for schooling agreed by COAG in the National Education Agreement and in the 2008 National Declaration on Educational Goals for Young Australians;

- b. work towards increasing the qualifications and skill level of the Australian population as agreed by COAG in the National Agreement for Skills and Workforce Development;
- c. achieve improvements in the numbers of young Australians making successful transitions from schooling into further education, training or employment;
- d. work collaboratively with the non-government school, training, business and community sectors to improve the support provided to young Australians to increase educational outcomes, attainment and improve transitions to further education, training or employment, with particular focus on 15 to 24 year olds and young people at risk; and
- e. develop a skilled and work ready Indigenous workforce by increasing the educational attainment and engagement of young Indigenous Australians.

Outcomes - This Agreement will contribute to the following outcomes:

Table 1: Outcomes and Performance Indicators	Outcomes	Performance Indicators*
Increased participation of young people in education and training		Enrolment of full-time equivalent students in Years 11 and 12
Young people make a successful transition from school to further education, training or full-time employment		15-19 year olds without a Year 12 certificate and not enrolled in school who are enrolled in a vocational education and training (VET) course at Certificate II level or higher The proportion of young people aged 15-24 participating in post-school education, training or employment six months after leaving school
Increased attainment of young people aged 15-24, including Indigenous youth		The proportion of young people aged 20-24 who have attained Year 12 or equivalent The proportion of young Indigenous people aged 20-24 who have attained Year 12 or

Queensland Government’s Education and Training Reform for the Future (ETRF)

Young Queenslanders can no longer expect to get good jobs, earn decent incomes and lead rewarding lives without obtaining Year 12 or some kind of substantial vocational or university qualification that gives them the skills for work and life.

In Queensland — the Smart State — we are responding to these challenges by creating one of the most flexible education and training systems in Australia to ensure that our young people are equipped to lead the way into the future.

At least 10 000 young Queenslanders aged 15 to 17 years are not in school, not in training and not in any kind of substantial work. The future is bleak for most of these people unless better ways are found to help them re-engage in learning to gain the skills and qualifications needed to survive and prosper in today’s society.

The Smart State means positioning Queensland to take its place among the best in the world. It is about encouraging innovation. It means educating and skilling people so they can compete for and create jobs in emerging fields, and revitalise traditional industries.

In 2000, the Government set a target to increase completion rates in schools from 68 per cent to 88 per cent by the year 2010. Already we have achieved 73 per cent. For many of these students, the pathway through school and into university or further studies will not change.

This White Paper reaffirms the Government’s commitment to providing the very best education possible for every young Queenslander and outlines the actions to achieve this. We are building an unprecedented partnership between parents, students, state schools, non-state schools, TAFE, training providers, the Queensland Studies Authority, community

organisations, universities, and employers to trial and implement the package of reforms outlined in this paper.

The Queensland Government recognises that a range of different options is needed to cater for the diverse needs of our young people. More than a quarter of our young people do not complete school. That is why we are tailoring our solutions to give them a range of options to help them achieve the academic or vocational education qualifications they need to compete in the world of work. We are also encouraging those who leave learning for full-time employment to return by recognising a broader range of previous learning achievements.

In this document the term young people refers to those aged 15, 16 and 17 years.

Our excellent education and training system is meeting the needs and aspirations of the vast majority of young Queenslanders and helping to transform Queensland.

The Government wants all young people to complete Year 10 and then go on to gain at least a Senior Certificate or a Certificate III — a competency-based vocational qualification issued through TAFE institutes or registered training providers.

We will give them greater flexibility to achieve qualifications beyond Year 10. This could be in school, in TAFE or through other forms of training.

We will introduce new laws that:

- ◇ make it compulsory for young people to stay at school until they finish Year 10 or have turned 16, whichever comes first
- ◇ require young people to then participate in education and training for:
 - a further two years; or
 - until they have gained a Senior Certificate; or
 - until they have gained a Certificate III vocational qualification; or
 - until they have turned 17
- ◇ provide exemptions for young people who enter full-time work after they have either completed Year 10 or turned 16.

This reform is about engaging young people in learning. It is not about forcing reluctant or disruptive students to remain in classrooms or lowering the standards of behaviour we expect from young people. Processes for dealing with disruptive behaviour, such as suspension and exclusion, will continue.

The Queensland Government's education and training commitment means:

- ◇ better preparation for children before they enter school so they can achieve more in their early years
- ◇ a new approach to the middle years of schooling to focus on students' learning needs and to provide a solid foundation for the senior years
- ◇ flexible opportunities for 15-, 16- and 17-year-olds to achieve a Senior Certificate or vocational education qualifications
- ◇ a focus on strengthening overall standards of achievement and attainment
- ◇ fostering a Community Commitment to young people.¹²

The Queensland Studies Authority (QSAs) role in underpinning ETRF

To place my views in context I will now provide brief introduction to the organisation I work for The Queensland Studies Authority (QSA). The QSA is an independent statutory body established in 2002. It provides support for Queensland schools through syllabuses and through assessment, reporting, testing and certification services. It also provides information on requirements for tertiary entrance

¹² Education, Training Reforms for the Future (ETRF) White Paper Executive summary. Queensland Government. (2002).

Syllabuses - The QSA develops, approves and revises syllabuses for the Preparatory Year to Year 12, and accredits syllabuses prepared outside of the QSA. It also offers services and resources to help teachers implement QSA syllabuses. Additionally, QSA registers schools to deliver Australian Qualification Framework certificates, and accredits vocational education and training programs.

Assessment and moderation - It is QSA's role to determine procedures and implement quality assurance for Queensland's system of continuous school-based assessment in the senior phase of learning. The QSA advises schools about administering assessment, and coordinates the national Years 3, 5, 7 and 9 literacy and numeracy tests in Queensland. Additionally, QSA designs, administers and marks the Queensland Core Skills Test and administers the Senior External Examination.

Certification - QSA issues certificates of achievement, and certified copies of certificates, such as the Senior Certificate and the Queensland Certificate of Education. It also records achievements in QSA-approved areas of learning, and reports data on Year 12 outcomes to the public. The QSA is responsible for deciding equivalency for school qualifications obtained at educational institutions outside Queensland.

Tertiary entrance - The QSA develops tertiary entrance procedures, issues tertiary statements and provides information to the public about tertiary entrance procedures and requirements.

QSA's business is based on its partnerships with schools, their communities and the school authorities from state and non-state schooling sectors. It involves teachers, parents, industry and education providers in the design, development and delivery of its products and services. The QSA manages certification and reporting processes that reflect student learning across the range of their school experiences, capture student achievement in their various endeavours, and provide personalised, up-to-date information to students and parents.

The Chair's introduction to the *QSA Strategic Plan 2008–12* notes.

Young people in the 21st century are being challenged to adapt to significant social, cultural, economic and technological changes. Queensland's education system must respond to this rapidly changing environment by creating the conditions necessary for students to develop the foundational skills for future success.

The QSA plays a lead role in shaping a modern, responsive education system that is well equipped to meet the needs of students, parents and teachers. In doing so, we face a range of challenges that influence the development of our products and the delivery of our services.

We must develop relevant and future-focused products. Australia's curriculum authorities are constantly challenged to develop products and services that meet the diverse needs of today's students and their teachers, but which are also sensitive to changes likely to occur in the future. This process of development has become more challenging as Australia moves towards a national curriculum, aimed at achieving educational excellence throughout Australia.

We must reduce the equity gap. Recent research from the Organisation for Economic Co-operation and Development (OECD) shows that, although Australian students on average are performing comparatively well internationally, differences in social background are having a greater influence on their educational results than in many other OECD countries. Our syllabuses and assessment practices must have the capacity to support high-equity as well as high-quality educational outcomes.

We must contribute to an increase in school completion rates. It is becoming increasingly important that students acquire a solid foundation for life during their school years. Students who complete Year 12 or its equivalent are more likely to be employed and earn higher wages

than those who leave school early. A relevant curriculum is a crucial ingredient in making these years of schooling a meaningful and rewarding experience.

We must maintain relevant and diverse pathways. Students now require a broader range of opportunities in terms of what, where and when they learn. Education systems of the 21st century are being challenged to provide flexible and diverse education and training pathways beyond school.

Queensland law requires young people to be earning or learning until they turn 17, or until they achieve a Queensland Certificate of Education (QCE) or a vocational qualification at Level III or higher. The QCE is Queensland's senior school qualification, which is awarded to eligible students usually at the end of Year 12. Every young Queenslander **must be registered** with the QSA during the year before the young person's compulsory participation phase begins. Generally, schools will register young people in Year 10.

The QCE offers flexibility in what is learnt, as well as where and when learning occurs. Students have a wide range of learning options; these can include senior school subjects, vocational education and training, workplace and community learning, as well as university subjects undertaken while at school. To be awarded a QCE, students must have at least **20 credits in the required pattern**, and fulfil **literacy and numeracy requirements**.

Young Queenslanders are registered for the QCE during Year 10 or in the 12 months before they turn 16, whichever comes first. Young people from other states or overseas can be registered after completing Year 10 or turning 16 years of age. Generally schools register young people in Year 10. Young people are registered by their main learning provider: schools (state or non-state), registered training organisations (e.g. TAFE) or other approved organisations. In most cases, schools register young people.

The learning provider submits a young person's details through the QSA's **Registration and Banking System**. An Intended Learning Option (ILO) must be entered to complete registration. When a student is registered, the QSA opens a learning account for them. The student is assigned a learner unique identifier (LUI) and password so they can access their web-based account through the **Career Information Service website**. The learning account records enrolments and results of any completed studies in the different types of learning that may lead to a QCE.

Most students are awarded a QCE at the end of Year 12. Students who do not meet the QCE requirements at the end of Year 12 can continue to work towards their certificate - their learning account remains open, regardless of their age (however credits expire after 9 years). The QSA will award a QCE in the following July or December, once a person becomes eligible. All students who finish Year 12 receive a transcript of their learning account in the form of a Senior Statement, which is issued in December.¹³

Leadership

Leadership is one of the most relevant aspects of the organizational context. However, defining leadership has been challenging.

A leader is a person who influences a group of people towards a specific result. It is not dependent on title or formal authority. Leaders are recognized by their capacity for caring for others, clear communication, and a commitment to persist. An individual who is appointed to a managerial position has the right to command and enforce obedience by virtue of the authority of his position. However, they must possess adequate personal attributes to match their authority, because authority is only potentially available to him. In the absence of sufficient personal competence, a manager may be confronted by an emergent leader who can challenge

¹³ <http://www.qsa.qld.edu.au/certificates/3169.html>

his role in the organization and reduce it to that of a figurehead. However, only authority of position has the backing of formal sanctions. It follows that whoever wields personal influence and power can legitimize this only by gaining a formal position in the hierarchy, with commensurate authority. Leadership can be defined as one's ability to get others to willingly follow. Every organization needs leaders at every level.

Over the years the terms management and leadership have been so closely related that individuals in general think of them as synonymous. However, this is not the case even considering that good managers have leadership skills and vice-versa.

However, a clear distinction between management and leadership may nevertheless prove useful. This would allow for a reciprocal relationship between leadership and management, implying that an effective manager should possess leadership skills, and an effective leader should demonstrate management skills. One clear distinction could provide the following definition:

- ◇ Management involves power by position.
- ◇ Leadership involves power by influence.

A leader has the role of causing others to follow a path he/she has laid out or a vision he/she has articulated in order to achieve a task. Often, people see the task as subordinate to the vision. For instance, an organization might have the overall task of generating profit, but a good leader may see profit as a by-product that flows from whatever aspect of their vision differentiates their company from the competition.

Leadership does not only manifest itself as purely a business phenomenon. Many people can think of an inspiring leader they have encountered who has nothing whatever to do with business: a politician, an officer in the armed forces, a Scout or Guide leader, a teacher, etc. Similarly, management does not occur only as a purely business phenomenon. Again, we can think of examples of people that we have met who fill the management niche in non-business organisations.¹⁴

Leadership: How has the gap been narrowed? Findings of a recent United Kingdom study

This chapter details the key features of effective leadership that have contributed to narrowing the gap in outcomes between vulnerable groups and other children. While the literature provides fairly limited evidence of improved outcomes or narrowed gaps that are directly related to effective leadership, interviewees in the case-study local authorities identify some essential ingredients of leadership required for improving outcomes for vulnerable groups. Whilst many of these features reflect the key principles of effective leadership in general (see Appendix 3 for an overview of the literature), particular emphasis is placed on some of these key features in order to narrow the gap.

Effective leaders contribute to narrowing the gap by:

- ◇ prioritising the most vulnerable and develop a local vision
- ◇ championing the voice of vulnerable groups and encourage their participation
- ◇ using good quality data to identify needs and provide services for vulnerable groups
- ◇ fostering partnership working around vulnerable groups
- ◇ developing and motivate the workforce to improve outcomes for vulnerable groups
- ◇ having an unrelenting drive and passion to improve outcomes for vulnerable groups.

Overview of effective features of leadership for narrowing the gap in outcomes

Effective leaders: prioritise the most vulnerable and develop a local vision: they:

¹⁴ Summarised from "<http://en.wikipedia.org/wiki/Leadership>"

- ◇ identify and prioritise the most vulnerable children and young people
- ◇ are responsive to the local circumstances and target those in the locality with the most need
- ◇ develop shared priorities among all partners for narrowing the gap
- ◇ prioritise resources for vulnerable groups
- ◇ establish a clear vision for improving outcomes and champion this from the top
- ◇ research local need and analyse data
- ◇ establish narrowing the gap as ‘core business’
- ◇ establish a clear direction tied into local plans, policies and targets
- ◇ ensure the workforce understand how their role contributes to improving outcomes
- ◇ communicate the vision to all partners
- ◇ develop clear frameworks for policy implementation.

Effective leaders: champion the voice of vulnerable groups and encourage their participation: they:

- ◇ encourage involvement of the most marginalised groups
- ◇ establish meaningful methods of consultation
- ◇ have a genuine commitment to listen to service users and act on what they say
- ◇ champion joint ownership of corporate parenting responsibilities
- ◇ champion the needs of vulnerable groups through partnership working
- ◇ monitor and challenge to ensure that the most appropriate services are delivered in the most effective way.

Effective leaders: use good quality data to identify needs and provide services for vulnerable groups: they:

- ◇ collect ‘real time’ intelligence on emerging needs
- ◇ gather information directly from children and young people, their families and the local community
- ◇ draw together local intelligence from front-line staff
- ◇ establish a baseline from which progress can be measured
- ◇ monitor and review progress towards improving outcomes
- ◇ have the skills to analyse and interpret data on vulnerable groups.

Effective leaders: foster partnership working around vulnerable groups: they:

- ◇ are committed to joint working and encourage collaboration among the wider workforce
- ◇ forge partnerships at all levels
- ◇ ensure that joint working focuses on the most vulnerable
- ◇ facilitate collaborative working through joint planning and commissioning and pooled budgets
- ◇ ensure the sharing of effective practice and a holistic view of outcomes among staff
- ◇ develop a commitment to improving outcomes among partners and foster the notion of collective responsibility for vulnerable groups.

Effective leaders: develop and motivate the workforce to improve outcomes for vulnerable groups: they:

- ◇ ensure that the workforce have an understanding of the vision for narrowing the gap
- ◇ make clear to staff how their roles contribute to improving outcomes
- ◇ develop the emotional connection staff have with vulnerable young people
- ◇ develop staff to work in partnership
- ◇ encourage and facilitate the sharing of good practice
- ◇ provide access to staff training and development
- ◇ provide cross-agency training.

- Effective leaders: have an unrelenting drive to improve outcomes for vulnerable groups: they:
- ◇ have a strong unrelenting drive of the vision for vulnerable groups and lead from the top
 - ◇ instil a ‘can do ethos’ and an expectation to deliver the vision
 - ◇ ensure that the workforce has continued commitment to the vision and are held accountable for it
 - ◇ rearticulate the vision and maintain a continued focus on this as ‘core business’
 - ◇ monitor and review progress and bring staff back to the vision if they get distracted
 - ◇ have a genuine empathy and commitment to support the most vulnerable
 - ◇ have skills to articulate the vision
 - ◇ engender a culture of support and trust and foster a professional learning culture which is reflective and innovative.

These key features are explained further and, within each section, case-study findings are presented first followed by evidence from the literature review, where relevant. This chapter also explores the features of effective leadership at different levels (political, strategic and operational) and concludes with a summary of the factors influencing effective leadership for narrowing the gap.¹⁵

Conclusion

This paper has attempted to draw together some of the key themes that impact on Education: and its potential ability to become the Engine of the Changing world. The world is a single eco-system which is impacted on by a range of past, current and future contexts some of which are man-made, others which are exacerbated by man and others which are acts of nature. This dynamic world and our small part of it called education is constantly changing and in turn being changed by a range of political, social and economic forces.

In this paper I have argued for a greater role of leadership to ensure that enhanced human capital underpins a changing world. I fear that the current bifurcated human capital development approaches being implemented in developed and developing countries may contribute to destabilisation rather than contributing to the benefits of social capital outlined throughout this paper.

Research from developed countries with near universal attainment of upper secondary schooling, such as Finland and Korea, have been identified by the OECD as high achievement and high equity countries. The OECD have also identified that the attainment of high equity achievements appear to magnify human capital outcomes. The challenge for both developed and developing countries is to focus education and training strategy on ensuring that educational attainment is inclusive so that national education and training strategy becomes high equity and education is not another wedge between the haves and the have nots.

I believe that it is essential for powerful and emerging states such as China and India together with historical powers and powerful blocks such as the USA, Russia, Japan and the European Union to show enhanced leadership both within and beyond the borders of their nation states.

Finally, I congratulate the conference organisers for tackling such a massive and challenging topic and I hope that my paper contributes to this important debate.

¹⁵ Martin, K., Lord, P., White, R. and Atkinson, M. (2009). Narrowing the Gap in Outcomes: Leadership (LGA Research Report). Slough: NFER. National Foundation for Educational Research.