

OECD MULTILINGUAL SUMMARIES, EDUCATION AT A GLANCE 2012 SUMMARY IN ENGLISH

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Is there a significant correlation between the impact of the economic crisis, that, from 2008 continues to rage worldwide, and the level of education and training of the individuals?

In other words, in the tough competition of the global knowledge economy, can great levels of education and training make up an effective defence for workers within a liquid and uncertain job market?

In this thick publication "Education Indicators in Focus" series, dated January 2012, the OECD - based on the revelation and continuous elaboration of much data and education and training indicators on a worldwide perspective - answers affirmatively.

In these years, in fact, the weight of the crisis has greatly hit those social groups with low levels of education, who are until now, the most exposed to unemployment and to extreme instabilities; university education, however, seems to guarantee - in a constant way and in all countries - more stable employment and relatively higher incomes.

Education at a Glance: OECD Indicators is the authoritative source for accurate and relevant information on the state of education around the world. It provides data on the structure, finances, and performance of the education systems in the OECD's 34 member countries, as well as a number of non-member G20 nations.

Featuring more than 140 charts, 230 tables, and 100 000 figures, Education at a Glance provides key information on the output of educational institutions; the impact of learning across countries; the financial and human resources invested in education; access, participation and progression in education, and the learning environment and organisation of schools.

Taking stock of the global recession – and looking ahead

For some time now, the global education and economic landscapes have been in a state of rapid transformation, spurred in significant part by two key changes. The first is the continued ascent of the knowledge economy, which has created powerful new incentives for people to build their skills through education - and for countries to help them do so. The second phenomenon - which is closely related to the first - is the explosive growth of higher education worldwide, which has increased opportunities for millions and is dramatically expanding the global talent pool of highly educated individuals.

Education at a Glance 2012 examines these landscapes in light of another important change: the global recession in 2009 and 2010. Our analysis finds that no group or country - no matter how well-educated - is totally immune from the effects of a worldwide economic downturn. At the same time, it also shows the remarkable resilience of the economic and labour market benefits of having a higher level of education - even in the face of dire fiscal conditions.

The economic benefits of education

At the most basic level, it is clear that having more education helped people avoid unemployment and stay employed during the recession. For instance, between the start of the downturn in 2008 and 2010, overall unemployment rates jumped from an already high 8.8% to 12.5% for people without an upper secondary education, and from 4.9% to 7.6% for people with an upper secondary education, on average across OECD countries. By contrast, unemployment rates for people with higher education remained much lower, rising from 3.3% to 4.7% during this same period. For all OECD countries together, the unemployment rate in 2010 was roughly one-third less for men with higher education than for men with upper secondary education; for women with higher education, it was two-fifths less (Indicator A7).

In addition, the gaps in earnings between people with higher education and those with lower levels of education not only remained substantial during the global recession, but grew even

wider. In 2008, a man with higher education could expect to earn 58% more than his counterpart with no more than an upper secondary education, on average across OECD countries. By 2010, this premium increased to 67%. Similarly, in 2008, women with higher education had an average earnings premium of 54% compared to their upper secondary-educated peers. By 2010, this premium had grown to 59% (Indicator A8).

These figures suggest that although the downturn certainly had a sweeping impact – especially for people with lower levels of education – the effect of the broader changes in the global education and economic landscapes is even larger. Over the past decade across OECD countries, the percentage of adults who have attained higher education has grown from 22% in 2000 to 31% in 2010 (Indicator A1). Yet despite this burgeoning supply of well-educated individuals – as well as the faltering market conditions from 2008 onward – most people with higher education have continued to reap economic benefits. This signals that, overall, the demand for highly skilled employees to meet the needs of the knowledge economy in OECD countries has continued to grow, even through the global recession.

As long as societies continue to need more high-level skills, it is likely that the benefits of having a higher education will remain solid not only in the short term, but over the long run. For example, Education at a Glance 2012 estimates that the long-term personal economic gain of acquiring a tertiary degree instead of an upper secondary degree as part of initial education, minus the associated costs, is just over USD 160 000 for a man and almost USD 110 000 for a woman, on average across 28 OECD countries (Indicator A9). Taxpayers also realise a healthy return on the public funds that are used to help people pursue higher education. On average, OECD countries receive a net benefit of nearly USD 100 000 in increased income tax payments and other savings for each man they support in higher education – nearly three times the amount of the public investment. For women, the net public return is about twice the amount of public investment (Indicator A9). Of course, the public and private benefits of education go beyond the purely economic. Education at a Glance 2012 finds that higher levels of education are associated with a longer life expectancy, increased voting rates, and more supportive attitudes towards equal rights for ethnic minorities (Indicator A11).

Indeed, the fact that investing in education yields strong benefits both for individuals and societies helps to explain one of the most salient findings from *Education at a Glance 2012*: to a notable degree, public and private investments in education rose in many OECD countries during the recession year of 2009. Between 2008 and 2009, spending by governments, enterprises and individual students and their families for all levels of education combined increased in 24 out of 31 OECD countries with available data. This occurred even as national wealth, as measured by GDP, decreased in 26 of these countries (Indicator B2). Similarly, expenditure per student by primary, secondary and post-secondary educational institutions increased 15 percentage points on average across OECD countries between 2005 and 2009. Meanwhile, per-student expenditure by tertiary institutions rose an average of 9 percentage points during this same period (Indicator B1).

Teachers' compensation is usually the largest part of expenditure on education and thus of expenditure per student. Among countries with available data, the salary cost of teachers per student increased by one-third at the primary level and by one-quarter at the lower secondary level, on average, between 2000 and 2010. The increase in the salary cost of teachers per student between 2000 and 2010 has mostly been influenced by the changes in two factors: teachers' salaries and estimated class size. Between 2000 and 2010, among countries with available data in both years, teachers' salaries increased by about 16% at the primary level and 14% at lower secondary level, on average, while estimated class sizes decreased by 14% at the primary level and by 7% at the lower secondary level, on average (Indicator B7).

Education at a Glance 2012 also finds evidence that the teaching force is ageing. Between 1998 and 2010, the proportion of secondary teachers aged 50 or older climbed from 28.8% to 34.2% on average among countries with comparable data (Indicator D5). In countries that stand to lose a significant number of teachers through retirement while the school-age population remains the same or increases, governments will have to boost the appeal of teaching, expand teacher-training programmes, and, if necessary, provide alternate routes to certification for mid-career professionals who want to change careers.

Changes in who participates in education

Especially in times of fiscal constraint, countries must make smart choices about how to allocate limited resources. Education at a Glance 2012 calls attention to several areas where countries have made noteworthy progress, and identifies others that are likely to require continued attention in the future. For example – as detailed in our first-ever indicator on early childhood education and care (Indicator C2) – countries are making admirable strides in expanding schooling for their youngest students, an issue that has become more prominent on countries' education policy agendas in recent years. On average in OECD countries with data for both years, enrolments in early childhood education programmes rose from 64% of 3-year-olds in 2005 to 69% in 2010, and from 77% of 4-year-olds in 2005 to 81% in 2010. More than three-quarters of 4-year-olds across OECD countries are enrolled in early childhood education, and in a majority of OECD countries, education now begins for most children well before they are 5 years old. Given that early childhood education is associated with better performance later on in school, these developments bode well for a future in which building young people's skills will be more important than ever.

OECD countries are also seeing continued gains in women's participation in higher education. For instance, the percentage of women expected to enter a university programme in their lifetime rose from 60% in 2005 to 69% in 2010, on average across OECD countries, while the proportion for men increased from 48% to 55% during this same period (Indicator C3). In addition, women now comprise 59% of all university first-degree graduates, on average across OECD countries (Indicator A3). While more needs to be done to increase women's participation in fields of study like engineering, manufacturing, and computer science – as well as their representation among advanced degree-holders – the progress thus far is encouraging (Indicator A4).

In addition, the number of foreign students enrolled in higher education in OECD countries has doubled since 2000. In absolute terms, the largest number of foreign students are from China, India and Korea. Some 77% of foreign students are enrolled in an OECD country. International students make up 10% or more of the enrolments in tertiary education in Australia, Austria, Luxembourg,

New Zealand, Switzerland and the United Kingdom. They also account for more than 20% of enrolments in advanced research programmes in Australia, Austria, Canada, Denmark, Ireland, Luxembourg, New Zealand, Sweden, Switzerland, the United Kingdom and the United States (Indicator C4).

By contrast, improving educational equity and opportunity for all students, regardless of their background, is still a challenge in OECD countries. For example, *Education at a Glance 2012* concludes that the reading performance of students from immigrant backgrounds may be particularly adversely affected when they attend schools with large numbers of pupils from families with low levels of education (Indicator A5).

Similarly, policy makers would do well to take note of the increase in the number of 15-29 year-olds who are neither in employment nor in education or training – the so-called “NEET” population – which spiked to 16% across OECD countries in 2010 after several years of decline (Indicator C5). While the size of this population can be influenced by several factors, it is likely that in many OECD countries, this increase reflects the particular hardship that young people have borne as a result of the global recession. Data from the 2012 OECD Employment Outlook show that youth unemployment has now reached alarming levels in several OECD countries, underscoring the need for countries to examine measures that can productively engage people in this crucial age group, such as vocational education and training programmes, and opportunities for non-formal education and training.

Likewise, in an era when having a higher education degree is increasingly necessary to ensure a smooth transition into the labour market, many OECD countries need to do more to improve access to higher education for young people from disadvantaged circumstances. *Education at a Glance 2012* finds stark differences in young people’s chances of attending higher education, depending on their parents’ educational background. On average across OECD countries, young people from families with low levels of education are less than half as likely to be in higher education, compared to the proportion of such families in the population. Meanwhile, a young person with at least one parent who has attained a higher education degree is almost twice as likely to be in higher education, compared to the proportion of these families in the population (Indicator A6). Finally, because changes to the global economy affect both countries

and individuals, countries should take care to strike a careful balance between providing appropriate public support for education and requiring students and families to cover some of the costs. As the expenditure data cited earlier suggest, students and families have been bearing an increasing share of the costs of education in many OECD countries (Indicator B3). While this general approach is reasonable in that individuals receive many of the benefits of education, it can also lead to scenarios in which individuals face large financial barriers in pursuing more education – a situation that is now the case for people seeking higher education in several OECD countries (Indicator B5). In turn, these barriers may impede countries' own goals of increasing educational attainment in their populations.

