

Education and Skills

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Education is the way societies share accumulated learning to enable long term success at drawing food and materials from the environment, building human, social, physical and financial capital, and competing with other societies.

Today our education environment is under pressure. There are obstacles to building human and social capital, and we are not doing as well as we would like in economic competition. Faster change, more uncertainty and lifelong education imply responsibility to keep thinking ahead about educational services. Teaching reading, writing and arithmetic in schools will remain core but societal success will depend on providing the right education services when and where they will be needed.

Increasingly, the success of Auckland will depend on education success. Relative economic performance will depend on how fast we can develop our educational capabilities in the race with competing cities and economies.

New Zealand has been a lucky country. There has been no crisis that has provided a strong motivation to do better. We have been able to afford to value education as a consumption choice, something that can be self-actualising.

The purpose of the New Zealand Institute is to improve long term outcomes for New Zealand and New Zealanders. In the course of recent work by the Institute we have identified several opportunities for improving aspects of education.

The principal lenses used to identify these opportunities were economic, human and strategic. The economic lens focuses on workforce participation, productivity and innovation. The human lens looked mainly at youth disadvantage and aging. The strategic lens focuses on finding investment opportunities or resource reallocations that would make a material difference to valued outcomes.

Each of the nine opportunities below all have the potential to make a difference to Auckland's future success. Each is a strong candidate for increased effort.

- *Ensure early socialisation is effective and improving non-cognitive skills.* Non-cognitive skills are just as important as cognitive skills as determinants of a wide range of important life outcomes but they have been less emphasised in education.

- *Reduce disadvantage.* The PISA study reveals that at age 15 there is a “long tail”, comprising a high proportion of young people whose educational attainment falls well below the median. Average attainment scores are strong relative to other countries but far too many young people, especially Maori and Pacific Island peoples, are left behind with adverse human and economic consequences.
- *Improve the school to work transition.* New Zealand has one of the highest rates of youth unemployment in the world. Educational institutions are encouraged to focus on their own performance by measures such as student pass rates. There should be more systematic focus on important longer term outcomes such as successful careers for students and a high quality workforce for employers.
- *Educate more engineers and technologists.* The world’s small prosperous countries succeed in exporting high value differentiated goods and services. Growing differentiated exports rapidly should be an economic priority. There are insufficient engineers and technologists now to provide staff for our growing exporters and many more will be needed.
- *Educate more leaders, managers and directors for internationalising businesses.* As efforts to grow differentiated exports produce results, more exporters are emerging. Many more well-trained leaders, managers and directors will be needed. Today most learn on the job because there are insufficient formal learning opportunities that are focused on the specialised knowledge needed for international business success.
- *Prepare older people for different kinds of work.* Labour force participation rates reduce rapidly beyond age 55 as many people leave the workforce. If older people are kept productive for longer the economy will benefit, and the cost of funding unemployment and retirement will reduce. Continuing to work provides many people with a sense of meaning and purpose. Retraining and placing people in different or part-time work would benefit many older people as well as the economy.
- *Ensure timely resource reallocations when needs change.* Work is changing rapidly. New technologies and industries require new kinds of training and but some of our educational institutions are not as flexible as they might be. Effective processes are needed to anticipate needs and reallocate resources so education offerings are as relevant as they can be. The issues with engineers and talent for internationalising businesses above can be viewed as symptoms of this underlying issue.
- *Educate for a changing world.* The economy will continue to grow and environmental resources are shrinking. The result is emergence of new issues; climate change and resource shortages are just two of many. Despite that, most of us continue to expect our future to be a continuation of the past. Adaptation will be needed. Increased risks imply preparation and investment in ensuring people will work together well to respond effectively to shocks and planned changes that will alter our way of life.
- *Establish a vision for successful culture and align our educational priorities.* There are many great things about our culture but also features that are not so desirable. Given the economic and environmental challenges we will face, and the social issues we have, it would be very helpful to develop a shared view about how New Zealanders can best be socialised and educated so we can be as successful as possible.

The opportunities identified are important for Auckland. Auckland will grow faster than New Zealand as a whole, and it is more diverse. Auckland has a consumption and service economy but increasing wealth will require focus on growing production of valued exports.

The suggestions above may appear strongly focused on improving economic outcomes. However they will also help develop human and social capital in ways that will improve non-economic outcomes, ensure we have technology options and a community ready to respond to unexpected changes, and allow us to afford the social services, environmental protections and education resources we value.

Many other education issues and opportunities are important but not listed; for example adult numeracy and literacy, financial literacy, early childhood education and the integration of migrants. There are many efforts being made to improve these areas and those that are on our list. But the nine items identified and explained here appear to present especially compelling opportunities for increasing educational effectiveness overall, and they should have increased efforts directed toward them.