

Goal-oriented investments in education

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To achieve the Dutch ambition of becoming a knowledge-based nation in Europe requires extra public and private investments in education, but also a better utilisation and evaluation of current investments. Achieving top-ranked education has a price tag attached to it, whether it pertains to early childhood education or to tailor-made programmes in higher education.

The question that the Education Council answers in this recommendation, at the request of the Minister of OCW (Education, Culture and Science) is the following: what instruments would bring the Netherlands closer to its goal of becoming a knowledge-based nation? The Council focuses on financial instruments, but non-financial instruments are also discussed. The ambition to be in the first rank of European nations requires not only extra investments, but also innovative measures that make a more effective use of existing resources possible.

More investments are necessary, but also more attention for cost-effectiveness

Extra public investments are especially needed in compulsory education. The investments must primarily be made in family and child friendly facilities, in the prevention of educational disadvantages among pupils and in strengthening the function of the teacher. The teacher is, after all, in the best position to nurture pupil talent and prevent school-leaving.

Increased private investments are required in non-compulsory education. The current public investments will, however, remain necessary to keep education of a high quality accessible to talented people from all layers of the population. For this reason, the government must not only guarantee a broad curriculum, it must also provide a socially conscious student financial aid system and make talent-based grants available to specific disadvantaged population groups.

An effective use of public and private resources also means that investments must be made in the educational reforms that provide the highest success rate. Increasing the quality of education using the same resources can only be achieved by increasing productivity – that is by shifting to investments in education that produce a higher success rate. Public resources should therefore be aimed at activities that have the greatest social effects externally. Reforms in initial education, in particular, can be expected to yield large savings in the social costs of issues such as social security, criminality and health care.

It is also important that investment and innovation measures are implemented in a manner that enables their (cost) effectiveness to be ascertained in the end. In a number of cases, this can be achieved by setting up an experiment with a control group; in other cases, a quasi-experimental approach is possible by, for instance, comparing groups that barely qualify and barely do not qualify for a particular scheme. This of course does not change the fact that certain effects are sometimes difficult to measure (or can be measured only in the long term), but even then it is important that a measure is set up in such a way that the (administrative) costs are relatively limited. In contrast to, say, the health care system, relatively little research is done in education to ascertain the cost-effectiveness of reforms.

In which educational areas should the Netherlands invest and innovate?

The Education Council has formulated eight ambitions that require extra investments and innovations. These ambitions originate from the Lisbon objectives, previous ambitions of the Council and recent social developments. These ambitions are worked out in eight programmes of measures:

- (1) promote family and child friendly facilities;
- (2) prevent educational disadvantages;
- (3) strengthen the function of the teacher;
- (4) utilise all talents by tailoring education and differentiating;
- (5) integrate internationalisation into education;
- (6) reinforce the cultural-teaching task of education;
- (7) promote lifelong learning; and
- (8) upgrade the education infrastructure.

These ambitions require extra investments and innovations in education. A number of these proposed recommendations are also discussed in other recommendations. The following measures are the most salient.

(1) Extra teaching time in order to prevent pupils from becoming disadvantaged in education

Prevention is better than cure. That is why it is vitally important that the government invests in the prevention of educational disadvantages. This can be achieved by providing extra teaching time in the form of early childhood education, but also by offering innovative programmes in primary and secondary education after regular school hours, in the weekend and during holidays. The effectiveness of such programmes is very high, and the costs can be limited in relative terms by making better use of existing facilities. After-school care can play an important role here as well. And these facilities make it much more attractive to combine care-giving and work.

(2) Greater freedom to tailor programmes and differentiate, also in funding

In non-compulsory education there is greater freedom for innovation, differentiation and large private contributions. For instance, it requires 600 million euros of extra funds per year to offer 20% of the students in higher education a study programme equal to those at Europe's leading institutes. The government can pay for a part of this by providing extra funds for intensive forms of top-ranked education. At the same time, more private contributions are also desirable. They could come in the form of gifts and grants from companies. But it is also possible, without it hurting access to education, to ask students to pay a higher contribution.

(3) Increasing tax deductions for study costs

People should not stop learning when they leave initial education. The rapid addition of new knowledge requires that people continually further their education. Also, groups of people that passed up early opportunities in initial education must have the opportunity to develop their talents at a later age. It is acceptable to expect individual employees to make a personal financial contribution in this area, but the government should generously support this in tax law. This also pertains to the use of the life-course savings scheme to achieve training objectives.