



EDUCATION & SKILLS

Education and the Giant of Ignorance

#LSEBeveridge #LSEFestival

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Education and the Giant of Ignorance: The importance of the early years

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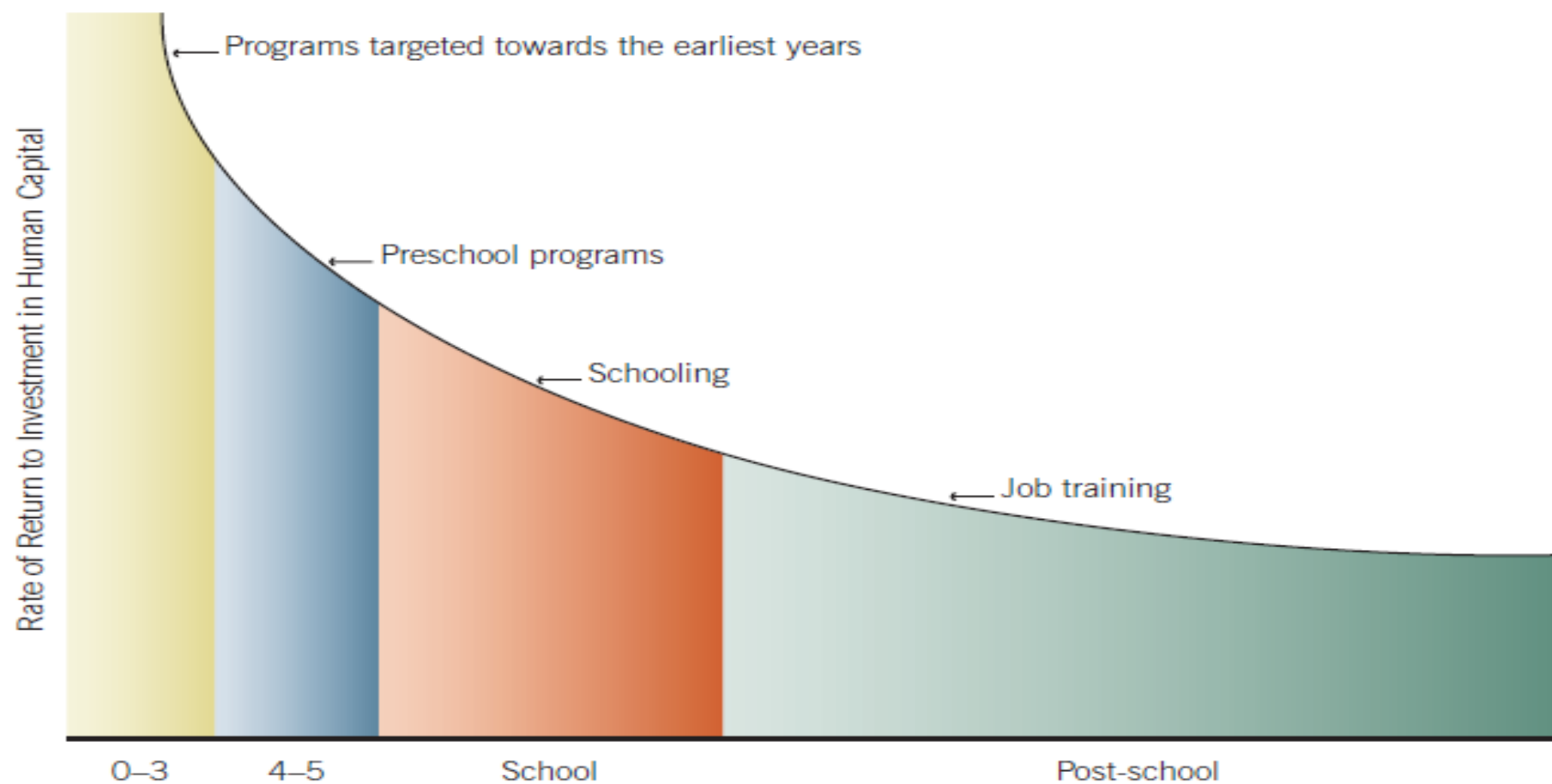
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LSE Festival February 2018



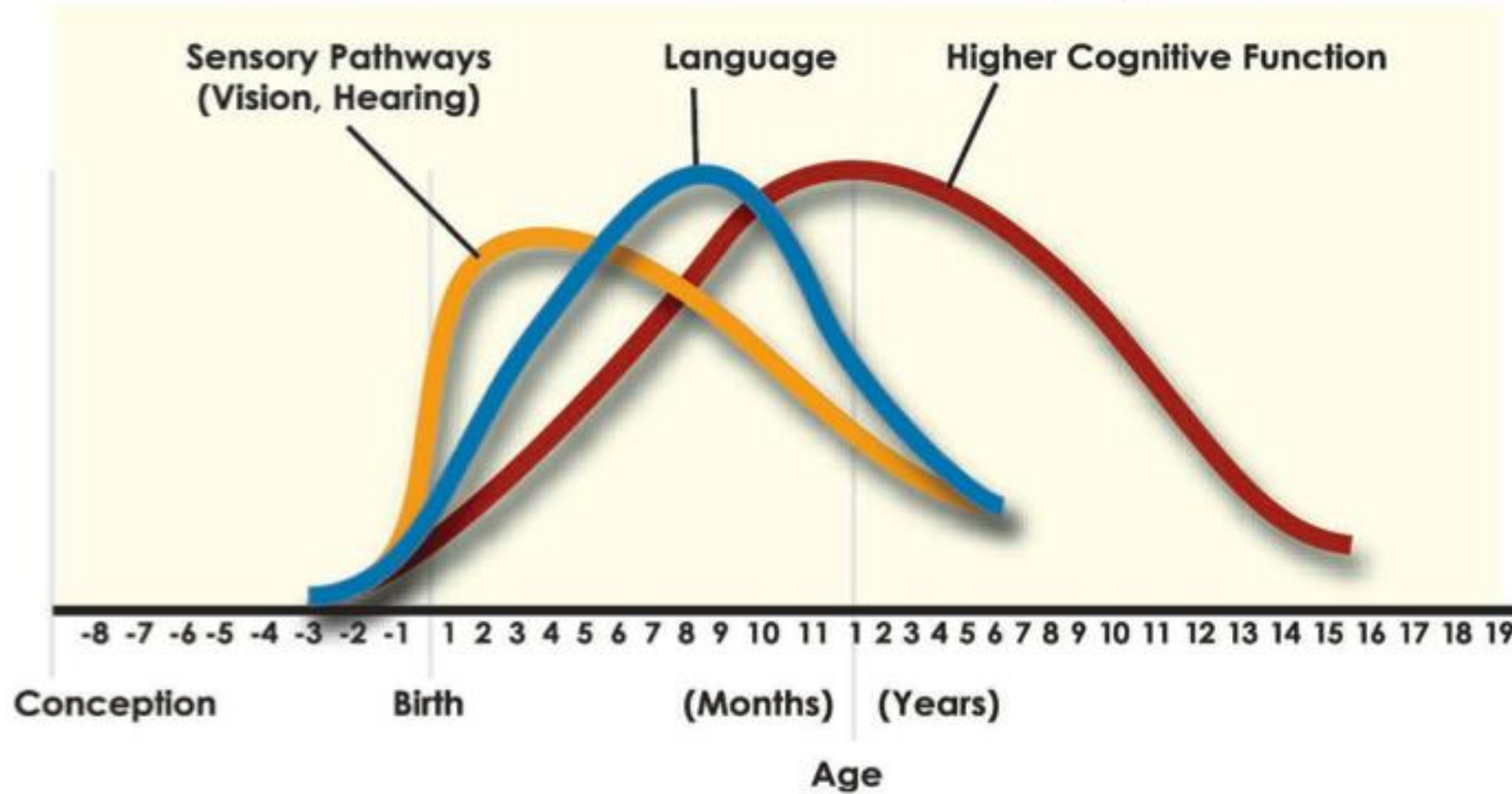
Figure 19: Returns to a Unit Dollar Invested



Source: Heckman and LaFontaine (2007).

Human Brain Development

Synapse Formation Dependent on Early Experiences



Shonkoff and Phillips (2000) cited in Winter (2010). See also OECD (2007)

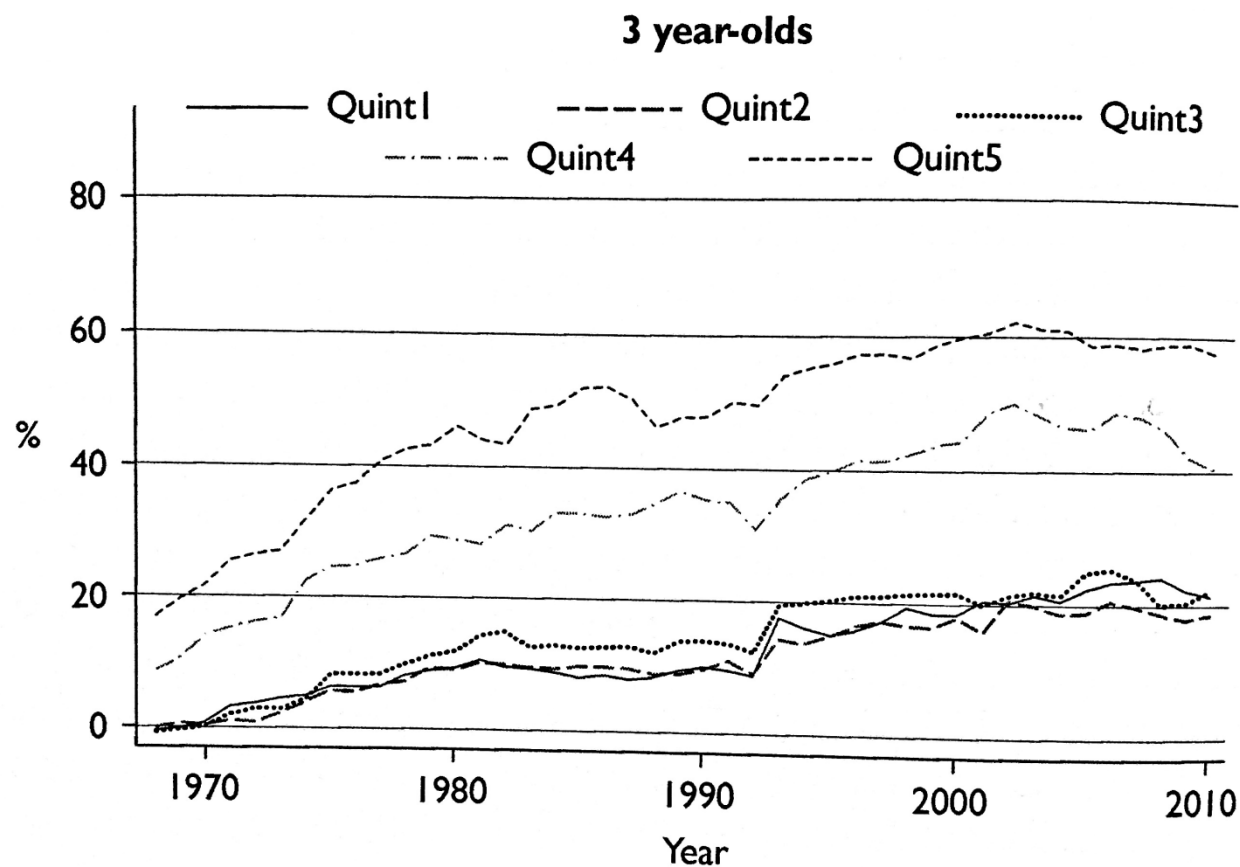


Rising maternal employment means
increased demand for childcare services



The 'Matthew effect' in access to early education and care: higher use by higher income families

Figure 9.2: US: Percentage of children enrolled in preschool by family income quintile

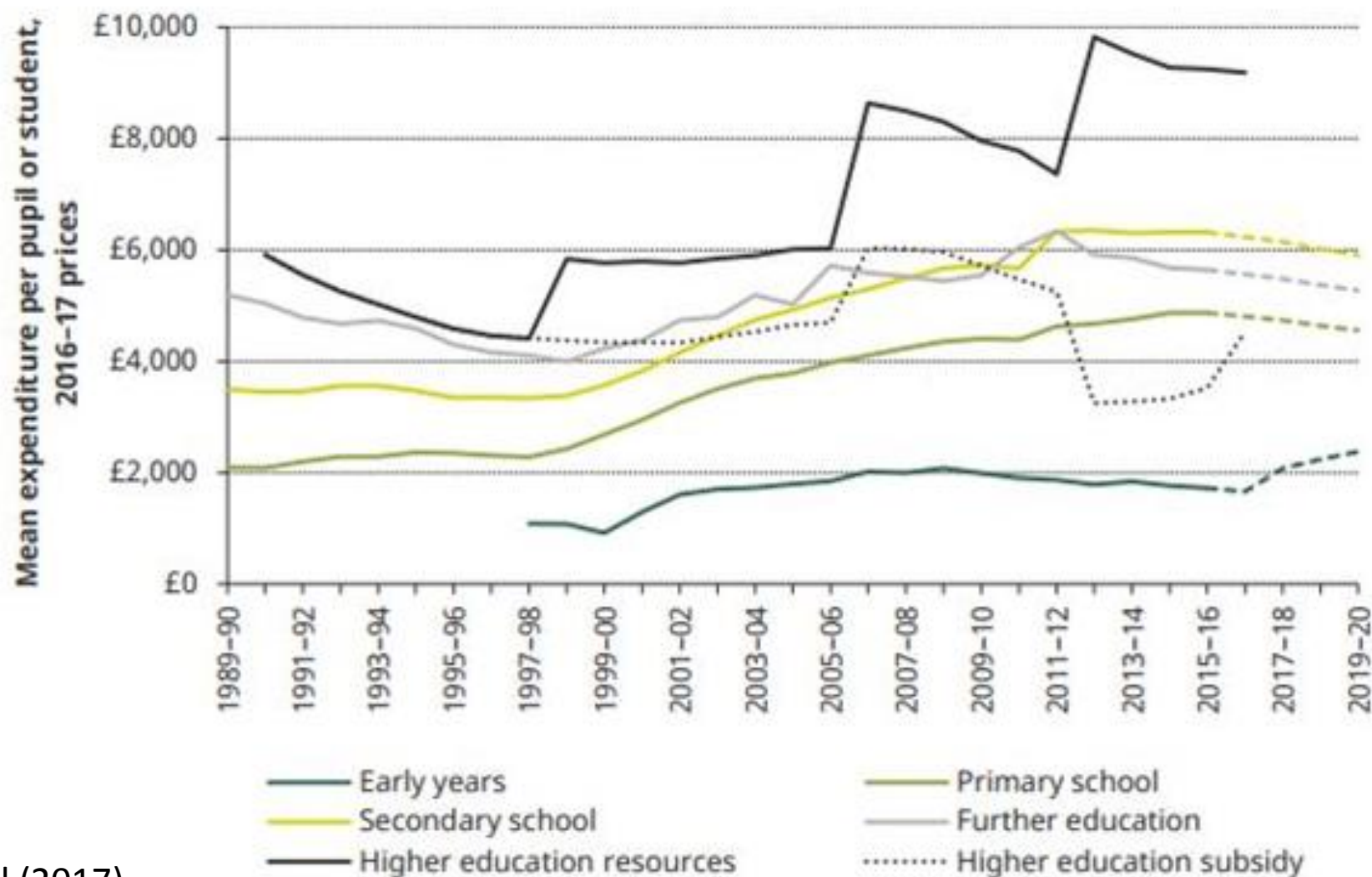


Note: Data from October CPS; data shown are from 3-year moving averages

Source: Magnuson and Waldfogel in Gambaro et al (2014).

Education spending in England

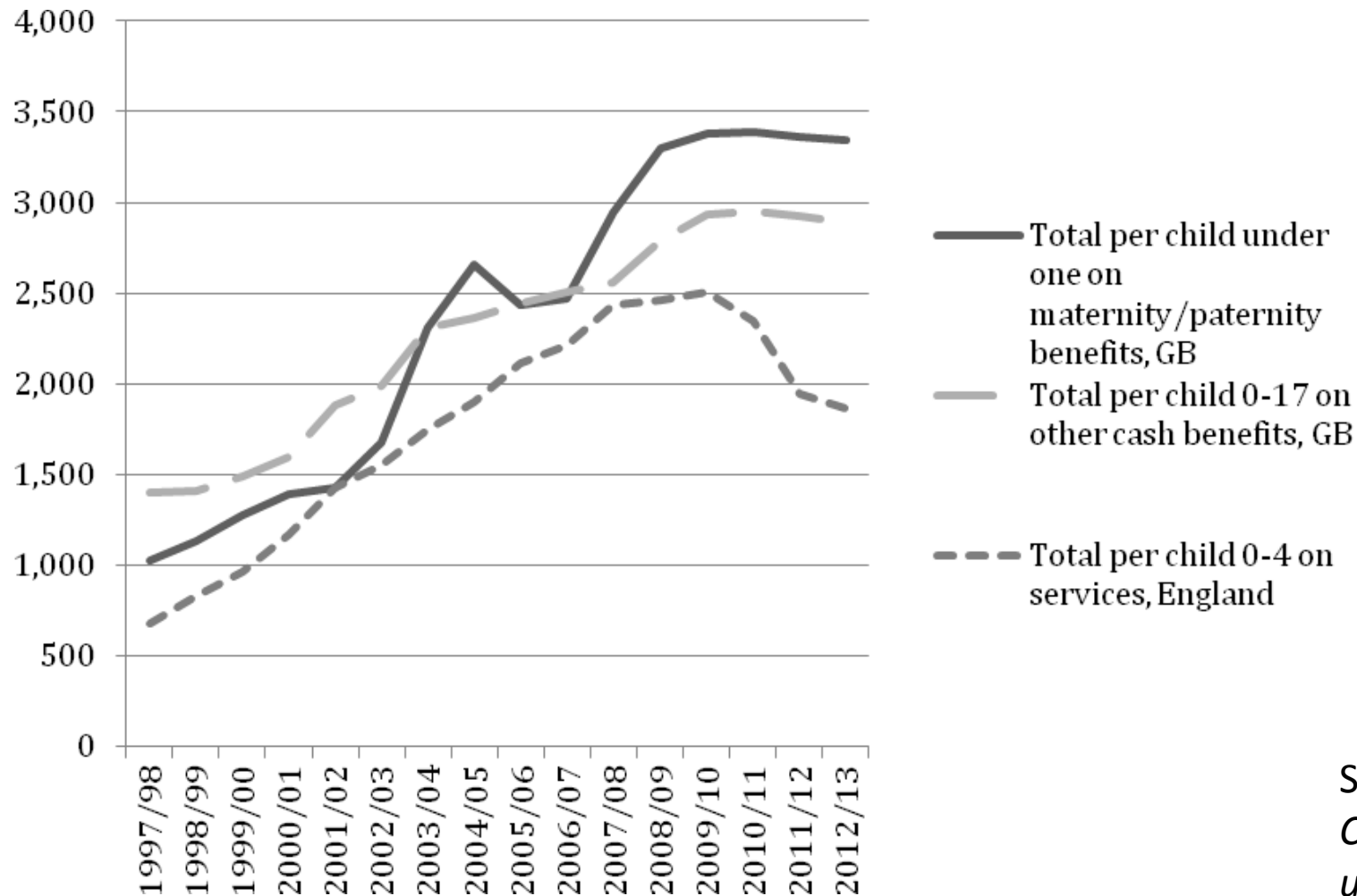
Figure 6.1a. Spending per pupil or student per year at different stages of education, actual and plans (2016-17 prices)



Source: Belfield et al (2017)

Moving in the wrong direction under austerity: spending on young children in England

Service line
includes early
education,
childcare and
Sure Start
Children's Centres



Stewart (2015) *The Coalition's record on the under fives*

What do we need?

- Serious investment in high quality early education and childcare, accessible to all.
- That means not just increasing resources but channelling them more effectively to support high quality provision, especially in areas of higher poverty.
- We also need to expand play-and-learning opportunities for young children at home or with childminders – the Sure Start Children's Centre model.
- And we need to stay focused on child-centred, play-based provision: this is not a call for an earlier start to formal schooling!

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Academies and the school system in England: A vision for the future

Professor Anne West
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Matrix Chambers



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Schools in England

- 1944 Education Act established a system of state-funded primary and secondary schools ('maintained schools'), part of local education authorities
- New type of school, the academy, introduced in 2000s
- Funded by central government via funding agreement (contract); principally subject to contract law; owned and run by not-for-profit trusts; registered as companies, subject to company law
- Sponsored academies designed to replace failing schools
- 2010 Academies Act – enabled maintained schools to become academies
- New academies known as 'free schools' also established

Academies and maintained schools

- Over two-thirds of secondary schools are now academies: stand alone (legal entity) or part of a chain 'multi-academy trust' (MAT)
- Mixed economy of state-funded schools: maintained schools, different types of academy, with different contractual arrangements
- Original aim was for academies to have certain freedoms (e.g. may not have to employ teachers with qualified teacher status, no requirement to adhere to teachers' national pay scales or conditions)

Freedom: Curriculum

- Academies do not have to follow the national curriculum: they are required to offer a balanced and broadly based curriculum
- Stand-alone academies have autonomy over curriculum
- Academies that are part of MATs do not have autonomy as the MAT is the legal entity not the individual school

Freedoms: Governance

- Maintained schools – composition of governing body set by statute, minutes open to public scrutiny, not the case for academies
- Academy trusts have autonomy regarding trustees and governance
- No requirement for an academy that is part of a MAT to have its own governing body
- Accounts of academy trust must be audited by external auditors
- No transparency regarding decision making of trusts
- Fiscal irregularities have been identified

Schools no-one wants (SNOWs)

- In 2017 two MATs (chains) divested themselves of their schools (Education Fellowship Trust, Wakefield City Academies Trust)
- Chair of House of Commons Education Select Committee: 'We are particularly concerned by the extent to which failing trusts are stripping assets from their schools'
- Schools within MAT left in precarious position – DfE has to 'broker' the school into another chain (MAT)

Proposals

- Transparency regarding governance of academy trusts
- Government could impose rules e.g. on reporting of expenditure, publication of policy for children with special educational needs
- Government could reinstate legal identity of the school
- Government could allow academy to revert back to local authority control
- Issues to address
 - What should the role of MATs be?
 - Should arrangements be standardised between maintained schools and academies of different types and with different contracts?

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Productivity decline in the UK



Problems include:

- 'Long tail' in the distribution of skills
- Not improving for younger generations
(unlike other countries)
- Relatively strong relationship between the education & skills of young people and their parental background

Why care about further and technical education in particular?

- Over half of young people leaving school undertake some form of 'technical / further' education
- Only about 40% of a typical cohort go to university by the age of 30. Most of them are not from disadvantaged backgrounds.
- We can't 'solve' the skills problem if we only care about pre-16 education or if we only care about A-levels and university
- We can't seriously tackle social mobility if we overlook those who undertake further/technical education

Problems within technical and further education

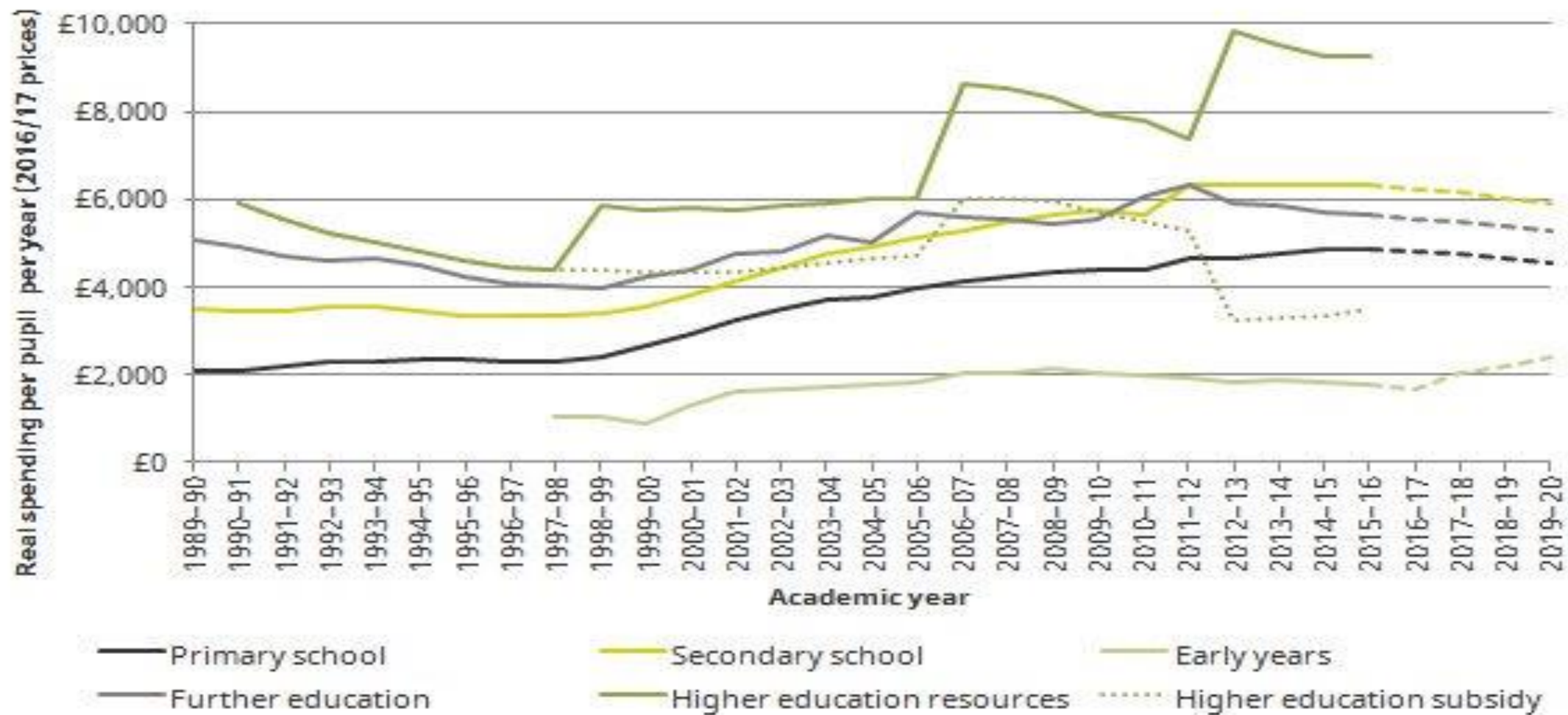
Structural

- Lack of clarity – e.g. too many qualifications and awarding bodies; what are the progression routes?
- High degree of specialisation
- Lack of provision between Level 3 (A-level or equivalent) and Level 6 (degree level).

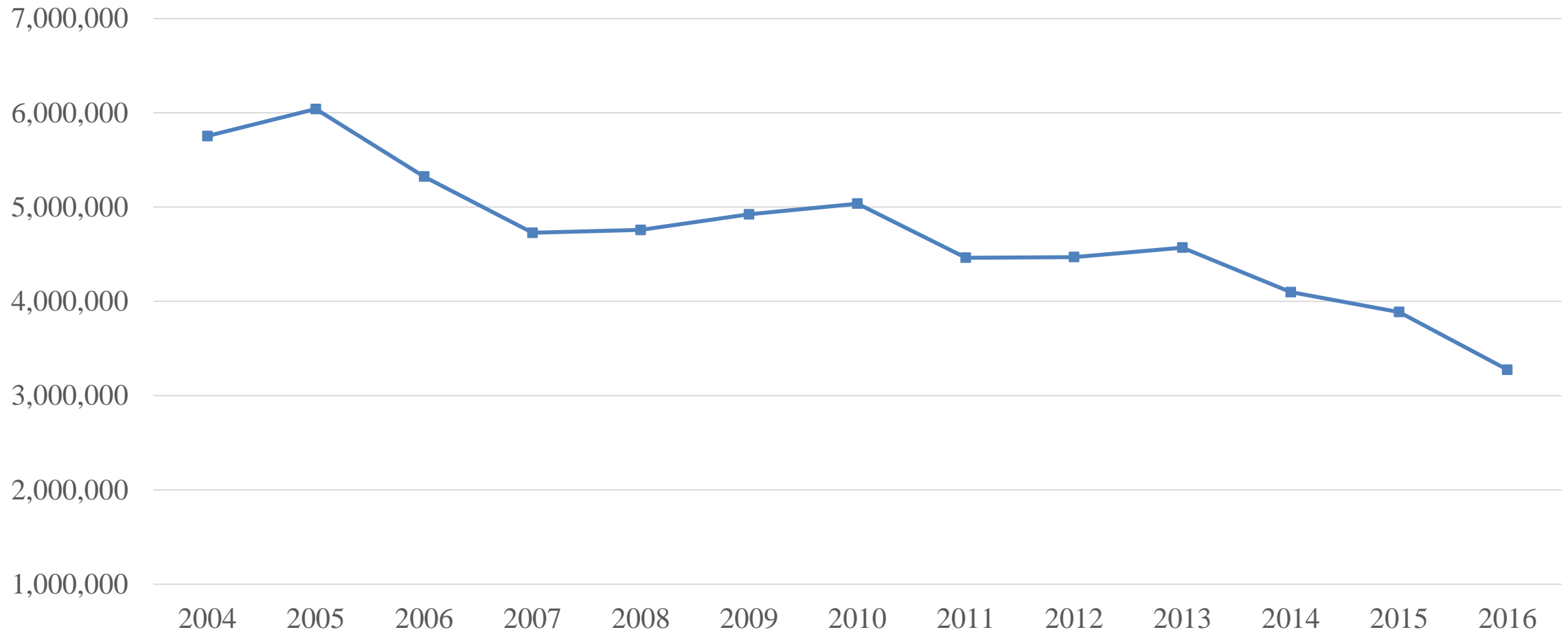
Funding

- Public funding is much lower than higher education and lower than secondary education - and declining over time
- Declining employer investment in adult education

Spending per pupil by phase of education (Luke Siebeta, IFS)

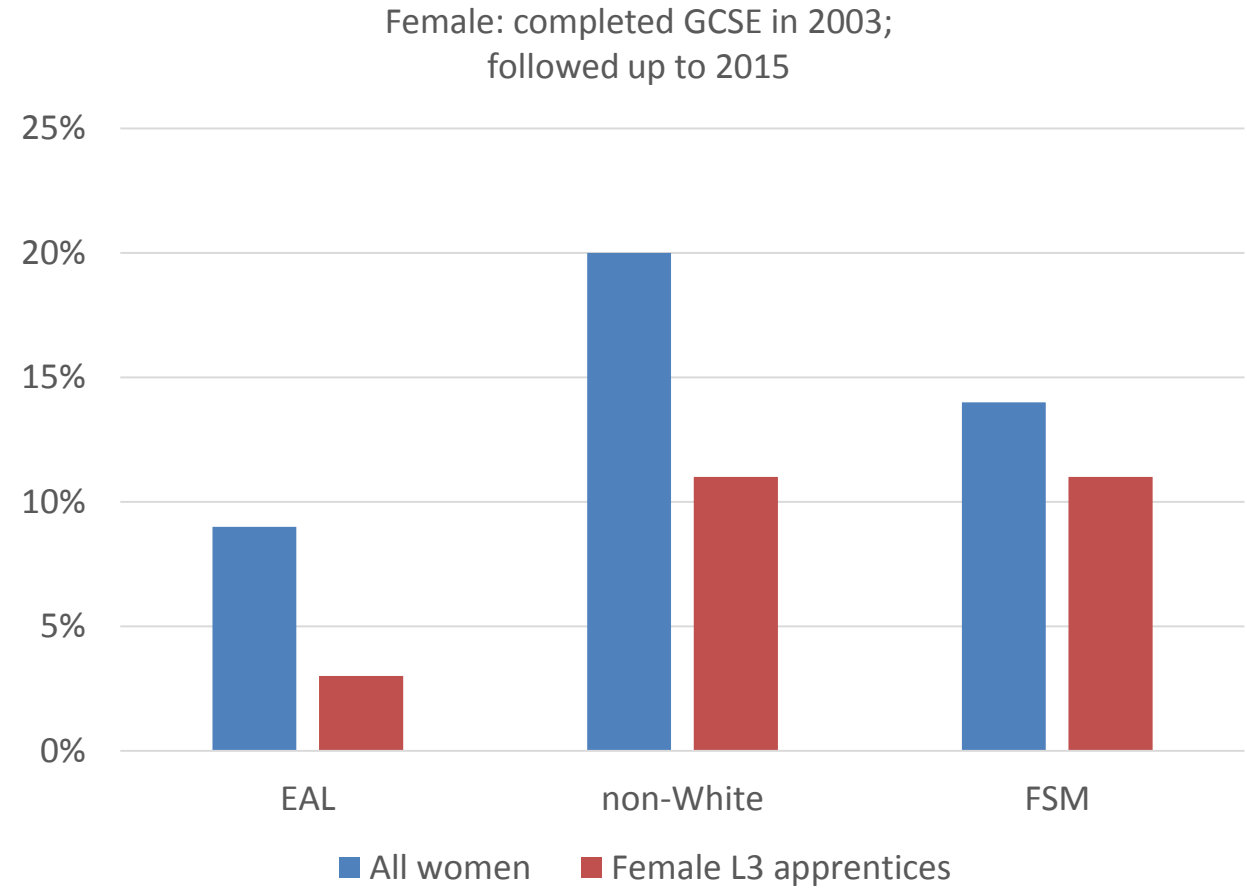
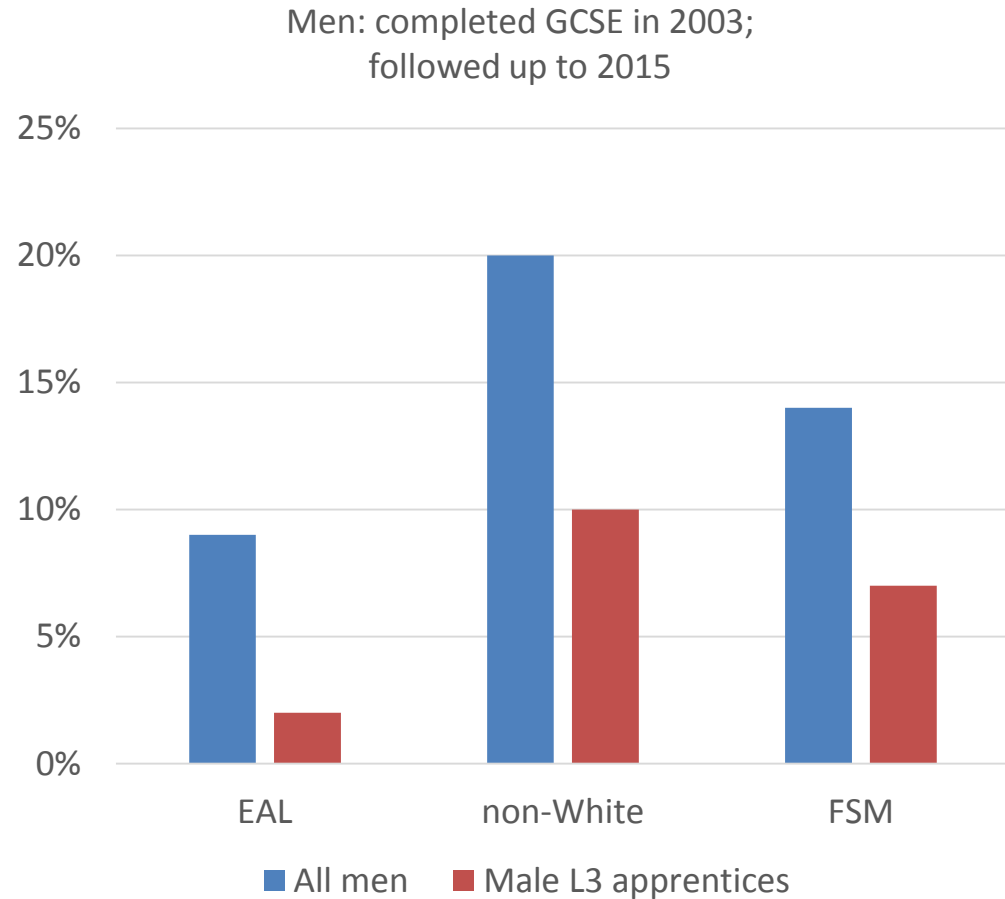


Total number of post-16 and adult learners receiving public funding in education
institutions outside schools and universities
(CVER research: Hupkau and Ventura, 2017)



Inequality of access to Level 3 apprenticeships

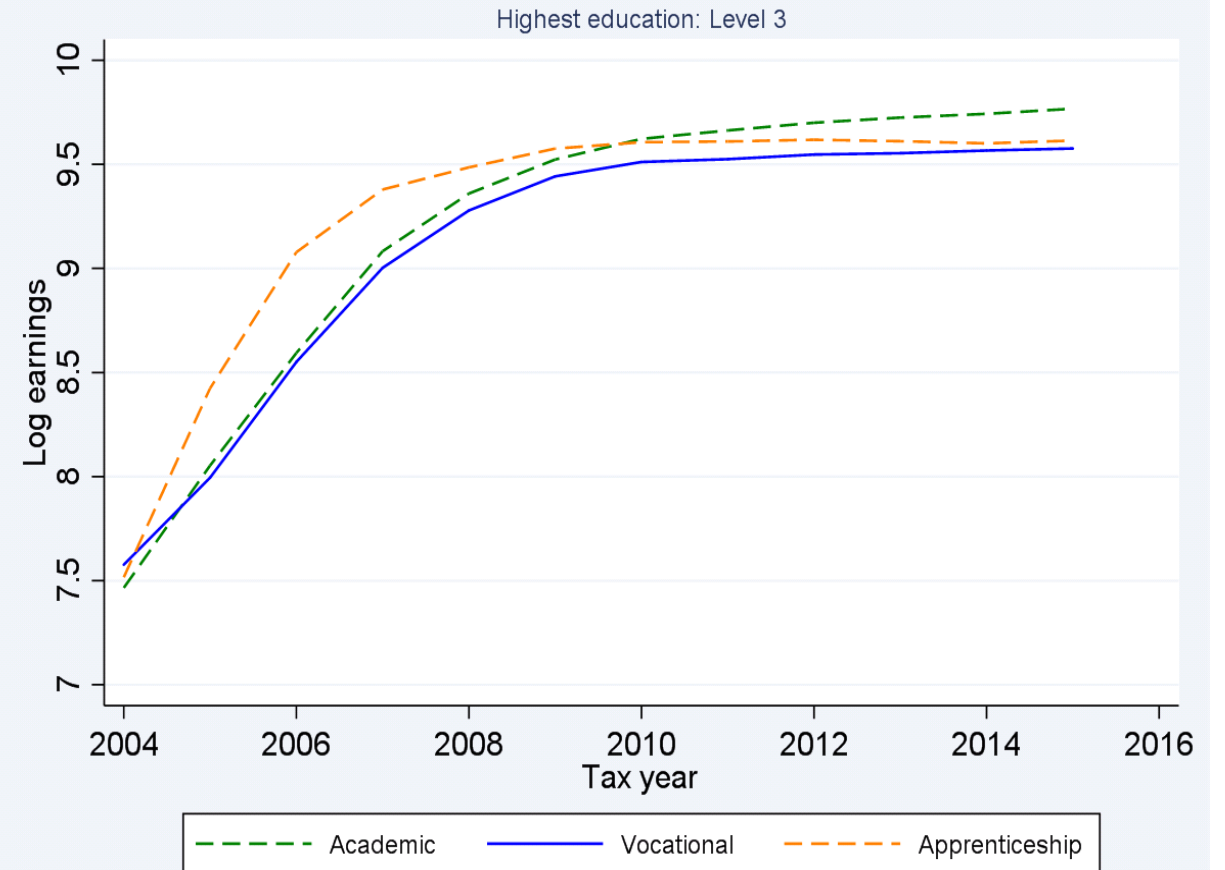
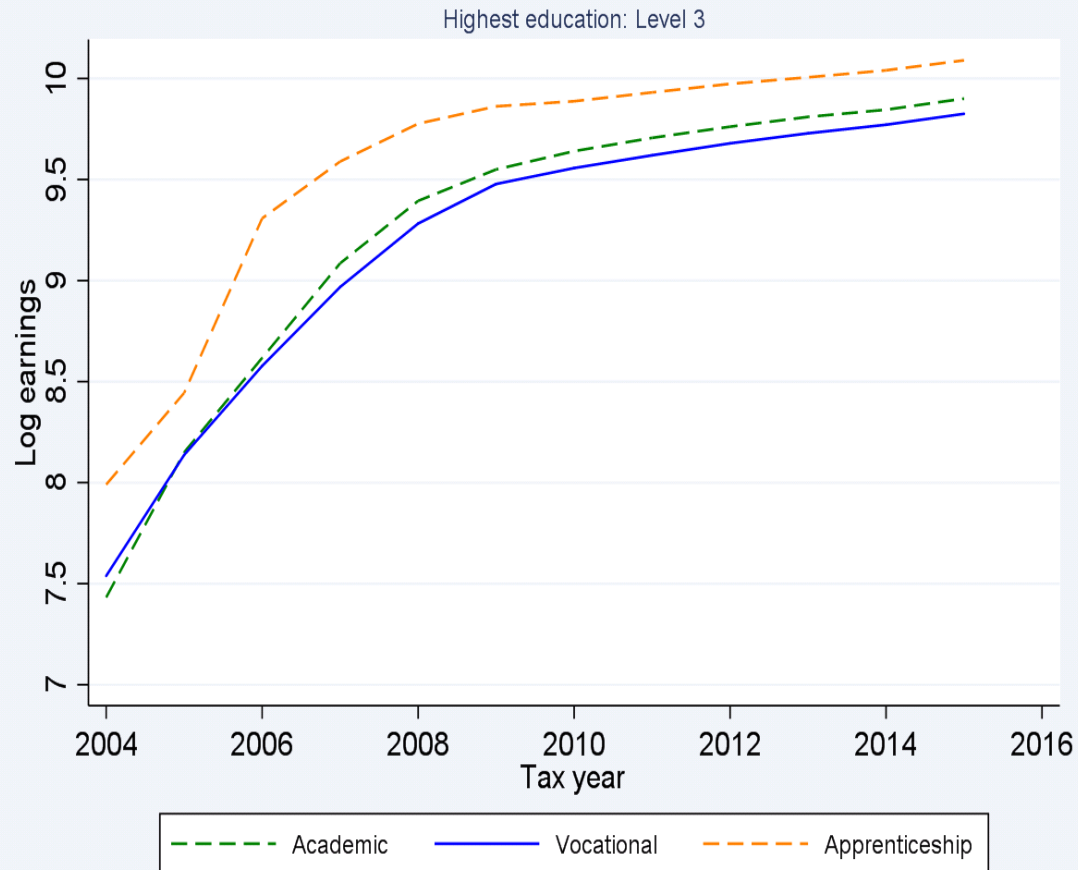
(CVER research: Cavaglia et al.2018)



Log Earnings over time for the cohort undertaking GCSEs in 2002/03. Earnings profiles for those educated up to Level 3

(A) Men

(B) Women



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Beveridge 2.0: Addressing ignorance: A view forwards

Nicholas Barr

<http://econ.lse.ac.uk/staff/nb>

LSE Festival

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1 What works

What are the problems?

- Major issues include
 - Higher and further education are largely separate
 - Higher education finance continues to emphasise three-year full-time degrees
 - Funding imbalance between higher and further education: public spending in 2017-18 (DFE figures)
 - Higher education: £17.8bn
 - Further education £9.8bn
 - Higher education finance is poorly targeted
- Addressing these problems raises policy and technical issues
 - The design of student loans
 - The way investment in human capital appears in the public accounts

Theory and empirical evidence suggest a strategy with 3 elements

- Strategy
 - HE finance from a mix of fees and taxpayer support
 - Well-designed loans, making higher education free at the point of use
 - Interventions earlier in the system: as discussed by previous speakers this is where the main impediments to access occur
- The 2006 reforms adopted that strategy
 - Variable fees of up to £3,000
 - Income-contingent loans to cover fees and living costs
 - Continuation of earlier policies, e.g. EMAs, AimHigher

What happened?

Between 2006 and 2012:

- Tuition fee income +87%
- Number of grants and loans +25%
- Number of students +20%
- Number of applicants from most disadvantaged background +53%

Participation

An official investigation looked at participation by the most disadvantaged quintile ... and found that, ‘The young participation rate ... increased over the period, from 13 per cent for the 98:99 cohort to 20 per cent for 11:12 cohort, representing a proportional increase of +52 per cent. However this increase in participation has not been evenly distributed across the period; there was a much larger increase during the second half of the study period, where participation rates increased by six percentage points, compared with the first half, where participation rates increased by one percentage point.’ ([HEFCE 2013](#), para. 38)

2 A view forwards

- What follows are four building blocks that together attempt to follow Beveridge in being strategic

Building block 1: A holistic view of tertiary education

In terms of

- Distributional effects: look at tertiary education as a whole, not higher education in isolation
- Finance
- Delivery: to allow flexibility

Building block 2: Finance: A common funding framework for all tertiary education

- A lifetime entitlement (grant plus loan entitlement) to cover any mix of HE, non-degree tertiary education, apprenticeships and degree apprenticeships
- A well-designed income-contingent loan to cover costs higher than the grant element
- Very much of a piece with the Beveridge and Robbins principles

Building block 3: Delivery: Flexible pathways

Flexibility over

- The mix of higher, further and technical education in an individual's accumulation of skills
- The time path of accumulation of academic credit
- Modes of delivery

What does flexibility mean in practice

- Someone who uses his/her endowment (grant and/or loan) to acquire a plumbing qualification could then or later convert the qualification into a degree by adding units, e.g. in business studies or accounting
- Start accumulating credit in FE, finish in HE
- Faster degrees (e.g. 2 year); slower degrees (part-time)
- Start part time, move to full time

Building block 4: Greater emphasis in public spending on education earlier in the system

- Previous speakers have discussed this

Conclusion: Don't let the devil have all the best tunes

- Students get it free – it's graduates who repay
- Why should the truck driver pay for the degree of the old Etonian?
- 'Free' is just another word for some other sucker pays
- Not pulling up the ladder – widening the staircase
- 'If I were a real socialist, I wouldn't spend a penny on higher education – I'd spend it all on nursery education' (Charles Clarke, NUS debate 2004)
- 'Why should someone like my mother...who had to take a job in a fish and chip shop to support us after my father left us...pay for the university education of the children of someone like me – as I am now?' (Cherie Blair, *THE*, 25 January 2018)

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