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**Keynote Address** 

**CESifo Forum** 

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Panel 1
Keynote Address by

## LORD ANDREW ADONIS

Member of the House of Lords; Former Secretary of State for Transport, United Kingdom

Ladies and Gentlemen,

It is great to be here in Bavaria, which has one of the most successful economies and also one of the most successful education systems in the world; and the two clearly go hand in hand. When Tony Blair became prime minister, he said that his three priorities were 'education, education and education'. The then prime minister, John Major, also said that he had the same three priorities, but not necessarily in the same order. And that sets the essential context for this discussion, which is concern bordering on alarm about educational standards in much of Europe and the United States; and the belief, which has become stronger over time, that the West is being outstripped by the East, particularly East Asia and China. By the West I don't just mean Britain and those countries which have traditionally had weaker education systems. (By the way what links education and transport is that I spent my time as a minister going around institutions of Britain that don't work and trying to fix them. There is a long list that goes on after schools and transport, but that heads it to start with).

The country with the most acute sense of crisis about educational standards is the United States: twenty years ago in 1992 a famous report was published called 'A Nation at Risk', which highlighted low educational standards as the single biggest risk facing the United States and educational reform has been a strong theme of both the Bush and the Obama presidencies. In Germany, as Professor Sinn said earlier, the first PISA results led to a great sense of crisis and it is very telling that the exemplar, which is held out to be a great success in Europe, is Finland.

Now I think the Finns are wonderful. I've been and I've examined their education system and I think that

we have a lot to learn from it, but Finland is a very small country. Helsinki is a city about the size of Birmingham in Britain, and it is very telling in terms of the wider debate about education reform that we highlight, as the example of outstanding practice, one of the smallest nations in Europe and one where the lessons are, to a considerable extent, culturally specific. And it is not even true that in Scandinavia as a whole education standards are high. In Sweden there is a very similar debate about educational standards to the one that pertains in Britain, and many of the reforms taking place are the same.

The challenge from the East is, of course, getting more serious, not less serious over time. I don't just mean Singapore, Korea, Taiwan and Hong Kong (Hong Kong is, of course, now a country, but the other three as we saw in Professor Sinn's tables, head the PISA tables). What he didn't show us, because it doesn't usually feature in these tables because they only rank countries, they don't rank regions; but in fact, the highest performing region in all three of the PISA assessments, that is reading, science and maths, by some margin is Shanghai in China. In the last PISA assessment it topped all three, and as Martin Jakes argues in his book 'When China Rules the World', which is the single most influential book on me that I've read in the last six months, for Shanghai today, read most of urban China and therefore most of China's 200 million young people under the age of 20 in about 20 years. Martin Jakes also sets this up as, to some extent a commentary on the difference between Confucianism and Westernism. I think that there is a big debate to be had there and I am not quite sure what the concept of Westernism is, but it is undoubtedly true that in the Confucian tradition education, and education for the whole community, not just part of the community, goes very deep indeed socially.

As I have myself engaged in the education debate, both as a journalist, as a minister and as an advisor over the last 25 years, I am struck by the fact that although much has changed: educational standards as well as investment have risen in all countries, many of the acute failings that we experienced two decades ago

have been remedied, the relative gap between countries has not changed very much at all. We are seeing a rising tide and all appears to be rising in a similar way. As it happens I was struck by Professor Sinn's remarks about Germany being better at taking tests. I've never shared the view that Germany somehow did have an educational crisis 10 years ago: its standards have always been high and those who have looked at the quality of its school system in particular, and its dual system, have long been impressed by it; and in my country I have wanted to make our country more like Germany in these respects.

But what has changed though in those twenty years, to come back to it, is the rise of China. In the mid-1970s in England there were precisely two Chinese national overseas students. There are now ninety thousand. Ninety thousand, to put it in context, is about half the size of each year's cohort of students in Britain; and that is simply the number of Chinese students studying in Britain. Each year now China is producing around 7 million graduates. 7 million graduates is equivalent to the entire cohort of young people under the age of 18 in Britain. So the sense of challenge that we face is enormous and it is clearly going to intensify massively over the coming years.

Now in England seeking to meet these challenges over the past fifteen years there have been eight reform agendas: I want to highlight them very briefly and say a very few words about them. Many of the themes that I raise are being discussed in more detail in later sessions. The first reform agenda has been addressing the huge disparities in educational achievement by ethnic groups and by social classes. The second reform agenda has been to improve underperforming schools. This great problem that we've had in England and many other European countries too, of a long tail of seriously underperforming schools. Thirdly, to improve and modernize the curriculum.

Fourthly, to improve the quality of the teaching profession, to make teaching a much more favoured profession amongst young graduates. Fifthly, to integrate employers much more effectively within the educational system in ways like the dual system. Sixthly, to raise the education participation age. Obviously lifelong learning is important in its own right, but to see that at least all young people engage in full-time education, or in full-time education and training up until the age of 18. The seventh agenda has been to expand higher education and to make its expansion affordable

and sustainable; and the eighth priority has been – until the financial crash but even since then – to strive to increase funding for education.

To say just a few words about each of those in turn: firstly addressing huge disparities in achievement by social class. In England nine out of ten of the children of the professional classes go on to higher education. About one out of ten of those who come from the lowest group of unskilled families go on to higher education. It's very telling that the PISA assessment has Britain towards the top end, and closer to Finland, in terms of disparities between the top and bottom quartiles in mathematics. Viewed from London the picture is still one of very, very stark social and ethnic differences in terms of educational attainment.

A large part of that has to do with traditionally the absence of under-fives education entirely. I share the analysis, and the government of which I was a part shared the analysis, that significant investment in under-fives education is crucial to narrowing attainment gaps between ethnic and social groups and that needs to take the form both of organized childcare, help for families, particularly poorer families and systematic provision of nursery education; and all three of those agendas have been taken forward decisively in Britain in the last ten years. Essentially we have created a national under-fives service from scratch and have sought consciously to emulate the Scandinavians in that regard.

But of course, secondly underperforming schools: underperforming schools quite closely mirror the gaps between social classes. The schools, which in England are mostly private schools, which serve the top echelons of the professional classes have the most outstanding results, they have the highest levels of funding, they have the best teachers and so on. The schools serving the most deprived communities have traditionally had the worst teachers, the lowest levels of funding and the worst results and tackling that systematically was the single biggest priority of the Blair government in office and one of the principal ways it sought to do this was highlighted by Professor Sinn, which was bringing new forms of contestability into the system, new forms of school management, private not-for-profit managers directly of schools with a mission to transform those schools, to recruit much better teachers, to modernize the curriculum and not to accept past failure as future destiny.

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The third priority: improving the curriculum. Improving the curriculum has had two different dimensions to it. The first is to introduce a much stronger component of technical education into the curriculum for young people and children who are not on an academic career trajectory. In England traditionally they have been neglected. They traditionally left school at fifteen or sixteen with few qualifications and were then expected to learn on-the-job. We have essentially been seeking to introduce the equivalent, as are so many other countries, of the dual system: more apprenticeships, a much larger technical component to the apprenticeship and technical education in the schools themselves with the systematic introduction of technical courses as options alongside traditional academic courses both pre and post-sixteen.

Fourthly: improving the teaching profession. Study after study shows that the best school systems internationally recruit teachers from the top third of graduates by quality; the worst school systems internationally recruit teachers from the bottom third. Finland, Korea and Singapore head the pack in terms of the quality of graduates by attainment who go into teaching. This is also symbolised and exemplified by the number of applicants that there are per teaching post. In all three of those countries there are roughly ten, and in some cases more, applicants per teaching post compared to two for every teaching post in Britain; and teachers who are largely, apart from the private schools which serve the social elite, drawn from the bottom third of graduates by attainment. Seeking to change that has been a big priority partly by pay, partly by marketing campaigns, and partly by radical reform completely transforming the nature of teaching as an occupation, for example, by the introduction of the Teach First scheme; and we have the director of Britain's Teach First scheme who is presenting to us later.

Fifth priority: integrating employers much more effectively in the education system. This has partly taken in Britain the form of a big expansion of apprenticeships which largely fell into disuse in the 1970s, but reforming the concept of the apprenticeship to include a significant component of vocational education, whereas apprenticeships traditionally had been about learning on-the-job and high level education only applied to a very small number of apprenticeships in the past.

The sixth priority has essentially been to raise the education participation age, including training with a technical education component to it, to eighteen. Traditionally the majority of the cohort in Britain left school and any form of systematic training at the age of sixteen. The great majority of England's schools stopped education at sixteen, they provided no education beyond the age of sixteen at all, which, of course, further encouraged people to leave at sixteen and the examination system, the high stakes examination system was also at the age of sixteen and we have been seeking to change that. Now the majority of schools provide education right through to eighteen, there has been a big expansion of courses and qualifications which apply and are taken at the age of eighteen rather than at the age of sixteen and further education has expanded significantly.

Seventhly: higher education. Thirty years ago one in ten of young people in Britain went on to higher education, now it is four in ten and rising towards five in ten. This is an international trend. The difference between our countries is what is classified as higher education, or to be more precise, university education. Universities apply to different sorts of institutions in different countries: if you put together the Fachhochschule and advanced technical education in Germany and Asian countries and put all that together with traditional higher education, then the percentage of the cohort going through higher education is about the same in all our countries: between four and five in ten and in the most successful countries now it is typically over five in ten. My own view is that over the next generation higher education will expand to seventy or eighty percent of the cohort seen in the context of advanced technical education as well as traditional university education.

Eighthly and finally: the funding. Systematic improvements in funding have taken place in Britain for education over the last fifteen years and more or less that is the case in most other developed countries around the world. Thirty years ago Britain spent one and a half times as much on defence, actually twice as much then on defence, as it spent on education now it spends more on education, significantly more, on education than on defence. My own view is that reflecting the challenges that we face as countries spending two or three times more on education than on defence is about the right order of priorities.

One final anecdote, because I have used up my time, I've always sought in my own work on education to internationalize the debate about education in my own country as far as possible because this is an inter-

national market that we are engaged in and it is an international challenge that we are engaged in, but when five years ago I did a long study visit to many of the major East Asian countries I was shocked by the disparity in average standards, because our elite in Britain has very high standards, I was shocked by the disparity in average standards between most of the East Asian countries and my own country.

The seminal moment for me was visiting Singapore, which is a former British colony, which still takes examinations which are set and marked by the University of Cambridge in English. The main examinations that they take at the ages of sixteen and eighteen are called O-levels and A-levels, which are exactly the same examinations that were set and taken by English students a generation ago and the average standard attained in those examinations in Singapore is forty percent higher than is the case in England and the percentage of the cohort getting five or more O-levels, which is the benchmark Baccalaureate standard that we apply in Britain, last year in 2011 in Singapore was 75 percent and in England it was 59 percent. That to me exemplifies statistically the scale of the challenge that we face. So far in the last ten years most of our countries have been accelerating simply to stand still. Given the challenge of China in the future we are going to have to accelerate very fast indeed if we are not going to be overtaken entirely.

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