



# Investing in Human and Social Capital: New Challenges

## **BIAC Statement to the Meeting of the OECD Education Policy Committee at Ministerial Level Paris, 4-5 November 2010**

The Business and Industry Advisory Committee (BIAC) to the OECD is the officially recognised voice of business at the OECD. BIAC's members include the industrial and employers' organisations in the OECD Member countries.

The BIAC Education Committee's work programme reflects the evolving education-related agenda of the OECD, including increased focus on how to design and implement education policies that more effectively meet labour market needs.



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## Executive Summary

BIAC welcomes the opportunity to provide private sector views and guidance to Ministers at the 2010 OECD Education Ministerial. This paper outlines BIAC positions and recommendations on the four main themes of the 2010 OECD Education Ministerial. Our key messages to Ministers are thus summarised below. Further information can be found in the full BIAC paper.

### 1. The effects of the crisis

- a) **Ensure that investment in education systems is not reduced.** Now is the right occasion to optimise the allocation of expenses, re-examining the cost-benefit results of past political decisions. However, remain strongly focused on efficiency of investment by, for example, setting sustainable standards for teacher-student ratio and revising education curricula to be better aimed at key competencies.
- b) **Invest more in cost-effective solutions that yield the most important economic and social benefits.** For example, invest in improving access and quality in early childhood education and care, preventing drop-out and integrating immigrants, supporting schools in difficult socio-economic areas and incentivising companies to maintain and increase apprenticeship programmes.
- c) **Provide schools with more administrative, organisational and financial autonomy,** which they need in order to adapt to cope with the effects of the crisis in a more flexible way. The autonomy of school leaders and their middle management team should also be strengthened. Schools should be able to involve employers and other stakeholders in the governance of schools. These issues are also important in non-crisis conditions.
- d) **Focus on external evaluation of schools.** More autonomy asks for more accountability. As a consequence, it is necessary to reinforce and co-ordinate a national system of external evaluation for schools. For example, [1] external evaluation of student learning outcomes through centralised testing, and [2] evaluation of individual schools through inspections.
- e) **Encourage the OECD to continue to help member countries to improve their education systems.** The OECD can help policy-makers by continuing to develop common indicators, exchanging best practices, and carrying out benchmarking exercises to improve quality and efficiency in education.

## 2. Matching skills to emerging needs

- a) **Strengthen co-operation with the private sector.** Employers have “on-the-ground” experience to identify skill needs for the 21<sup>st</sup> Century and the private sector can also provide valuable guidance on education policies and specifically on VET policies.
- b) **Revise education curricula to increase adaptability of individuals to target key labour market needs.** The curricula for schools should be reviewed periodically, with attention to avoid overloading the curricula. In order to address labour market needs and societal challenges, curricula should be rebalanced in favour of science, technology, engineering and mathematics (STEM). There is a general need for a more collaborative learning process and cross-disciplinary mentality and understanding, based on scientific insight, empirical evidence and analysis. STEM disciplines are important tools in the labour market and are in the interest of society.
- c) **Ensure greater policy coherence across governments (meaning a whole-of-government approach) on lifelong learning in an ageing society through more investment in adult education and training,** specific attention to a smoother entry of students into labour markets, transition between jobs, and training for unemployed persons.
- d) **Create more access into VET systems and facilitate transfer between VET systems and other levels of education.** There should be a range of different VET options available. Modularity and flexibility are needed to meet evolving labour market needs. Some options must focus on higher levels of qualifications, allowing for movement between VET and tertiary education. It is vital that vocational training is designed so that further education can naturally follow.
- e) **Increase the quality of school and university career guidance systems,** by ensuring that career advisors work closely with local and national employers, and they should receive regular information and training about labour market trends. Improve career counselling to students, so that they choose careers that have employability potential.
- f) **Equip skilled individuals to enhance their mobility.** Improving the international recognition of qualifications and boosting skills in foreign languages will be important for increasing mobility.
- g) **Encourage OECD analysis on skills matching with labour market needs through the proposed “OECD Skills Strategy”.** All relevant divisions of the OECD need to work together on the proposed Skills Strategy in order to successfully monitor trends and envisage scenarios for future skills needs.

## 3. Equipping effective teachers for the 21st Century

- a) **Create opportunities for teachers’ career development,** by providing multi-level job differentiation (for example, head teachers, middle managers, tutors for new teachers, etc.), thus stimulating more mobility and rewarding excellence.
- b) **Evaluate and reward individual teachers in order to boost teaching quality.** In order to motivate teachers and raise the quality of teaching, policy-makers should determine how to evaluate and incentivise teachers. The OECD should be encouraged to create dialogue, share experiences and provide advice on this issue.

- c) **Encourage use of ICT.** ICT tools can improve learning and also help evaluate learning outcomes. In certain areas and conditions, e-learning can change teaching by helping with after-school teaching, catch-up teaching, and so on. The OECD can help policy-makers on ways in which to incorporate more ICT in classrooms.

#### 4. Social impact of education

- a) **Recognise that education should not only prepare for active citizenship, but that employability is also a key output of education.** This implies that teaching methods should be deeply revisited in order to incorporate and favour skills such as creativity, critical thinking, problem solving, teamwork, and so on.
- b) **Take special responsibility not only for children with special learning needs, but also for (low skilled) groups with difficulties in the labour market,** such as youths without (at least) vocational qualifications, the unemployed, migrants with language problems and/or low qualifications, etc.
- c) **Reduce the numbers of school drop-outs** through more personalised learning support to prevent exclusion, difficulties in finding a job, and deferred higher costs for societies.
- d) **Give special attention at all levels to children and students with special talents and high capabilities,** in order to help them to develop their talents and learning to a fuller extent. For talented students, this can lead to excellent performances in many fields and so yield economic, social and cultural benefits for broader society.
- e) **Increase equal participation of men and women in the labour market,** by facilitating the balance between work and family-life with child-care and other services.
- f) **Work with employers to improve opportunities for lifelong learning, specifically for adult education.** This involves using the principle of co-financing (government, companies, non-profit organisations, individuals) to finance lifelong learning with specific and more substantial education opportunities for adults beyond school and university education.
- g) **Improve recognition of informal learning by social partners in the workplace** in order to ensure that competent employees who do not possess “formally” recognised qualifications are not excluded from jobs of which they are capable. Companies already combine formal, non-formal and informal learning to the benefit of companies themselves, their employees, and society. This could entail recognising (clusters of) specific skills which an individual has gained either as part of his/her formal education or through his/her learning on-the-job (micro-credentialing).



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## Introduction

As the world begins to recover from the recent global financial and economic crisis, a number of significant challenges remain, which if left unaddressed could undermine recovery and could limit the potential for long-term economic growth.

In the short- to medium-term, for example, high levels of unemployment and major public deficits in many countries mean that many governments are trying to cope with very limited public resources, leading to budget cuts and austerity measures in order to keep the recovery on track.

In the longer-term, countries must continue to create the right frameworks for sustainable economic growth based on skilled, competitive and innovative societies. This will involve addressing challenges that were already commonplace before the economic crisis struck, such as mismatches between educational outcomes and skills needs, as well as declining labour market populations and societal aging in many countries.

Education policy is vital for addressing these challenges – it is an engine for sustainable economic growth and can be a powerful means to prevent or reduce the impacts of future economic crises. Yet in order to be effective in this way, national education systems in several countries need to significantly change in order to boost quality and access. In this context, the 2010 Meeting of the OECD Education Policy Committee at Ministerial Level is particularly timely and relevant.

Importantly, the economic crisis has shown that closer co-operation between governments, business, unions and other stakeholders is essential for addressing challenges in the global economy. The same is true for addressing challenges in education systems, whether these challenges are crisis-related or not. BIAC therefore welcomes this opportunity to provide private sector views and guidance to Ministers at the 2010 OECD Education Ministerial, and BIAC looks forward to deeper co-operation with OECD Ministers on such issues in the future. This paper outlines BIAC positions and recommendations on the four main themes of the 2010 OECD Education Ministerial.

## 1. The effects of the crisis

### National budgets and cost-effective solutions

Recognising that available public resources are scarce in many countries due to the impacts of the economic crisis, the focus for national education budgets must be to create more relevant, more efficient and more productive education systems. This should be a fundamental principle at any time, not only in periods of crisis, and it will require avoiding cuts to education budgets

while also increasing focus on cost-effective solutions that yield the best returns on investments in order to achieve sustainable economy growth and social harmony.

### Key Recommendations to OECD Ministers:

- a) **Ensure that investment in education systems is not reduced;** where possible, investment should be increased. More investment will be needed in certain parts of education systems, while savings can be made in other parts, but the overall total education budgets should not be cut. This will require cost-effective solutions and efficient allocation of funding for setting sustainable standards for teacher-student ratios and revising education curricula to be better aimed at key competencies, and so on.
- b) **Invest more in cost-effective solutions that yield the most important economic and social benefits.** For example, more investment could be channelled towards:
  - Improved access and quality in early-childhood learning and care (to avoid costly future rescues later in life);
  - Initial and continued training for teachers and head teachers;
  - Incentives, rewards and recognition for the highest-quality teachers, head teachers and schools;
  - Leverage ICT, where appropriate, to extend and support teacher resources and expand learning opportunities for students;
  - Systems for evaluating teaching and education systems<sup>1</sup>;
  - Incentives to encourage teaching and learning in science, technology, engineering and mathematics (STEM);
  - Increased use of information and communication technology (ICT) for students, teachers and distance learners to improve quality of learning;
  - Incentives to companies to maintain and increase apprenticeship programmes (through public support where necessary, particularly for small- and medium-sized enterprises – SMEs);
  - Provision of services facilitating the balance between work and family life, such as lunch-break/after-school childcare (this may entail some costs to the families using such services);
  - Support, in principle and if necessary, to high-quality private schools as equal players in education in order to retain their students and thus avoid burdening public schools with major flows of students from private to public schools;
  - Increasing the integration of “vulnerable groups” into education systems and the labour market, such as immigrants, low-income, and low-skilled populations.

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<sup>1</sup> See Section III on Equipping Effective Teachers for the 21<sup>st</sup> Century, where teacher evaluation is discussed in more depth.

- c) **Make cost savings in parts of the education system that yield few economic or social benefits.** For example, savings could be made by:
- Reducing the number of schools and personnel where there are too many, and merging schools where it makes sense to do so;
  - Renewing learning environments and teaching methods and focusing on the quality of learning (and of teachers);
  - Increasing the number of students per class where numbers are lower, and efficiently allocate teachers across institutions, in order to reach the optimum number of people in schools;
  - Revising education curricula to be better aimed at key competencies, rather than overloading an individual student's programme with an excessive number of disciplines.
- d) **Provide schools and universities with more administrative, organisational and financial autonomy.** More autonomy is necessary for schools in order to adapt to local contexts and labour market needs in a more flexible way. The autonomy of school leaders and middle-managers should also be strengthened. Furthermore, schools should be able to involve employers and other stakeholders in the governance of schools, specifically on vocational education and training (VET). These issues are also key priorities outside of crisis periods, enabling schools to be flexible enough to adapt to changing contexts and needs.
- e) **Focus on external evaluation of schools.** National external evaluation procedures could take the form of external evaluation of student learning outcomes through centralised tests, as well as evaluation of individual schools via inspections. Independent bodies should evaluate school and student performance according to national standards. By creating more accountability and transparency in education systems, educators will have the necessary insights on what happens to students after they complete their studies, transfer, or enter the labour market.

### **Co-operation on an international level: the role for the OECD**

The OECD, through its unique system of peer review and fact-based economic analysis, as well as its institutionalised connections to business and unions through BIAC and TUAC, is the leading international organisation for sharing and developing best practices in education policy. This is valuable in the context of the economic recovery and beyond, and the OECD should be considered a world leader in terms of analysing education policies and sharing best practices.

#### **Key Recommendations to OECD Ministers:**

- f) **Encourage the OECD to continue to help member countries to improve their education systems.** The OECD can help policy-makers by continuing to develop common indicators, exchanging best practices, and carrying out benchmarking exercises to improve quality and efficiency in education. The OECD can also examine what optimum balance of numbers of students, teachers and disciplines is most efficient for high quality teaching and learning. OECD analysis into the most efficient numbers of personnel and students could help to better allocate teachers and students across schools and classes in ways

that strengthen the quality of education. In this context, the OECD should draw upon its interdisciplinary expertise and encourage close co-operation between its different Directorates on issues related to education systems, such as economic growth, innovation, and labour issues.

## 2. Matching skills to emerging needs

Globalisation is creating new and shifting markets, different demands for skills, and different forms of work. Labour markets are therefore changing or need to change further in order to remain competitive and innovative. This has profound consequences for education systems, which must become more flexible and adaptable to changing needs. Education systems today need to prepare individuals to do the following:

- deal with more rapid change than ever before
- seek jobs that have not yet been created
- use technologies that have not yet been invented
- solve problems that cannot be foreseen.

Thus individuals need to have new ways of thinking (creativity, critical thinking, problem-solving and decision-making), new ways of working (communication and collaboration) and new tools for working (using ICT and new methods), as well as being responsible and active citizens in society. Emphasising these skills in education systems will be essential for increasing the matches between learning outcomes and changing labour market needs.

### Key Recommendations for OECD Ministers:

- Strengthen co-operation with the private sector.** Employers, with “on-the-ground” business experience in the economy, can help identify where skilling, re-skilling and up-skilling would be necessary in order to improve the competitiveness and growth of certain sectors and industries. Public-private partnerships can thus contribute to more innovative approaches towards a more skilled, creative and flexible labour force. Through such partnerships, government and educational institutions can work with business to create a more effective enabling environment for individuals to successfully enter and remain in the labour market. The OECD, in co-operation with BIAC, can highlight cases where public-private partnerships are most effective. Employers can also advise governments on the sorts of skills sets required for employment, particularly regarding new skills needed in emerging and innovative industries. Working closely with employers and other social partners on decision-making and governance for vocational education and training (VET) systems is particularly important.
- Revise education curricula to increase adaptability of individuals and to target key labour market needs.** The curricula for schools should be reviewed periodically, with attention to avoid overloading the curricula (many of them are over-extended as a result of incremental expansion over several decades), and a balance should be kept regarding the number of subjects (not too many) and depth of study of these subjects. Particular emphasis should be placed on boosting “21<sup>st</sup> Century skills” across all important disciplines, such as creativity, critical thinking/problem-solving, collaboration/teamwork, foreign languages, interdisciplinary skills (such as

environmental and financial literacy), entrepreneurial attitudes, and ICT. This should help ensure the employability of students and their adaptability to changing labour market needs.

In order to address labour market needs and societal challenges, curricula should be rebalanced in favour of science, technology, engineering and mathematics (STEM). Focus on STEM is particularly important, as these are disciplines where already today, employers find that the talent pool is inadequate or limited in many regions of the world. Moreover, there is a general need for a more collaborative learning process and cross-disciplinary mentality, based on scientific insight, empirical evidence and analysis. Rebalancing curricula in favour of STEM will not involve devoting sufficient amount of study time on STEM issues, but will also involve strengthening student motivation and creating engaging learning environments and teaching methods. The knowledge and skills generated through STEM will contribute to creating competitive and innovative societies.

- c) **Ensure greater policy coherence across governments (meaning a whole-of-government approach) on lifelong learning in an aging society through more investment in adult education and training.** Changing labour market needs have implications for education systems, financial budgets, innovation and R&D, employment and labour issues, and so on. Education Ministries, Labour Ministries, Ministries of Economic affairs, and others must therefore work in a coordinated fashion. In addition to ensuring smoother entry of individuals into labour markets and transition between different jobs, a whole-of-government approach on skills needs can help address major global challenges, particularly where significant skills shortages exist.
- d) **Create more access into VET systems and facilitate transfer between VET systems and other levels of education.** Unless there is more focus on expanding and improving VET, labour markets in many OECD countries risk becoming under-skilled in many vocations. Governments should create different VET options with strong labour market orientation. Governments should also focus on including more young people, especially certain vulnerable groups (such as young males, immigrants, etc.), into VET systems.

At the same time, the labour market also needs VET options that offer higher levels of qualifications, allowing for movement between VET and tertiary education. Formal VET should thus not be considered as an educational “dead end”, and should instead always be designed so that further/higher education can naturally follow on. Moreover, VET systems should be flexible and forward-looking in order to meet the current needs of the labour market while also anticipating future needs.

While the OECD Learning for Jobs project has now been completed, BIAC encourages continued OECD analysis on VET issues in order to provide guidance to governments on the various issues outlined above.

- e) **Increase the quality of school and university career guidance systems.** Career guidance systems play an important role in matching students to labour market needs. Careers advisors should work closely with local and national business communities and should receive regular information and training concerning labour market trends. Career counselling to students should be improved in order that they can consider careers with employability potential.

- f) **Equip skilled individuals to enhance their mobility.** Individuals entering the job market should possess a skills base that enables them to be flexible enough to meet the demands of an ever-changing job market. Improving the international recognition of qualifications and boosting skills in foreign languages are essential for the international mobility of labour. National governments should therefore co-operate towards this goal.
- g) **Encourage OECD analysis on skills matching with labour market needs through the proposed “OECD Skills Strategy”.** The OECD has the potential to become an international leader of global skills analysis, and BIAC looks forward to engaging with the OECD in its proposed “OECD Skills Strategy”. The OECD’s cross-disciplinary structure and economic expertise makes it an ideal forum for monitoring sectoral trends and envisaging scenarios that anticipate labour market needs. We encourage the OECD to make the Skills Strategy as cross-cutting as possible, involving the Education Directorate, the Directorate for Employment, Labour and Social Affairs, the Economics Department, the Directorate for Science, Technology and Industry, the Local Economic and Employment Development Programme, and others. The Centre for Educational Research and Innovation (CERI) should be closely involved, given its expertise in forward-looking analyses of skills needs. Co-operation with other centres of expertise, such as Cedefop (skills for Europe project) and BiBB in Germany, is strongly recommended, which would be of mutual benefit for the OECD and these other partners.

BIAC strongly encourages the OECD to reach out and closely involve OECD non-member countries in the Skills Strategy, given the importance of many emerging economies for global labour market trends. This broader geographic context is essential for understanding the dynamics of patterns of skills mobility. The Strategy should be developed in close co-operation with BIAC and other stakeholders to ensure its relevance and effectiveness to employers and other actors.

### 3. Equipping effective teachers and head teachers for the 21st Century

Teachers and head teachers have a central role to play in improving the quality of education systems. In the 21<sup>st</sup> Century, the teaching profession should be recognised as an attractive, competitive and highly-respected profession for men and women in society, in order to attract high quality young students from university.

Yet in many education systems, this is not the case. Many teachers and head teachers have little motivation to do better due to a lack of evaluation or significant incentives. Career evolution for teachers in many countries requires pressing reform. These factors have important bearing for the overall quality of education systems and need to be investigated.

#### Key Recommendations for OECD Ministers:

- a) **Create opportunities for teachers’ career development.** More career opportunities should be created, in consultation with teachers, by providing more job differentiation, stimulating mobility and rewarding excellence. This will involve a multilevel career

development path (e.g. for becoming head teachers, middle managers, tutors for new teachers, etc.), with certified professional development and should be linked to skills in didactic innovation, updating of competences, and so on. At the same time, teachers should be committed to developing their competencies in line with the school's team development plan and their own career paths. Thus in-service training, team and personal development plans, and team building are all important.

- b) **Consider ways to evaluate and reward individual teachers and head teachers to boost teaching quality.** In order to motivate teachers and raise the quality of teaching, policy-makers should determine how to evaluate and how to incentivise teachers and head teachers. However, in order to do so, it will be necessary to evaluate teachers and head teachers to therefore distinguish those who perform well from those who perform less well. The challenge is *who* should evaluate teachers and head teachers and *how*, and *what* incentives and for *whom*?

It is likely that there is no perfect solution to this challenge, and a one-size-fits-all approach for all countries would likely not be appropriate due to different national contexts and structures. Moreover, the problem is politically sensitive in many countries. In BIAC's view, however, the *status quo* in some countries (i.e. no evaluation and no incentives) is the worst solution and is not sustainable anymore because it generally serves to drive down quality in education.

Possible strategies to incentivise teachers could involve a variety of measures (for example, this could involve annual bonuses for best performing teachers, and/or permanent and significant salary differentiation). Such incentives are essential in order to attract and retain greater numbers of talented individuals into teaching.

Regarding evaluation, one possible method among many that could be developed in an experimental fashion could be to make the reputations of individual teachers transparent and well-documented, based on their personal portfolios and feedback from head teachers, peers, parents, students, and learning outcomes. Clearly a range of other variables must also be considered, such as location of schools (rural/urban, poor/wealthy), the quality of the school as a whole, learning gain, and so on.

The points above are suggestions and require further discussion on national levels in order to achieve the most appropriate policy mix. It would be of enormous benefit to share different country experiences in this field, and the OECD thus has an important role to play. Moreover, the OECD has a wealth of evidence and expertise to offer on such issues, and BIAC would strongly encourage the OECD to use its Teaching and Learning International Survey (TALIS) to help foster best practices and guidance for the development of national strategies.

- c) **Encourage use of ICT in the classroom.** ICT tools can improve, extend and support learning and help evaluate learning outcomes. Used as a tool to support teaching, technology can be an important element in the mix of assets that a teacher leverages in her/his classroom to engage and lead students. In certain areas and conditions, E-learning can change teaching, as technology can transform the delivery of education and can be a "partner" for educators towards more interactive classrooms. For example, online tools for teaching core curriculum subjects can foster high-order thinking and more 21st Century skills, and these tools also allow for the assessment of learning outcomes and thereby enable a more flexible and effective education system. Where

relevant, ICT learning should also be business-oriented, including due focus on e-invoicing, e-payment, e-business, and so on. The OECD should fully exploit CERI's expertise in the areas of school and university futures, new millennium learners, ICT in learning, and so on, to develop guidance for policy-makers on the use of ICT in classrooms.

## 4. Social impact of education

Education systems have important bearing for social impacts, affecting individuals' attitudes towards citizenship, multiculturalism, community, entrepreneurship, innovation, and political engagement. It is therefore important for policymakers to improve and strengthen education's social impacts, while also addressing labour market needs.

### Key Recommendations for OECD Ministers:

- a) **Recognise that education should not only prepare students for active citizenship, but that employability is also a key output of education.** It is essential, but not sufficient, for education systems to focus only on instilling a sense of citizenship (i.e. by focusing on social issues such as citizens' sense of community, multiculturalism, political participation, and so on); these citizens must also be *employable* in order to achieve sustainable economic growth. Social considerations must therefore go hand-in-hand with key skills development, such as in VET and entrepreneurship skills, and improvements in the quality and access of education systems. This implies that teaching methods should be deeply revisited in order to incorporate and favour skills such as creativity, critical thinking, problem solving, teamwork, etc.
- b) **Take special responsibility not only for children with special learning needs, but also for (low skilled) groups with difficulties in the labour market,** such as youths without (at least) vocational qualifications, the unemployed, migrants with language difficulties and/or low qualifications, etc. Certain parts of society, including disadvantaged and low-skilled immigrants, children and adults, require special attention in order to boost their access and participation in education systems, as well as to facilitate the transition from education into the labour market. For example, youths without (at least) a vocational qualification, or elderly persons with obsolete qualifications, require special assistance. In addition, investment and special focus on early childhood education often generates significant returns for the economy as a whole, by countering deficiencies in numeracy and literacy at young ages and preventing drop-out later in life.
- c) **Reduce the numbers of school drop-outs.** School drop-out leads to difficulties at later ages in finding a job and contributing to the economy, yet school drop-out is significant in many countries and could lead to a lack of qualified labour in OECD countries. With fewer highly-skilled individuals in society, this could result in under-performance of innovation, economic growth and societal well-being. More personalised learning support is necessary to prevent exclusion, difficulties in finding a job, and deferred higher costs for societies.
- d) **Give special attention at all levels to children and students with special talents and high capabilities.** Challenging education for high performing students will help stimulate

them to develop their talents to a fuller extent. This can lead to excellent performance in many fields and can yield economic, social and cultural benefits for broader society.

- e) **Increase equal participation of men and women in the labour market**, by facilitating the balance between work and family life with child-care and other services. Low female participation in the labour market means a waste of investment in education. Policies should work to educate women to the highest possible levels and to facilitate women's entry into the labour market in order to reap the gains from investments in education. Provision of lunch-break childcare and after-class activities in schools would help enable mothers to work longer hours.
- f) **Work with employers and other stakeholders to improve opportunities for lifelong learning, specifically for adult education**. This involves the principle of co-financing (government, companies, non-profit organisations and individuals) to finance in lifelong learning with specific and more substantial education opportunities for adults beyond school and university education.
- g) **Improve recognition of informal learning by social partners in the workplace**. It is important to recognise informal learning in order to ensure that competent employees who do not possess formally-recognised qualifications are not excluded from jobs of which they are capable of doing in practice. These competent employees play an important role in the functioning of companies and the broader economy. Companies already combine formal, non-formal and informal learning to the benefit of companies themselves, their employees, and society. This could entail recognising (clusters of) specific skills which an individual has gained either as part of his/her formal education or through his/her learning on-the-job (micro-credentialing).

## Conclusion

BIAC fully recognises the importance of education policy for economic growth and social well-being. The OECD business community is keen to work with governments and other stakeholders to improve quality and access in education systems. BIAC has thus outlined several recommendations for Ministers at the 2010 OECD Education Ministerial, covering the four main themes of the meeting, which in our view could help to address many challenges in national education systems.

Clearly further dialogue will be required on the national level to achieve the appropriate policy mix for different national economies and societies. However, national dialogues should be continuously enriched and helped by studying the costs and benefits of different strategies in other countries, meaning that it is essential to share experiences and knowledge on the international level. It is in this context that, in BIAC's view, the OECD has a central role to play. Sharing experiences and engaging in peer reviews and detailed economic analyses, together with institutionalised guidance from BIAC and TUAC, the OECD provides important advice and information to countries for education reforms.

BIAC welcomes any feedback from Ministers with respect to this paper and we look forward to supporting and engaging with OECD committees and working parties on these topics going forwards.

