

Educ-
G-8



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To: Bruce N. Reed/OPD/EOP

cc:

Subject: G8

Just to say I have not forgotten this part of your last email. I am just trying to get our best brains to tell me what they want to do - we agree education has huge potential, but we are struggling to come up with a good initiative. A Millennium Learning Passport of basic education rights re school and lifelong learning? A superhighway/technology initiative?

Revised outline of G-8 Education Proposal

General approach: The human capital theme at Cologne should be explicitly linked to the summit's central focus on building a new financial architecture for the 21st century. The Leaders should agree that the economic superstructure they are working to construct will only be stable and sound if it rests on a foundation of increasingly well-educated and well-trained populations in their respective nations and in the other countries of the world. They should note that continuous investment in human capital is essential to stimulating sustainable economic growth and reducing social and economic inequality. The Leaders should collectively commit to work within their respective countries to prepare all of their citizens for the opportunities and challenges of an increasingly global, knowledge-based economy. They should also commit to work together more closely to address the human capital challenges they have in common.

At Cologne, the Leaders should focus their discussion of these issues on two of the most important institutional "builders" of human capital: systems of public education and private industry.

I. Education systems: the Leaders should agree that the years of primary and secondary education are a society's best opportunity to develop the capacity for lifelong learning in all of its citizens, and should highlight three important challenges that all of their nations face in meeting that goal:

A. Educating all students for success in the information age

1. Leaders agree that: (a) economic success for individuals and nations is increasingly tied to acquisition of higher-level knowledge and skills, (b) reducing disparities in educational access and achievement among elements of their respective societies is an urgent priority for all G-8 countries, and (c) education systems must undertake the changes necessary to better prepare students for the challenges of a knowledge-based, increasingly global economy
2. Leaders discuss: (a) ways their governments are working at the national level to help their countries' education systems more effectively educate all students for the demands of the information age. The Leaders should focus in particular on (b) efforts to create or reform education standards and ways of measuring student achievement against those standards, and (c) effective or innovative strategies for helping students from low income or other high need groups meet those standards
3. Leaders commit to:

B. Strengthening the teaching profession

1. Leaders agree that: teachers are among the essential "builders" of human capital and, to varying degrees, all of the Eight face the increasingly difficult challenge of attracting sufficient numbers of talented people into

the teaching profession and keeping them there at a time when the same abilities that make them good teachers are often in high demand throughout private industry.

2. Leaders discuss: varying approaches to a number of critical issues, among them teacher recruitment, training, compensation, and continuing professional education.
3. Leaders commit to: increase support in each of their countries for teacher exchange (note: in U.S. vehicles are USIA programs and ED Summer Seminars Abroad)

C. Improving access to and preparation for higher education

1. Leaders agree that: in developed countries today, completion of post-secondary education provides a greater boost to future earnings than any other degree of educational attainment. Partly as a result of this earnings premium, college-going rates have significantly increased in many developed nations since 1990. During the same timeframe, the cost of higher education has gone up as well.
2. Leaders discuss: strategies for improving access to and preparation for higher education, particularly among traditionally excluded groups
3. Leaders commit to:

II. Private Enterprises: the Leaders should agree that the private sector is an essential contributor to human capital development, and should focus their discussion on three important areas in which public-private cooperation toward that end can be increased or improved:

A. Increasing private sector support for early childhood, primary and secondary education

1. Leaders agree that: (a) business can be a powerful and positive force for educational improvement and reform, and (b) the private sector should view engagement in efforts to improve primary and secondary education as an investment in the workers and customers of the future
2. Leaders discuss: (a) effective strategies for increasing business support for educational improvement at all levels. (b) The Leaders should highlight the development and use of educational technology to improve teaching and learning as a particularly promising avenue for public-private cooperation. They should note that distance learning technologies, multimedia software applications and low-cost, portable hardware being developed by private sector firms in a number of G-8 nations are particularly promising vehicles for improving the delivery of educational services to traditionally underserved populations, especially in geographically remote areas.
3. Leaders commit to: make cooperation with each other and the private sector in the field of educational technology a theme of their engagement with developing countries. More specifically, they should commit to work

together through the World Bank and other international institutions and in cooperation with the private sector to help developing countries put educational technology to work in addressing their own pressing educational needs.

B. Improving the transition from school to work

1. Leaders agree that: offering young people — particularly those who do not go on to higher education — routes for a successful transition from school to work is an increasingly important priority
2. Leaders discuss: apprenticeship programs and other strategies for facilitating successful transitions from upper secondary school to stable employment
3. Leaders commit to:

C. Improving worker training

1. Leaders agree that: the workplace is an increasingly important and often effective venue for providing employees with new skills or updating existing ones.
2. Leaders discuss: effective strategies for improving training of both employed and displaced workers, including through partnerships between business, government and labor.
3. Leaders commit to:

III. Format: to increase public attention, the education discussion at Cologne should:

- A. Be open to the press
- B. Include an exchange with an international panel of experts and/or practitioners on one or more of the subjects that the Leaders will be discussing. Possibilities include education researchers, teachers, students and CEO's.

cc: Poruce
Let's talk about

U.S. proposal for Cologne G-8 Summit human capital discussion* *Thu.*

— Working Outline, 2/9/99 —

E.

General approach

The human capital theme at Cologne should be explicitly linked to the summit's central focus on building a new financial architecture for the 21st century. The Leaders should agree that the economic superstructure they are working to construct will only be stable and sound if it rests on a foundation of increasingly well-educated and well-trained populations in their respective nations and in the other countries of the world. They should note that continuous investment in human capital is essential to stimulating sustainable economic growth and reducing social and economic inequality. The Leaders should collectively commit to work within their respective countries to prepare all of their citizens for the opportunities and challenges of an increasingly global, knowledge-based economy. They should also commit to work together more closely to address the human capital challenges they have in common.

The human capital discussion at the summit and the related recommendations in the final communiqué should touch upon the entire continuum of lifelong learning, from early childhood to tertiary and secondary schooling to higher education and workplace training. Throughout the discussion, the Leaders should highlight effective strategies for reducing the disparities in educational access and achievement that exist between elements of their respective societies.

Early Childhood

- **Quality and affordability:** The Leaders should note that the first years of life are a critical stage in a child's mental and physical development, and should underscore the importance of equipping all children during those years with the skills and attitudes necessary for later educational success. The Leaders should note that the growing phenomenon of two-income families in many G-8 countries increases the need for affordable, high-quality early childhood education programs, from daycare through preschool and kindergarten. The Leaders should share strategies for insuring quality and affordability in early childhood education.

Primary and Secondary Education

- **Importance and purpose:** The Leaders should agree that the years of primary and secondary education are a society's best opportunity to develop the capacity for lifelong learning in all of its citizens. They should also agree that systems of primary and secondary education have the responsibility to prepare all citizens for either stable employment or successful participation in higher education.
- **Skills for success in the information age:** To illustrate the need to educate the students of today for the challenges of tomorrow, at Cologne the Leaders should engage in a discussion of the essential skills for success in the information age. This discussion might highlight the fact that, for example, an entry-level automobile

* incorporates German and U.S. proposals to date

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worker in 1998 must be able to apply formulas from algebra and physics to properly wire a car's electrical circuits, and could describe how the high quality manufacturing jobs of the future will require specific, higher-level skills in algebra, geometry, measurement, probability, and statistics. More generally, the discussion could stress the need to develop creative, entrepreneurial spirits in young people. Each Leader should outline a promising initiative that his or her government has undertaken to help students master the new basic skills of the information age.

- **The teaching profession:** Teachers are among the essential "builders" of human capital and, to varying degrees, all of the Eight face the increasingly difficult challenge of attracting sufficient numbers of talented people into the teaching profession and keeping them there at a time when the same abilities that make them good teachers are often in high demand throughout private industry. A discussion at Cologne of the future of the teaching profession in the nations of the Eight should highlight varying approaches to a number of critical issues, among them teacher recruitment, training, compensation, and continuing professional education.
- **School to work:** The Leaders should also stress the importance of offering young people — particularly those that do not go on to higher education — routes for a successful transition from school to work.

Higher Education

- **Access and preparation:** In developed countries today, completion of post-secondary education provides a greater boost to future earnings than any other degree of educational attainment. Partly as a result of this earnings premium, college-going rates have significantly increased in many developed nations since 1990. During the same timeframe, the cost of higher education has gone up as well. At Cologne the Leaders should discuss strategies for improving access to and preparation for higher education, particularly among traditionally excluded groups.

Workplace Training and Education

- **Worker training:** The Leaders should highlight effective strategies for worker training and retraining, particularly through partnerships between government, business and labor. The Leaders should call on private enterprises in each of their countries to take a long-term view of the returns to be gained from investment in human capital, and they should encourage business support for improvements in early childhood and primary and tertiary education.
- **Skill shortages:** The Leaders should acknowledge the challenge that many businesses in their respective countries face today in attracting sufficient numbers of highly-qualified workers and specialists. The Leaders should ask the OECD to conduct a comprehensive study of challenges and options with respect to national and international labor markets for highly-qualified researchers and specialized personnel.

Cross-cutting theme

- **Educational technology:** Recent technological advances and reductions in cost have opened up new possibilities for using educational technology to improve teaching and

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learning. At Cologne the Leaders should agree that distance learning technologies, multimedia software applications and low-cost, portable hardware are particularly promising vehicles for improving the delivery of educational services to traditionally underserved populations, especially in geographically remote areas. Along the same lines, the Nations of the Eight should commit to work together to help developing countries put educational technology to work in addressing their own pressing educational needs. More broadly, the Leaders should call for increased international collaborative research to develop the next generation of educational technology for the benefit of all students in all countries.

Format and venue ideas

- **Options:** To attract public attention to the Leaders' discussion of educational issues, the summit session devoted to this subject might be held at a Cologne school, and could involve a teacher or student from each G-8 nation. The Leaders could also participate from the summit in interactive Internet dialogues with students in their home countries.

Bonn, January 16th, 1999

German Discussion Paper

„Training, Human Capital and Innovation“**Introductory remarks**

Highly industrialised countries are undergoing a long-term transition process to information and service societies and knowledge-based economies. New products, services and production processes are to a growing extent dependent on the input of knowledge and know how. Only innovative and flexible firms, i. e. „learning enterprises“, are in a position to meet the requirements of growing trans-border competition and rapid structural change. The qualification of staff, in the field of research and development as well as in production and marketing, is becoming the dominant production factor, together with the knowledge management and organisation of the innovation process.

What applies to the level of enterprises is also valid for the individual citizen as well as for the economy as a whole. The citizen's successful participation in the labour market and in community life pre-supposes a sound basis of initial education and training including the capacity and readiness to meet new occupational requirements by undergoing recurrent education. On the other hand intensified competition between national economies in the process of globalisation challenges highly industrialised countries to make full use of their comparative advantages strengths: high quality labour, inventiveness and sophisticated technological and managerial knowledge. Ecological challenges likewise require intelligent, resource-saving products and production processes based on high investment in personnel and R&D.

Investment in human capital is becoming crucial for stimulating economic dynamism and new employment opportunities and for solving the economic, ecological and social problems of highly developed societies. For newly industrialised economies as well as for developing countries this factor is even more decisive as prerequisite for economic and social development and for participation in international exchange and co-operation.

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Issues

1. Many countries are undertaking new efforts to increase investment in education as well as in R&D with the aim of strengthening their economic, social and cultural basis. At the same time reforms are on the way to make systems more responsive to new challenges, to increase the efficiency of education and research, to raise quality of outputs and impact on innovation.

The summit could emphasise the key importance of investment in human capital, in education, research and innovative applications for stimulating sustainable growth and improving employment opportunities. G 7/G 8 leaders could stress the need for concerted action by governments and the enterprise sector, social partners and individual citizens for meeting the challenges of the future. They could ask OECD to organise the discussion process on new strategies pursued by governments, enterprises and private organisations, to exchange „good examples“ and to improve the information basis for policy development.

2. The half-life periods of economic usefulness of qualifications become shorter and shorter. At the same time new kinds of work organisation replace traditional industrial mass production. Creativity, knowledge, technical and social competence, a higher degree of self reliance and entrepreneurial action become decisive factors of success. In learning societies education and vocational training have to continue throughout life. This includes learning in education institutions with the aim of formal qualifications as well as informal self-directed learning and learning at the work place.

The Heads of State and governments could call for a comprehensive exchange of experiences with respect to plans and strategies for realising the idea of lifelong learning (comprising the relationship between initial and continuing education and training and organisational and financial mechanisms conducive to learning), Special attention should be given to personnel of SME's and to personnel with low qualification.

3. Lifelong learning and investment in R&D is not only a challenge to governments and individual citizens but also to enterprises. The working environment has turned out to be the most appropriate place for further learning that ensures relevance and motivation. Entrepreneurs and managers should have in mind that returns of such investment are of

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longer term nature and that personnel development and knowledge management become decisive action parameters for continuously successful firms. „Intangible investment“ in personnel as well as in application-oriented R&D has to be made measurable and comparable and to be reported by firms in order to improve management and composition of investment.

Heads of states and governments could call on enterprises to take a longer-term view on the importance of investment in human capital and encourage the OECD to further pursue analytical concepts and to develop recommendations in this field.

4. Lifelong learning has to build on a sound basis of initial education and training. It is highly dependent on the capability to undertake self-directed learning. A basic education of high quality is to be conveyed to all young people and there is a growing consensus that school leavers should also get a vocational qualification through different kinds of training for middle-level skills or of higher education. For young people with special needs new bridges are to be created in order to help them to successfully enter adult and working life. In many of our countries major policy initiatives have been undertaken to give training to all young people and to bring them into stable employment .

G 7/G 8-leaders could express the crucial importance of offering young people routes for successful transition from school to work and call for the engagement of the enterprise sector in the training of young people.

5. Additional employment opportunities can only be created if new enterprises are started, based on a technological idea or exploiting new marketing opportunities particularly in the service field. For making full use of this potential it is important that initial education, vocational training and higher education provide young people with an impetus and skills for entrepreneurship and that regulatory, information and financial barriers are reduced. The availability of risk capital, in particular of equity capital for start-ups, is to be improved in many of our countries.

Experience and new ideas should be shared to create a positive spirit and appropriate framework conditions for establishing new firms and to best prepare young people for entrepreneurship.

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6. The position of higher qualified professions on the labour market is improving in promising fields of science and technology. An increasing number of enterprises, in particular those offering technology intensive services, complain about a lack of highly qualified specialised personnel for the application and integration of information and communication technologies in product and process innovations. The lack of specialised personnel, partly due to past fluctuations in demand for these groups, is becoming an impediment of innovation in certain sectors of R&D. The competition of locations for production can become a competition about the „best heads“.

G 7/G 8-leaders could request the OECD to supply a comprehensive evaluation of political challenges and options with respect to labour markets for highly qualified researchers and specialised personnel.

7. The increasing international interlacing of many areas of life creates enormous challenges for learning. The capability to grasp, evaluate and apply knowledge from worldwide sources becomes more and more important. New kinds of trans-border co-operation and communication place new demands on management and staff. The internationalisation of education and international networking in research are becoming central answers to the global knowledge society.

The Heads of States and Governments could underline the necessity to strengthen the international dimension of education, including the training of young researchers, and the role of international exchange schemes. They could emphasise the need to further develop new concepts for internationality in education and research in the framework of the OECD