UNESCO World Conference on Higher Education

The new dynamics of higher education and research for societal change and development

Introductory Remarks by Angel Gurría, Secretary-General
OECD

5 July 2009
UNESCO, Paris
Good afternoon Ladies and Gentlemen:

I congratulate UNESCO for having the foresight, the wisdom and the skill to have chosen this important moment to gather the world leaders on higher education.

We meet indeed in a difficult and crucial time. We face the most highly synchronised recession ever, which has left no corner of the globe untouched. Fiscal stimulus packages have helped mitigate its worst effects, but the crisis is not over yet. The world economy heads for zero growth in 2009 bringing with it an employment and social crisis.

We need to address the social and human dimensions of the crisis. This means that recovery plans have to support the most vulnerable and include investing in skills development, education and enhanced training projects.

But budgets will be strained for years to come. The way public money is spent will come under even greater scrutiny. This is inevitable. And that gives us the responsibility to get the most value for money from our education spending. The time to reform is now.

No one doubts the importance of education. You and I know that education is an investment and will be central to our future. OECD Ministers meeting last week recognised the need to maintain investment in human capital and education as a means to build a stronger, cleaner and fairer economy.

Let me address the issue of higher education, which is the subject of our Conference today.
We need concerted action in three key areas.

**The first is access and equity**

Tertiary attainment levels have increased substantially in OECD countries. On average, one third of 25 to 34 years old have concluded tertiary education, up from less than 20 per cent 15 years ago. And if we look at entry rates, they continue to increase, suggesting that the upward trend will continue.

This is very good news.

Higher education should be available to all who can benefit from it. It is one of the best investments one can make. On average, completion of tertiary education yields an 11 per cent rate of return. In some OECD countries like the Czech Republic, Poland or Portugal, the return on tertiary education is in excess of 20 percent. This return may be even higher in some developing countries.

But challenges remain. There are still too many dropouts. This means that we have to work harder to better prepare secondary school students to succeed in their courses and then to move on to tertiary education.

Another challenge is to ensure equity between social groups.

Developing fairer and more open access to higher education means diversifying funding sources for institutions. 86 per cent of spending on education still originates from public sources and OECD countries spend on average 6% of GDP on education. But in most OECD countries, private spending has been increasing rapidly, especially on tertiary education. Given the shared public and private returns that education brings, costs and responsibilities also need to be shared.
We have recently published an extensive review of tertiary education policy in OECD countries. It shows that the best way to provide effectiveness and fairness is a well-designed model for charging students a contribution. But we need to be careful here. In order to ensure that the less well-off can go to university, the OECD recommends putting in place a comprehensive grant and means-tested loan system, covering not only student fees, but also living expenses. We need to ensure that education levels the playing field and creates opportunities for social mobility.

This brings me to another equity challenge, which relates to the difference between males and females. In the OECD area, the battle to ensure that women are able to pursue higher study has been fought and pretty much won. In fact, at the undergraduate level, our big worry is the boys, who tend to perform less well than girls. But in many developing countries, women still don’t have full access to higher education. This means that there is an enormous under-utilised potential.

**The second priority area is efficiency and effectiveness.**

The crisis means that institutions need to work smarter. One proven way to progress in this regard is to encourage institutional autonomy. That means greater freedom to determine curricula, research priorities and strategy. Of course, that autonomy has to go hand in hand with accountability on outcomes and the way resources are used.

This in turn requires a new focus on institutional governance. There is a need for better governance in higher education. This means Governing Boards with clear responsibilities, well-informed external board members and effective procedures.

We must also recognise the international dimension. Higher education institutions are not confined by national boundaries. They never have been. About 3 million tertiary students are enrolled outside their country of citizenship. The number of students that travel to a country
different than their own for the purpose of tertiary study has been growing rapidly, reaching 20% in some countries. For higher education, globalisation is a natural condition that is to be embraced.

Globalisation of higher education can foster an exchange of cultures and ideas, opening minds, creating mutual understanding. It can also lead to closer economic links, more trade, more investment.

France, Germany, the UK and the US receive about half of all foreign students worldwide. Many of those come from developing countries. Some stay after the end of their studies, where their skills contribute greatly to the economy and society. This is very positive. But we need to ensure that the benefits of migration are shared between sending and receiving countries. And we must also remember that education is the most effective way to help the successful integration of migrants in their host countries.

This means that OECD governments should strengthen their co-operation with developing countries. For instance, remittances contribute to poverty reduction and play an important role in supporting household spending on education and health. By the way, although a lot of progress has been achieved; greater efforts should be made to decrease the costs of remitting money. We also need to implement responsible recruitment policies in universities, as well as in other sectors, to avoid the risk of brain drain.

**The third key area is quality and relevance.**

2005 saw the publication of the UNESCO/OECD guidelines on quality in cross-border higher education. These guidelines are a great example of collaborative effort between our two Organisations, and a ground-breaking initiative in trying to ensure quality and a measure of consumer protection in a fast-growing but hard to regulate area.
The OECD also produces the most reliable indicators available today on educational attainment and resourcing, in “Education at a Glance”. However we know very little about what students have learned in their time at university or college. That is why we are working on a feasibility study for the assessment of higher education learning outcomes in order to compare outcomes in different countries.

This study is in part a reaction to the dominance of university rankings based on research performance. Universities will lead much of the research which will help us tackle the great global challenges – health, climate change and poverty - but publications and citations must not be the only yardstick by which they are measured. We need our universities and higher education systems to train and develop the human resources which will enable us to progress. They need to be relevant.

For this to happen, we need to ensure that institutions play to their strengths. We are entering an era of even greater institutional diversity, with more specialization. In fifty years the number of higher education institutions has grown to more than 15 000, with a great diversity of styles and types – from the mega-universites to much smaller and more specialised institutions. We must learn how to value them all. Not all students have the same needs. And not all institutions need to be – or ever can be – at the top of global ranking lists.

So there you are, ladies and gentlemen: three simple tasks for you and for Higher Education! Ensuring access and equity; improving efficiency and effectiveness; while raising quality and relevance.

These are major challenges and they will require countries, stakeholders and international organisations to work together. We need to get this right.
To help the world emerge stronger from the current crisis, the OECD will further develop its role as a global policy hub and maintain a strong focus on providing practical policy advice, based on reliable indicators and evidence.

We will develop new tools and venues for the exchange of good policies and practices, such as our online platform “Education Today Lighthouse” and the September 2010 OECD Conference on Higher Education, which we will host here in Paris.

Let me conclude by thanking Director-General Matsuura for his invitation to share with you our perspective on the role of Higher Education in shaping our future. I also congratulate him on his achievements as the Head of UNESCO and look forward to continuing to work with UNESCO to tackle the tasks which lie before us.