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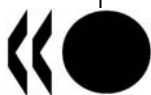
**SUMMARY OF THE INITIAL EDUCATION TODAY CRISIS SURVEY, JUNE 2009 - IMPACT OF
THE ECONOMIC CRISIS ON EDUCATION**

EDU Working Paper no. 43

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Abstract

This paper provides initial reflections on the impact of the economic crisis on education across the OECD area by analysing the OECD educationtoday crisis survey responses of June 2009. It first looks at the impact of the crisis on education demand and participation, after which the focus turns to the supply side and education financing. The paper suggests that while the education sector appeared to experience increased demand and benefit from growing governmental financing in several OECD countries in June 2009, the crisis may have hidden negative effects particularly on decentralised service delivery and private involvement in education.

Résumé

Ce document offre un début de réflexion à propos de l'impact de la crise économique sur l'éducation dans les pays de l'OCDE, à partir d'une analyse des réponses à l'enquête sur la crise lancée en juin 2009 via la plateforme OCDE educationtoday. Après un examen de l'impact de la crise sur la demande d'éducation et la participation, le propos cible les aspects de l'offre et du financement de l'éducation. Ce document suggère que si le secteur de l'éducation semble avoir connu une demande plus importante et bénéficié d'un financement public croissant dans certains pays de l'OCDE en juin 2009, la crise pourrait avoir des effets négatifs non visibles, en particulier en termes de fourniture décentralisée des services et d'engagement du secteur privé dans l'éducation.

SUMMARY OF THE JUNE 2009 EDUCATION TODAY CRISIS SURVEY– INITIAL REFLECTIONS ON THE IMPACT OF THE ECONOMIC CRISIS ON EDUCATION

Kiira Karkkainen

Introduction

1. At the moment of the global economic crisis, the OECD Directorate for Education responded to the call of the member countries to develop an international platform for information exchange on education and the crisis. How does the economic crisis impact education systems across the OECD area? How can education be of help in combating the crisis? What will be the role of education when looking beyond the crisis, to the future growth? Aimed at providing an international forum for exploring these questions, the OECD *educationtoday Lighthouse*¹ was launched in June 2009.

2. Based on the responses to the OECD *educationtoday* crisis survey conducted in June 2009, this paper provides an initial comparative summary on the impact of the economic crisis on the education sector across the OECD area. It is to be kept in mind, however, that some of the June 2009 information contained in this paper may be outdated, as the time of the survey was still marked by ongoing developments and uncertainty as to the eventual ramifications of the crisis in several countries.

3. The *educationtoday* crisis survey was undertaken to help the OECD Secretariat to identify what the high priority issues are in order to be able to provide evidence and intelligence on how education is affected by the crisis. A short online questionnaire was sent by email on 8 June 2009 to members of the OECD Education Policy Committee, the Centre of Educational Research and Innovation (CERI) Governing Board, the Institutional Management in Higher Education (IMHE) Governing Board and the Programme for International Student Assessment (PISA) Governing Board. The deadline for responses was 25 June 2009, and the individual responses were posted on the *educationtoday Lighthouse* website under the *countrynotes* protected community accessible only to members of the aforementioned committee members. The survey consisted of both closed and open-ended questions, focusing mainly, but not only, on public finances in the education sector (Annex 1). In most cases the respondents were either members of the CERI Governing Board or the Education Policy Committee (Annex 2), the perspectives of which this summary report focuses on. These respondents represented in total 17 OECD countries, the Flemish Community of Belgium and four Canadian provinces. The responses of the IMHE members are summarised in the box 3.

4. At first glance, the education sector in general seemed to emerge from the crisis as a relative winner in June 2009, although the situation was still marked by uncertainty in many countries. On the demand side, interest and participation in education appeared to be increasing alongside the rising unemployment levels and job insecurity. On the supply side, public education budgets were experiencing increases in several OECD countries – either due to or despite the economic crisis. Indeed, many countries saw education and training measures as a central issue not only in tackling the current economic hardship, but also in preparing for a greener and more innovative future economy.

5. That being said, not all countries were investing in education in an equal manner and developments regarding private education investment looked less bright. Going beyond the macro-level, the situation can also be much more complex from the standpoint of educational institutions and individuals.

¹ <https://community.oecd.org/community/educationtoday>

Unemployment and increasing demand for education

6. According to the survey, the economic crisis appeared to have a positive impact on education demand in several OECD countries, with nine countries experiencing or expecting at least some increases in educational demand and participation in June 2009. Only Japan reported an overall negative impact concerning all levels of education from pre-primary to higher education.

7. As increasing demand for education is often associated with rising unemployment and job insecurity, several countries highlighted the negative impact of the economic crisis on employment, especially among youth. For example, Sweden reported an increase of four percentage points in the unemployment rate of 15-to-24-year-olds in a year, reaching 25% in the first quarter of 2009. In Ireland, the overall unemployment levels had increased dramatically from long-term rate of 1.4% in 2005 and 7.7% in the fourth quarter of 2008 to 11.8% in May 2009. In Spain, the unemployment rate had doubled as a result of the crisis, the number of unemployed approaching four million people at the time of the survey. In addition, many countries – including Ireland and the Netherlands in particular – noted the overall negative impact of the global crisis to their domestic economy and public finances. Only Norway, Poland and Manitoba and Saskatchewan of the Canadian provinces indicated that the economic crisis had had a relatively mild impact on their economy, and also in terms of unemployment.

8. The growing demand for education appeared to focus on higher education and other training for skills development, especially among adult populations. Australia, Ireland, Sweden and Norway all reported notable growth in higher education applications. In Sweden, for example, tertiary education applications in the second semester of 2009 increased by 30% compared to 2008, with admissions up by 13%. Demand for education and training had increased especially among adult populations in several countries in the context of increasing job insecurity and unemployment. In Ireland, higher education applications by mature students went up by over 30% in comparison to 2008, while according to a German study, more than a third of the employment force of 20-to-60-year-olds and 47% of 20-to-29-year-olds were considering to participate in training or further education. The Netherlands indicated increasing enrolment and longer stay in upper secondary vocational education and training. Longer stay in study as a result of the crisis was also noted by Australia and Korea.

9. The tendency towards increasing demand for better qualifications was strengthened also from a more qualitative standpoint. According to the survey, several OECD countries saw deteriorating job opportunities as having an impact on educational choices made by learners. Particularly, this meant an increased choice towards higher level qualifications through post-secondary or post-graduate studies. Some countries saw an increase in the demand for vocational education and training. As to disciplinary orientation, few countries expected programmes leading to so-called secure – often public sector – occupations, including teaching, to gain ground among student preferences.

10. It is to be noted, however, that most respondents expressed uncertainty about the overall effect of the crisis on education demand and participation, generally due to insufficient information available in June 2009. Another difficulty in this respect was to detach the impact of the crisis from the general trends regarding education demand and participation. For example Ontario, Canada, noted an increase in university applications, but this comes in the context of record growth in university enrolments over the last 5 to 10 years. However, a marked increase in college applications was considered to be more clearly attributable to the economic crisis.

Stimulus and increasing public investment in education

11. Although the influence of the economic crisis on the supply side was more diverse than on the demand side, the initial overall picture regarding public education finances in OECD countries emerged as

positive in June 2009, when taking into consideration the severity of the crisis in many countries. According to the survey, there were more OECD countries experiencing increases in their education budgets as a result of the crisis than those cutting their budgets.

12. Education budgets were reported to increase in some way in eight OECD countries and three Canadian provinces as a result – or perhaps despite – of the economic crisis. In Ireland, for example, the overall expenditure allocation for the Department of Education and Science for 2009 represented an increase of approximately 3% over the outturn for 2008, with the highest increase benefiting primary education. The Department of Education and Science was in fact indicated to be one of the only two Irish Government Departments to receive an increased budgetary allocation for 2009, reflecting the priority attached to educational investment. In Japan, budgetary increases had affected all levels of education from pre-primary to higher education and Korea reported a 5.2% budgetary increase for elementary and secondary education as well as 6.5% increase for higher education. Further to already experienced increases, Korea, the Netherlands, Norway and Sweden as well as New Brunswick, Canada foresaw a positive impact of the crisis on the 2010 education budget.

13. In most countries increasing public investments to education appeared to form an integral part or a side effect of stimulus measures for economic recovery. The great majority of OECD countries and Canadian provinces indicated having developed a stimulus package for economic recovery, including at least some measures related to the education sector. In addition, principles of a stimulus package had been discussed in Poland and stimulus measures had been taken in Hungary, even though they did not form a coherent package.

14. The education sector seemed to gain from stimulus measures through different strands. While several countries saw education and skills development as an explicit priority area, infrastructure investments also benefited the education sector among the stimulus measures ranging from competitiveness, private sector support and innovation to environmental and sustainability considerations. Looking beyond the economic crisis, the role of education was explicitly seen as central in meeting the needs of the future economy in few countries (Box 1).

Box 1. Crisis response and education in Australia

The Australian economy has slowed in the wake of the Global Recession and the downturn in Australia's terms of trade and national wealth has reinforced the importance of high value goods and services created by knowledge, skills, people and investment capital. Australia's economic stimulus measures have positioned Australia to maximize the benefits of the economic recovery by investing in the two drivers of national productivity – infrastructure and skills.

The Government is investing over AUD 100 billion in the form of stimulus packages to respond to the Global Recession and cushion Australian jobs from its impact. Some of the education-related packages include:

- AUD 22 billion investment in Nation Building Infrastructure.
- AUD 1.5 billion Jobs and Training Compact.
- AUD 42 billion Nation Building and Jobs Plan, including investment of AUD 28.8 billion in schools, housing, energy efficiency, community infrastructure and roads and support to small businesses.
- AUD 15.1 billion Council of Australian Governments package focused on schools and hospitals.
- AUD 300 million in Local Government infrastructure.

The Australian Government will inject almost AUD 3 billion into tertiary education and innovation infrastructure through the Education Investment Fund (EIF). The EIF is one of the three Australian Nation Building funds and is a major component of the Australian Government's "Education Revolution" policy agenda. In response to the global recession, the Australian Government has fast-tracked investments from its three nation building funds, including two funding rounds of the EIF, leading to over AUD 1.5 billion in major capital funding being committed. As part of this response, universities will receive almost AUD 1.3 billion of funding with remaining funds allocated to other research

providers and the vocational education and training (VET) sector.

In the 2009-10 budget, the government has committed AUD 400 million for research infrastructure related to clean energy and AUD 250 million for VET, higher education and research infrastructure related to climate change and sustainability activities.

15. In order to alleviate unemployment and meet the growing education demand, in June 2009, most countries were increasing the volume of higher and vocational education in particular. For example, Spain reported a EUR 70 million allocation to allow 10% – about 30 000 – unemployed university graduates to follow a masters degree. In Canada, Ontario was providing CAD 150 million in immediate, one-time support for post-secondary institutions to help alleviate enrolment growth and other pressures, while New Brunswick was investing in research and graduate studies as well as in additional community college seats and apprenticeship training. Ireland reported several initiatives enabling increased participation in higher education and further training for over 6 000 people. Amounting approximately to AUD 444 million for 2009-11, the Australian Compact with Youth aims to guarantee an education or training place to every under 25-year-old and encourage attainment of higher qualifications and skills. The compact was estimated to affect 135 000 young people, while Australia was increasing education and training provision also through several other initiatives including additional places for vocational education and training and support for apprentices, such as 711 000 places over five years in a Productivity Places Program. The Netherlands reported to invest EUR 250 million to vocational education and training as part of its stimulus package for economic recovery. In Sweden, budget for adult vocational education increased by 20 % and about EUR 25 million, increasing the number of students in post-secondary vocational education by 8%. Finland had increased student places in polytechnics and raised the volume of vocational upper secondary training with a specific focus on adults, whereas Norway indicated an increase of 3800 state financed students in both high schools and universities.

16. Overall, several countries put emphasis on training provision for skills development and enhancement not only to tackle the unemployment, but also to prepare for the needs of future innovation and growth. For example, Germany allocated EUR 1 billion for training in 2009 as part of its stimulus measures and, further to its other initiatives, Australia reported to provide support for additional language, literacy and numeracy training. In addition, meeting higher education attainment targets were also seen as essential in meeting the future needs of the Australian economy. Australia aims for around 217 000 additional graduates by 2025, with 40% of all 25-to-34 year-olds holding at least a bachelor level qualification and 20% of undergraduate enrolments being students with low-socio-economic background. In Canada, for example Ontario is investing CAD 750 million over two years in new skills training and literacy initiatives, while enhancing also existing programmes. Ireland had established the Higher Education Labour Market Activation Response Group to develop both short-term and longer-term responses to the emerging training and education needs. People with high-quality innovative, creative, entrepreneurial, analytical, selling and thinking skills were seen as crucial in building smart Irish economy for the future. The Dutch education budget was indicated to receive half of the EUR 280 million stimulus allocation for key knowledge workers to be employed in socially innovative projects.

17. Some countries were also increasing support for students and families. Sweden increased the budget for student grants by about EUR 40 million and New Brunswick, Canada, was forgiving or providing aid in repayment of student loans. In Korea, the crisis had strengthened educational support for disadvantaged and low income brackets, while there was also an increasing policy demand for the ongoing establishment of a national scholarship system. Japan also indicated child-care and educational assistance.

18. Simultaneously, survey responses revealed that educational infrastructure, also in relation to innovation, benefits from renovation and construction activities launched as part of general stimulus measures. For example, in 2009-10, Germany is investing EUR 8.66 billion in infrastructure improvements to schools, universities and research institutions as well as in facilities for early childhood education and

care and vocational and adult education. These funds can also be targeted in creation of more effective and innovative learning environments. Japan indicated to undertake measures to improve elementary, middle school and higher education infrastructure, while the Netherlands reported to allocate EUR 165 million to school buildings. In addition to fast-tracked funds to support higher education and innovation infrastructure as well as vocational education and training facilities, Australia is targeting AUD 14.7 billion over three years for 21st century primary and secondary school infrastructure building, maintenance and upgrading, including libraries, multipurpose halls, science and language centres and such. The Canadian provinces reported increased capital funding for post-secondary education and investments to higher education and research infrastructure.

19. Furthermore, the future needs of a green economy regarding both skills and infrastructure were explicitly taken into account in education-related stimulus investments in some countries. For example Australia reported to be identifying future green skills relevant to sustainability and climate change, while having committed AUD 26.9 million over four years to equip workers and businesses with the skills required for the transition to a low carbon economy. In Canada, Ontario had allocated CAD 5 million over two years to develop the Green Jobs Skills Strategy that responds to labour demand in the emerging green energy sector. Among others, skills demand related to renewable and sustainable energy was being considered in Ireland. As to infrastructure, Germany reported to be investing in energy efficiency in education buildings and Japan had a focus on eco-friendliness in renovating university facilities. In addition to skills, Australia has committed AUD 400 million in the 2009-10 budget for research infrastructure related to clean energy.

20. However, even though the education sector seemed to benefit from the crisis response in most countries, it is not straightforward to distinguish how much of the growth in education budgets is in fact crisis related. In some cases, the increasing investment to education appeared rather to be related to ongoing education investment and reforms than to the economic crisis as such. For example, Ontario, Canada, saw a 3% increase in the overall operating grants budget for colleges and universities in 2009-10, but noted that some of the already planned increases had either been reduced or stretched out over several years. Compared to previous years, budgetary increases for education slowed down also in Ireland and Manitoba, Canada. In Australia and New Brunswick, Canada, some of the budget increases took place in the context of major higher education reforms and a 4% annual increase to Greek higher education budget was provided within the framework of the four-year academic development programme. Indeed, Greece indicated no budget change caused by the economic crisis, similarly to the Flemish Community of Belgium, Luxembourg, Finland and Saskatchewan, Canada.

Simultaneous cutting down of public finances

21. While the education sector appeared to emerge from the crisis as a relative winner in many OECD countries in June 2009, it is important to keep in mind that this was not the case in all countries. In some countries, the education sector had experienced simultaneous budget increases and cuts – or only cuts. This can imply that the crisis affects different sectors of education and/or different kinds of education investments in various ways. There may be, for example, simultaneous increases in capital investments and reductions in operational funding (Box 2).

Box 2. The economic crisis and education in Ireland

Addressing the economic downturn has required the Irish Government to take tough decisions across the public sector, including in Education, where increasing student numbers and continued growth in provision for special needs pupils are additional significant factors impacting on expenditure. The financial situation meant that it has not been possible to sustain the scale and breadth of increases in education expenditure that was possible in previous years, while the pace of implementation of certain government commitments for education has had to slow down.

However, the Department of Education and Science was one of only two Government Departments to receive an

increased budgetary allocation for 2009 over 2008, reflecting the priority attached to investment in education as a key factor in developing and maintaining a well-educated workforce which will be in a position to benefit from the economic upturn when it occurs.

A key focus of the Government response to the downturn has been to seek to maintain front-line education services in schools as far as possible, with funding restrictions being concentrated in other areas. Thus, while it was decided that staffing schedules will be increased by one point in schools from September 2009, teachers and Special Needs Assistants were exempt from a more general 3% cut in payroll costs across Government. The net effect of the change in the staffing schedule is a reduction of approximately 200 teachers in both the primary and post-primary sectors. The identification of savings across the education sector has required a more effective targeting and prioritisation of resources, with reductions necessary in relation to some services. A number of agency rationalisation measures will also be implemented across the sector.

The crisis has had a positive impact on educational demand in the higher education sector. A range of initiatives in the higher education sector, aimed at upskilling people who are unemployed, have been announced by the Government in recent months. These include:

- 1 500 new places on part-time undergraduate courses for unemployed people to upskill and reskill for jobs in the sectors of the economy considered key to tackling the recession and driving economic growth.
- 1 000 places for unemployed graduates to undertake part-time postgraduate diplomas or conversion programmes.
- 280 places on a range of newly developed accelerated certificate programmes in higher education institutions.
- Over 900 places on a range of newly developed part-time transition programmes.

22. As a result of the economic crisis, budgets regarding at least some sectors of education had been cut in Hungary, Ireland, Poland, Spain, Turkey and in New Brunswick, Canada in June 2009. In addition, the first three countries, as well as the Flemish Community of Belgium and Luxembourg, foresaw the economic crisis as having some negative impact on the 2010 education budget, even though estimating the scale of the cuts has proved to be difficult. There was also some uncertainty on future budgetary developments in relation to the crisis, especially in the longer term, although to a lesser extent than in the case of education demand. This was mainly due to decentralised educational administration and/or unforeseen development of tax revenues.

23. Regarding education levels and sectors, budgetary cuts had been targeted differently in different countries. In Turkey, the overall 2009 budget of the Ministry of National Education was cut by 1.6%, with 5.7%, 4.8% and 4.6% cuts in the goods and services procurement budgets of pre-primary, primary and secondary education institutions, respectively. Turkey also indicated a 16.5% cut in investment budget of all education levels, while Hungary reported drastic cuts in investments and renovations to educational buildings. Hungarian support for adult education and vocational education and training had been negatively hit by the crisis, with 40% decrease in the planned expenditure of the training part of the Labour Market Fund for 2009. About 2% of the budget for Hungarian higher education in 2009 had been blocked, while total resources for research activities had decreased. In New Brunswick, Canada, universities saw a freeze in operational subventions in 2009-2010. While the overall education budget increased in Ireland, the core recurrent grant for higher education was cut by 0.32% in 2008 and 1.8% in 2009. In Poland, cuts in education budget had affected elementary education. The planned PLN 300 million to cover the cost of the reform for lowering the school starting age was spread over a three year period.

24. Overall, already experienced or expected budget cuts tended to focus mainly on education administration along with general cuts to public finances. Spain reported no more than a 5% reduction concerning the current operating expenses of the Ministry of Education, but none regarding educational programs at State or Autonomous Regions level. The ongoing education reform was being implemented as planned. The situation was similar regarding post-secondary education of New Brunswick, Canada. In Ireland, budgetary cuts in the higher education sector had been accompanied with requirements for

increased administrative efficiency. Korea, among others, indicated limits to operating expenses and staff of administration.

25. However, administrative budget cuts can have varying impact on teachers. In Hungary, abolishing the 13th month salary and freezing salaries for two years for civil servants had also affected teachers. The Netherlands acknowledged possible, but as yet unclear, impact of the crisis on teachers' salaries. While teachers and special needs assistants were exempt from the general 3% cut in payroll costs across the government in Ireland, the number of teachers was reduced by approximately 200 in both primary and post-primary education.

26. Finally, looking at the impact of the economic crisis on central education budgets can give only a partial picture of the situation in countries, where provision of public education services is decentralised. For example, according to the survey, elementary and upper secondary institutions in Finland as well as schools in Hungary were experiencing financial difficulties due to decreasing local tax revenues caused by the crisis. Sweden also acknowledged the possible cuts on compulsory and upper secondary schools due to budget constraints on municipalities.

Declining private investment and involvement in education

27. Impact of the economic crisis on private education investment and involvement can be rather negative. Despite the general uncertainty in June 2009, several countries indicated that educational institutions were facing financial difficulties apart from cuts in government spending. Japan reported reduced private income for institutions due to unpaid school fees and children leaving school, while the possibility of a similar effect was acknowledged also by the Flemish Community of Belgium. In Ireland, voluntary parental contributions to schools had declined and Australia indicated variations in private investment in non-government schools. In Korea, private education fees had been rising.

28. As to vocational education and training, several countries expressed concern on declining private sector investment, provision and involvement. Australia indicated that training provision by private firms could decrease as firms cut back on employment and pare back expenses. Trade apprenticeship commencements had declined and they were expected to continue to decline. In Ireland, the latest annual intake of construction related apprenticeships was only 1 000 compared to 6 500 in 2005 and 2006, while the Netherlands recognised the possible decline in training provision especially regarding smaller businesses. The Flemish Community of Belgium voiced concern over private enterprises losing incentives to participate in the governmental initiatives aiming at 75 000 students to follow a training period annually. Also Hungary indicted the declining readiness of the economic sector to co-operate for vocational education and training, while the demand for training was expected to decrease due to restricted household income and rising training costs.

29. On the other hand, Germany indicated that the economic crisis was not necessarily having an immediate negative impact on training provision by private firms. According to a survey of German enterprises conducted by Forsa in 2009, 56 % of companies with more than 150 staff intended to keep the training budget at the previous level and 12 % even planned to increase their expenses for training. Only 10% of the firms planned to reduce expenses for training measures. According to another telephone survey of some 1 000 enterprises, while 25 % of the firms surveyed said they planned to offer fewer training places than in the previous year, they also had indicated their efforts to maintain the number of in-house vocational training places.

30. Higher education institutions appeared to be also vulnerable to decreasing private finances in many OECD countries. Institutions in Australia, Ireland, Japan and New Brunswick, Canada were losing revenues from their own investments. Canadian provinces reported reduced endowments in higher

education, together with decreases on pension investment income. A tuition fee freeze was put in place in New Brunswick, while both Hungary and Ireland also reported declining private investment in higher education. For an illustration on the specific perspective of higher education, see Box 3.

31. Higher education institutions were applying several measures in coping with the challenges of the economic crisis. In Canada, institutions were applying internal adjustments including expenditure cuts and/or re-allocation of financing, while also increasing focus on student recruitment strategies. Korean institutions were experiencing restructuring through promotion of mergers and abolition of colleges. Australian institutions were re-thinking institutional strategies to align them with the public higher education reforms. Higher education institutions in Spain had turned towards European Union development funding, while showing increasing openness towards industry co-operation. Spanish institutions as well as those in Ontario, Canada had been revising of courses and programmes.

Box 3. Impact of the Economic Crisis on Higher Education

In addition to the responses from the country representatives, several representatives of the OECD Programme on Institutional Management (IMHE) provided replies to the OECD *educationtoday* crisis survey in June 2009. These responses covered Austria, Denmark, Italy, Latvia, Mexico, Poland, and the United Kingdom (see annex 2).

Widespread budget cuts

- Public HEIs
- Public research funding
- Private research funding
- Third party funds
- Credit restrictions

Impact

For institutions

- Decrease in innovation due to concentration of resources in the traditional roles of the university
- Institutions urged to make "voluntary" reductions by them in their expenses
- Reduction in the number of departments or faculties

For staff

- Salary cuts
- Number of professors insufficient with increase of student/professor ratio

For students

- Increase demand and enrolments in public HEIs
- Decrease in enrolments to private HEIs and particularly in post-graduate courses financed by private sector/companies
- Students making more market-orientated choices
- Increase student fees
- Reductions in student support

Measures being undertaken by educational institutions to respond to the crisis

- Looking for structural changes
- Return to a single campus strategy
- Reduction in the number of PhDs
- Reduction to University driven research
- Cost reduction programmes
- Income generation initiatives

New emerging trends

- Possible increase in demand for vocational courses.
- Increase in e-learning, on-line courses
- More demand for additional lifelong learning for those in the labour market

32. Finally, the economic crisis was impacting students especially with regard to higher education. Manitoba, Canada, reported a possibility for institutions to increase tuition by 4.5% for the 2009-10 academic year, while re-introduction of higher education cost-sharing was under consideration in Ireland. New Brunswick, Canada, indicated a reduction in number of scholarships and bursaries as well as potential need for additional financial assistance to students due to lack of summer jobs or defaults in loan repayment.

Observations

33. Although assessing the impact of the economic crisis on education was still marked by uncertainty in June 2009, some observations can be made on the basis of the survey responses:

- *Growing demand for education.* Demand for education appeared to be growing in the context of increasing unemployment and job insecurity. The increasing demand tended to focus on acquiring higher-level qualifications as well as on skills development, especially among adult populations.
- *Increase in public involvement.* Overall, public financing for education seemed to increase rather than decrease, with the growing investment in education forming a part of stimulus measures for economic recovery. While several countries explicitly recognised education and training as central for their economic recovery and future growth, the education sector across levels tended to gain also from infrastructure investments. The volume of higher education as well as vocational education and training appeared to show an increasing tendency in the context of growing education demand and unemployment.
- *Preparing for the future economy.* Emphasis tended to be put on skills development and enhancement not only to tackle the unemployment, but also to prepare for the needs of innovation and growth in the future. There were positive examples where countries were taking explicitly into account the future needs of a green economy in their education related stimulus measures
- *Uncertain causalities.* It can be difficult to distinguish, however, how much of the growth in education demand and public investment in education is directly crisis related. The growth can form a part of already established trend. On the other hand, the pace of growth can slow down due to the crisis without resulting to actual decreases.
- *Targeted budget cuts.* Public financing for education was not increasing in all countries, on the contrary, and some countries were experiencing budget cuts and increases simultaneously. Much of the cuts in public education budgets seemed to focus on reductions in educational administration, while targeting of cuts with regard to education sectors tended to vary across countries.
- *Hidden impact on service delivery.* Looking at the central education budgets only can hide important effects of the crisis on actual service delivery in countries, where education provision is decentralised. Administrative budget cuts, including at the central level, can have an impact on teachers.
- *Negative impact on private involvement.* Impact of the economic crisis on private investment and involvement in education may be rather negative, affecting in particular vocational education and training as well as higher education. This may have a diverse influence not only on educational institutions, but also on students and families.

ANNEX 1: ONLINE SURVEY

***educationtoday* Crisis Survey**

At the Education Policy Committee meeting held on 22-23 April 2009, a call was made for the OECD to develop a platform for information exchange, dissemination of good practice, research and 'intelligence' on various ways to combat the crisis. In response to this demand we have set up a collaborative website "lighthouse". We are now seeking your input, and request that you complete the following short initial survey to help us identify what the high priority issues are in order to be able to provide you with evidence and intelligence on how education is affected by the current challenges in the face of the crisis. The results will be posted onto the secure country notes web page which is accessible only to authorised national delegates.

IDENTIFICATION

Select the Committee to which you are a representative.

- OECD Education Policy Committee
- Centre of Educational Research and Innovation (CERI) Governing Board
- Institutional Management in Higher Education (IMHE) Governing Board
- Programme for International Student Assessment (PISA) Governing Board

Select your country.

- Dropdown list of countries

If you represent an institution, please enter the name.

What is the main impact of the economic crisis to education in your country? Please provide us with a descriptive overview between 500 and 1000 words.

BUDGET

Have there been already any cuts or increases to the education budget as a result of the crisis?

- Yes cuts
- Yes increases
- No change

Please indicate the sectors or levels affected and the percentage of cuts or increases. You may provide rough indications. If you are unable to complete this, please state why.

Do you foresee a positive or negative impact of the crisis on the 2010 education budget in your country?

- Positive
- Negative
- Unsure

How significant do you expect this impact will be?
If unsure, please state why?

What are the main expenditure cuts or cost-saving measures taken or expected to be taken by the government in your country?

In what areas is your country investing additional resources as a response to the crisis?

FUNDING OF EDUCATIONAL INSTITUTIONS

Apart from cuts in government spending, are educational institutions (schools, universities, training centers, ...) experiencing other financial difficulties as a result of the crisis?

- Yes
- No
- Unsure

If you answered yes to above question, please give examples? If you answered no, or unsure, please state why?

PARTICIPATION

Has the crisis made an impact on educational demand and participation in your country?

- Positive
- Negative

- No impact
- Unsure

Please state in which sector or on what level of education? If you answered no impact, or unsure, please state why?

Do the deteriorating opportunities for jobs have an impact on educational choices made by learners now?

- Yes
- No
- Unsure

Please state if you expect them to have an impact in the longer run and how?

POLICIES

Has your country developed a stimulus package for economic recovery?

- Yes
- No
- Unsure

If you answered yes to above question, please does it include any measures relating to education? Which ones? If you answered no, or unsure, please state why?

Is your education ministry taking any measures for responding to the crisis? Please give examples if appropriate.

Do you know of any examples of measures being undertaken by educational institutions to respond to the crisis?

Please provide examples.

What issues would you expect the OECD Education Directorate to address in order to guide countries beyond the crisis?

ANNEX 2: LIST OF RESPONDENTS

Australia

Education Policy Committee

Belgium (Flemish Community)

Education Policy Committee

Centre for Educational Research and Innovation Governing Board (CERI)

- Department of Education and Training

Canada

Education Policy Committee

Provinces:

- Saskatchewan Ministry of Advanced Education, Employment and Labour
- Manitoba (elementary, secondary and post-secondary)
- Ontario Ministry of Training, Colleges and Universities
- Department of Post-Secondary Education, Training and Labour

Finland

Education Policy Committee

- Delegation of Finland to the OECD

Germany

Education Policy Committee

Greece

Centre for Educational Research and Innovation Governing Board (CERI)

Hungary

Education Policy Committee

- Ministry of Education and Culture

Ireland

Education Policy Committee

- Department of Education & Science
- Higher Education Authority

Japan

Education Policy Committee

Korea

Education Policy Committee

Centre for Educational Research and Innovation Governing Board (CERI)

Luxembourg

Centre for Educational Research and Innovation Governing Board (CERI)

Netherlands

Education Policy Committee

- Department of Education, Culture and Science

Norway

Education Policy Committee

Poland

Centre for Educational Research and Innovation Governing Board (CERI)

- Ministry of National Education

Spain

Education Policy Committee

- Institute of Evaluation. Ministry of Education of Spain

Sweden

Education Policy Committee

- Ministry of Education and Research

Turkey

Education Policy Committee

- Ministry of National Education

Institutional Management in Higher Education Governing Board (IMHE)

Austria

- University Graz
- BMWF - Ministry of Science and Research
- Universities Austria

Denmark

- Danish University and Property Agency

Italy

- University of Catania

Latvia

- University of Latvia

Mexico

Poland

- Ministry of Science and Higher Education

United Kingdom

- HEFCE