

## **Submission to OECD Review of Higher Education**

The Combat Poverty Agency is a statutory agency with responsibility for advising Government on ways to prevent and eliminate poverty and social exclusion. Our four functions relate to policy advice, project support and innovation, research, and public education.

Combat Poverty welcomes the OECD review of the third-level sector in Ireland. The OECD has played an important role in the development of Irish education policy historically. In Ireland the role of higher education and research continues to be critically important in terms of providing a skilled labour force which will contribute to sustained economic growth and prosperity. The decision of the Minister for Education and Science to ask the OECD to carry out this review is well-timed and significant. We in Combat Poverty look forward to its outcome but would like to summarise briefly our position on the matter of third-level education as it stands in the context of poverty in Ireland, as the two are clearly highly correlated.

Irish policymakers are aware of the strong relationship between educational disadvantage and poverty; education is a core priority in the National Anti-Poverty Strategy. The National Action Plan against Poverty and Social Inclusion 2003-2005 states that “a central objective of the strategy is to ensure that all young people leave the education system with a high quality education and related qualifications to support their full participation in society and the economy”. This requires investment in the early years of education to address educational disadvantage and so enable a wider spectrum of the population to be in a position to avail of higher education.

In this brief submission Combat Poverty argues that a number of policy issues need to be addressed in the higher education sector in relation to access to third-level education, higher education institutions’ (HEI) research capacity, and potential changes to governance of HEIs. We strongly believe that these are critical issues which need to be addressed in the context of the Review in order to maximise the potential gains of higher education for wider society as well as its contribution to sustaining favourable macroeconomic conditions.

### **Access to Third-Level**

Despite the large increase in the numbers attending third level, there are still a number of socio-economic groups that are substantially under-represented. The Report of the Higher Education Authority (HEA) Action Group on access to third-level education (Osborne and Leith, 2000) determined that two out of the six socio-economic groups were particularly under-represented in Irish higher education, namely the unskilled/agriculture workers and unskilled social class groups. The report recommended specific targets for participation for each of these groups up to 2006. While almost all social groups have experienced increases in participation since 1980, the greatest beneficiaries of the expansion of third-level opportunities have been the ‘Higher Professionals’, the ‘Employers & Managers’ and the ‘Farmers’ who recorded the greatest improvement in participation between 1980 and

1998. Conversely, the lower socio-economic groups remain disproportionately under-represented in third-level education. Data indicate that there has been little or no improvement in the proportion of third-level entrants from the lower socio-economic groups over the period 1991 to 2001. In fact, these data suggest that the 'Unskilled Manual Workers' constituted a smaller proportion of entrants in 2001 than they did in 1991. Within the university sector, the lower socio-economic groups represented an even smaller proportion of entrants in 2001 than they did in 1995.

Lower socio-economic groups' persistent under-representation in higher education is, in many ways, a product of the high levels of attrition and under-performance among these groups through second-level education. However, even those who achieve a minimum threshold in the Leaving Certificate examination remain substantially less likely to transfer to higher education than their peers from higher socio-economic groups. For less well-off groups, economic considerations, especially the short-term opportunity costs of staying in education and not entering employment, become very significant at the point of transfer to higher education. This raises serious questions about the adequacy of the maintenance grant for those coming from low-income households. The Action Group on Access to Third Level Education recognised the importance of the level of financial supports and made recommendations relating to the introduction of the 'top-up' grant. Combat Poverty believes that very considerable increases in maintenance grants for low-income households are required in order to assist and encourage those from low-income homes to attend HEIs.

### **Research Capacity and Poverty**

The funding of Irish higher education is below that in many OECD countries. Ireland has traditionally under-invested in research, and despite the recent welcome investment provided for under the National Development Plan, at a rate of 1.17% (2001 figures) of GDP, we still lag well behind leading OECD performers. This is far short of the EU target of spending 3% of GDP on research & development by 2010 set at Barcelona in 2002 as part of the Lisbon strategy. Notwithstanding a considerable increase in research expenditures since the late 1990s – and particularly through the HEA managed PRTL (see Appendix 3) – expenditure and research activity falls well short not just of the EU targets but also of the levels required to ensure the successful transformation of Ireland to an innovation society. This research deficit was at its most acute in the social sciences, although this has been rectified somewhat by the establishment of the Irish Research Council for the Humanities and Social Sciences in 1999. Notwithstanding this key welcome development, it is clear that the third-level sector needs to become far more engaged with social policy issues, especially those concerning poverty and inequality in Ireland, both of which continue to remain key issues of concern for Irish policymakers.

### **Governance**

In relation to the recent proposal made by the HEA to provide legislation to enable some universities to leave the State sector and become private institutions, it is the view of the Combat Poverty Agency that HEIs should remain, to a large degree, under the auspice of the state and continue to be heavily state subsidised. Combat Poverty has taken this stance for a number of reasons. First, such a competitive element could further decrease the accessibility of higher education options to those less well-off in society, as it is likely that course fees under a privatised system would rise dramatically. Second, Combat Poverty believes that education at all levels (primary, secondary and tertiary) is a 'merit want', i.e. something that should be provided, to a large extent, by government rather than left to the hands of market forces. Combat Poverty is not convinced that a competitive

element would increase the quality of education, nor would it benefit the national economy. Conversely, it is likely to result in an elitist two-tier third-level system of semi-public and private HEIs in which only those from wealthy families will be fortunate enough to attend expensive leading universities. Under such a scenario, those less well-off will be even more financially excluded from attending premier academic institutions than the current situation. This is likely to create a greater divide in society.

Combat Poverty believes that the involvement of non-governmental organisations at board and management levels in HEIs would yield great benefits in terms of routing third-level institutions' research capacity (at least in part) towards practical, applied and policy-relevant concerns that inform public and social policy.

### **Conclusion**

Education has enormous potential to address inequality and disadvantage. However, this potential is not being maximised. The evidence is clear: 97% of young people from the highest income group enter higher education; 21% of those from the lowest income group do so. Combat Poverty believes strongly in the power of education as a means of lifting people out of poverty in Ireland. In this regard, it urges the OECD Review Panel to examine ways to improve access to HEIs in Ireland for those less well off in society. To this end we suggest assessing measures for their impact on those on low incomes, i.e. poverty proofing (see Guidelines in Appendix attached). Such positive measures would lead to a more equitable education system and promote continued economic buoyancy, maximising the returns to wider society.

## APPENDIX I

*Socio-Economic Status of Entrants to Full-Time Undergraduate Programmes in Publicly Aided Third-Level Institutions, 1991-2001*

<b>Socio-Economic Groups</b>	<b>1991-92</b>	<b>1994-95</b>	<b>1995-96</b>	<b>1998-99</b>	<b>2000-01</b>
Higher Professionals	11.4%	10.3%	9.9%	11.4%	12.2%
Employers and Managers	14.8%	14.0%	15.1%	15.7%	15.4%
Farmers	18.5%	19.2%	18.2%	16.2%	15.0%
Salaried Employees	10.0%	7.1%	6.7%	6.2%	7.4%
Lower Professional	10.8%	11.9%	12.6%	13.7%	12.7%
Other Agricultural Occupations	1.9%	1.8%	1.3%	1.6%	1.5%
Intermediate Non-Manual Workers	7.8%	9.2%	8.2%	7.6%	7.5%
Other Non-Manual Workers	6.3%	7.7%	7.5%	7.7%	7.9%
Skilled Manual Workers	11.6%	12.3%	13.4%	13.6%	13.8%
Semi-Skilled Manual Workers	3.6%	4.0%	4.1%	3.8%	3.7%
Unskilled Manual Workers	3.3%	2.6%	2.9%	2.5%	2.9%
Total	100%	100%	100%	100%	100%

Source: Clancy (2001)

## APPENDIX II

### *References*

Osborne, R. and Leith, H. (2000). *Report to the Higher Education Authority on the Evaluation of the Targeted Initiative on Widening Access for Young People from Socio-Economically Disadvantaged Backgrounds*, HEA: Dublin.

Clancy, P. (2001), *College Entry in Focus*, HEA: Dublin.

## APPENDIX III

*Poverty-Proofing Guidelines (Attached)*