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PRIMARY REVIEW
RESEARCH BRIEFINGS
1/3

AIMS FOR PRIMARY EDUCATION: THE CHANGING NATIONAL CONTEXT

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This briefing draws on Primary Review Research Report 1/3, *Aims for Primary Education: the changing national context*, by Stephen Machin and Sandra McNally. Primary education in England has been subject to significant change in recent times. Part of this arises from government policy, and part from changing demographic, economic and social trends. Report 1/3 considers three key aspects of this changing national scene:

- The labour market and broader social impacts of education, and their implications for educational standards.
- Inequality and mobility.
- The application of market economics to education.

The report is one of four research surveys which the Primary Review has commissioned on the theme of purposes and values in primary education and should be read in conjunction with reports 1/1 (*Aims as Policy in English Primary Education*), 1/2 (*Aims and Values in Primary Education: England and other countries*) and 1/4 (*Aims for primary education: changing global contexts*). **The full report, including details of all sources consulted, is available at www.primaryreview.org.uk.**

The changing socio-economic context: the 'value' of education

The value of acquiring the basic skills acquired in primary school is evident in the most routine tasks. However, even in a rich country like the UK they cannot be taken for granted, for it has been estimated that about one-fifth of adults are not functionally literate. This clearly has serious implications for many aspects of individuals' well-being, as well as having important consequences for the rest of society.

From the many studies that estimate the economic value of skills and educational qualifications in the labour market we note:

- The acquisition even of very basic skills in numeracy and literacy has an important effect on the probability of employment and on wages.
- There is good evidence of larger average wage returns for additional years of schooling.
- There are higher wage returns to academic than to vocational qualifications and low-level vocational qualifications yield little return.
- There is evidence of important effects of education on individual outcomes beyond the labour market, for example in health, crime and civic engagement.

Over recent decades there has been a rapid upgrading of the educational status of the workforce. Other things equal, one would expect an increase in the supply of more educated workers to depress wage gaps between more and less highly qualified workers. This has not happened because the demand for workers with good qualifications (especially higher level qualifications) has increased faster than the supply. The question arises as to why the returns to education in general (and higher education in particular) have increased so much over time. Various explanations are given but the weight of the evidence is behind what is known as 'skill-biased technology change', or the tendency of new technologies to favour skilled workers.

Some implications:

- There is increased awareness of the importance of education to individuals and to the economy, and of its rising value.
- For as long as the basic skills of literacy and numeracy remain far from universal they carry a high premium in terms of an individual's economic prospects.
- If basic numeracy and literacy skills were universal, there would be no special 'wage premium' attached to them in the labour market, but the economy as a whole would perform better.
- A good primary education is important not only for imparting knowledge and skills but also for enabling pupils to learn faster and more effectively as they continue through the education system.
- Pupils who perform poorly at primary education will not be in a position to take advantage of opportunities that arise later in their educational career (such as going to university).

Inequality and mobility

An important aspect of education's socio-economic context is inequality, which in England has been increasing over recent decades, as manifested in earnings, education and social mobility. Thus:

- From the late 1970s and through the 1980s the inequality of earnings increased massively. After 1990, inequality at the upper end of the distribution continued to diverge whereas at the lower end it increased a little in the 1990s and decreased slightly in the 2000s.
- Since 1979, the labour market has polarised, with significant increases in both well-paid jobs (e.g. lawyers, senior managers, consultants) and in low-paid jobs (e.g. cleaners, hair dressers, shop assistants). There is no unique and simple explanation for this trend, but probably the most important contributory factor has been 'skill-biased technology change'.
- Although there have been increasing opportunities for those with good qualifications, access to good qualifications is not equally distributed among different socio-economic groups. Differences in educational progress start very early, widen as children age and lead to substantial differences in later attainment levels between students from high and low socio-economic backgrounds.
- Although the poorest groups have begun to catch up in terms of their chances of staying on in education beyond the age of 16 (at least relative to the 1980s), a stubborn socio-economic gap remains with regard to participation at university.
- There is a strong relationship between the incomes of parents and their children, indicative of a relatively immobile society and restricted opportunities for those born into poorer families. In any event, by international standards levels of social mobility in the UK are low. It appears that social mobility for those born in 1970 has been lower than for those born in 1958.
- Wage inequality, educational inequality and social immobility are all inter-related and are all affected by education, and the rising wage returns to education seem to be a likely mechanism in generating or at least exacerbating these inequalities.
- If the overall level of education were to improve substantially (such that the 'long tail of underachievers' no longer existed), wage and income differentials between people with different levels of education would reduce and some of these social inequalities would be mitigated.
- Primary education has an important potential role to play in this process, both in equipping pupils with basic skills and in facilitating their progression to higher levels of education.

It is also possible that some aspects of primary education discriminate in favour of higher income groups and thereby exacerbate existing inequalities. For example, current admissions policies favour parents who not only know how to use published information about school standards (for example from Ofsted inspections and the Performance Tables), but can also afford to choose exactly where to live.

- A fundamental reform of admissions policy (for example, prohibiting schools to discriminate on the basis of residence) would do much to level the playing field in terms of educational opportunities. It would thereby reduce the large inequalities that appear later in terms of wages and intergenerational mobility.
- Successful area-based initiatives like Excellence in Cities show the benefit of targeted funding to areas that need regeneration.

- There are many other initiatives that might potentially raise the educational performance of children from disadvantaged families (in other areas of policy like housing and benefits as well as in education).
- In order to know what works for disadvantaged children, it is crucial to have a good evaluation strategy in place from the outset. Unfortunately, this is not always the case.

Application of market economics to the school system.

The application of market theories and disciplines to public services, including education, has been a trend of government policy since the 1980s. The implementation of 'market reforms' involves, for example:

- efforts to create competition between schools;
- incentivising teachers through Performance Related Pay;
- making information on school performance publicly available;
- an increasingly tough regulatory regime;
- increasing choice over where parents may send their children to school;
- linking school funding to pupil numbers.

The belief governing such initiatives is that they lead to improved productivity in the education system. However, the UK evidence shows mixed results. Choice and competition may exacerbate educational inequalities. As already noted, parents are not equal in the extent to which they can exercise choice or access and use the information on which choice is based. The inability to exercise choice can lead to educational segregation, with children from disadvantaged families having to make do with the schools that more advantaged parents do not want to send their children to.

The potential for choice and competition to lead to greater inequality is also a concern for the future. The projected fall in pupil rolls will accentuate competition as schools struggle to maintain revenue. One of the problems with the application of quasi-market measures to the education sector is that schools are not like businesses: they do not close down when they no longer make a profit and hence there is no automatic market mechanism to trigger the exit of failing schools. This means that pupils at failing schools which turn out to be unpopular may be stuck there for a considerable period. Children from poor families may be made to pay the price for a potential productivity gain elsewhere in the education system. This has a productivity cost in itself as able pupils from poor families will not achieve their potential. Thus there are strong reasons to question the efficacy and fairness of 'choice and competition' as a school improvement strategy.

Conclusion

It is difficult to say whether wage returns to education will keep on rising. For the moment, the wage return to education and skills remains extremely high partly because so many students leave school with very low (or no) educational qualifications. An important challenge for the primary education sector is to get more people to a level where they have the basic skills in literacy and numeracy, thus equipping them to learn when in secondary school and when they enter the labour market.

The rise in the return on education is one of the factors behind the increase in wage inequality and the decline in social mobility which has been observed over recent decades. Though there are indications that wage inequality is beginning to reduce socio-economic inequalities remain extremely large overall and persistently high for some indicators (e.g. participation in university; wage inequality as measured at the top of the distribution relative to the middle). Improvements in the quality of primary education would help to reduce these inequalities in the long-term. This could happen by addressing the challenge of educational standards in a way which reduces or indeed eliminates the 'long tail of underachievers'. It is also important to address educational inequality directly by re-examining factors that discriminate against the poor and targeting by disadvantaged schools/families/areas for special assistance (both in the context of education and other areas of social policy).

Finally, many measures have been taken to enable parental choice and facilitate competition between schools. There is reason for scepticism about the benefits that can realistically be expected from recent policies to increase parental choice by placing schools in competition with each other.

However, policies to address the educational inequality between different socio-economic groups (including reform of admissions' policies) would seem to be an important way forward in dealing with these concerns.

FURTHER INFORMATION

The report on which this briefing is based: Machin, S. and McNally, S. (2008) *Aims for Primary Education: the changing national context* (Primary Review Research Survey 1/3), Cambridge: University of Cambridge Faculty of Education. ISBN 978-1-906478-14-8.

The report is available at www.primaryreview.org.uk and is one of 32 Primary Review interim reports. Two of these deal with the opinion-gathering strands of the Review's evidence base. The remainder report on the thirty surveys of published research which the Review has commissioned from its 70 academic consultants. The reports are being published now both to increase public understanding of primary education and to stimulate debate during the period leading up to the publication of the Review's final report in late 2008.

The Primary Review was launched in October 2006 as a wide-ranging independent enquiry into the condition and future of primary education in England. Supported by Esmée Fairbairn Foundation, it is based at the University of Cambridge Faculty of Education and directed by Professor Robin Alexander.

The Review has ten themes and four strands of evidence (submissions, community and national soundings, surveys of published research, and searches of official data). The report summarised in this briefing relates to the **Research Survey** strand and the theme **Purposes and Values**.

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