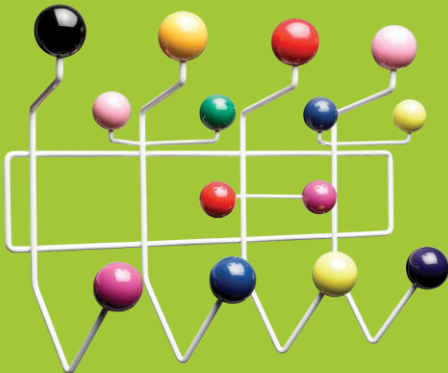


# Achieving the headline target on early school leaving by 2020: what impact on social inclusion

Prof. Ides Nicaise  
KU Leuven (HIVA / PPW)



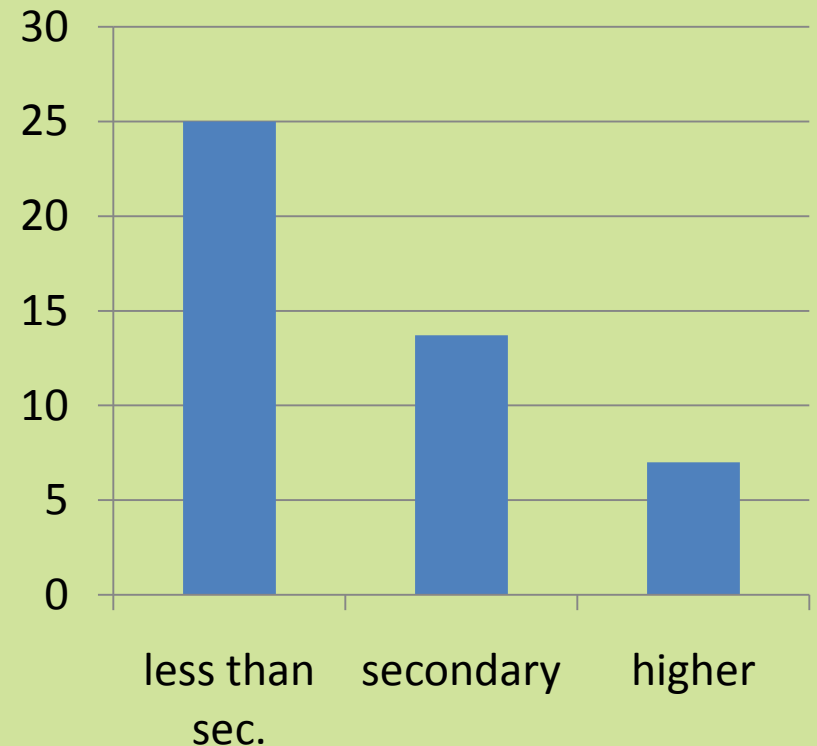
# Europe 2020:

‘smart, sustainable and inclusive growth...’

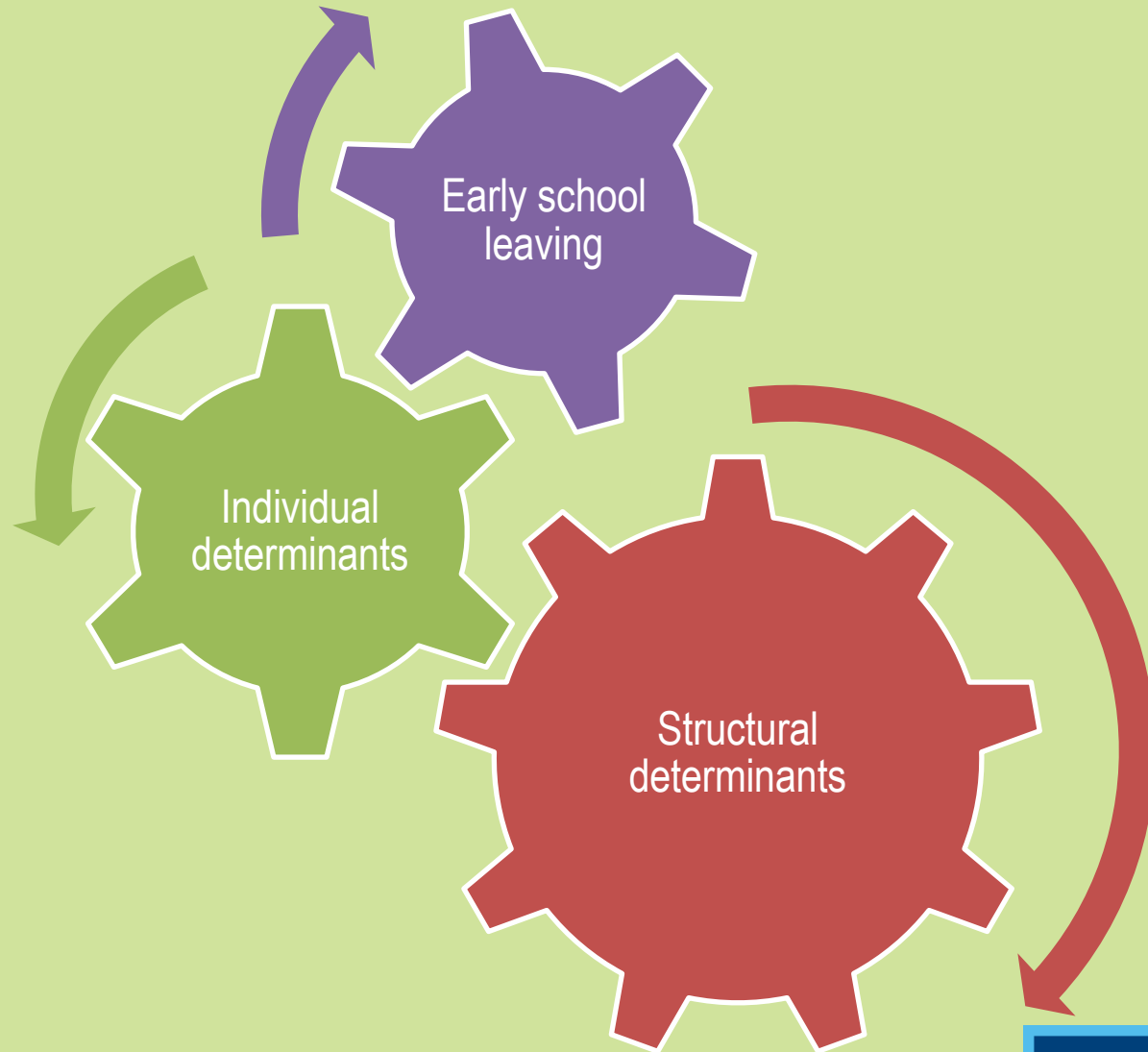
Two inter-related headline targets of Europe 2020

- Reduce number of poor by 20 million
- Reduce early school leaving (ESL) to less than 10% ( $\Leftrightarrow$  15% in 2010)

AROP rate of adults



# Determinants of ESL



# Recent performance of member states w.r.t. ESL



# Determinants of ESL at systems level

Variable	Baseline	Poverty	School system	Combined
GDP/capita in PPP	7.68e-06*	1.09E-06*	-7.15e-06*	5.58E-06
GDP growth in current prices (%)	-5.446**	-4.809***	-0.564	-0.916
Youth unemployment rate (%; age group <25 years)	0.0047	-0.0049	.0128**	0.006
Adult unemployment rate (%; age group 25-64 years)	.0604***	.0719***	-0.003	.0196*
Education funding	-.0589***	-.032**	-.0228*	-.0168*
Minimum wage (as % of median wage)	-1.702			
Year	-0.025	-0.0303	-0.003	0.0026
Poverty rate (%)		.0461***		.020**
Immigration rate (%)		-0.16*		-0.45***
Legal school leaving age			-.183***	-.265***
% grade retention			.0336***	.0356***
tracking age			-0.040	-.0415*
% students in selective schools			-.0076***	-.00515***
% students in schools with ability grouping			0.002	.0059***
% students in general education			.0149***	.0105***
Constant	49.088	61.733	6.765	-3.758
Number of observations	86	112	113	106
R <sup>2</sup>	0.522	0.7567	0.750	0.884

Note: \* p<0.05; \*\* p<0.01; \*\*\* p<0.001

# Determinants in the education system

Educ. exp./GDP	Legal school leaving age	Grade retention	School selectivity	Early tracking / ability grouping	Vocationalism
Quality of education	Less freedom to drop out	<ul style="list-style-type: none"> <li>- Higher cost of educ.</li> <li>- discouragement</li> </ul>	<ul style="list-style-type: none"> <li>- Competition =&gt; quality (-)</li> <li>- discouragement (+)</li> </ul>	<ul style="list-style-type: none"> <li>- demotivation (+)</li> <li>- 'tailored' education (-)</li> </ul>	LM value of secondary degree
Net effect: negative	Net effect negative	Net effect: positive	Net effect: ?	Net effect: ?	Net effect: negative
confirmed	confirmed	confirmed	negative!	positive	confirmed

# Impact of ESL target on poverty target: a rough simulation

## Assume

- Poverty rates = lifetime average for all age groups, and differ only by education level
  - Each cohort of school leavers = 2.5% of active population
  - Active life = 40 years
  - Rate of ESL declines linearly from 15 to 10% between 2010 en 2020 and beyond (up to 2040)
  - No change in causal effects
- ⇒ Impact on AROP rate in 2020 is 0.1 pct-points (~0.5 million)
- Marginal impact due to small relative size of yearly # ESL
  - In other words, more ambitious plan is needed

# Why remediation remains important

Reducing ESL prevents poverty among future generations, but does not affect current poverty



# However, reducing ESL is a very long-term strategy a stronger impact is possible through adult education

Suppose ESL is eradicated by 2040, then

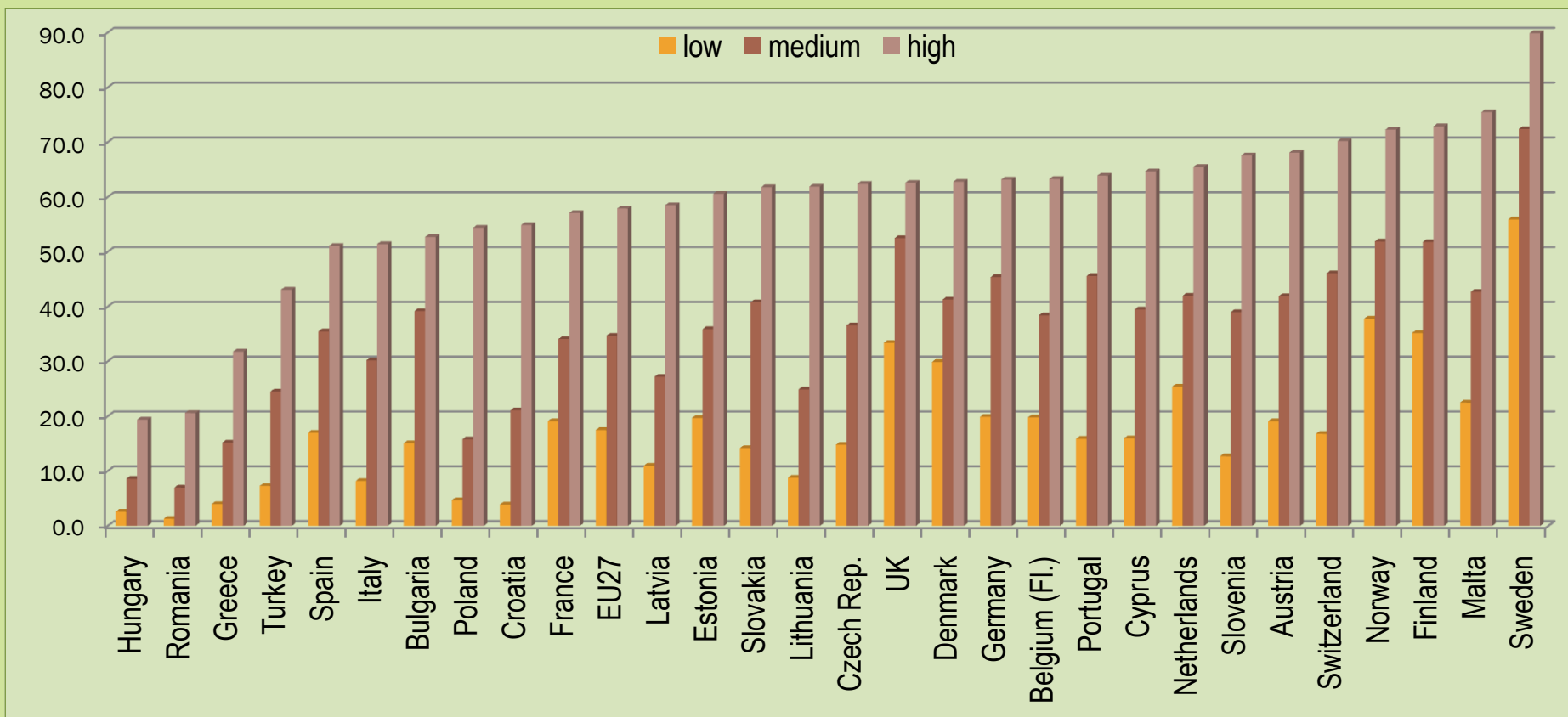
- AROP rate in 2040 is reduced by 0.6 percentage points (~3.5 million)
- AROP rate in 2080 is reduced by 2.4 percentage points (~11.8 million) due to further outflow of early school leavers from previous cohorts

⇒ No reason for not doing it !

↔ Compensatory education strategy for adults

Suppose educational upgrading for 0,5% of active population each year => poverty reduction by 3.8% (~18.6 million) in a decade

# Participation in adult education, by initial level of education



# Prevention, intervention AND compensation

- Prevention (in initial education):
  - Promote equal opportunities
  - Extend compulsory education => 'qualification duty'
  - Combat grade repetition
  - Strengthen vocationalism
- Intervention:
  - Design second chance education as genuine second chance, not alternative first chance
- Compensation:
  - Launch large-scale second-chance education programme for adults

## Further reading

NICAISE I., DE WITTE K.,  
LAVRIJSEN J., LAMOTE C.,  
VAN LANDEGHEM G.,  
*Towards a basic qualification for all: a social, educational and economic agenda*, KU Leuven: Euroforum, 28p., 2013

