

FINANCING RECURRENT EDUCATION

Strategies for Increasing Employment,
Job Opportunities, and Productivity

edited by

HENRY M. LEVIN
and

*Published in cooperation with the Institute for Research on
Educational Finance and Governance, Stanford University, and
the Organization for Economic Cooperation and Development*



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PREFACE

This volume had its origins in a conference on the costs and financing of recurrent education that was held at the Institute for Research on Educational Finance and Governance (IFG), Stanford University, in July 1980. That conference was cosponsored with the Center for Educational Research and Innovation (CERI) of the Organization for Economic Cooperation and Development (OECD) in Paris. Both the IFG and the OECD have devoted considerable resources to studying new approaches to financing postsecondary education generally, and recurrent education specifically. The outcome of the conference and a subsequent one in Bremen, West Germany, in October 1980 was *The Costs and Financing of Continuing Education and Training*—a volume on one of the most neglected aspects of recurrent education: its financing.

For reasons that are made explicit in the introductory chapter, we believe that recurrent education—a comprehensive strategy for distributing education and training over the life span of the individual in a recurrent manner with work and leisure—will become an important vehicle for addressing problems of employment, social mobility, and productivity. Yet, we are only in the early stages of discussing methods for financing recurrent education that are efficient, equitable, flexible, and comprehensive. The chapters in this volume draw upon a variety of ideas and experiences in the industrialized countries to provide alternatives for constructing such a framework. In this respect we are hopeful that the book makes an important contribution in advancing the necessary discourse.

We wish to thank both the OECD and the National Institute of Education for support of the intellectual activities and papers that led to this publication. We are also grateful to the German Marshall Fund of the United States for providing travel grants that enabled these scholars to attend the conferences at which their papers were first discussed. We are especially indebted to David Istance, Susan Peters, and Katherine Tobin for the many hours of capable devotion that they provided in

helping to edit this volume. Of course, the views expressed in this book are those of the coeditors and authors, and not those of OECD, IFG, or any other institutions with which the authors are affiliated.

January 1983

Henry M. Levin
Hans G. Schütze

ECONOMIC AND POLITICAL DIMENSIONS OF RECURRENT EDUCATION

HENRY M. LEVIN
HANS G. SCHÜTZE

In the latter part of the twentieth century, the industrialized countries of the world will be facing a major educational and training challenge as labor force growth slows and technological change accelerates. There will be a rapid transformation of industries and occupations as economic shifts among nations and the introduction and application of new technologies create vast changes in the workplace. At the same time the growth of the labor force and particularly the entry of newly educated workers will fall to unprecedentedly low levels. Thus the newly trained labor market entrants can not be relied upon to sustain the changes that lie ahead. Without question the United States, Western Europe, and the other industrialized nations will have to pursue new educational and training strategies to prepare their existing labor forces for the new occupational demands. The purpose of this book is to address both methods and issues for financing a system of recurrent education that can accommodate the educational and training challenges that lie ahead.

In its broadest definition, recurrent education can be defined as follows: a comprehensive educational strategy for all post-compulsory or post-basic education, the essential characteristic of which is the distribution of education over the total life span of the individual in a recurring way, i.e., the alternation with other activities such as work, but also with leisure and retirement [OECD, 1973: 24].

This definition of recurrent education contains two essential elements: First, it offers an alternative educational strategy to the conventional concentration of all formal and full-time education in youth. It proposes

to spread postcompulsory education over the full life span of the individual, and thus accepts the principle of lifelong learning.

Second, it proposes a framework within which lifelong learning will be organized, this being the alternation and effective interaction between education (as a structural learning situation) and other social activities during which learning occurs. This general definition of recurrent education contains two properties. It refers to educational offerings that are flexible in structure and content, and it refers to educational experiences that will be available over the life cycle of an individual.

Under present conventions, formal education and training for most individuals takes place prior to entering the labor force or in the first few years of work experience. During the remainder of the life cycle, further education and training constitute an exception for all but a few persons in relatively high-level occupations. For males the work career is often uninterrupted in the absence of unemployment or occupational change. For females, voluntary interruptions are more likely to address child rearing and family; there is surprisingly little pursuit of further education and training as a basis for labor market reentry. That is, present education and training practices tend to be relatively rigid, without accommodating the need to retrain for new careers or to adapt to technological change.

A system of recurrent education would alter this traditional pattern by providing opportunities for education and training throughout the life cycle. Typically, individuals would intersperse periods of work and education to meet both personal needs and those of employers. A system of alternative educational and training opportunities would be constructed that would incorporate existing offerings such as apprenticeships, extension courses, on-the-job training, college and university courses of study, correspondence courses, and technical schools, as well as new offerings and approaches that address previously unattended needs. Such educational and training experiences should be provided both inside and outside the workplace as well as through educational television and computer-assisted instruction. Availability of these offerings must be highly flexible, and opportunities must be provided on weekends and evenings as well as during regular work hours.

Many aspects of recurrent education already exist, but the present opportunities fall considerably short of an integrated system in two major ways. First, the present approach is highly fragmented: It is more a motley collection of confusing and uncoordinated educational

possibilities than a systematic approach to recurrent education. Although a recurrent educational approach might surely incorporate all or more of the existing opportunities, they would become part of a more purposive and systematized approach to the overall educational and training strategies of societies. In this respect, availability, access, and comprehensiveness become of far greater concern than they presently are. Second, a system of recurrent education can provide a more systematic approach to the financing of recurrent educational opportunities and the provision of sufficient time away from the workplace to pursue them. Indeed, a major purpose of this volume is to consider alternative ways of providing a comprehensive system of financing recurrent education that will provide equity in access, flexibility and adaptability in responding to needs, and efficiency in the use of private and social resources.¹

In summary, a recurrent educational approach would go beyond the existing offerings to provide a systematic approach regarding such matters as finance, information, coordination, educational leave for workers, and certification of training experiences. Heavy emphasis would be placed on a total system of opportunities for individuals, small groups, and employers in creating a menu of offerings suited to their needs and demands.

CONSTRUCTING A SYSTEM OF RECURRENT EDUCATION

Major components of recurrent education have been around for some time in the form of on-the-job training, adult education, correspondence courses, continuing education, extension courses, and the movement towards lifelong learning (Mushkin, 1974; Peterson, 1979). Certainly since the early seventies there has been a worldwide movement to improve the efficiency, equity, and flexibility of education through greater attention to lifelong learning (Faure, 1973; Emmerij, 1974). A crucial question that must surely be raised is why these movements have not been welded together into a system of recurrent education.

This question can best be answered by reference to the different concepts and notions of recurrent education. Although the terms "recurrent" and "lifelong" education have been used to refer to education and training over the life span, the generalization in terminology tends to gloss over the great diversity in underlying approaches as well as social and educational concerns. Table 1.1

TABLE 1.1 Different Versions of Recurrent Education

<i>Motive</i>	<i>Rationale</i>	<i>Principal Clientele</i>	<i>Principal Forms</i>
Increasing Productive Efficiency	Increase worker productivity and adaptation to technical change	Workers and persons reentering labor market	Job-oriented education and training
Reducing Unemployment	Use of recurrent education to share existing jobs	Labor Force	Educational leave and sabbaticals to rotate existing jobs
Reducing Overeducation and Underemployment	Providing educational opportunities throughout working life to reduce demand for tertiary education before entering workplace	Workers	Diversity of educational and training opportunities as needed over working life
Worker Participation	Improve conditions of work and worker participation	Workers	Training in skills and knowledge necessary for worker participation in decisions
Improving Quality of Leisure	Improve ability to use leisure hours productively	All adults	Emphasis on music, poetry, art and other forms of intellectual, cultural, and recreational development

Reducing Inequalities of Disadvantaged	Compensating for inequalities of worker social backgrounds and previous educational experiences to increase their mobility	Unemployed and unskilled workers	Basic academic skills and further job training
Improving Social Participation	Providing knowledge for greater social and political participation to improve their conditions	Nonprofessional and nonmanagerial workforce, housewives, and senior citizens	Political and family education as well as arts and human needs
Rescuing Educational Institution	New clientele and functions for postsecondary institutions faced with falling enrollments	Adults	Courses and degrees according to demand
Deschooling Society	Reducing coercion of mandatory schooling and bureaucracy of traditional educational institutions for greater individual freedom and choice by creating more flexible and responsive offerings	All persons beyond primary age	Whatever is demanded in the educational marketplace

provides a summary of nine relatively distinct motives that seem to be behind the arguments for recurrent education. Each of these tends to suggest a specific target clientele and set of offerings, and in many cases the overlap among clientele and offerings is minimal.

INCREASING PRODUCTIVE EFFICIENCY

The view that recurrent education can improve productive efficiency proceeds largely from the assumption that worker skills have a tendency to become obsolete under conditions of rapid technological change. As the nature of jobs evolves with new capital investment, workers will need to learn new skills or refresh old ones to adapt to new technologies. From this perspective, recurrent education provides the flexibility for re-training workers as skill rejuvenation is needed. Such an approach can improve worker productivity and earnings as well as increase the productivity of the firm and its profitability. Or, in time of rapid technical progress and change, recurrent education might be needed to maintain worker productivity which would otherwise decline. There is a particular incentive for employers to promote this approach, especially to the extent that recurrent education can reduce costs of training through economies of scale and can shift a portion of training costs from the private to the public sector.

The target clientele for this version of recurrent education is both the existing workforce and persons who are planning to reenter the workforce after periods of absence. (Housewives who have left employment to raise children are a good example of the latter.) Specifically vocational experiences would be offered to train persons for changing work roles and job requirements. The principal argument for public support of recurrent education that increases productive efficiency is that it would increase national productivity and economic growth while reducing inflation (through providing productivity gains commensurate with rising wages) and making products more competitive in world markets.

REDUCING EMPLOYMENT

A related motive for providing recurrent education is the role that it might play in reducing unemployment. However, what is referred to here is the use of recurrent education to rotate workers between periods

of employment and periods of training, enabling a larger portion of the labor force to experience regular employment. By providing recurrent education for experienced workers at any point in time, job openings are provided for new members. Of course, to the degree that it improved the productivity of the labor force and made a country's goods more competitive in world markets, it might also contribute to job expansion.

The audience for such an approach is that of the labor force, but recurrent educational offerings can take several forms. Of most importance is the emphasis on recurrent education as an "active labor market policy" (Meidner and Anderson, 1973) as advocated in the chapters by Rehn and Emmerij in this volume. This approach must include provisions for inducing persons to leave the workforce to obtain further training or other types of education. One possible version is to create incentives for persons to take such leave when there is high unemployment in their industries or when retraining is needed in response to technical change. Other versions would make all workers eligible for such sabbaticals, with the expectation that they might be pursued most frequently when workers have incentives for retraining or switching careers to more prosperous sectors of the economy. While there is some overlap with the productive efficiency motive for recurrent education, the emphasis on the direct reduction of unemployment is grounds for viewing this approach as distinct.

REDUCING OVEREDUCATION AND UNDEREMPLOYMENT

In a very different sense, recurrent education may be used to reduce the number of overeducated members of the workforce—a considerable problem in many societies. Although there may be a growing shortage of certain skills in their economies as industrial reorganization and technical change accelerate, there is presently a surplus of persons with postsecondary education in virtually all of the Western industrialized countries. The phenomenon of overeducation or underutilization of educated labor is a waste of resources. Many people are trained who will not be able to obtain appropriate jobs in the careers for which they are trained (Freeman, 1976; Rumberger, 1981). At the same time it can represent a major source of social and political ferment as the job expectations of university and other postsecondary graduates are not fulfilled (Levin, 1976). The increasing costs of postsecondary education at a time of national fiscal crises in conjunction with an inability to

employ graduates at appropriate job levels has stimulated a search for ways to reduce the demands by students and their families for traditional forms of higher education. However, given that education has been perceived as the main channel for upward mobility by the vast majority of the population, the demand for university participation will not be significantly reduced unless there are alternative channels of mobility.

In this respect, the provision of ample recurrent educational opportunities can be seen as a way of assuring secondary graduates that they need not undertake all of their educational experiences prior to entering the labor market. Presumably, under a system of recurrent education, employers would be expected to hire more secondary graduates and encourage them to seek out recurrent educational offerings that enable them to meet both their own needs and those of their employers. If such a shift from traditional timing and forms of postsecondary education to recurrent education were successful, it might reduce the perceived need for university training and thus reduce the number of overeducated persons. That is, recurrent education would be used to “cool off” the high demand for participation in traditional postsecondary education.

The main clientele would be secondary graduates who would enter the labor market at relatively lower levels and seek mobility through recurrent educational participation. The principal forms of recurrent education would be those that were highly related to job and career needs. The major obstacles to realizing this type of shift are that even fewer job opportunities are available for secondary graduates than for university graduates, and employers tend to use credentials at the point of labor market entry for assigning workers to occupational strata. Unless jobs become more plentiful at the secondary level and career mobility becomes closely linked with recurrent educational experiences rather than initial credentials, it is unlikely that there will be a profound shift in educational patterns.

WORKER PARTICIPATION

A rationale for recurrent education that is especially strong in Western Europe is its use in improving the quality of working life through worker participation. An underlying assumption is that working life is oppressive because of the high degree of division of labor and systems of managerial control that alienate workers from both the work process and their fellow workers. The response has been to develop a variety of ways in which workers can participate either directly or through representation in making decisions that affect the