



The OECD skills strategy and the education agenda for development



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ABSTRACT

Skills policies are acquiring increasing centrality in the post-2015 debates and international organizations are presenting their views on the global situation of skills and the policies that should be implemented. The article reviews the policy framework of the OECD Skills Strategy and its implications for the education and development debate in the post-2015 scenario. This strategy introduces two main innovations compared to the previous work of the OECD in education and skills. The first one is the integration of analytical contributions from the new political economy of skills in a policy framework traditionally dominated by the human capital orthodoxy. This shift has important implications for how the OECD understands the relation between education and work in capitalist societies and on the policy recommendations they make to countries. The second innovation is the extension of the geographical focus of the organization in order to assess the situation of skills and skills policies not only in high-income countries, but also in low- and middle income countries as well. The article argues that, despite these two salient innovations, there remain some absences and shortfalls in the policy framework of the OECD Skills Strategy that will limit its effectiveness, particularly in low- and middle-income countries.

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1. Introduction

The OECD Skills Strategy (OSS) provides a policy framework that guides countries on how to invest in skills for creating jobs and boosting economic growth. In the context of the global economic crisis, the Directorate for Education and Skills of the OECD attempts to protect public expenditure in education and training by placing skills policies at the very centre of national strategies for economic recovery. The main objective of these national strategies is to transform countries into internationally competitive high-skills economies. In the policy framework of the OECD, education and training policies should contribute to these strategies by: (a) developing the relevant skills for the knowledge economy; (b) incentivizing the participation of inactive individuals in the labour market through retraining and up-skilling; and (c) fostering entrepreneurship and supporting employers in the creation of highly skilled jobs.

The OSS deserves our attention due to the leading role of the OECD in international debates on education policies among its member countries and its increasing influence in non-member countries. The growth of emerging economies and their impact on

the international balance of power has challenged the traditional geographical focus of the OECD, forcing it to actively enhance its global reach. The OECD's Directorate for Education and Skills wants to play a more influential role in the definition of the global skills agenda for development in the post-2015 scenario and the OSS is its main policy tool for doing so. Given the renewed global interest in the skills sector of the education and development field and the scarcity of solid alternative policy frameworks at a global level, it is reasonable to expect that a substantial number of stakeholders, including donors and governments in developing countries, will use the OSS as a policy guide.

The policy framework of the OSS clearly recognizes that education policies cannot aspire to provide better welfare opportunities if they operate in a context of high unemployment rates and low-paid jobs. The traditional orthodoxy of human capital theories, where efficient labour markets reward investment in education and training with better jobs and income gains, is still dominant in the OSS but it is now also combined with some of the analytical contributions from the new political economy of skills, with its emphasis on the institutional factors that shape the demand for skills in capitalist societies. This should be perceived as a step forward in the OECD's commitment to education, as it will assist countries in better identifying the strengths and weaknesses of their national skills systems and in designing and implementing better policies for improvement. However, as this paper argues,

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there remain some shortfalls in the policy framework of the OSS that will limit its effectiveness, particularly in non-member countries.

To develop this argument, the paper is structured into two main sections. The first section briefly explains the rationale behind the launch of the OSS and reviews the most salient contributions and political priorities of the report *Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies* (OECD, 2012a). As we will see, the OECD understands educational development not as a goal in itself, but as a means for economic growth. The OECD shows countries that their education and training systems should help to revamp national economies and provides policy guidance for how to do this effectively. From the perspective of the OECD, education and training policies should be better coordinated with social and economic policies under national interdepartmental skills strategies. These skills strategies should not only focus on improving the supply of skills through education and training systems, but also on stimulating the demand for high skills in the market and their utilization in the workplace. The main innovation of this approach is for education and training systems to abandon the passive role of only responding to the demands of the market, in order to become an active part of the multisectoral strategy for transforming national economies.

The second section of this paper identifies and explores some of the limitations of the OSS in the education and development field. Three different arguments are discussed in this respect. First, the OSS assumes that there is a set of policy reforms that can be implemented globally, regardless of the socioeconomic conditions of countries. This “one size fits all” approach might be relatively effective when applied to skills policies in countries with similar levels of development, but it will be problematic if applied simultaneously to high-, middle- and low-income countries. Secondly, the OSS overlooks the conflictive nature of the positional competition for skills and how political arrangements determine the social distribution of productivity gains. While many governments will feel comfortable with policy recommendations that are presented as “technical” solutions, political economy research has showed that these interventions will fail to deliver expected outputs if the political problems of large-scale inequality and social exclusion are not directly addressed. Thirdly, the OSS advocates for a productivist model of development, where the main goal of education and skills policies is to foster economic accumulation. The OSS might benefit from a closer look at the work done by other international agencies in integrating national skills policies within human development frameworks and the contributions of social justice theories (i.e., capabilities theory) to the current debates on education and development.

2. The policy framework of the OECD skills strategy

The OECD has emerged in recent years as probably the most influential international organization in the education field in high-income countries. Historically, education was never a central area of interest for the OECD and it was only in 2002 that education became a separate and permanent Directorate within the organization (Martens and Jakobi, 2010). The emergence of the knowledge-based economy and the success of PISA – the Programme for the International Assessment of Students’ Performance – have contributed to establishing education and skills as significant areas of work across the OECD and to attracting international attention to its educational agenda (Lingard and Grek, 2007; Lingard and Sellar, 2013). In the policy discourse of the OECD, education and skills have been reframed as central issues for national economic competitiveness (Robertson, 2005) and the educational rankings published by the organization are considered the best international measures of how well equipped countries

are to face the educational challenges of a global knowledge economy.

The rise of the organization’s work in education has been accompanied by the gradual reduction of this sector to its economic dimension. Stressing the economic significance of education has proven to be the best strategy for the Directorate for Education and Skills to position its work at the very centre of the organization’s policy agenda. The economic perspective has not always dominated the OECD’s work on education (Rizvi and Lingard, 2006); in fact, there are still remarkable exceptions to this trend (OECD, 2007, 2012b, 2013b), but the Directorate for Education and Skills is aiming to raise its profile and it needs to shape its discourse towards economic efficiency if it wants to attract the attention of the rest of the organization. The main concern of the OECD is with economic development; social issues such as education play a secondary role if they are not framed within the economic efficiency agenda. Human capital theory has been extremely useful both in articulating the economic discourse in education and at the same time in defending the importance of education and skills for economic development (Henry et al., 2001). The predominance of the human capital approach in the work of the Directorate for Education and Skills is not only an ideological decision; it is also the result of an institutional necessity.

The OSS is the latest and most ambitious initiative undertaken by the Directorate for Education and Skills to increase its political influence and to mainstream the human capital agenda across the organization. The OSS constitutes the most important node of convergence for the work on education and skills of the different directorates of the OECD. The Directorate for Education and Skills leads the OSS but other directorates (such as the Directorate for Employment, Labour and Social Affairs, the Directorate for Science, Technology and Industry and the Centre for Entrepreneurship, SMEs and Local Development) also take part. This strategy is presented as a cross-committee initiative that brings together and leverages policy lessons on skills produced by different projects across the organization (Sellar and Lingard, 2013), all under the leadership of the Directorate for Education and Skills.

The OECD Survey of Adult Skills is expected to be the main source of evidence and the most powerful knowledge tool of the OSS. This survey is a product of the Programme for the International Assessment of Adult Competencies – PIAAC – a joint effort between the Directorate for Education and Skills and the Directorate for Employment, Labour and Social Affairs with the purpose of measuring adults’ skills directly and linking these skills measures to their social outcomes in the labour market. The successful experience of PISA (Bieber and Martens, 2011; Breakspear, 2012; Grek, 2009) and the technical expertise accumulated in previous adult skills surveys (mainly IALS and ALL) made it possible for the OECD to develop PIAAC (Schleicher, 2008; Thorn, 2009). PIAAC assesses key skills (literacy, numeracy and problem solving in technology-rich environments) and collects information on the antecedents and outcomes of skills development and skills use among the adult population (Thorn and Schleicher, 2013).

Contrary to how the Directorate for Education and Skills worked with PISA in the past, the policy framework of the OSS was published well before the first results of PIAAC were available. The *Skills Outlook* report (OECD, 2013a) analysed the first data produced by PIAAC, but the OECD’s policy framework on skills was published one year before in the report *Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies* (OECD, 2012a). The Directorate for Education and Skills developed the policy framework of the OSS, collating lessons learned from the previous work on skills carried out by different projects across the organization and did not wait for the analysis of PIAAC data before doing so. International surveys such as PIAAC or PISA seem

to be more useful in creating policy problems (Grek, 2010) and mobilizing policy agendas than in providing solid evidence to design the policy framework of the organization.

The following paragraphs analyse the policy framework of the OSS as it was presented in the *Better Skills* report. The OSS policy framework rests on the OECD's traditional economic focus on education and the primacy of human capital orthodoxy (OECD, 2001). However, as will be shown, the human capital orthodoxy, where efficient labour markets reward investment in education and training with better jobs and income gains, is partially substituted by and combined with some of the analytical contributions from the new political economy of skills and its emphasis on the institutional factors that shape the demand for skills in capitalist societies. This analytical innovation has important implications for how the OECD understands the relation between education and work and on the policy recommendations they make to countries. For human capital approaches, the phenomena of unemployment and underemployment are the result of problems in the supply of skills, mainly the quality of education systems and the low employability of individuals. On the other hand, the new political economy of skills tends to identify the low demand for skills and the lack of jobs requiring qualifications as the main problem, shifting the responsibility for this situation from individuals and the education system towards the state and firms.

2.1. Human capital orthodoxy

The central premise of human capital theory is that investment in education and training is a key driver of economic growth (Schultz, 1961; Denison, 1967; Becker, 1964). More education and training will contribute to the development of individuals' skills, which has been associated with both higher individual earnings and growing societal wealth (Hanushek and Woessmann, 2007, 2008, 2012). For human capital theory, people's skills have a great value for society as a factor of economic productivity. A highly skilled workforce is comparable to other factors of production involved in the capitalist production process such as natural endowments. An effective use of these resources would be profitable both for individuals, firms and for society as a whole.

The emergence of the knowledge economy has been read by some of these authors as an empirical confirmation of their theories and as a new age of prosperity based on the development of human capital (Becker, 2002). In the age of human capital, the economic success of individuals and countries will depend on how extensively and effectively people invest in themselves and their skills. For human capital theorists people's skills are more central than ever to economic development and social welfare. Effective education and training systems will hold the key not only to a competitive economy, but will also be seen as the foundation of social justice and social cohesion. If countries make the necessary investments in human capital, few will need to be excluded from the prosperity that these investments will generate. It is assumed by these authors that the global economy is in an evolutionary process of technological upgrading, where the demand for technical, managerial and professional workers will increase and the demand for low-skilled jobs and workers will decline. The argument is doubly optimistic. First, it assumes a constant and progressive trend of technological development based on knowledge and secondly, it also assumes that this technological development will create more highly skilled jobs. From a policy perspective, as the global economic competitiveness of countries will rest on the knowledge and skills of its workforce, governments will have very good reasons to place national skills strategy at the very centre of their economic policies.

The OSS shares many of the postulates of human capital orthodoxy; in particular, the optimism about the contribution of

education and skills to economic development and social cohesion. For the OSS, "skills have become the global currency of twenty-first century economies" and "without adequate investment in skills, people languish on the margins of society, technological progress does not translate into economic growth, and countries can no longer compete in an increasingly knowledge-based global society" (OECD, 2012a: 10). Investing in skills is seen as "the single most effective way of not just promoting growth but also distributing its benefits more fairly [through jobs]" (OECD, 2012a: 11). This optimism cannot but be confronted by the harsh reality of the global economic crisis and its effects on employment and public budgets. Even in these adverse circumstances, the OSS asks countries to protect education and skills from the cuts in the public sector: "If cuts to public spending have to be made, they should be based on the long-term cost/benefit ratios of alternative public investments. On these grounds, there is usually a strong case to be made for maintaining public investment in skills" (OECD, 2012a: 18).

For human capital theorists, the market rewards the investment of individuals in their skills with better jobs and higher earnings; therefore, the problems of unemployment and underemployment are basically caused by the low quality or the inadequacy of the skills supplied by the workforce. Problems in the supply of skills can be due to poor information on the needs of the market and/or to the low capacity of education and training systems to respond to these needs (CEDEFOP, 2010; OECD, 2010). For the OSS, there is ample evidence that national education systems can do better in developing the skills needed by the economy because, "even at the height of the economic crisis in 2009, more than 40% of employers in Australia, Japan and Mexico reported difficulties in finding people with the appropriate skills" (OECD, 2012a: 12). The OSS recommends that countries generate better information about the skills needed and those available in the market. This information can be used to provide better career guidance for those seeking a job, but it will be also crucial for educational planning. An informed educational planning would ensure that the supply of skills is sufficient in both quantity and quality to meet the current and emerging needs of the markets. Even in the case that education systems could not satisfy the needs of the local markets, the availability of this information would allow governments to develop their own strategy to attract talent from abroad. In a global knowledge economy, governments are encouraged not only to facilitate internal mobility among local labour markets; importing skills and talent from outside the country is also seen as very effective solution for dealing with the skills-shortages of national economies.

As has been mentioned above, human capital orthodoxy sees education and skills as the solution to the problems of exclusion and social injustice. Providing the unskilled with skills is seen as an antidote to unemployment, thereby eradicating poverty. The skills of individuals determine their employability, which is seen as the source of economic opportunity, choice and occupational status. The OSS defends the idea that education and training can contribute decisively to tackling social exclusion by activating the skills of the unemployed and those inactive in the labour market. Moreover, the OSS warns that, "the demand for skills changes, unused skills can become obsolete; and skills that are unused during inactivity are bound to atrophy over time" (OECD, 2012a: 65). This atrophy of skills is what happens to the people who, for different reasons, have been excluded from the labour market for an extended period of time. Retraining or up-skilling is offered as the most effective policy to bring the inactive and the unemployed to the labour market in the post-recession period. In the OSS, these activation measures should be accompanied by the flexibilization of labour market policies and the restriction of access to income-replacement schemes. Instead of keeping the inactive and unemployed out of the market through different

social benefits that discourage labour market participation, the activation of the excluded through retraining and up-skilling would be a more cost-effective option for public budgets.

In summary, human capital orthodoxy provides the OSS with a theoretical framework that legitimizes the protection of the public investment in education in a period of severe austerity. Education and training systems, if adequately aligned with the needs of the market, will offer the skills that are necessary for national economies to grow, attract highly skilled jobs and maintain social cohesion through activation policies that improve the employability of those not participating in the labour market.

2.2. *New political economy of skills*

The new political economy of skills emerges as a critique of human capital theory and the discourse of the knowledge economy (Brown et al., 2011; Coffield, 1999; Green, 2013; Lauder et al., 2012; Livingstone and Guile, 2012). Political economy authors show how the discourse of the knowledge economy is shaping the way that governments understand the role of education and skills in national economic development. The general idea behind the discourse of the knowledge economy is that countries are supposed to think of the global economy as an open competition for highly skilled jobs. Countries that can succeed in upgrading the quality of their workforce will become the magnet economies for highly skilled jobs (Brown and Lauder, 1996, 2006). National skills formation policies, therefore, need to focus on creating a world-class labour force. Given the growing demand for skilled workers in knowledge intensive sectors, national skills formation systems will need to focus on how to improve the supply of intermediate and highly skilled workers. The new international distribution of labour will respond to a global auction for jobs where low-skilled jobs will tend to migrate to low-waged economies and highly skilled jobs will continue to garner higher wages in the countries that are able to attract them. The politics of the magnet economy consists in raising the skills and incomes of indigenous workers, but also consists in attracting the most talented foreign workers who meet the needs of national economies. The winners of these new global knowledge wars will be the magnet economies able to attract a disproportionate share of these highly skilled and highly paid jobs from the rest of the world (Brown and Lauder, 1996).

Political economists accept the importance of education and skills for economic development, but they question the dominant discourse because it overestimates the extent to which nations within the global economy can create mass high-skilled employment. For political economists there is in general a growing gap between peoples' increasing learning efforts on the one hand and the existence of knowledge-dependent jobs in which they could apply their increasing knowledge investments on the other. The reality of the knowledge economy, contrary to what human capital would argue, is characterized by a rapid expansion of the global supply of skills and the incapability of the demand to follow this pace and to generate enough highly skilled jobs for this highly skilled population. As a consequence of this imbalance between the supply and demand for skills, countries will need to deal with the social discontent produced by the false promise of education and skills, as well as the social problem of growing unemployment and underemployment among higher education graduates (Brown et al., 2011). This global process has consequences not only for the distribution of wealth and welfare between countries but also between social groups within countries. Education and skills development will not protect individuals from the precarization of their working conditions and new social gaps will emerge between those who have access to the best jobs and the rest of the working population. As a result of this process, the positional competition for the best jobs will

grow (Hirsch, 1976) as well the conflict around the social distribution of opportunities and welfare.

From the perspective of the new political economy of skills, the main challenge for countries in the knowledge economy is not guaranteeing an adequate supply of skills but incentivizing the existing demand for skills and the creation of highly skilled and highly waged jobs (Brown, 1999; Brown et al., 2001). Contrary to what human capital predicts, the investment in the education and training of highly skilled professionals will not create its own demand in the market. Employers do not react to the availability of more qualified labour by upgrading the conditions of work and transforming the production process in their firms. Furthermore, competition between firms and the invisible hand of the market will not directly lead employers to invest in upgrading skills throughout the economy (Lauder, 1999). There is ample evidence of low skills equilibria in the economy, where the competitiveness of firms and countries is based on low-qualified jobs and the low wages of workers (Finegold and Soskice, 1988). The political over-emphasis on supply-side issues such as the responsiveness of education systems to the needs of the market and the employability of graduates fails to recognize that the main policy problem is how to foster the demand for skilled employment. National governments cannot just limit their skills policies to the education and training of individuals; they also need to find ways to incorporate the expanding numbers of higher education graduates into highly skilled jobs. The capacity of national governments to intervene in the market and shape the demand for skills will depend on the model of capitalism that they have adopted and how they organize the production and distribution of welfare (Green, 2006; Lauder et al., 2008).

The OECD integrates some of the contributions from the new political economy of skills into the policy framework of the OSS. The OSS clearly recognizes that education and training systems cannot aspire to improve the opportunities or welfare of individuals in an economic environment characterized by high unemployment rates and low-paid jobs. For the OSS, "investing in skills is just the first step; successful skills policies also need to ensure that available skills are used effectively so that no investment is wasted. [. . .] Developing skills and making them available to the labour market will not have the desired impact on the economy and society if those skills are not used effectively" (OECD, 2012a: 13). With this idea the OSS introduces the problem of skills utilization into its policy framework. Skills utilization is, by definition, a problem of the demand side of the labour market, so it is a problem of the economic structure of the country and not genuinely a problem or deficit of its education and training system. The OSS recommends that countries adopt policies to support employers in making better use of the skills available to them. These policies include promoting employee engagement, offering greater job flexibility, providing incentives for innovation and aligning business strategies with skills development in their workforce. However, the OSS also recognizes that the incentives for employers to invest in their employees may be insufficient, even if employers may ultimately benefit from such investments. Therefore, governments cannot assume that the market will generate the adequate incentives and will need to intervene itself in the economy to solve the problem of under-skilling in the labour force and to achieve a good match between workers' skills and job requirements.

The very idea of an optimal and perfect match between the supply and demand for skills that was largely advocated by manpower forecasting approaches is also questioned by the OSS. In low-skills equilibria, people are matched with their jobs but at a very low level of skills. Low-skills equilibria can adversely affect the economic development of a local economy, region or sector, or indeed an entire country. For example, employers pursuing price-

based competition strategies that rely on low-quality and standardized production require only a limited range of low-level skills from the bulk of the workforce. These price-based strategies leave the local workforce vulnerable to displacement because of innovation and competition in global markets and workers have few incentives to remain in education because local employers are neither seeking, nor are they willing to reward, high levels of skills. For their part, employers have little incentive to upgrade production processes or workers' skills since this can undermine their price-based competition strategy. These examples demonstrate that, "a good match between available skills and job tasks is not always a positive indicator" (OECD, 2012a: 95). The aim of skills policies should be to avoid the low skills equilibria by upgrading the demand for skills rather than trying to match this supply of skills with a labour market that only requires low levels of skills.

The OSS tries to integrate the skills utilization paradigm and some of the critiques raised by the new political economy of skills into a policy framework clearly dominated by human capital orthodoxy. It must be remembered that human capital orthodoxy has been extremely useful to positioning education and skills as a priority of the economic agenda of the OECD, so no theoretical innovation should damage the general claim that more education leads to greater earnings and economic growth. This theoretical eclecticism is managed in the policy framework of the OSS through the distinction between short-term and long-term strategies. This distinction is clear in the OSS when analysing the situation of higher education graduates: "while higher education often leads to good employment prospects over a lifetime, [. . .] it could also increase the likelihood of unemployment in the short term. Skills surpluses can also be temporary, resulting from a rapid expansion of the tertiary-educated population and an insufficient demand for these workers. In the long run, the availability of higher levels of skills can trigger a demand for these skills and an accompanying evolution towards higher value-added production in the wider economy (OECD, 2012a: 84). For the OSS, despite the fact that in the short term, a "skills surplus" may develop, in the long term investing in the skills supply will always pay off because it can help to transform the kinds of employment on offer in such economies, as employers can more easily recruit skilled workers who, in turn, improve the quality of the work that they do.

The main innovation in the policy framework of the OSS is to shift the focus of skills policies from the supply side and individual employability towards the demand side and the political commitment to job creation (Desjardins, 2012). This is a very important political sleight of hand that shifts the responsibility for unemployment firmly onto the shoulders of the state and firms and not onto individuals and the education system. With this policy innovation, the OECD puts some distance between its skills strategy and the neo-liberal agenda in education that, with the excuse of economic competitiveness, is constantly questioning the quality of education systems and weakening the role of the state in the funding, management and provision of education and training services. Under the OSS, countries are encouraged to embark on national strategies that coordinate the action of different areas and levels of government. The recognition that the problem is not (only) in the supply of skills implies that education systems cannot address skills problems alone and a more coordinated national strategy is needed.

3. Absences and shortfalls from a development perspective

While the OECD has risen to a leading role in the international debates on education policy among its member countries, the growth of emerging economies and their impact on the international balance of power have challenged the traditional geographical focus of the organization, forcing it to actively

enhance its global reach. The OSS is in agreement with the increased interest of the organization in extending its influence beyond member countries. For this reason, the *Better Skills* report makes repeated reference to the situation of jobs and skills in "emerging economies" and "middle income countries", which are cited more than fifteen times in the report (OECD, 2012a). The report also makes explicit reference to the situation of the MDGs in West, East and Central Africa (OECD, 2012a: 41), the OECD Education for Development Framework and the OECD Strategy for Development (OECD, 2012a: 107). The OECD has expressed the political will to extend its geographical focus and enhance its influence in low- and middle-income countries and the OSS is strongly aligned with this aim.

Since the early 1980s, the global education agenda for development has neglected the growing needs of many developing countries in expanding and reforming their TVET and skills sectors (Klees, 2008; Psacharopoulos, 1985; Psacharopoulos and Woodhall, 1985; Robertson et al., 2007; Samoff, 1994). The prioritization of basic education in the Education for All Jomtien Conference in 1990 and the focalization of universal primary education by the MDGs did not help to correct this situation (King, 2007; Mundy, 2007). In fact, the "successful failure" of the universal primary education goal has done nothing apart from increase the social pressure on secondary and post-basic educational levels (King et al., 2007). The educational priorities in the post-2015 era seem to be changing and international organizations are already presenting their own views on the global situation of skills and making policy recommendations to better equip populations in low- and middle-income countries with the necessary skills for the knowledge economy (World Bank, 2011; UNESCO, 2012). Given the renewed global interest in the skills sector in the education and development field and the scarcity of solid alternative policy frameworks at the global level, it is reasonable to expect that a substantial number of stakeholders, including donors and governments in low- and middle-income, will use the OSS as a policy guide.

Traditionally, the OECD managed the education for development agenda through the Development Assistance Committee – DAC, but nowadays the organization is mainstreaming its work with low- and middle-income countries across all the directorates, including the Directorate of Education and Skills. The Directorate for Education and Skills has some experience working with low- and middle-income countries thanks to its Division of Non-Member Economies and it should not be forgotten that some member countries are also middle-income countries (Turkey and Mexico). In addition, the Directorate for Education and Skills, in coordination with DAC members and development agencies (i.e., the World Bank and UNESCO), has recently launched the PISA for Development project with the aim of increasing the policy relevance of PISA in low- and middle-income countries. Similarly to the approach taken in the case of the PISA for Development project, the OECD is actively soliciting interested government officials from low- and middle-income countries for a third round of PIAAC and donors and other agencies are invited to ensure sustainable funding to meet the costs of implementing the survey in these countries.

While recognizing that the OSS might play a very influential role in the global skills agenda for development in the post-2015 scenario, in the following section it will be argued that it is necessary to problematize the possible undesired effects that the OSS might have on the educational development of low- and middle-income countries. It is argued that the OECD should be careful when recommending good policy practices from high-income countries to the governments in low- and middle-countries. Given the very different socioeconomic and political conditions that these countries face, the translation of policy solutions from the former to the latter

might be very problematic. It is also argued that ignoring the politics of skills formation and its implications for social justice might undermine the relevance and effectiveness of the OSS recommendations, particularly in low- and middle-income countries. Finally, it is argued that the OECD economic approach to education and skills will reproduce the problems of productivist conceptions of development and should therefore be complemented with the contributions made by social justice theories to the debates on education and human development.

3.1. *One size fits all*

The implementation of policy solutions from high-income countries in low- and middle-income is one of the most problematic international practices that have been inspired by modernization approaches to development. Modernization theories have informed the policy advice of international organizations and Western governments from the early 1960s (Rostow, 1960) and had significant implications for educational policy globally (Dale, 2005). In this perspective, education is fundamental in the development of the technical and cultural skills needed for the creation of modern individuals and for economic development to take off (Inkeles and Smith, 1974). Human capital has been the main modernization theory in the education field and has always aspired to have general applicability to countries with different levels of development. For human capital theorists, the direct relationship between education and skills and economic growth is indifferent to national history, culture and identities because it conforms to the universal laws of economic development (Becker, 1964). These authors defend the idea that the larger investment in schooling and skills explains the productive superiority of economies in the high-income countries and their success in the global economic competition (Becker, 1964, 2002; Schultz, 1961). In order to catch up with the level of development of high-income countries, the rest of the countries should follow the same course of policies and increase their public and private investment in education and skills.

The policy framework of the OSS has been developed to address the needs of high-income countries and it is difficult to imagine how these policy recommendations could be easily translated to the political and economic contexts of low- and middle-income countries. While the *Better Skills* report is full of references to the problems faced by low- and middle-income countries in becoming high-skills economies and some best practices from developing agencies are included in different boxes throughout the report, there are no specific recommendations for these countries in the report. The policy framework of the OSS identifies very different problems in low- and middle-income countries from the ones that one sees in high-income countries, but these different situations do not seem to require differentiated policy solutions. Large-scale inequalities between rural and urban areas in China (OECD, 2012a: 24); school drop-out rates and the phenomenon of “brain drain” in Sub-Saharan Africa (OECD, 2012a: 41, 73); the persistence of child labour in Brazil (OECD, 2012a: 48); and the importance of the informal sector and gender disparities in MENA countries (OECD, 2012a: 64, 86) are some of the skills challenges identified by the *Better Skills* report in low- and middle-income countries, but little or no reference is made to a specific policy agenda to tackle these situations.

The education agenda for development is constituted on a global scale and too often this agenda is later mobilized by global actors and donors in different countries without a proper analysis of the specific cultural, political and economic factors that shape national education and skills systems (Dale, 2000). A global skills agenda based on the idea that “one size fits all” will necessary fail to deliver the expected results because of the unintended consequences of interventions that are not sensitive to the distinctive cultural, social,

religious and political specificities of these contexts. While in high-income countries and some emerging economies we already have extensive knowledge of how skills policies recommended by the OSS will interact with local and national labour market arrangements (Green, 2006), in middle- and in particular in low-income countries the policy recommendations made by the OSS do not even come close to addressing the challenges to skills development in labour markets dominated by the large presence of the informal sector (King and McGrath, 2002) and with very different characteristics from those in high-income countries.

3.2. *Technical solutions for political problems*

As part of the aspiration of universal validity, the OSS is framed within technical terms and around issues such as access and quality of education and training and the adequacy of skills, or of the skills mismatch between the skills of individuals and the requirements of jobs. This technical definition of the skills goals does not help to identify and engage with more deep-rooted problems of social justice in national systems of skills formation such as social and political exclusion, and ethnic and social discrimination. Moreover, the technical definition of education and skills goals by international organizations is sometimes just a strategy for obscuring the political nature of the policy recommendations that they make to countries (Bonal, 2002; Klees, 2008; Robertson et al., 2007; Tarabini, 2010).

For the OSS the best way to promote social equity in low- and middle-income countries is to ensure access to and success in quality education for all (OECD, 2012a). This might be achieved by investing in high-quality early childhood education and initial schooling, particularly for children from socioeconomically disadvantaged backgrounds. The most effective strategy would be to ensure that children start strongly in their education careers and that first skills beget future skills. Later in life, financial support targeted at disadvantaged students and schools might improve the development of skills. The policy menu of the OSS for eradicating the causes of poverty and social injustice is based on targeting the poor with education and skills development programmes from their early childhood through their course of life. The OSS clearly sees skills as the key to tackling inequality and promoting social mobility because, “investing in skills is far less costly, in the long run, than paying the price of poorer health, lower incomes, unemployment and social exclusion—all of which are closely tied to lower skills” (OECD, 2012a: 18).

This technical definition of skills policies completely ignores the politics of skills formation and its implications for social justice. While the OSS has been very successful in integrating some conceptual contributions from the new political economy of skills into its policy framework, it still neglects the conflictive nature of the positional competition around the social distribution of skills and the benefits of innovation and productivity gains (Brighouse and Swift, 2006; Brown, 1999; Hirsch, 1976). Many governments in developing and donor countries will feel very comfortable with a set of recommendations that are presented as “technical” solutions for more effective skills formation, but political economy research in low- and middle-income countries (Novelli et al., 2014; Poppema, 2009; Shields and Rappleye, 2008) has shown that most of these “technical” solutions will fail if the problems of large inequalities, lack of social rights and political marginalization are not the direct focus of these interventions.

3.3. *Productivist model of development*

The economic approach to skills formation in the OSS is clearly linked to a productivist model of development. Under these

productivist conceptions of development, individuals are reduced to human resources for economic exploitation and accumulation (McGrath, 2012); their skills are assessed by their contribution to employability, and education and training policies are mainly designed to foster economic growth (Anderson, 2009). As has been argued above, the economic approach to education and skills has been a strategic component of the program of work carried out by the Directorate for Education and Skills, but in the education and development field, productivist conceptions of development have been largely criticized and challenged by human-centred approaches (UNDP, 1990). While, in productivist models of development, the skills that matter are the “skills for growth”, in human development approaches “skills for life” and sustainability are also development goal in themselves (King, 2009). Moreover, the recent adoption of the capabilities theory of justice (Sen, 1999) in the educational and development field has stressed the intrinsic importance of the educational good for developing the “agency freedom” of individuals (Unterhalter and Brighouse, 2007). Under human development frameworks, skills formation systems cannot only be designed to satisfy the needs of the economic systems, but also to satisfy wider basic needs of individuals and their communities.

The productivist conception of development is very present throughout the *Better Skills* report, the only exception being the first chapter, in which some reference is made to the non-economic outcomes of skills. In this initial chapter it is stated that, “skills affect people's lives and the well-being of nations in ways that go far beyond what can be measured by labour-market earnings and economic growth. For example, the benefits of skills to an individual's health are potentially great. Skills also relate to civic and social behaviour as they affect democratic engagement and business relationships. Institutional trust, for example, is vital for the functioning of democracies; and without trust in the rule of law and in others, business relationships function less efficiently” (OECD, 2012a: 10). This initial commitment to the non-economic benefits of skills disappears from the policy framework of the OSS when the substantial policy issues are discussed. The rest of the framework is basically concerned with forecasting the skills needs of the economy, satisfying the demands of employers, intensifying workplace-learning schemes and using skills policies to activate individuals in the labour market. For the OSS, the human skills that are not used in the labour market are basically a waste of resources for society: “in all countries, many individuals are out of the labour force by choice, because of their personal or family circumstances, or because there are financial disincentives to work. Unused human capital represents a waste of skills and of initial investment in those skills” (OECD, 2012a: 65).

Human-centred approaches to development are not only relevant in normative terms, they are also important for understanding local cultures, their needs and the reasons for educational disadvantage. In the development debate, post-colonial theory has highlighted the Eurocentric nature of debates and the negation of indigenous and traditional cultures and knowledge in the development discourse, as well as identifying the ongoing legacies of colonialism and imperialism in contemporary development practice (Amin, 1997). These theories have had a strong impact on development thinking, including in the field of education and development (Crossley and Tikly, 2004). The evolving field of critical political economy has also recently reflected a concern to integrate the ‘cultural’ into its analysis. This ‘cultural political economy’ orientation (Jessop, 2004; Jessop and Oosterlynck, 2008; Robertson, 2012) is underpinned in part by a concern with enriching analysis of subjectivity and individual agency in development debates. Instead of assuming that integration in the global economy requires the same skills or similar sets of skills for all countries and social groups,

culturally sensitive approaches interrogate subjects about their own conceptions of welfare and work and their motivations to engage in education and training (Powell, 2012, 2013) and how their religious beliefs shape their understanding of the role of skills and competition for jobs in a society (Tan, 2008). Similarly, inequalities between individuals and social groups in their access and use of skills are better understood under this culturally sensitive approach. The inclusion of learners with disabilities cannot be achieved without a proper understanding of the practices and beliefs that lead to the persistence of stigma, prejudice and discrimination (Karangwa et al., 2010; Trani et al., 2012). Skills policies that try to rectify gender inequities, an issue that has high priority on the global agenda, will not be effective if they do not challenge directly the cultural attitudes and practices within patriarchal societies (Maclure and Denov, 2009). The misrecognition of ethnic and language diversity is also a fundamental driver of educational marginalization and skills deprivation (Bredlid, 2013; Pherali and Garratt, 2013) and a global agenda based on the prioritization of quantitative targets, e.g., the number of adults enrolled in education and training activities, is unlikely to foster the rectification of these inequalities. Any set of global skills policies that did not take into account these cultural attitudes

and contexts will presumably fail to contribute to the human development of these populations.

4. Conclusions

The OSS introduces some significant policy innovations compared to the previous work of the OECD in education and skills. The first is the aim of renovating their traditional human capital approach to skills by incorporating some of the analytical contributions of the new political economy of skills. This innovation implies that education and training systems are no longer passive recipients of the demands from employers and markets. Instead of that perspective, education and training systems become integrated into national skills strategies designed to upgrade the demand for skills of an economic structure that is unable to absorb a highly skilled workforce. This policy shift should be very much welcomed by those who have criticized the neo-liberal orientation of skills agendas and the inhibition of the state when faced with the structural crisis of employment.

The second policy innovation is the growing desire of the Directorate for Education and Skills of the OECD to play an important role in the definition of the global education agenda for development in the post-2015 scenario. The lack of attention paid to the skills sector by development agencies during recent decades and the internationally recognized technical capacity of the OECD in education might be sufficient reason for some governments in low- and middle-income countries to follow the policy recommendations and advice offered by the OECD. However, as has been argued here, there are still many risks associated with the direct mobilization of the skills agenda of the OECD in the cultural, political and economic contexts of low- and middle-income countries. The geographical shift of the OECD and its Directorate for Education and Skills should be accompanied by the integration of current theoretical and policy debates in the development field. Otherwise, they will be reproducing most of the mistakes that other international organizations have made in the past and that have caused great damage to the development of these countries. Both the growing global activity in the skills sector and the interest of an organization such as the OECD in the skills policies of low- and middle-income countries should be seen as very positive news. Having said that, it will be necessary to engage in a wide and informed international debate about what the assumptions and

policy frameworks of these global agendas for skills are and how they will contribute to human development worldwide.

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