**Education is Lifestyle (draft)**

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**Abstract**

The concept of education as lifestyle describes the aspirations of many individuals in our societies in the foreseeable future to come repeatedly during their active work life to higher educations and receive new diplomas or degrees. The rapid changes in our societies leading to individuals having multiple jobs during their careers call for continuous reskilling and upskilling. Rational individuals want to be a step ahead of the changes and seize the opportunities rather than wait for being victimized by layoffs. This has profound policy implications for public authorities that cannot easily concentrate their strategies on higher education institutions serving youth coming directly out of secondary level institutions. These policy implications are discussed considering the work of international organizations and institutions on education and the work in progress of the Icelandic education authorities on higher education funding strategy.

**Keywords:** education, strategy, policy, funding, lifestyle, jobs

**Introduction**

Education is Lifestyle describes a vision for the aspirations of many active groups in our populations in the foreseeable future. The individuals in these groups will constantly be seeking new opportunities in our rapidly changing societies and look to higher education institutions for more of formal education to widen or deepen their knowledge.

The aim of this paper is to draw policy conclusions for funding of higher education institutions based on this vision of education as lifestyle. The experience and data will mainly be drawn from Iceland where the student population is relatively old. The Icelandic Ministry of Education is currently working on a new strategy for universities and their financing with a White Book soon to be published with important policy questions.

It will be raised whether answers can be given to the basic questions that education authorities are confronted with when universities are asked to actively serve people of all ages instead of focusing mainly on educating young individuals right after graduation from secondary level schools.

The role of universities in today´s societies is under constant debate which is both normal and healthy and demonstrates the interest of the various stakeholders in the good performance of our university systems and the awareness of the importance of our universities. Some of the issues raised are often the following: Are the universities educating the students with the right skills for the future? Are the universities educating students who will become socially responsible individuals? Are the universities graduating students that will be attentive to global problems like poverty and climate change? Are the universities receiving appropriate amounts of public funding? What is the role of academic research in our universities? Are the universities engaged and active partners in various parts of our societies? This list of questions can be very long. In this paper it will not be attempted to give answers to all question but focus on one issue that is becoming highly relevant.

**More with Higher Education Degrees**

The share of the population between 25 and 64 years of age in the OECD member countries with Bachelor´s, Master´s or Doctoral degrees as the highest educational attainment was 31% on the average in 2018. The corresponding share for the EU22 was 30%. For Iceland this share is 42% which is amongst the highest in the OECD. Icelandic students are likely to be somewhat older than in the OECD This is revealed when looking at the percentage of age groups enrolled in educational institutions in 2017. For the age group 20-24 the OECD average is 42% but in Iceland 46%. For the age group 25-29 the OECD average is 16%, but in Iceland 24% and for the age group 30-39 the OECD average is 6% but 11% in Iceland. [[1]](#endnote-1)

**Transversal Skills in Demand**

Public policy on higher education is permanently on the agenda in most countries. There is also important international cooperation on this issue. The OECD has for example been much involved with education and policy on education and comparative analysis of education systems. For the purpose of this paper it is interesting to look at their analysis of labor market relevance and outcomes of higher education systems where important policy issues are discussed. (OEDC 2017.) This analysis opens with pointing out that the main objectives of higher education systems is to provide job specific skills for success in the labor market and transversal skills helping graduates to better adapt to changes in the labor market and society in general. (The transversal skills are for example cognitive skills like literacy, numeracy, problem solving, analytical reasoning and critical thinking along with social and emotional skills like teamwork, resilience, communication, initiative, leadership, empathy, and self-organization.) The main concern is that too many graduates have difficulties transitioning to the labor market or have problems finding jobs fitting to their education. The objective of the analysis is to identify how higher education systems can better develop labor market skills and identify corresponding policy options. It is pointed out that the transversal skills are not only important for youth entering higher education but also for mid-career individuals who want to advance in the workplace.

Four categories of policy levers are identified in the analysis; funding, regulations, information, and organizational resources. The policies are intended to contribute to desired outcomes. But considering the consequences for mid-career individuals it should be noted that funding can be based on various criteria and regulation that can easily be counterproductive despite good intentions. Barriers can be placed on access to education and limit higher education institutions’ opportunities to service the mid-career individuals who want access to improve their skills. Policies are often focused on the youth entering higher education and they are given priority over mid-career individuals when funding is limited.[[2]](#endnote-2)

**High Share of Older Students in Iceland**

In Iceland, a small but a high-income country, the higher education system has expanded considerably in the last two decades. In 1997 the share of the population enrolled in higher education institutions was at 3,0%. This share peaked at 6,2% in 2013 but has since levelled off and was at 5,3% in 2017 with the student population also declining by 10% from its peak. Special efforts were made to increase the number of students in the aftermath of the banking crisis in 2008. This increased enrollment in higher education has been helped by older students. In 1997 the share of students 29 years and older was at 26% but at 39% in 2017 and the absolute student numbers for the older group rose by 230% whereas the increase in the younger group was 83%.

The large share of older students can to some extent as in Teachers’ Education be explained by government policy to upgrade the education of teachers. In all years since 2000 there have been more students 29 years and older enrolled in Teachers´ Education than the younger group. But in other areas like Social Sciences, Business and Law the share of students 29 years and older has consistently been above 40%. It must be concluded that the Icelandic higher education system has been quite open for older students and that this has led to a considerable upgrading of education in Iceland in the last two decades.[[3]](#endnote-3)

This development is very well in line with the changes in our societies in recent decades and changes that we can expect in the foreseeable future. Individuals entering the labor market now can expect to change jobs several times in their career and be prepared to create their own job at some point. Public policy makers and industry leaders are interested in forecasting the trends in employment. They want to be aware of which jobs will be disappearing and which jobs are being created. The Fourth Industrial Revolution is the latest conceptualization of the changes of our times and this topic has got wide attention in recent years.

**Labor Market Disruptions**

The Icelandic government issued a special report in February 2019 on Iceland and the Fourth industrial revolution were it is predicted that 28% of all jobs will very likely be greatly affected or eliminated due to automation, that 58% of jobs will be considerably affected but only 14% of jobs will face a minimal impact. For those with only primary education or less it is predicted that half of all jobs will be greatly affected or eliminated and 45% considerably affected. Individuals with higher education degree will likely be less affected. The prediction is that only 6% will be greatly affected or eliminated but 65% considerably affected.

It is concluded that the education system and science activity will have a key role in competence building where both technical skills and transversal skills are important. It is pointed out that only 16% of Icelandic higher education graduates are educated in STEM disciplines which is quite low in international comparison.[[4]](#endnote-4)

The World Economic Forum provides a valuable discussion of these issues in their Future of Jobs Report – 2018 where it is predicted that 54% of all employees will need significant re- and upskilling by 2022. Technical skills will be in high demand, technology design and programming, but so are also transversal skills like analytical thinking, innovation, active learning and learning strategies. Also mentioned as important are skills like creativity, originality, initiative, critical thinking, persuasion, negotiation, attention to detail, resilience and flexibility not to forget emotional intelligence, leadership, social influence and service orientation. [[5]](#endnote-5)

**New Solutions, New Problems**

From the beginning of the industrial revolution more than 250 years ago people have debated the consequences and the desirability and of the changes (or progress) on the labor market and most other aspects of human lives. This debate is as lively today as it has always been, and many are afraid and feel threatened by undesired disruptions in our societies. Concerns about growing inequality are often heard. Still there is no denying that the progress has been real and living standards and the various measures of wellbeing and welfare have with minor setbacks been rising drastically in the last two and a half centuries.

As employment has been disrupted by the disappearance of jobs, new jobs have been created that have proven to be overall more valuable than the old jobs. Some individuals have lost out in this process as their skills have become obsolete, their areas or industries not surviving increased competition or other challenges. But more individuals have gained by developing their skills for new industries and new jobs. In short. New solutions always create new problems that are solved by new jobs.

The conclusion of the World Bank´s Development Report 2019, The Changing Nature of Work, is that the number of jobs is increasing along with advances in technology and living standards have been rising. The report discusses the need for investment in human capital and how the new technology calls for changing skills and new business models. A human capital index for member countries is presented with a score between 0 and 1 which depends on the productivity of the next generation of workers relative to the benchmark of complete education and full health. (Singapore tops this list. Iceland is number 33). The reports discusses how higher education increases demand for lifelong learning because workers are expected to have multiple careers, not just multiple jobs, and how the ability of the higher education institutions to deliver this demand in addition to higher-order general cognitive skills and serve as a platform for innovation will define the relevance of higher education institutions in the future. It is also said that skills acquisition is a continuum not a finite, unchangeable path.

For most of economic history people have not been so mobile between occupations or industries. And well into the last century it was common for employers and unions to take pride in lifetime employment. This is not so anymore. Another phenomenon of modern times is the gig economy where employment is short term based and people often work as independent individual contractors. Entertainment, art, media and other creative industries in general are for example natural parts of the gig economy since so many projects have a natural beginning and an end in these industries. The same applies for the growing tourism sector where many types of services have similar characteristics.

**Why is Education Lifestyle?**

This leads to the discussion of education as lifestyle. What should a rational individual do in this new world? Does it make sense to wait and see what happens? Does it make sense to stay in a company or industry or an area that is losing out? A rational individual would be expected to try to be a step ahead. Take the initiative to move or change jobs before getting laid off or facing distress or bankruptcy. Often this is easier said than done because families or assets are not mobile, and all kinds of debts and obligations are in the way.

More and more individual can though be expected to want to be a step ahead and try to manage the inevitable changes in their lives while there is a real opportunity to do so. Higher education institutions will be particularly affected since they are key players in educating individuals with many of the skills needed in a modern economy.

There are many ways for individuals to acquire new skills or upgrade themselves. The workplace is normally the most important place to learn if the dynamics are right. The experience that individuals get in solving real problems in real situations is very effective and if the workplace is successful and advancing and paying attention to training and investing in its human resources it is difficult to beat. Job experience is also quite valuable in new workplaces. But it is also important to see things from the outside and it is possible to seek knowledge by reading, surfing the internet, attending seminars and conferences, taking formal university level courses, mingling with colleagues of other workplaces or travelling to new places or countries.

Higher education institutions are important knowledge centers and the logical way to go for many individuals that want to be in control of or a step ahead in their careers. As the level of education is generally increasing in our societies with high shares of our populations with a higher education degree, there is a good reason to expect ever increasing demand from mature mid-career individuals for further studies in higher education institutions. Individuals with Bachelor´s degree will seek a Master´s degree after several years on the labor market. Individuals with a Master´s degree will seek a Doctoral degree or another Master´s degree or an additional Diploma. There will even be individuals with a Ph.D. seeking a Bachelor´s degree in a new subject.

For many individuals, acquiring more and more education will be an important part of their lifestyle. They will want to come back to our higher education institutions even more than once or more than twice in their career. They will come back because this is the way they can upskill themselves and be the managers of their own careers.

It should also be noted that there will be demand from retired individuals for higher education even though that will most probably not be a game changer by any means. Many retired individuals want to do something meaningful or intellectually challenging and be active in the latter phases of their life. For some of them a higher education degree may have been a lifelong dream that can only come true in their retirement years.

**Public Funding Choices**

Public authorities will in their strategic planning for higher education be faced with considering the demand from mid-career individuals or people of all ages for that matter. The traditional role of higher education institutions is ever widening and a sole focus on educating youth with a final degree is less and less relevant.

The job of public authorities is not easy in this respect. Public authorities are expected to be concerned about the value of money spent on higher education. They are likely to want to be sure that the higher education institutions are performing in line with expectations. There will always be limited resources for public authorities and financial support to higher education is competing with all the other public expenditures for attention.

There are various models in place for the financial support of higher education institutions and their students like performance-based funding, block grants and project-based funding. There is also interaction between the support models and access to higher education. An example can be drawn from a Green Book of the Icelandic Ministry of Education that raises most of the basic questions that public authorities are faced with. It will be followed be a White Book where the strategy of the Ministry for the support of universities by the authorities will be presented.

The public financial support for Icelandic higher education institutions has basically been based on a performance-based model with a separate block grant contribution to academic research. Performance is defined as the number of full-time students with some weight on graduations. The authorities have for some years been studying funding models in neighboring countries and want to consider what other countries are doing when reviewing their own model. All higher education institutions in Iceland go through regular external quality reviews and public support to individual institutions will be at risk if they are not up to high quality standards.

The Icelandic higher education system has basically been open with access limitations only as exceptions in fields where education is relatively expensive. There have for example not been any age-related limitations to access. Individuals that fulfill basic requirements based on their previous level of education can get access to higher education institutions, but these requirements can though vary depending of the field of study which at the discretion of the institutions.

There are various questions raised in the Green Book which reflect the concerns of the education authorities. The main issues are the development of one-year undergraduate diplomas and other specific priorities, funding of research, distinction between research and applied universities, considerations of demand forecasts on the labor market, the age of students (the highest in Europe), graduation and dropout rates, the share of total funding based on a funding model and the variables used in the model, the number of cost categories in the funding model, distinction between undergraduate and graduate level education, a possible maximum number of full time students in the system, a possible single county wide registration system for new students, and a standardized test on the secondary level to evaluate applicants.

All these issued raised seem to be normal concerns of public authorities trying to do its best of get value for the money allocated to public support for higher education institutions. The need for dynamism, flexibility and adaptability of higher education institutions in the foreseeable future does not make the job easier for public authorities that are understandably more at ease with stable, predictable and measurable activities.

**Policy Implications**

There are a few important policy implications that are worthy to mention in the light of this vision of education as lifestyle:

* There must be adequate funding of the higher education system in general. Institutions must have the financial means to invest in changes and face future challenges. This does not prohibit competition between institutions which is necessary, and no institution should be immune to failure.
* Higher education institutions must be open to individuals of all ages. There should not be any age-related preferences with respect to access. Age discrimination is a human rights issue. This does not prohibit special actions to encourage young or displaced individuals to get access to higher education.
* Higher education institutions must be open to individuals that have previously graduated with another equal or higher degree. There should not be any “once chance only” elements in the system. Individuals will need to be able to move sideways in the higher education system.
* Higher education institutions should allow students to study at their own pace within reasonable limits and funding models should not penalize for part time students. In general students should be able to be active on the labor market along with their studies. It is of value for society if students are working and paying taxes at the same time as they are benefitting from the funding of their institutions.
* Due considerations should be made to “the students know best” views when setting priorities in the higher education system. Employers’ surveys provide useful inputs as do expert opinions and the work of various organizations and institutions is very useful. But the students are also thinking about their future and investing in their education and they can´t all be wrong. Supply of educated individuals creates unforeseen opportunities for new industries and businesses that traditional forecasting models often miss.
* “Dropout” should be dropped out of our vocabulary when thinking about higher education. We should rather discuss “study breaks”. It can be perfectly rational for an individual to take a break from higher education studies if the investment is not deemed to be worth the effort. Individuals that leave school, enter the labor market, pay taxes, and come back to school when they found the right investment for themselves are quite valuable for our society. And from the point of view of higher education institutions, students can be looked at just taking “study breaks” of different lengths since they are expected to return several times in their lifetime.
* The education system should always be open for all individuals regardless of when they decide to take a “study break”. This should apply to the primary and secondary level education as well as higher education.

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2. See discussion in OECD (2017), In-Depth Analysis of the Labour Market Relevance and Outcomes of Higher Education Systems: Analytical Framework and Country Practices Report, Enhancing Higher Education System Performance [↑](#endnote-ref-2)
3. Data from Hagstofa Íslands (Statistics Iceland) <https://hagstofa.is/talnaefni/samfelag/menntun/haskolastig/> [↑](#endnote-ref-3)
4. See discussion in Ísland og fjórða iðnbyltingin (Iceland and the Fourth Industrial Revolution)

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5. See WEF(2018) WEF Future of Jobs 2018 [↑](#endnote-ref-5)