

# *XIV. International Scientific Conference on Human Capital and Investment in Education*

## *XIV. mezinárodní vědecká konference Lidský kapitál a investice do vzdělání*

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The 14<sup>th</sup> year of the International Scientific Conference was held on 15 and 16 September 2011 in Prague. The conference was attended by 62 experts from the Czech Republic, Canada, Poland, Slovenia and the United Kingdom, and 26 papers were presented there. The discussion took place in English, and one of its objectives was a significant extension of the international cooperation on topics associated with the fairly demanding focus of the conference. This is also why an informal working session was scheduled for the first day. Its objective was to establish or extend a long-term international cooperation, as well as to focus attention on key moments of the conference's content focus for the maximum of knowledge to be utilised during the discussion on the keynote session day.

The opening paper by B. Šenkýřová (Rector, University of Finance and Administration, the Czech Republic), entitled "*Human Capital and Developing Skills*", was concerned with the importance of the concept of university as a learning organisation, which can successfully compete with others on the basis of how the organisation as a whole as well as each individual operating there utilises the level achieved and learns to understand more comprehensively what is happening. The follow-up paper by P. Budinský (University of Finance and Administration, the Czech Republic), entitled "*Human Capital and Investment in Education – Analysis of 13 Years Theory Development, Opportunities and Barriers in Practice*", presented the University of Finance and Administration as a learning organisation amidst the development of the concept of conferences with the topic of human capital and investment in education, regularly held since 1998. It demonstrated in detail how the concept of the 14th year of the event grew out of knowledge acquired over the previous years. M. Kopicová (Former Minister of Education, Director of the National Training Fund and Vice-Chair of the Council for Research, Development and Innovation, the Czech Republic), in her paper entitled "**Education – Research – Innovation. How Not to Lose Dynamics of Past Decades**", showed and, using statistical data, documented the deterioration of the Czech Republic's competitiveness because of the country's poor focus on the formation of innovation potential. This unfavourable trend will be impossible to reverse unless the Czech Republic accomplishes its transition from the investment-driven economy to the economy driven by innovation, with such transition being one of the main objectives of research & development and higher education reforms, which have decelerated recently. An international team, composed of P. Matějů (the Czech Republic), H. Vossensteyn (the Netherlands), Tomáš Konečný (the Czech Republic) and S. Weidnerová (the Czech Republic), in its extensive paper entitled "*Student Financing, Opportunity Growth, and Equity in Access to Higher Education (A Czech-Dutch Comparative Study of Student Support Systems and their Effects on the Development of Inequity in Access to Higher Education)*", demonstrated that systematically introduced tuitions at higher education institutions, complete

with efficient financial aid systems for students, make high-quality education accessible to anyone, including students from socially disadvantaged families. A very detailed sociological analysis documented the above proposition by a comparison between the Czech Republic and the Netherlands. S. Barber and C. Oldfield (both from the UK) presented a paper on the societal context of acquiring and using human capital, entitled *"Amateur from Professional, Big Society from Stakeholder: Cameron's Austerity Britain and New Limitations of the State"*, which presented the above aspects of view of the developments in the United Kingdom over the recent decades in terms of the development of the relationship between professional state administration and civil society. The address by A. Aristovnik (Slovenia), entitled *"Relative Efficiency of Public Education and R&D Expenditures in the New EU Member States: Inter-Country Non-Parametric Approach"*, provided a clearly arranged presentation of the original data acquired from the comparative analysis of new EU Member States (and Croatia) in respect of education and research. In his paper entitled *"Education or (and) Professional Training"*, V. Čechák (the Czech Republic) paid critical attention to certain topical issues of the higher education reform in the Czech Republic. The address by H. Heissler and P. Wawrosz (both from the Czech Republic), entitled *"Causes of Barriers in Investing into Human Capital"*, raised the issue of the conflict of interests among various societal stakeholders in acquiring and using human capital and the impact of those conflicts on the preparation and implementation of reforms in the area concerned. In this context, it pointed out the possible application of the game theory in the relevant area. T. Dyczkowski (Poland), in his paper entitled *"Monitoring Impact and Performance of Non-Governmental Organisations. The Study on Polish Non-Profits Operating in Education and Health Care Sectors"*, presented data that highlighted the role of the non-profit non-governmental sector in providing educational and healthcare services. The address by P. Pevcina (Slovenia), entitled *"Associational Life and Civic Community in the International Context"*, took up the threads of the papers by S. Barber and C. Oldfield as well as the paper by T. Dyczkowski, and substantiated the importance of the increasing role of civil society in areas such as education and healthcare.

Further program took place in sections **Reforms in the Sectors that Generate and Maintain Human Capital, Role of Education in Society, Methods of Analysing Conflicts while Implementing the Reforms of Social Investment and Social Insurance Systems**. The discussion in the section about the methods of analysing conflicts while implementing reforms was very lively. It has been proven that plenty of various theoretical approaches exist but there are still significant differences between how theory views the reality of reforms and what actually happens. The discussions in all sections have indicated that the differences in the approaches to the social investment and social insurance reforms are due not only to the different situations in individual countries (with these differences not being huge as concerns major problems) but also (and probably most of all) due to the different traditions associated with the development of theoretical tools, their use in analysing the societal reality and the possibilities of applying the results of this analysis to practice. That said, both the development of theory and the use of international cooperation in respect of theory may be highly relevant. In spite of the significant differences in the approaches to the issues brought onto the agenda in the concept of the conference, the discussion led to the formulation of the following conclusions:

1. As far as theory is concerned, the expression “social investment and social insurance systems”<sup>1</sup> is legitimate, reflects the mutual interconnection of the education, health-care and pension insurance systems, is associated with lifecycle issues, and shows an increasing production role (intermediated by human capital and social capital) of the social system in relation to the economic one.
2. The reform process in respect of social investment and social insurance systems is inherently associated with the existing development stage of the society, has similar features in all countries involved, is not a single change but, instead, is going to take place for a longer period of time, during which various corrections, conflicts and potential reversals will occur.
3. Education and investment in human capital will have the key and increasingly important roles in the process of the reforms of social investment and social insurance systems.
4. While implementing the reforms in the above areas, the individual countries are confronted not only with conflicts of interests between various interest groups but also with attempts at misusing the reforms for the benefit of private lobbies – this is where science should tackle an important task of developing and using appropriate instruments to conduct a theoretical analysis of this issue.
5. The non-profit sector and the civil society have an important role in acquiring and maintaining human capital by providing education and healthcare services; in a way, their mission contrasts with how the role of various lobbies is being promoted through the state administration even in education and healthcare.
6. The problems during the preparation and implementation of reforms of social investment and social insurance systems are very similar, in terms of their main features, in individual countries, and this opens up the possibilities for international cooperation in tackling those problems at the theoretical level, including the reflection of the application of the theoretical outcomes to practice.
7. Various forms of institutional and financial support are highly important for international cooperation, including those which allow for the involvement of students into scientific and research activities.

The conclusions of the discussion at the 14th year of the conference constitute the basis for the preparations of the 15th year of the event, to be held in the same or only slightly modified format on September 2012. The content and topics of the conference will be largely consistent with items 1-7 of the conclusions, including the addition of a section about the forms of institutional and financial support, making it possible to extend the international cooperation in the area concerned (such as the use of the ERASMUS programme in the involvement of students into international scientific cooperation in keeping with the harmonisation of teaching).

The real life in various countries is likely to produce enough evidence that the time relevance of the topics traditionally discussed at the Human Capital and Investment in Education conferences and gradually made more specific at those conferences, in line with the development of knowledge as well as societal events, has been growing and becoming a challenge for social science, which has to respond to that challenge.

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1 The term “social” has multiple meanings. In the context of using the expression “social investment and social insurance”, it means the area which is the subject of investment and insurance.

Comments on item 4 of the conclusions were raised during the conference discussion as to whether such proposition is not too strong or exaggerated. Absolutely independently of the knowledge included in the **theoretical** analysis of the current developments, using instruments presented at the conference, the same views were also arrived at in the Annual Report of the Security Information Service of the Czech Republic (BIS) for 2010 (<http://www.bis.cz/n/2011-09-07-vyrocní-zprava-2010.html>), which, in section 1.2 Protection of Major Economic Interests, Administration of Public Assets, states: *“Certain private entities successfully influenced the legislative process. Lobby pressures targeted the legislation that addressed the regulation of gambling and power industry. Strong interest groups were able to enforce their objectives at all levels of the legislation creation process.”* That said, the situation in the Czech Republic is serious, indeed. Maybe this is why favourable conditions exist, just at present and not coincidentally in the Czech Republic, for a positive progress in the area brought into the agenda by the concept of the conference as concerns the scientific reflection of events in society, with such progress also being applicable on the international scale.

More detailed information can be downloaded from [www.vfsfs.cz/humancapital](http://www.vfsfs.cz/humancapital).

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