

***Skills Activism – what does it mean, what will it do, how and for whom?***

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# **‘Skills Activism’ – Nice Buzzphrase, But What Does It Mean?**

*“In reforming the training system we will ensure that it meets tomorrow’s as well as today’s skill needs. As new and established businesses grow to meet the opportunities in the new economy, we will ensure they are able to get the skilled workers they need in the right place at the right time” – DBIS*

**So what’s really new here? This has been the objective of skills policy for the last 25 years plus!**

# As Broad As It Wide As It Is Deep?

1. Collect and deploy LMI in key sectors\*
2. Ensure E&T system has capacity and £s to support development in areas of strategic importance to economy\*
3. New qualifications developed faster\*
4. Strengthened employer 'voice'\*
5. Further integrate skills and employment policies\*
6. Incentivising universities to respond to new areas of demand
7. Ensuring public procurement, regulators and regulation all support raising skill levels.

\* = existing line of policy or practice continued

# Skills Activism – Different Strands, Interpretations and Priorities

- Skills Activism as the counterpoint to Industrial Activism, bound up with forecasting skill needs for the industries and jobs of the future, and adjusting skills supply and resources to meet this (see *Skills for Growth*, white paper on HE, and guidance to RDAs on work with SFA).
- Traditional multi-level skills forecasting and planning by another name.
- Broader vision centred on providing better information to all players in the employment and skills world (employers, individuals, agencies, E&T providers) so that they can make better informed decisions.

# The Structure of What Follows

‘Skills Activism’ as a wrap-around brand for bulk of skills policy means the topic is vast. Focus here on:

1. Planning for new skills for new jobs
2. Some broader issues about where some strands of Skills Activism might take you, and some choices that may need to be made.

# The Skills of the Future for the Jobs of the Future

## Two key new elements in Government's model of Skills Activism:

1. Focus on new skills for new industries, technologies and occupations that will 're-balance' the UK economy and drive our international competitiveness.
2. LMI will be used to decide where resources will be withdrawn from lower value E&T provision and directed towards E&T courses and providers that produce superior outcomes (however defined).

# The New Sectors/Technologies

- Printable electronics
- Composites (not new)
- Low-Carbon/Green/renewable energy
- Bioscience/biotechnology (not all that new)
- Advanced manufacturing
- Low carbon vehicles
- Digital and creative industries (also not new)
  
- Higher education?

# Before We Get Carried Away.....

- In the short to medium term, what is the likely scale of employment growth in each (and all) of these sectors?
- How will it be distributed across UK nations and regions (i.e. in some regions will some of these new sectors emerge at all)?

# High Tech Industries

- Generally produce large economic/export outcomes, BUT.....
- Employ relatively small numbers of workers (Crouch, Finegold and Sako, 1999 – *Are Skills the Answer?*)

# Some Figures

- Walmart worldwide – 1,000,000
- Microsoft worldwide – 30,000
- UK life sciences sector (biotech, pharmaceuticals, medical research, medical technology) – 120,000
- J. Sainsbury – 150,000

# New Sectors, Same Old Jobs?

In companies in new sectors, a proportion of jobs will demand old/established skill sets:

- Secretaries/PAs
- Administration
- Purchasing and Supply
- Accountancy and Finance
- Logistics
- Warehousing
- HRM
- Marketing
- IT

The number of jobs requiring new skills will be smaller than overall employment in new sectors.

# Some Broader Issues

Skills Activism does not get rid of a number of tensions in how policy is structured and delivered:

1. Need v. government targets
2. Planning v. market responses
3. Skills foresight at what level(s)
4. Who pays for skills?
5. Re-allocating resources
6. Reconciling different demands

# Need versus Targets

- *Skills for Growth* announced new target (75% of 18-30 cohort through HE or L3/4 ‘apprenticeship’), plus creation of a new “technician class”.
- What evidence is there for a high demand for technician skills at Levels 3 & 4? If demand is not there, will target over-ride forecasts of demand?

# Planning versus Markets

- How much formalised planning is needed?
- In the past, who has acted on plans and predictions?
- Who uses LMI and how?
- Could institutions (colleges and HEIs) and employers be left, via the labour market, to sort out what is needed ?
- What is the best role for RDAs and the SFA?

**DISCUSS!**

# Foresight at What Level(s)?

- What levels of skill are we talking about? PhD and above for R&D in new sectors? The number of providers will be very small.
- RDAs have new lead role, but in many regions few or none of new sectors may figure. In HE providers may be 2-3 institutions UK-wide.
- How will UKCES National Skills Audit, the 4 UK national governments plans and targets, RDA, SSC and other actors plans/forecasts mesh together?

# Who Pays for New Skills?

- Public funding is going to be very tight.
- Tucked away in the policy documents are references to employers co-funding more provision (including HE courses). Does 'more employer voice' mean employers will get what they PAY for?
- Will they pay? Experience from T2G suggests employers are not keen to co-fund Level 3 provision. What happens if they don't?

# Re-allocating Public Funding

**Shifting £s in FE and HE from lower outcome provision to higher outcome (hi tech industry provision) sounds good and easy, BUT.....**

1. All provision is going to be under unit of resource cut pressure!
2. Much lower outcome provision (measured by subsequent wages) is social inclusion/disadvantaged background provision.
3. If we axe low wage outcome provision there will be no care workers, classroom assistants or retail and catering training!

# Reconciling Competing Demands

1. Individual student choice (of both courses and subsequent employment) with employer need (e.g. STEM subjects)
2. Short and long term needs
3. 1 and 2 with government targets
4. 1, 2 and 3 with RDA ambition and resources

**Does the UKCES model of better information to support more effective decision making solve this?**

# Final Thought

We could tick all the boxes within the most expansive definition of Skills Activism, thereby boosting our supply of skill and better matching it to emerging patterns of demand, but underlying levels of demand for skill and how skills get used in the workplace could still be huge problems – see UKCES's *Ambition 2020*.