



The Future is Coming: Ready or Not?

A skills system for 21st Century
Scotland

IPPR Scotland, Russell Gunson, February 2019

IPPR Scotland

- Dedicated to researching public policy solutions across the full range of social policy
- Progressive think tank – economic growth and social justice
- Three years old in Scotland, 30 years old across the UK
- Independent, non-profit with charitable status
- Cross-party
- Neutral on the constitution

The largest think tank in Scotland and across the UK.

IPPR Scotland

Influential reports on:

- Income tax and devolved taxes
- Public finances and austerity
- Child poverty and inequality
- Schools, governance and attainment
- Fair access and widening participation
- The economy
- The future world of work
- The skills and post-16 education system

What am I going to talk through?

Our recent research project looking at how we prepare for the future Scotland faces, particularly from the point of view of skills.

1. What did we do? – the project itself
2. What did we find? – the opportunities and challenges facing Scotland
3. What needs to change and what needs to stay the same?
4. Key themes

Skills system is post-16 education, training and learning.

What did we do?

Research project:

- Comparison between Northern Ireland and Scotland
- Three stages – challenges, success, recommendations
- Desk-based review
- Qualitative work with the skills system in Scotland (and NI), those around it and politicians
- Quantitative work

Outputs:

- Equipping Scotland for the Future (2017)
- The skills system in Northern Ireland: Challenges and opportunities (2018)
- Preparing for automation and ageing (2018)
- The Future is Coming: Ready or Not? (2018)

What did we find?

Economic inequalities

- Career progression, pay and productivity poor
- Youth employment good, but insecure work prevalent
- Economic inactivity significant – particularly for women

Ageing

- We move from 29 to 36 pensioners per 100 workers by 2040
- Equivalent of 860k people 'missing' from working population by 2040

Automation (tech change, fourth industrial revolution)

- 46% of jobs have high potential for change through automation
- Only 5% of jobs currently fully automatable – However, 60% of jobs have over third of tasks that are automatable

What needs to change and what needs to stay the same?

Good foundations:

- Highly educated (qualified) population
- Strong college and university sectors, and a protected apprenticeships route
- Recent reforms point in the right direction:
 - Curriculum for Excellence (though implementation?)
 - Wood Commission – Foundation/Graduate apprenticeships
 - College mergers and outcome agreements
 - Learner Journey Review
 - Strategic Board's new plan (though further detail needed)
 - Attainment gap, fair access, child poverty, inclusive growth

But...

The Future is Coming: Ready or Not?

What needs to change and what needs to stay the same?

Weaknesses to address:

- A focus on young
- Inflexible provision
- Public and private investment static or dropping
- Employer engagement weak (particularly SMEs)
- Demand and supply not well matched

And more generally:

- Big gap between decision and delivery in Scotland
- Are we making choices and choosing priorities?
- Are we matching the scale of the challenge with a similar scale of ambition?

Key recommendations:

1. A new **Committee on the Future Economy** in Scotland, based on the Singapore CoFE established in 2016
2. A new compulsory **skills participation age of 18**, to replace the current school leaving age of 16
3. An ambition to see **every young person under 21 engaged in education or training**, whether in the workplace or the classroom
4. A target to see an **additional 100,000 learners over-21** engaged in the skills system each year by 2025
5. A new **lifelong learning Technical Education (TE) route**, based on the principle of 'nano learning' – on SCQF

Key recommendations:

6. A new **£250 million per year Productivity Credit**, replacing the Small Business Bonus
7. An **Enhanced Individual Training Account**, a learning account worth £1000 per year, to fund training for 30,000 workers each year
8. A new **'smart' Information Advice and Guidance service**
9. A new **Displacement Training Service** in Scotland

The Future is Coming: Ready or Not?

Key themes

- If last economic recovery was about getting people back into work, this one must be about getting people into higher quality work.
- Skills investment and reform one of the single most important ways to prepare and respond to the disruptions we face.
- If the last 30 years have been rightly about expanding higher education, then the next 30 years will need to be about expanding and reforming lifelong learning.
- The costs of transition, just in terms of skills investment, will be large and should be shared by employers and public funding.
- We need to make choices, choose priorities and raise our collective ambition to match the scale of the change we face.