

THE BEST ADDERS OF OPPORTUNITY GOVERNMENT SKILLS INITIATIVES IN THE UNITED KINGDOM

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Abstract. The focus of this paper is United Kingdom (UK) government initiatives over the last thirty years, or so, which have been designed to both up-skill the workforce and to improve the country's international competitive position. It also considers the impact which these educational interventions have had on the economic and human capital of the various stakeholders including the government, employers and learners. It comes to the conclusion that, whilst some progress has been made in developing the human capital and the economic capital of the stakeholders these interventions have not significantly improved the United Kingdom's global competitive position. The paper also points to the current political uncertainty in that country.

Keywords: human capital, economic capital, government initiatives, globalisation

Introduction

This paper considers UK government initiatives over the last thirty, or so, years which have been designed to both up-skill the workforce and to improve the UK's global competitive position. Its title is a quotation from a speech given by, the then UK education secretary, Ruth Kelly to the Association of Colleges conference in Birmingham on November 16, 2005. In that speech she suggested that

‘the economic imperative of education, training and skills is clear and real...For most people, the best ladders of opportunity we can give them are the skills and qualifications to get a decently paid, sustainable, rewarding job.’ (The Guardian 16 /11/2005).

The driving force for her was globalisation, with markets and products becoming global rather than national. Information and knowledge are increasingly important, it has been suggested that 70% of workers, in developed countries, are knowledge workers.

A variety of UK educational initiatives are identified together with the pressures, both nationally and globally, which led to their creation and implementation by successive governments. Their outcomes will also be addressed in terms of the economic and human capital of the various stakeholders including the government, employers and learners. Economic capital relates to economic resources such as cash. It consists not just of monetary income but also of accumulated wealth and the ownership of productive assets. Economic capital involves investment in resources, such as labour, to produce economic profit. Human capital involves investment in education, or training, for the production of skills and knowledge.

This paper will identify UK government strategies and initiatives and evaluate their outcomes in improving the nation's international competitiveness. The current global economic context is one of intense competition; new

national economies have emerged to challenge and overtake those which have dominated world trade since the end of the Second World War.

‘Today’s world of work (in the United Kingdom) is unrecognisable from the workplace of only a few years ago’ (Manpower, 2006). Changes in the world of work have been brought about by a number of factors including advances in communications, the introduction of flexible working arrangements, and greater diversity in the workplace together with the restructuring of working arrangements through both outsourcing and the transfer of work processes to other countries. There is an emerging economic structure which is both global and information driven, where economic success is increasingly reliant on the effective use of assets such as knowledge, skills and the ability to innovate. Employers now need people who have the right skills and a workforce that sufficiently is flexible to allow them to compete in a globalised economy and to maintain their human capital. As a result of which there is a perceived need for a more highly trained and educated workforce to meet the requirements of the economy in the competitive, globalised and highly technological market of the early twenty first century (Morgan-Klein & Osborne, 2007).

At the same time the structures of employment have changed and learning opportunities for employees have been under pressure to have relevance to the needs of employers to ensure the organisation’s economic competitiveness and its human capital. Life long careers in one organisation are gone. During their working lives people will have to change organisations and maybe even careers in order to preserve their economic capital. Employees in the twenty first century have to be prepared to move, change and develop as employment opportunities change in order to maintain and develop their economic capital. Organisational downsizing has become ‘one of the inevitable outcomes of living in a global economy where organisations are required to make continual adjustments in strategies and the cost of labour in order to re-

main competitive,' and to manage their human and economic capital (Carbery & Garavan, 2005). The UK government has launched a series of initiatives to attempt to address the educational and training needs which have emerged.

The strength of the UK economy has fluctuated in line with changes in global economic structures. Consequently, the structures of employment have changed in response to new working patterns of employment and international competition. Give examples, a need has also been generated for continuous updating to respond to the higher skills, which the workforce is now required to have. The focus on lifelong learning by governments is reflected in the alignment of lifelong learning with changes in the economy and workplace, the need to invest in human capital to ensure economic competitiveness in conditions of increasingly globalised capitalism (Edwards, 2001).

The European Commission and national governments' policy statement, in relation to lifelong learning, are 'couched almost universally in terms of ensuring greater economic competitiveness,' Osborne & Oberski (2004). There is now a demand for learning opportunities to be relevant to the needs of the economy to ensure economic competitiveness, at an organisational and national level. There is now greater pressure on workers to expand, and increase, both their skills and knowledge.

Background

The UK, in common with many advanced nations, is now a post industrial society. This post modern economy is associated with such contemporary trends such as the growth of service-sector employment, 'post' industrial social formations and post Fordist models of production, work organisation and management. In the last twenty, to thirty, years there have been vast changes in the structure of employment within Britain. This was pre-empted to some extent, by the decline within the manufacturing base of the UK in the late 1970's and the beginning of the 1980's, with the growth in the service

sector compensating employment levels. A mass production economy did not need a well educated mass of workers, high levels of human capital, but the 'new high performance-organisations—with flatter hierarchies and team working depend upon a high level of skill and creativity throughout their workforce' (Commission on Social Justice, 1991, p.185). Projections of both work trends and the nature of employment in the twenty first century suggest that the majority of new job opportunities will be in knowledge based work, which include a range of service based activities.

The term 'knowledge economy' is used to describe this emerging economic structure which represents a departure from the economics of the twentieth century industrial era. Organisations which compete in a knowledge economy have to be able to manage, and change, to survive in an environment which is almost constantly changing. The driving forces behind this change fall into several categories. They include the globalisation of markets and products, due to national and international deregulation, the increasing availability of information and communications technologies, increased networking and connectivity by way of the internet and the intensification of economic activities, which have been enabled by the growth of information technologies, products and services. Walczak (2005) argued that the international worldwide economy has evolved from an industrial manufacturing, or product, orientated economy to one which is based on knowledge and services, where the principle commodity is knowledge, or information.

Government initiatives

In common with other developed economies the UK has advocated the creation of a high skilled, high waged economy by upgrading the skills of its workforce to increase human capital. The response by governments, in the advanced states, to global changes have been, in the main, to retain central

control over the curricula, and certification of skills together with a move to manage educational achievement, or outputs, through target setting. Their motivations being to address demographic changes, economic development, and in some cases social justice. In this way they have sought to maintain control over education and, potentially, their competitive position in a global economy. Skills development, improving both the work related skills of the workforce and their basic numeracy and literacy skills, has been a major objective for governments in both developing and advanced nations. In the developing nations, they are seen as the key condition for economic development. For the advanced nations, education is seen as one of the principal means for maintaining high standards of living in the face of global competition, most notably from the developing countries. The Overseas Development Institute (2005) saw good quality and appropriate education as one of ‘the main drivers of competitiveness and successful participation in the globalisation process.’ Indeed Chapman & Aspin (1997) took the view that in many countries governments are concerned not only to increase their economic potential but also to make their political and social arrangements more equitable and inclusive, ‘to offer a greater range of avenues for self-improvement and personal development to all their citizens.’ In the interplay of all these three the welfare of all their citizens can best be secured and extended by increasing their human capital.

Department for innovation, universities and skills

On 28 June 2007 the UK Government created a new Department for Innovation, Universities and Skills (DIUS). The goal of this department was to deliver the Government’s espoused long-term vision which was to make the country a world leading nation for science, research and innovation. Its aim was to ensure that the UK will have the skilled workforce it needs to compete in the global economy and to develop the nation’s human capital. The Secre-

tary of State for Children, Schools and Families told Parliament that ‘our task in the next decade is for our education system to become world class,’ The Daily Telegraph (11/07/2007).

Only twenty three months after its formation the department was merged with the Department for Business, Enterprise and Regulatory Reform to form the Department for Business, Innovation and Skills. ‘Ministers have made it clear what they think about lifelong ...it is excellent – so long as it means you can do your job better,’ Times Higher Education (11/6/2009) Roger Brown, Professor of higher education policy, ‘‘This is not good news for all those who feel that policy on higher education is already drive too much by the presumed needs of business and the economy,’ Times Higher Education (11/6/2009). It is believed that the set up costs for the now defunct department were in the region of £7 million.

The demise of DIUS was the latest of many UK government initiatives to up-skill the workforce and to improve the country’s economic competitiveness. On 5th February 1971 the then Minister of Education, Margaret Thatcher, attended the designation service for Coventry Polytechnic, in her speech she held that the establishment of polytechnics would introduce a new dimension into higher education. Polytechnics, would, Mrs Thatcher claimed, never become universities and would improve links with industry and commerce, by way of block release which effectively linked study, training, industrial life and sponsored research and in this way they would contribute to both economic and human capital of all their stakeholders.

During the years between 1971 and 2007 there have been a variety of government initiatives which had been intended to improve the level of skills in the workforce. By 1989 little progress appeared to have been made in up-skilling the workforce. Gavyn Davies, Chief UK Economist at Goldman Sachs at that time, was quoted as saying ‘a modern developed economy can only prosper if it has a labour force with skills and education to compete with the

best. Ours patently has not, *The Guardian* (16/6/1989). Moving forward fifteen years the same problems were still being identified. Gordon Brown (2004), the British Chancellor of the Exchequer at the time, stated that ‘if we are to succeed in a world where off-shoring can be an opportunity...our mission (is) to make the British people the best educated, most skilled, best trained in the world.’ The Leitch report (2006) summarised the position that time in this way ‘our nation’s skills are not world class and we run the risk that this will undermine the UK’s long term prosperity.’

Government training and up-skilling initiatives since 1980

In 1982 the UK government announced the Technical and Vocational Education Initiative (TVEI) which ran for over ten years. Its aims were to focus on and improve technical and vocational education for fourteen-eighteen year olds in schools and colleges, these included both planned work experience and full-time programmes which were to combine general and technical and vocational education. In 1986 the National Council for Vocational Qualifications was set up. This reflected the then government’s perception of the low level of work based skills, of human capital. These qualifications (NVQs) were based on occupational standards of competence which were developed, endorsed by employers and were assessed in the workplace or in workplace conditions, and contributed to the human capital of employers. In 1994 Ernst and Young found that in some sectors NVQs were not well established and that in others employers still needed to be convinced of their value to their organisation.

The Management Charter Initiative (MCI), launched in November 1987, was developed in an attempt to ensure that there were comprehensive standards for management training. The MCI sought, and still seeks, to describe and to promote common practice in management training and development by generating standards for management education and learning. These

are still recognised as a benchmark in the UK for many management qualifications. They represented a key lever in the government's attempt at producing a skills revolution in training and development, and contributed to the development of both economic and human capital for both employees and employers. In a survey of sixty one managers, who were employed in organisations which were participating in the MCI standards at that time, Reynolds & Ablett (1998) found that the most commonly cited benefits of the standards were gaining national qualifications, 89%, and improving the ability to implement changes, 76%. Thus they contributed to both economic and human capital.

In 1990, Investors in People was established as a voluntary system to encourage employers to invest in skills, or human capital, Reynolds & Ablett (1998) argued that it was intended to be a national standard, or benchmark, for the quality of training and development in organizations and was launched against a background of growing concern about a potential shortage of skills together with the need for better vocational education, and training, to improve business performance human and economic capital. In their survey of sixty organisations, which was referred to earlier in the previous paragraph, they found that the most frequently anticipated organisational benefits included improved motivation, 95%, improved employee awareness of business objectives, 95%, and a closer link between training and business goals, 80%. The benefits of using the Investors in People framework, as listed by the Cabinet Office (1999), included 'empowerment, planning and innovation' (McAdam et al, 2002).

In 1991 the UK government issued a White Paper 'Education and Training for the 21st Century' which introduced a national framework of qualifications for sixteen to eighteen year olds. In the preface to that paper Tony Blair, the prime minister at that time, wrote that 'education is the best economic policy we have' (DfEE, 1998). This national framework included

NVQs, GNVQs and 'A' levels. Responsibility for the less, or non-academic awards, NVQs and GNVQs, was transferred from the control of the local authorities to corporate bodies in 1993. Also in 1993 Modern Apprenticeships were introduced in Richardson (1998) opinion 'aiming at high quality provision and suggesting that able young learners with an orientation toward the workplace needed more than NVQ programmes to stretch them' (p. 227). In 1995 Sir Geoffrey Holland, the retired Permanent Secretary of both the Employment and Education departments, took the view that the system of post compulsory education, from sixteen to nineteen years, was not meeting its aims and in fact was, for the most part, a mess. In September of that year a report by the World Economic Forum suggested that Britain had slipped from fourteenth to eighteenth in competitiveness, this was blamed on the level of education available and on the poor motivation to train people for new jobs Segal (1995).

The 1992 Further and Higher Education Act led to the creation of the Further Education Funding Council (FEFC), the Office for Standards in Education (OfSTED), the removal of further education (FE) colleges from Local Authority control and the granting of university status to the UK's polytechnics. The reader will recall that this was their unique selling point and that they were intended to provide an education which differed from that provided by the traditional universities.

In 2001, the FEFC and the TECs ended and the Learning and Skills Council (LSC) was created in their place. The LSC had the goal of planning, funding and securing the provision of post-sixteen education and training in The UK, excluding higher education, to help improve the UK's skills profile and human capital. In 2001, National Training Organisations (NTOs) were replaced by the Skills for Business Network comprising Sector Skills Councils (SSCs) and the Sector Skills Development Agency (SSDA). Sector Skills Councils, through Sector Skills Agreements, were to engage employers in the

design of qualifications and training as well as identifying, and working, to tackle skills shortages and gaps, and improve both human and economic capital.

In reviewing the UK Industry and Parliament Trust's Study Group on Employability's 'Survey on Employability,' 1996/7, Andrew Clarke, Study Officer, Industry and Parliament Trust, summarised the initial findings, which were based on a survey of forty Trust member companies, which together employed over one million people, holding that a need was identified for a workforce that can adapt, communicate and work well in a team, who welcome new ideas and expect the learning process to continue for life. The responsibility for the maintenance of competence and skills to ensure that staff remain employable, and can ensure their economic capital, in the wider job market was thought to be a shared one, between both employer and employee. The UK government whitepaper, 'Building the Knowledge Economy,' Department for Trade and Industry (1998), acknowledged these changes whilst identifying others. These included the unification of European markets, the increasing strength and numbers of global competitors, shorter product cycles and the generation of new science based industries.

In 1999, the Department for Education and Skills commissioned 'The Skills Force Employer Skills Survey,' which considered the extents, causes and implications of skills deficiencies. A significant number of employers reported that they were experiencing problems in filling vacancies due to skills shortages. Generic skills, which were identified, included basic computer literacy whilst general skills included communication, team working and problem solving. It was estimated, at that time, 1999, that almost two million employees in the UK were not fully proficient in their job due to perceived gaps in their skills.

In 2002, the UK government established the Sector Skills Development Agency, which was responsible for funding, supporting and monitoring

the network of Sector Skills Councils (SSCs). The SSCs had four key goals which were to reduce skills gaps and shortages, improve productivity, business and public service performance, increase opportunities to boost the skills and productivity of everyone in the sector's workforce and to improve learning supply including apprenticeships, higher education and National Occupational Standards. This was a real commitment from government departments to resolving issues which had been identified in relation to skills levels in the workforce, and to develop human capital.

By 2005 the problems of skills shortages and global economic competition had not been addressed. In her speech to the Association of Colleges conference in Birmingham on November 16, 2005 Ruth Kelly, the then Education Secretary held that 'we are twenty fourth the OECD league table in terms of the proportion of our young people who stay on in education at age seventeen.' At that time the UK were twenty first in the OECD in terms of the proportion of our adult workforce skilled to Level 2. National productivity was 25% lower than in the United States. As Ms Kelly suggested 'just catching up is hard enough. But at the same time others are racing ahead' (The Guardian, 16/11/2005).

In an OECD review of thirty countries, the UK were ranked fifteenth for the proportion of forty five to fifty four year-olds with upper secondary education, but only twenty second out of thirty for the proportion of our twenty five to thirty four year-olds skilled to the same level. Whilst South Korea improved their upper secondary qualification rate and human capitals by 40 percentage points in the same period.' A Learning and Skills Council report, 2006, argued that there is an urgent need for upgrading and re-skilling the workforce because in most occupations the necessary skill levels will increase, whilst the need for some skills will disappear. Demographically the UK workforce is ageing and the number of young people entering work will decline from 2010, leading to increased reliance on the existing workforce.

In 2007 the Department for Education and Skills confirmed plans to raise the school leaving age in The UK by 2013. It was stated that this will not mean that pupils have to stay in the classroom or continue with academic lessons but they will have to continue to receive training. The proposals seek to tackle the problem of young people leaving education without qualifications or workplace skills. Despite repeated efforts to tackle this problem the most recent statistics for The UK showed that 11% of sixteen to eighteen year olds are still outside education, training or work, they are therefore not developing their human or economic capital.

This measure is designed to address the problem which the UK is has experienced in relation to NEETs, young people who are not in employment or education, in the United Kingdom, the classification comprises people aged between sixteen and twenty four, some sixteen year olds are still of compulsory school age. Hursch (2007) held that the UK has the highest associations between social class and educational performance the OECD, and therefore gaps between human and economic capital. While the overall educational performance of the UK is in many respects not bad by international standards, international studies have shown two particular weaknesses among UK teenagers. One is that in relation to skills and knowledge, or human capital, the effect is much greater than in most other countries. The other is that a large minority of young people in the UK have negative experiences in their late teen. Reducing the proportion of sixteen to eighteen -year-olds not in education, employment or training is a priority for the UK government as being a NEET is a major predictor of later unemployment, low income, teenage motherhood, depression and poor physical health, of both human and economic capital.

Higher education

Since the 1980s the UK government has promoted participation in higher education as a strategic of economic development. Following the Dearing Report in 1997 the government set a 50 percent participation target with the aim of offering the opportunity of higher education to all who would benefit from it, and allow the to increase their human capital. Keep & Mayhew (2004) suggested that whilst the number of graduates increased the number of traditional graduate entry jobs have not. Indeed employers are now able to recruit graduates, with higher levels of human capital, which would previously have required lower level qualifications, thereby disadvantaging those who do not obtain a first degree. Research carried out as part of the Teaching and learning Research Programme in 2008 revealed that students from materially deprived backgrounds are much less likely to participate in higher education than wealthier students.

There appears to be a dichotomy in UK government policies in that whilst the economic, and competitive, advantage generated by improved learning opportunities are acknowledged access to them has become regulated by the financial ability to participate in them.. In 1998 tuition fees of £1,000 per year were introduced for university students. In 2006 these were increased to £3,000 and are to be reviewed in 2009. In their 'Global Higher Education Rankings, Affordability and Accessibility in Comparative Perspective, Usher & Cervenán (2005) ranked the United Kingdom at thirteen and New Zealand at fourteen out of fifteen countries. This was because of the high costs of higher education together with low national incomes. That report compared countries on six different measures of affordability which, taken together, also provided a weighted overall affordability ranking. It also ranked countries in terms of the accessibility of higher education, four different accessibility indicators using the rankings to reflect the two broad concepts of higher education accessibility: the extent of participation, and the social composition of the par-

ticipants. In that part of the survey the United Kingdom, the United States, Canada, Australia, and Ireland were clustered together in the mid-to high zone of the rankings, which Usher & Cervenán (2005) held was evidence of a congruence of educational policy across areas which share a common language. The Netherlands and Finland both had high participation rates and good, or excellent, gender parity scores.

Equivalent or lower level qualifications (ELQ)

In 2007 the Secretary of State for Innovation, Universities and Skills wrote to the Chairman of the Higher Education Funding Council for The UK with details of *New Higher Education Funding Incentives 2008-11*. This letter set out the government's strategy for funding for learners studying for a qualification equivalent to, or lower than, one that they have already gained. In the main the government viewed such learners as not having a claim for public funding, and with some exceptions learners would have to finance their own studies. The money being spent on these ELQ students, £100 million would be diverted to support those who were entering higher education for the first time, or those progressing to higher qualifications. There was an espoused hope that their employers would make up some of the funding shortfall. These proposals seem privilege the young and those with employer support and they risk reducing participation in learning.

There will be three broad categories of exemptions students training to be doctors, dentists, vets, nurses and social workers and those on PGCE courses; students studying for a foundation degree; and students who are co-funded by employers. Extra money, a targeted allocation, will be made available to protect strategically important and vulnerable subjects from the impact of the ELQ policy. Strategically important and vulnerable subjects have previously been identified as including subjects as diverse as science, Arabic and Turkish language studies and other Middle Eastern area studies,

former Soviet Union Caucasus and central Asian area studies and Islamic studies.

Although part-time students make up more than 40% of the total higher education student body, UK government policy does not taken any real cognizance of them. They do not enjoy deferral of their fees until they complete their studies and the majority of them combine study with paid employment, which is taxed. Their economic capital must be used to develop their human capital. Without the funding that ELQ students and their fees bring to an institution, some courses may cease to be viable, particularly in Further Education colleges which offer only a small number of higher education courses. Whilst those providers of higher education which have made most effort to widen participation by reaching out to mature students are more likely to be adversely impacted. Those which have been less energetic in their efforts to become more inclusive will not feel the impact so heavily. Departments of Continuing Education, offering courses carrying small credit value which are often taken by adults students as they fit into their lives will also feel the impact. Those institutions which have been the most successful in opening participation to non-traditional undergraduates which encompasses all ages and career stages will be harder-hit than those which have concentrate primarily on providing initial higher education to eighteen year old school leavers.

United Kingdom in world rankings

In the OECD survey of thirty countries, which was published in December 2007, the UK was downgraded in its world ranking in mathematics from eighth to twenty fourth and from seventh to seventeenth in reading. In science the UK were ranked fourteenth, down from fourth when the last comparable UK results were published, in 2001. South Korea came top in reading, with New Zealand, Ireland, Australia and Estonia among those beating Brit-

ain. Finland was best for science and second in both reading and mathematics. Taiwan was ranked first for mathematics. Whilst the OECD took the view that Poland was one of the countries which had most improved in reading, and Mexico and Greece were held to have made significant improvements in mathematics. Other nations were increasing their human and economic capital much more effectively than the United Kingdom was.

Table 1. Key UK Government educational initiatives

| Year | Key UK Government educational initiatives |
|-------------|--|
| 1970 | Creation of polytechnics from local authority colleges |
| 1982 | Technical and Vocational Education Initiative (TVEI) |
| 1986 | National Council for National Vocational Qualifications (NVQ) |
| 1987 | Management Charter Initiative (MCI) |
| 1987 | White Paper on Higher Education: Meeting the Challenge |
| 1988 | Education Reform Act- created Universities Funding Council and Polytechnics and Colleges Funding Council |
| 1990 | Investors in People (IiP) |
| 1991 | 'Education and Training for the 21 st Century |
| 1992 | Further and Higher Education Act Further Education Funding Council Office for Standards in Education Polytechnics became universities |
| 1997 | Dearing Report on Higher Education in the Learning Society |
| 1999 | The Skills Force Employer Skills Survey |
| 2001 | Learning Skills Council (LSC) Skills for Business Network Sector Skills Councils (SSC) |
| 2002 | Sector Skills Development Agency (SSDA) |
| 2003 | White paper on the Further of Higher Education |
| 2005 | Higher Education Act created Office of Fair Access (OFFA) and the post d Access Regulator |
| 2006 | Learning and Skills council report |
| 2006 | Department for Education and Skills (DfES) Paper Widening Participation in Higher Education: Creating opportunity, releasing potential, achieving excellence |
| 2006 | Leitch Review of Skills. Prosperity for all in the global economy-world class skills |
| 2007 | Plans announced to raise school leaving age to eighteen by 2013 |
| 2007 | Equivalent or lower level qualifications (ELQ) |
| 2007 | Department for Innovation, Universities and Skills (DIUS) and Department for Children, Schools and Families (DCSF) replaced Department for Education and Skills (DfES) |
| 2008 | Incorporation of FE colleges and university colleges as universities providing foundation degrees |
| 2009 | |

Conclusions

The prosperity of all nations depends on their skill; base, or human capital. In common with other developed, and developing, countries, the prosperity of the UK depends on its skills base. The country had advocated the creation of a high skilled economy by upgrading the skills of its citizens; it has promoted lifelong learning to ensure competitiveness and international, national and organisational levels in an attempt to achieve this. Its policies influence the human capital of organisations and individuals, together with their economic capital. There have been a number of skills initiatives launched by the UK government to attempt to address the educational and training needs which it has faced, and continues to face, some of these have been considered in this paper. The Leitch Review of Skills in the UK (2006), which was considered earlier, identified that over 70% of the UK 2020 workforce had already completed their compulsory education. That report set targets to improve the skills of the workforce, yet by May 2009 it was being reported that the UK will fail to meet the Leitch Review 's target to train at least 90% of the workforce to Level 2 by 2020, a major study by UK Commission for Employment and Skills(UKCES) to improve skills admitted. (Peacock, Personnel Today, 7/5/2009). Only 77% of UK workers will be qualified to Level 2 in by 2020 up 18% from 2005 but still at least 12% short of the target required, based on current progress levels. The report also predicted that the UK will not achieve its Level 3 target either, which specified that 68% of the UK's workforce must hold such qualifications by 2020.

The UK is in a Post Fordist state of development where education and training are no longer viewed as an end in themselves instead they are valued as human, or economic, capital. There is an economic recession in the UK at present which has led to potential cut backs in funding for education at all levels, government, organisations and individuals. In May 2010 the UK held a

general election. The Labour party, which has been in power since 1997, was unable to form an administration. Since then the United Kingdom has had a coalition government which was formed as a result of two political parties, the Conservatives and Liberal Democrats, which appear to have a number of diametrically opposite views in relation to education working together. This new government faces a challenging economic situation, most notably a budget deficit. An emergency budget has been released which seeks to address this deficit by freezing, effectively reducing, public sector pay over a two year periods. It has yet to formally announce its detailed policies in relation to education but as all public spending is to be curtailed it is likely that spending on education, and most probably higher education, will be significantly reduced.

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