

**SENSE & **  
**INSTABILITY:**  
A global perspective

## **FOREWORD**

### **More sense, less instability**

Everywhere I go, from Dublin to Dubai, governments are trying to solve the skills conundrum – how to develop the right skills for sustainable economic growth in a quickly developing world.

When we first started working on ‘Sense & Instability’ – our review of policymaking in the skills and employment landscape in England over the past three decades – we thought change would be a key theme. What we didn’t anticipate was just how much change has taken place, or the affect this had on the economy, businesses and individuals.

Firstly, we realised that there was no central repository of past policies relating to skills and employment. This in itself is an issue; how can we learn from successes and mistakes if we can’t see what has succeeded or failed in the past?

Then, the more we explored the policymaking landscape and the changes that went with it, the more complex and confusing the picture became. Often, what we saw was change for change’s sake; politicians wanted to leave their mark on the system.

The numbers say it all. In England there have been 61 Secretaries of State responsible for skills and employment policy, compared with 18 for schools policy and 16 for higher education. Between them, they produced 13 major Acts of Parliament. And the skills and employment policy area has flipped between departments or been shared with multiple departments no fewer than 10 times since the 1980s.

Unfortunately, so much upheaval has damaged the system’s credibility. This is particularly concerning as the threat of skills gaps and stalled productivity grows. England needs cross-party consensus to create a more stable and credible skills and employment system. Following our report, we are seeing more cross-party support for consistent investment and focus in this area.

### **The global perspective**

England has suffered from a fast-changing policy landscape and that makes it a good study for anyone wanting to understand how long-term policy can support skills development. Different elements of England’s experiences could be useful to other countries too.

No two countries have exactly the same education system, nor is there such a thing as a ‘one size fits all’ approach. Every system has to be tailored to specific economic, demographic and cultural needs.

However, governments and education experts across the world can and should learn from others so that policymakers – and indeed those that work with and advise them – understand what makes skills policies effective.

This report takes a very high-level view of skills and employment policies and some countries would welcome a more in-depth or country-specific review at a later stage.

But I hope this report provides a useful overview that informs policymakers, sparks ideas and creates conversations about the need to enhance skills policies across the world.

*By Mike Dawe, Director of International at City & Guilds*

## 1. EXECUTIVE SUMMARY

The recent report *Sense and Instability: three decades of skills and employment policy* focused on tracking and evaluating key changes to the skills and employment policy landscape over the past three decades to identify areas of good practice and ways in which lessons can be learnt. It reviewed policymaking in three key areas: skills for youth, skills for the unemployed and skills for workers. The findings of this report indicated that England has a significant number of lessons from its experiences that can be shared with other countries; these lessons include those with positive outcomes, and those that have yielded particular challenges.

For this report, City & Guilds has identified five key themes which are likely to hold particular resonance for other countries, including: system churn and the effects of constant change; institutional memory; target setting; integrated qualifications frameworks; and local and national investment priorities. These five themes are relevant because they have either been experienced by many other countries, or are in the process of emerging as a natural part of the skills development process.

For each section, there is a brief descriptor of the theme and its manifestation in England, followed by some general recommendations for action. Four regions and countries have been identified as potentially benefiting from, or relating to, these themes: the Middle East, South and East Asia, South Africa, and Ireland and Scotland. Within each theme, there is a reflection on the ways in which the theme relates to each geographic area, and recommendations on the ways in which the England's experiences may be relevant.

## 2. SYSTEM CHURN AND CONSTANT CHANGE

### ENGLAND'S SITUATION

The history of skills policy in England has been marked by constant change. The past 35 years have seen an average of almost one Act of Parliament a year related to skills,<sup>1</sup> and there have been six different government departments charged with its oversight in the same period. Remarkably, since 1981, there have been 61 Secretaries of State with responsibility for skills. Vocational education and training responsibilities have also been split up at various points over this period.

England has witnessed a fundamental conflict in this area between political incentives to make quick changes and the stability required by the skills and employment systems. Skills and employment are policy areas in which ministers are keen to make a mark, and so each brings in a sweeping raft of changes; at the same time, however, there exists a fundamental conflict between the political incentives of 'quick fixes' and the time needed by the skills and employment systems to embed such changes effectively. Impacts of constant policy change include:

- Disillusionment and frustration among people working in the sector.
- Confusion among employers and individuals as to the nature and structure of vocational qualifications.
- A lack of system, process and time to evaluate impact of individual policies.

The system has arguably worked best during times at which departmental responsibilities for education and training have been combined. This has encouraged co-ordination and avoided the turf wars and inaction which are a risk of divided departments and sub-agencies.

### WHAT CAN OTHERS LEARN FROM THIS?

- **Political incentives should be designed to encourage a long-term view of skills policy.**

These incentives could comprise:

- Taking a different approach to public engagement - one which emphasises the benefits of taking a longer-term approach to policymaking.
- Ensuring that rigorous assessment of impact is built into policy design. This would allow regular reporting of progress to replace the need for news stories built on constantly shifting policy sands.

- **Governments should consider giving one political representative responsibility for vocational education and training policy over a political term, and not using it as a post to reward or penalise performance.**

- **The capacity and capability of government officials should be built up** to give political representatives the information and support needed to build up long-term, successful skills policy.

- **Responsibilities for vocational education and training should be combined within departmental remits** in government, with this joined up responsibility replicated in ancillary agencies.

**Middle East:** The region as a whole is undergoing significant change at present in terms of education and training, with large scale investment in scaling up student numbers and the development of supporting infrastructure. It is recommended that policies are formulated focusing on outcomes rather than inputs, to learn from England's experiences and to ensure that their skills development programmes are ultimately successful and sustainable.

<sup>1</sup> There have been 28 major acts of Parliament related to the development, organisation and structure of VET since 1981.

**South and East Asia:** The region is so diverse that there are few policy recommendations which can be made commonly across nations. Singapore's approach, however, is worth drawing on, as it has succeeded in tying skills development policy into economic development needs, which supports a long-term view of skills development. Countries such as Myanmar, currently developing its vocational education system, would benefit from such an approach at the very outset.

**South Africa:** The Sector Education and Training Authorities (SETAs) offer an opportunity to have a longer-term, sector-based approach to policymaking, but institutional difficulties mean that political input is imperative to ensure that they meet their objectives. This political input should look at how to support SETAs to develop over the long-term, and how skills policy can fit within this.

**Republic of Ireland and Scotland:** The OECD has recommended better alignment of policy and programmes to local economic development in Ireland;<sup>2</sup> as with Singapore above, it is our view that better alignment would help underpin a longer term approach to skills policy. In Scotland, the direction of policy is likely to be impacted by the post-independence vote negotiations; it is recommended that future policy, where possible, continues to focus on outcomes and quality.

### 3. INSTITUTIONAL MEMORY

#### ENGLAND'S SITUATION

There is a need to develop a collective institutional memory about what works best. The constant system churn highlighted above has contributed to a collective amnesia among politicians and officials; there is no clear record about which policies and programmes have worked or failed, and why. On some questions,

policymakers and officials have made numerous attempts to do something very difficult - such as engaging employers - without any sense of what actually works or why previous attempts may have failed. Not only does this waste resources, but it also undermines stakeholder confidence in the effectiveness of skills governance and policy.

Our policy review in England identified an urgent need to learn from previous lessons; it is particularly pertinent to note that some of the current policies and aims are echoes of those first posited over 30 years ago. In practice, this could exist as an online resource including Parliamentary debates, White Papers, relevant critiques and research reports, and other evidence relating to skills policy development and outcomes. These reviews should also be linked to rigorous independent evaluations and assessments of impact - with a focus on transparency so that lessons cannot be buried if the messages do not fit with political priorities. England, with its long history of skills development, also has much to share with other countries in terms of lessons learned, both positive and negative.

#### WHAT CAN OTHERS LEARN FROM THIS?

- **Lessons learned from policy interventions should be captured regularly and reviewed periodically** - particularly at times when new policies are proposed or planned - so that historical lessons can be incorporated into policy design.
- **Professional evaluators should be involved at the inception of any new policy implementation** so that suitable baseline data can be captured and the impacts of policies reviewed over the various stages of implementation.

<sup>2</sup> [http://www.nesc.ie/assets/files/Sec\\_Non\\_NESC\\_Papers/employment-and-skills-strategies-in-ireland.pdf](http://www.nesc.ie/assets/files/Sec_Non_NESC_Papers/employment-and-skills-strategies-in-ireland.pdf)

- **Sharing best practice across countries and education systems should be encouraged** so that countries may benefit from the experiences of their peers.

**Middle East:** The significant investment in skills within the MENA region, particularly regarding migrant workforces, is leading to a proliferation of policies, programmes and partnerships focused on driving skills development. With many countries in the process of developing structures such as qualifications frameworks, the benefit of sharing challenges and lessons learned is likely to be high; the Gulf Cooperation Council is an example of a facilitator for such lessons to be collated.

**South and East Asia:** Institutional memory is a key challenge in countries like India, where education and training responsibility is fragmented at national and state level; there is also evidence that, as in England, a failure to learn from previous lessons (or to share information) has led to duplication of effort. The establishment of an effective repository of skills-related history under an organisation such as the National Skills Development Agency (NDSA), and regionally ASEAN, would be a way to ensure that future innovation is supported by evidence and experience.

**South Africa:** The South African Qualifications Authority (SAQA) has a strong online repository of legislation, notices and research relating to its education and training system; this attention to documentation could also usefully be encouraged within each of the SETAs, the websites and information systems of which tend to vary. This would ensure that the relevant information and history would be accessible to a wider range of stakeholders, including employers.

**Republic of Ireland and Scotland:** Education and training policy in Ireland has been profoundly challenged by the impact of the economic crisis;

a high-level of innovation and policy shifting is still occurring to date. The changes should be managed with a view to learning lessons from previous policies. In Scotland, the office of the Auditor General is tasked with reporting independently on the performance of public bodies; this body also reflects on historical developments in the skills sector, which is an effective means of monitoring good practice.

## 4. TARGET SETTING

### ENGLAND'S SITUATION

One of the lessons to emerge out of years of skills policy interventions in England is that quantitative targets on the volume of people to be skilled through training programmes needs careful management and design. While targets are necessary to encourage and monitor performance, perverse incentives can all too easily be created by pushing quantitative targets too high. The end result of overambitious targets, combined with incentives, has in the past resulted in misreporting by training providers and a lack of attention on quality.

Quantitative targets without the attachment of quality criteria can also lead to the risk of 'empty certification', whereby existing skills are certificated to reach training targets, rather than encouraging the attainment of new skills. 'Deadweight' is a further risk, whereby public funding for training covers the costs of training that employers or individuals would have undertaken anyway, whether or not the funding existed.

Target setting can have extremely beneficial outcomes where it is appropriately linked with labour market needs. It must be noted, however, that local-level skills supply and demand information is vital to ensure that the targets are realistic and required.

## WHAT CAN OTHERS LEARN FROM THIS?

- **Quantitative targets for skills development programmes must be accompanied by stringent quality criteria**, as well as quality assurance processes, to ensure that specified training outcomes are met.
- **Targets must also be realistic in order to reduce the risk of misreporting and poor quality of delivery.** What is ‘realistic’ varies considerably according to local circumstances; site visits to training providers can help policymakers to gain a perspective on what can sensibly be delivered for a set amount of funding.
- **Skills development programmes should be designed in a way which encourages new training and the further development of existing skills.** This could usefully be targeted at stakeholders unlikely to be able to access or afford training without assistance.

**Middle East:** Saudi Arabia is seeking to increase Technical and Vocational Education and Training (TVET) capacity from 100,000 seats in 2012 to 400,000 in 2024.<sup>3</sup> City & Guilds is contracted to provide assessment, staff training and platforms within the Kingdom, assisting this drive.<sup>4</sup> It is recommended that the viability of these targets and progress towards their achievements is monitored and published; it is likely that other countries in the region can obtain valuable lessons from this experience.

**South and East Asia:** The NSDA in India, as the apex body for skills development, has started to publish data on progress against targets; this data highlights the importance of establishing achievable, realistic targets. Of the 21 Ministries with skills development targets, only two had

achieved over 50% of their annual target for 2014-15 by October 2014.<sup>5</sup> In Vietnam, a target for 30% of the workforce to have vocational qualifications by 2010 has also not been met, with the Asian Development Bank (ADB) estimating that only 13% had such qualifications in 2014.<sup>6</sup> It is recommended that countries consider developing broader, more achievable targets, and that these are formulated under the advice of technical experts, rather than for political currency.

**South Africa:** In 2014-15, the Department of Higher Education and Training (DHET) forecast enrolments of 550,000 students in Further Education and Training (FET) colleges; the actual number, however, was nearly 660,000.<sup>7</sup>

It is indicative of good practice that despite the targets being exceeded, the DHET are still advising caution in ensuring that the supply and demand of training places are managed carefully. The same level of attention should be paid, to ensure that the quality of training outcomes is also established as a target, rather than the quantity alone.

**Republic of Ireland and Scotland:** Under the Further Education and Training Strategy, 500,000 additional people within Ireland’s workforce will need to have progressed by a minimum of one NFQ level by 2020.<sup>8</sup> This approach is relatively unique in combining a qualitative element (the progression of skills) with a quantitative target. It will be useful for Ireland to monitor the progress of this target and share outcomes and lessons learned with other countries seeking to employ similar measures. In Scotland, while quantitative targets for Modern Apprenticeships have been met for the past two years, the Auditor General has noted that qualitative measures are also required, to ensure that the programme contributes sustainably towards the desired national outcomes.<sup>9</sup>

<sup>3</sup> [http://www.nauka.gov.pl/g2/oryginal/2014\\_08/bb3e5f5153dea60710bba27e83ca78cb.pdf](http://www.nauka.gov.pl/g2/oryginal/2014_08/bb3e5f5153dea60710bba27e83ca78cb.pdf)

<sup>4</sup> <http://www.cityandguilds.com/news/June-2014/saudi-arabia-skills#.VMi4AF6sWrk>

<sup>5</sup> <http://www.skilldevelopment.gov.in/resources/ministry-wise-targets>

<sup>6</sup> <http://www.adb.org/sites/default/files/publication/59724/tvet-viet-nam-assessment.pdf>

<sup>7</sup> <http://www.dhet.gov.za/Strategic%20Plans/Annual%20Performance%20Plans/Department%20of%20Higher%20Education%20and%20Training%20Annual%20Performance%20Plan%20%202014-15.pdf>

<sup>8</sup> <http://www.education.ie/en/Publications/Policy-Reports/Further-Education-and-Training-Strategy-2014-2019.pdf>

<sup>9</sup> [http://www.audit-scotland.gov.uk/docs/central/2014/nr\\_140313\\_modern\\_apprenticeships.pdf](http://www.audit-scotland.gov.uk/docs/central/2014/nr_140313_modern_apprenticeships.pdf)

## 5. UNIFIED QUALIFICATIONS FRAMEWORKS

### ENGLAND'S SITUATION

A unified qualifications system has the potential to:

- Enable learners to move smoothly and easily between different levels and qualifications, both academic and vocational.
- Give employers and learners a clear understanding of how qualifications fit within the wider framework.
- Reduce perceived status differences between vocational and academic study routes.

Traditionally academic qualifications, comprising GCSEs and A levels, have not been part of England's main qualifications framework, the Qualifications and Credit Framework. This was despite a concerted effort on the part of the majority of the education community to work towards the integration of qualifications following the Tomlinson Report of 2004. This Report suggested the introduction of a 'unified framework of diplomas' as a way to bridge the gap between academic and vocational education.<sup>10</sup> The main proposal of the diploma framework was rejected, but many of the basic assumptions made by the Tomlinson Committee were accepted by the broader education sector. Consensus is rare in education, and failure to integrate academic and vocational pathways was commonly felt to have been a missed opportunity. England falls behind its northern neighbour in this regard, as Scotland has achieved the "holy grail" of an integrated qualifications framework.

### WHAT CAN OTHERS LEARN FROM THIS?

- **A key objective of national qualification framework design should be an integrated framework** which allows learners to move easily between pathways and levels.

- Once qualification systems are designed, they are very hard (and expensive) to change. **Countries in the process of designing qualifications frameworks, or those who are reviewing and updating them, should make the most of the opportunity to get the design right, and align academic and vocational pathways.**

**Middle East:** The Gulf Cooperation Council (comprising the UAE, Bahrain, Kuwait, Oman, Saudi Arabia and Qatar) has commenced the design of a Gulf Qualifications Framework; each of the member countries is in the process of developing their own National Qualifications Framework (NQF). The Qatari NQF, supported by a 2012 research paper by the Institute of Education (IoE), intends to comprise both Higher Education and Vocational Education and Training (VET) elements. It is recommended that the development of this framework is followed by other countries in the region, to ensure that good practice can be replicated.

**South and East Asia:** The ASEAN member countries (10 in total) include Malaysia, which has a highly developed and integrated NQF. As almost all of the other member countries are in the early stages of their own NQFs, that the good practice learned from Malaysia's experience should be shared, to encourage the development of integrated frameworks in all countries. Recently, India has undertaken a realignment of its two competing vocational frameworks; however, there are no visible plans to incorporate HE within the eventual framework.

**South Africa:** The NQF in South Africa is well established and, like Scotland, has effectively integrated academic and vocational learning streams within its ten levels. While the structure of South Africa's NQF is well documented, however, the process through which it was designed and developed is not. This information, should it be made available, would be very useful for countries in the process of developing their own NQFs.

<sup>10</sup> 14-19 Curriculum and Qualifications Reform Final Report of the Working Group on 14-19 Reform, October 2004 DfE-0976-2004. Available at <http://webarchive.nationalarchives.gov.uk/20130401151715/http://education.gov.uk/publications/eorderingdownload/dfe-0976-2004mig839.pdf>. (Accessed 6 July 2014).



**Republic of Ireland and Scotland:** As noted above, Scotland is a leader in terms of its integrated qualifications framework, which is very highly regarded and extremely functional; the Scottish Qualifications Authority is frequently sought as an advisor for other countries developing such structures.

## 6. LOCAL AND NATIONAL INVESTMENT PRIORITIES

### ENGLAND'S SITUATION

Administering funding at local levels has been effective in England and Wales, and can also take account of local employment needs. It has also shown the value of high-quality local and national labour market information (LMI) in informing priorities for training investment, supplemented by analyses and other evidence-based research. Research commissioned and disseminated by the UK Commission on Employment & Skills is viewed as highly valuable. Sector-based insights, via the various Sector Skills Councils, are also useful in identifying training priorities.

### WHAT CAN OTHERS LEARN FROM THIS?

- **National and local LMI, together with analysis and insights**, making it clear what it means for employers and individuals, **are key priorities** for countries which do not already have such a system.
- **Local funding administration**, while important, **relies on well-developed local accountability systems, as well as an absence of corruption at the local government level, to be effective**. It also requires good data at the local level, suggesting that it should be a follow-on step to the development of good LMI.

**Middle East:** The reliance of many Middle Eastern countries on imported labour generates a number of issues for the local economy and labour

markets, including the quality of the workforce and employment opportunities for native workers. While this is being addressed in countries such as Oman<sup>11</sup> through the provision of local employment quotas, it is critical that effective LMI is utilised to ensure that the correct skills sets are being developed and provided where required.

**South and East Asia:** The labour force migration trend (to the Gulf region in particular) yields a different set of challenges for the South East Asian region; specifically, the requirement for LMI to consider not only national priorities for education and training, but also to anticipate the market needs of recipient countries. Open dialogue between originating and recipient countries is recommended to ensure that the quantity and quality of migrant workers meets requirements. It is also worth noting that originating countries also benefit significantly in terms of repatriation of funds.

**South Africa:** Ensuring that skills education and information are accessible in rural and local areas, DHET has mandated that SETA clusters will open offices through public FET institutes in local areas, to ensure that these communities are reached effectively. If not already planned for, there should be effective two-way dialogue between the local SETA offices and their national-level counterparts, to ensure that local needs and training priorities are reflected in national priorities and funding plans.

**Republic of Ireland and Scotland:** The OECD has recommended that a key strategy for Ireland's education and training system is *'better aligning programmes and local policies to local economic development'*.<sup>12</sup> A significant part of achieving this outcome will be the provision of more flexible funding streams and the ability of local offices to input on priorities and issues. This accords with England's experience of effective policy and funding mechanisms, as outlined above.

<sup>11</sup> [http://www.chathamhouse.org/sites/files/chathamhouse/field/field\\_document/20140916ElusiveEmploymentOmanEnnisJamali.pdf](http://www.chathamhouse.org/sites/files/chathamhouse/field/field_document/20140916ElusiveEmploymentOmanEnnisJamali.pdf)

<sup>12</sup> [http://www.nesc.ie/assets/files/Sec\\_Non\\_NESC\\_Papers/employment-and-skills-strategies-in-ireland.pdf](http://www.nesc.ie/assets/files/Sec_Non_NESC_Papers/employment-and-skills-strategies-in-ireland.pdf)

## CONCLUSION

The vocational education and training system in England has a long and complex history. It is viewed as an established system with experience that others can learn from. While this experience includes many positive achievements, it also includes many significant challenges. Both are equally important in terms of lessons that may be learned.

One of the most striking characteristics of England's skills system since the Thatcher era has been its propensity to change. 61 Secretaries of State have had responsibility for skills in that time, and it is clear that developing and embedding long-term policies has been a serious challenge. Skills systems need stable policies to support development and growth, rather than short-term fixes. We recommend that political incentives, as such, are designed to encourage a long-term view of skills policy. Investing political responsibility in one individual over a political term may enable this to occur.

Linked to this is the need for a clear and collective institutional memory regarding skills policies. Without such systems in place the evaluation of past policies is impossible, and the development of future policies upon a solid evidence base unlikely. Sharing international good practice and lessons learned is a key way in which governments can ensure that their systems are best placed to deliver the right outcomes.

Also essential for governments is a clear evidence base for what works, and what is needed to determine realistic, yet stretching, quantitative and qualitative targets for skills training. The need to link training targets with labour market needs is essential to make sure that the supply of skills systems matches demand. This is particularly critical for countries with ageing workforces. The quality of training is of paramount importance.

A core method of assessing and ensuring the consistency of quality in skills systems is the development of qualifications frameworks. An emphasis on unifying the academic and vocational aspects of a framework also enables learners to move between different training and education levels; and it encourages different types of qualifications to be perceived equally.

England's experience indicates that utilising both local and national labour market information to inform investment priorities for training is useful. By administering funding at a local level, it ensures that employment needs are recognised and met at those levels too. Sector-based insights are also useful in terms of identifying training needs and guiding investment decisions.

While this paper represents a high-level look at the ways in which international governments may learn from England's experiences – both the positive and challenging – it is clear that there is significant value that can be yielded from the practice of identifying such lessons and sharing them with others.

## **GLOSSARY**

<b>ADB</b>	Asian Development Bank
<b>ASEAN</b>	The Association of Southeast Asian Nations
<b>DHET</b>	Department of Higher Education and Training
<b>FET</b>	Further Education and Training
<b>HE</b>	Higher Education
<b>IoE</b>	Institute of Education
<b>LMI</b>	Labour Market Information
<b>MENA</b>	Middle East and North Africa
<b>NFQ</b>	National Framework of Qualifications
<b>NQF</b>	National Qualifications Framework
<b>NSDA</b>	National Skill Development Agency
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>RQF</b>	Regional Qualifications Framework
<b>SAQA</b>	South African Qualification Authority
<b>SETA</b>	Skills Education Training Authority
<b>TVET</b>	Technical and Vocational Education and Training
<b>UAE</b>	United Arab Emirates
<b>VET</b>	Vocational Education and Training

