The ‘Gospel’ according to DEMOS and its possible impact on the development of the Sector Skills Agreement

Dr. Mike Hammond
University of Huddersfield

Introduction

Throughout the work in progress publications related to the Sector Skills Agreement, I have looked at the way that the Sector Skills Agreement (SSA) has been ‘managed’ ‘controlled’ and manipulated in the ‘swirling’ discourses surrounding both the ‘modernist’ concepts of centralised ‘command and control’, while at the same time attempting to respond to the post modernist demands of regionalisation and localism that appear as a dichotomy within much ‘New Labour’ Policy thinking. In previous papers I have looked at the concepts of ‘regionalised’ globalisation etc, and analysed the theorisation that appears to have underpinned the ‘schizophrenic’ theories that have driven the SSA. Very influential in the development of ‘New Labour’ theorisation immediately before its elevation to power in 1997 and while in power has been the DEMOS’ think tank and it is the writings related to the SSA, that I am going to consider within this paper. Because this is an analysis of DEMOS, then there will be inevitable repletion between the themes in this paper, and previous issues in past published work in progress papers on this subject. This paper therefore is themed around the themes that DEMOS papers are produced under, and these in many cases relate to previous themes as already stated. The purpose of this paper is only a general development of the issues, not an in-depth analysis.

Entrepreneurship

Keck and Buonfino (2008) (eds) set out the interest that DEMOS has had in entrepreneurship over the previous ten years:

“Demos has been tracking the evolution of this particular field for more than ten years. In 1996, Geoff Mulgan and Peri 6 heralded ‘the new enterprise culture’, evoking the possibility of a second renaissance during which the detached entrepreneur operating as an outsider was replaced by an understanding of entrepreneurship rooted in networks, collaborative working and partnerships- all in the context of a new information economy. Writing in the mid 1990s, they argued that the new enterprise culture would depend more on networks and partnerships than on the success of lone individuals; that the new organisational forms that valued continued learning would be required to assist the move from the industrial economy to one based on information and services; and that space would have to be made for employee input and imagination in order to shape the future workplace. They also saw government’s role as facilitating this culture, rather than
merely regulating it. The new culture would promote ‘a truly healthy and adaptive economy where everyone can imagine themselves as an entrepreneur, owning their own life, and where everyone can imagine taking a small slice of their savings or pension capital to invest in a friend or relative’s business’” (Keck and Buonfino (eds) 2008, introduction, p12).

Flores and Gray (2000), in considering the concept of entrepreneurship state their rationale to be that the justification for entrepreneurship is that a traditional career, which fuelled the development of the post war development of the ‘middle class’ is coming to an end. They conclude:

“ The career, as an institution, is in unavoidable decline. The emergence of knowledge-based economies means the creative destruction of many time-honoured practices, including those at the core of traditional career structures. This change implies a fundamental shift in the attainable aspirations of the working majority, but so far it is little understood. Public policy is still based on promises which assume careers to be the model for desirable employment. As a result, government investment in workforce education is too narrowly focussed on re-skilling for new careers- a shallow response to the pace, scale and depth of change we face. It is not just that most people must expect more jobs in a lifetime, or to have to switch vocation. The very idea of a career now makes less and less sense of most people’s working lives.”
Flores and Gray (2000,p9)

The concept of class alluded to earlier within this section is prominent in the thinking of Flores and Gray (2000) as they argue that the demise of the career raises the ‘spectre’ of a resurgence of right wing parties. There is also a concerns that the decline of the career may destabilise the liberal values underpinning capitalist societies, as increased labour mobility undermining local social cohesion ( Flores and Gray, 2000,p10). Flores and Gray (2000,p11) go on to argue that although in the USA, the Clinton administration had sought to address the problem by ‘workforce casulalisation’ and in the UK, the concept of UK ‘Lifelong Learning’ had been promoted, these programmes in the view of Flores and Gray (2000) failed to address the real issue, as they were promulgated on attempting to assist citizens in realising career changes, but were not an adequate response to a developing word where growing numbers of people are/ will be continuously required to redefine their role in society (Flores and Gray 2000, p11).

Throughout this paper it is suggested, never far away, is the underpinning ‘third way rhetoric’ that traditional responses from left and right will no longer meet the needs of society, and therefore ‘new thinking ‘ is required. Flores and Gray (2000,p11-12) also enunciate this ‘gospel of new thinking’, they state:

“But the forces bring in about the decline of the career cannot be arrested by the policies of the past. Nor are sterile neo-liberal nostrums about labour flexibility and market efficiency useful responses to the new world of work. New thinking about individuals economic lives is needed. This thinking must be ready to accept the demise of the career and take it as an opportunity to foster new working practices. The economic environment that sustained the institution of the career cannot be retrieved. The challenge is to understand how working life can,
Flores and Gray (2000, p18-19) also define an ethical dimension to this phenomenon, and conclude:

“To a considerable extent, the social division of labour into discrete professions and careers is obsolete. Knowledge-based economies will rely less on static industry-specific occupations and more on the continual restructuring of information and technology to meet fluctuating demand. While this restructuring addresses our preferences as consumers and producers, the human needs that our careers have served are not withering away. No pattern of working life that fail to meet them will be humanly durable or politically legitimate... In these respects, the roles of careers in working life resembled that which Kant and Hegel claimed private property played. Like property, a career permitted human subjects to inscribe personal signatures on their lives. By working on themselves to attain the skills worthy of a profession, people were able to recognise their own identity and have this identity recognised by their communities. The career has played a crucial, if not the primary, role in giving people their personal identity in modern industrialised societies. We still identify people by their careers. With the decline in careers we begin to lose the sense of identity, autonomy and connection to others that they have provided.” (Flores and Gray, 2000, p18-19)

The SSA in relation to the work of Flores and Gray (2000) may mark a final attempt by Government to direct people into new careers. The need within the SSA process to plan for scenarios to determine the performance of the individual sectors during the development of the SSA, suggests an intention by Government to plan or at least anticipate labour fluctuations into and out of various sectors within the economy. Flores and Gray (2000) however go on to talk about how new patterns and forms of working life will develop, and these are named by the authors. The wired life for example is defined by being constituted of a series of projects, rather than mini-careers of the type that perhaps is envisaged by Government. Flores and Gray (2000,p22) differentiate this wired life from the concept of careers in that these projects do not have the intended benefit of grounding the identity of an individual, although they may contain some commitments, they are not based on any commitment to live a particular kind of life, being born out of an interest in expressing a talent or inspiration, leading to the good of stabilising and identity-defining commitment being replaced by the priority of expressing and enhancing one’s capacities.

The movement towards a ‘project’ based work life has however developed some response that Flores and Gray (2000,p24-25) identify, and that is the suggestion by the Department of Labour in the USA, that students are trained in competencies such as team work and project management, a phenomenon that has been copied in the UK through the development of Key Skills and latterly the transformation of Key Skills into ‘Functional Skills’. A further issue with the ‘wired life’ identified by Flores and Gray (2000,p25) is that the turn over of personnel is higher in companies that foster such an approach to work, as the employees become more associated with the projects than with the company that employs them.

By 2008 however, O’Leary and Skidmore (2008) in Keck and Buonfino (eds) (2008) were beginning to indicate that the ‘death of the career’ had been somewhat exaggerated, concluding that while career patterns had not changed as much or as quickly as was expected, job tenure had shortened, although even here the data appeared to be contradictory, as other research in OECD countries (p116) suggested there was little
or no change in job tenure between 1992 and 2002. To some degree echoing Leech (2007) a conclusion that O’Leary and Skidmore (2008) draw is that:

“What does seem to have happened, however, is that access to what is good about careers-stability, progression, skill acquisition- has become more unequal. Those with lower qualifications are more likely to be forced to leave their jobs due to bouts of unemployment and less likely to change jobs out of choice. Furthermore, it remains true that the highly qualified are more likely to update their skills in adult life- people without qualifications are three times less likely to receive job-related training than those with some qualifications. The paradox, in social terms at least, is that the least qualified are also the least likely to take part in formal learning in adult life. In brief, those with no qualifications get the worst of both worlds: those who can find steady jobs are often unable to turn them into steady careers; others fare even worse, facing precarious employment punctuated by repeated returns to unemployment”. (O’Leary and Skidmore, 2008, p115-116).

It is to address these very issues of course, that as I have stated in previous work, the SSCs and their SSAs were created to do. However, O’Leary and Skidmore (2008, p117) appear to take issue with the way that the Leitch (2007) report and the subsequent role that SSCs were tasked to address through removing non-industry supported vocational qualifications from the Learning and Skills Council Learning Aims Database. They state:

“However, the challenge for policy, where enterprise is concerned is to do two important things: to engage the disengaged in learning and to reflect the kind of learning that will drive enterprise. While political will power is there to achieve both of these goals, the risk is that policy is too prescriptive about what can and can’t be learnt with public money to achieve them in implementation. At present, public funding for adult learning revolves around full qualifications that are identified, by sector skills councils, as economically valuable. Policy is structured this way for understandable reasons: qualifications are portable for individuals in the labour market and measurable for government. And it stands to reason that government should want to fund courses that will produce an economic return on social investments. The question, though, is who is best placed to identify an economically valuable course? And will the ‘economically valuable framework be sufficiently supportive of new sources of value in the economy? The logic of a demand-led system is that individuals and businesses are best placed to understand their own needs- and indeed they may be the only people who know their own ambitions. A yoga course is economically valuable if you are about to start a yoga business. Trying to predict what might be economically valuable for an individual’s future, then makes the leap that sector-skills councils will be able to predict and keep up with fast moving labour markets and be aware of what each individual needs to fulfil his or her ambitions.” (O’Leary and Skidmore, 2008, p117-118).

The response to the argument that O’Leary and Skidmore (2008) put forward is that the SSA sought to evaluate the potential performance of the individual sectors making up the UK economy, and which were predicated to contract, and which to expand, and also what new initiatives in relation to products and services were being developed within each sector, and how might these raise training needs both for new entrants to the sector, but also for existing workers. There is I would suggest, no logic in the government investing significant amounts
of public money in training, if the potential future employment prospects for a sector are low, or there is significant supply already. In short, a Yoga course may be an economically viable qualification to start a yoga business in a town, where there is a demand and inadequate supply, but is it so economically viable if there is little demand, and already adequate or additional supply? Competition may be the mantra of the capitalist system, but I would suggest that the real question is, to what extent should the state accept the risk of over supply of training opportunities, if there is little chance that the learners will find jobs within the sector. For example in the SummitSkills SSA, the number of people receiving ‘non-employed’ status plumbing training, far outstripped the ability of the plumbing industry to employ them, leading to many people have state funded qualifications in plumbing having to find work in other sectors (Hammond, 2007b). This is a costly amount of risk and market failure that the state seems prepared to accept in continuing to fund individual learner desires.

O’Leary and Skidmore (2008, p118) conclude:

“The further risk is that the system is overly prescriptive and ends up cramping the innovation that is needed to attract and meet the needs of the most disengaged. Creating new demand for learning, in this case- is often achieved not just through delivering the same thing better, but through creating new products altogether. It come not just from meeting existing preferences, but through anticipating new, unarticulated demand. As Mick Fletcher points out, few of us were demanding iPods until they entered the shops. In other words government should allow people to make their own choices about what is economically valuable at any one time. Unless this can be achieved, the danger is that the needs of present employers- and the interests of new learners and new entrepreneurs. This is not to argue that qualifications do not matter, or that governments should have no say in their make-up. Rather it is to suggest that policy should look to specify only a few basic elements in all qualifications rather than seek to prescribe in any great detail. Flexibility and the scope for product innovation are vital if new demand for learning is to be created and the needs of future entrepreneurs are to be met.” (O’Leary and Skidmore, 2008, p118)

What I think is misguided about O’Leary and Skidmore’s (2008) conclusions in this sense, are that they are trying to postulate a form of entrepreneurship for the masses. The role of education and training is to prepare a proletariat (to use a Marxist analogy) to work for existing businesses and go into existing jobs, while preparing people with the requisite skills to ‘birth’ new businesses and technologies. While SSCs and their SSAs sought to identify potential new businesses, the primary focus (rightly in my opinion) was to improve the productivity and performance of existing businesses through skills development. The agenda for mass entrepreneurial education is not the priority that O’Leavy and Skidmore (2008) think that it should be, but it is interesting to note that inputting learner demand into the system, assumes that this will develop entrepreneurial courses. It is argued that in training terms, the outcome is a demand-supply mismatch between what people wish to train in, and what jobs or opportunities are being created in the economy, as evidence by Hammond (2007b) in the Plumbing Industry.

The Entrepreneurial life is another form of working lifestyle, that has impressed Government, and already been the subject of some consideration within these work in progress papers. A discussion that influences DEMOS thinking, is the concept of the ‘social entrepreneur’, who is an individual who invigorates their (usually inner city deprived) communities into taking social action. Morally responsible business (the ‘body shop’ is repeatedly cited) is seen as a way of developing socially responsible business development. A typical statement of the new social entrepreneur as envisaged by Flores and Gray (2000) is (p29) defined thus:
“Self realisation also has a different place in the life of entrepreneurs. The entrepreneurial worker citizen does not explore his or her own talents and inspirations so much as his or her sensitivity to disharmonies, tensions or value conflicts that are shared by many in his or her community. The entrepreneur explores ways of living that lead to some way of resolving the disharmony, and gather together a group of people to bring the resolution to full public effectiveness.” (Flores and Gray, 2000, p29)

Leadbetter and Oakley (2001) have also written for DEMOS on the what they call ‘knowledge entrepreneurship’. The first challenge that these writers set before Government is the creation of an infrastructure for entrepreneurship, through a re-organisation of the major Government departments, in particular the Department of trade and Industry (as it then was, although it is not assumed by this author, that the creation of BIS (Business, Innovation and Skills) is necessarily what Leadbetter and Oakley (2001) had in mind. In a five (bullet) point assessment, they recommend the creation of a knowledge bank to help large companies finance promising developments in small companies. There is also a recommendation to build entrepreneurial capacity through education and skills, attracting entrepreneurial talent from abroad, and helping groups with low entrepreneurial activity to engage.

Government is also tasked to open up entrepreneurial activity through a rigorous competition policy biased in favour of new entrants, which includes the public sector and highly regulated sectors such as professional services. This approach seems to be almost neo-liberal in its ambition, and maybe to counteract this, the next recommendation calls for the development of entrepreneurial hubs, networks and clusters to help foster entrepreneurial activity, particularly in regions where entrepreneurial activity is low. Public services are challenged to promote entrepreneurship and innovation from within, to create new models for public services from the ground up. Finally Leadbetter and Oakley (2001) call for recognition and rewards to be developed for entrepreneurial activity, both in terms of financial reward for individuals, and also acknowledgment of entrepreneurship through public prizes.

Education is the ‘touch stone’ in the transformation of post career society according to Flores and Gary (2000,p38-39). They argue that the attempts to engage by Government in rationale manpower planning are doomed to end in ineffectual failure. Flores and Gary (2000,p39) also reject the focussing down of learners into narrowly focussed vocational paths is the opposite of what is needed to maintain a successful society in the ‘knowledge economy’. They conclude:

“Many of the careers for which young people are trained in schools and universities will not survive throughout a working lifetime. It is self evident that many activities require high levels of professional expertise. However, what young people most require from their schools and universities is not necessarily vocational training or training in traditional academic disciplines. Students now in traditional educational programmes, continuing education or retraining programmes need to learn the skills necessary for building value-creating associations. The goal is not to transform everyone into industry-transforming business leaders. Nor are we demeaning the lives of those who will remain employees. Instead, we are proposing that the working majority will benefit from acquiring the skills and attitudes that go with the entrepreneurial life.” (Flores and Gray, 2000, p39).

Frazer (2008) in Keck and Buonfino (eds) (2008) identifies company ethos as also being important perhaps even more so than skills development, he concludes:
“Much of the debate about new employee skills sets has tended to focus on how individuals themselves can be more innovative within organisations rather than analysing how the organisation itself can utilise the talents of these individuals. How can entrepreneurs within an organisation be encouraged to innovate? How can people think ‘outside the box’ when they’re inside the box?” (Frazer, 2008, p103).

Leadbetter and Oakley (2001, p89-90) however also identify the crucial role that education plays in the development of entrepreneurs. Interestingly Leadbetter and Oakley (2001) only consider Basic (compulsory education) and Higher Education (with a link on called Business Education at the higher level) there is no consideration of Further Education, where the majority of skills training will take place. It is an interesting oversight if indeed it is one, and suggest a potential obsession with higher education as the catalyst for the development of the knowledge economy, where it is more likely that the vast majority of skills development will take place in the Further Education Sector. Schools are however required under this new entrepreneurial work to move the emphasis on curriculum to more project work, where children can develop skills in team working, creativity, problem solving. Interesting Leadbetter and Oakley (2001, p89) argue that children should get used to moving from project to project across their school career building up their skills and learning. Schools are encouraged (p90) to “blur” the lines between formal education, work experience and entrepreneurship, through things like allowing small businesses that have an educational emphasis to rent space in schools to allow children access to business. Higher education is tasked to develop more business opportunities and include entrepreneurship units for study across the University (p90). In relation to ‘business education’ then the Leadbetter and Oakley (2001, p90) broadly advocate a development of a range of entrepreneurial and business qualifications that meet the needs of sub-masters study. Interestingly, this is in line with the findings of many SSCs as part of their SSAs, for example, see Hammond (2006).

Pinto-Duschinsky (2001) in analysing welfare to work policies (which it is suggested are not central to an SSA, although employers and SSC may be called upon to support these proposals, and are actually outside the SSA) does however, make a criticism of current training provision, which in part the SSA was established to address, he states:

“The content of most training courses is determined by what curricula have already been developed and what the training providers can easily teach, rather than by what skills companies need. Few training institutions even have links with employers, and even fewer actively canvass their opinion.” (Pinto-Duschinsky, 2001, p28)

It is complaints such as these, that SSCs were developed to address, making the employer voice heard in the larger educational debate.

An interesting proposal to use entrepreneurship in relation to NEET (Not in Employment, Education or Training) young people is put forward by Campbell and Keck (2008, p127) (in Keck and Buonfino (eds) 2008) which is that through the ‘black’ market, individuals classified as NEET are engaged in illicit trades in things like CD sales etc. The thrust of Campbell and Kecks (2008) argument is that developing an entrepreneurial culture in NEETS may enable them to move from the ‘black’ into the real economy. It is outside the scope of this paper to analyse these arguments any further, however it is suggested that this is evidence of the amount of belief and hope that is being placed in entrepreneurship to meet some of societies needs.
Leadbeater (1997) also wrote a large paper for DEMOS in 1997 (subsequently reprinted in 1999, 2000, and 2001) which sought to chart the rise of the social entrepreneur. The justification for the development is the failure of the post war welfare settlement to be able to adjust to the demands of the modern economy and society.

“Five decades later this interlocking system of welfare is collapsing, in large part because the social and economic assumptions on which it was based have fallen apart. Mass joblessness and exclusion have been a feature of our societies for almost two decades. The traditional family has broken up as a dominant model, with the rise of more single and single-parent households. The proportion of elderly in the population is rising fast, beyond the capacity of the traditional social insurance system to keep pace. Technological advances in health care have opened up new demands. The cost of the system are rising as its productivity continues to lag behind that of the private sector. The quality of many public services is often mediocre or worse: they can create a dependency culture among recipients which disempowers them. The public sector is full of well meaning, professional, committed workers and managers, who believe in an ethic of public service. They often work against the odds to provide quality services amidst rounds of cuts and restructuring. Yet despite their efforts the state welfare machine is slow to learn and adapt.” (Leadbeater, 1997, p17)

Against this background of abject failure, there is the arising of the social entrepreneur, and a desire on the part of society to create new welfare services and organisations to deliver them. To create these new welfare services and organisations, we need a new breed of social entrepreneur Leadbeater (1997, p18) argues. Leadbetter (1997) goes on to argue that the state has never been sole province of social welfare, and to justify this statement, Leadbeater (1997) appeals to arguments from both left and right. Reminiscent of the views of Thatcherism, he appeals firstly to the family as being a point of social welfare, carried out in the main by women. Secondly the work of mutual assurance companies, trade unions and charities, and finally state involvement through regulation of the private sector and the direct provision of welfare services. But what is it exactly that these social entrepreneurs do? Interestingly Leadbeater (1997, p24) goes back to ideas that I discussed in a previous paper, which considered social capital and the middle class, he concludes:

“Social entrepreneurs create assets for communities that would not otherwise exist. The most obvious examples of these assets are new buildings, new services or a revived reputation for an area. But in many ways, the most important form of capital that a social entrepreneur creates is social capital. Social capital is the network of relationships that underpins economic partnerships and alliances. These networks depend upon a culture of co-operations, fostered by shared values and trust.” (Leadbeater, 1997, p24)

Leadbeater (1997, p53) concludes that social entrepreneurs have three characteristics. First, they are entrepreneurial in that they take under-utilised, discarded resources and spot ways of using them to satisfy unmet needs. Second, they are innovative, in that they create new services and products, and new ways of dealing with problems, often by bringing together approaches that have traditionally been kept separate. Thirdly, they are transformatory, in that they transform the institutions they are in charge of, taking moribund organisations, and turning them into dynamic and creative ones, which transform neighbourhoods and communities they serve, by opening up possibilities for self development (Leadbeater, 1997, p53).
Leadbeater and Goss (1998) also produced a paper for DEMOS on Civic Entrepreneurship. The first argument the authors state, is that the public sector has been left to pick up the pieces of societies failures. He concludes:

“The public sector is under constant pressure to match the pace of service improvement in the private sector. On top of that, the state has been left to pick up the pieces of an increasingly divided society, in which many millions live in poverty. As a result, the future focus on the public sector is constantly debated. Should public services meet the moderate needs of the majority or focus its limited resources on the far greater needs of the most vulnerable? Should public services aim to provide universal and equivalent standards in schooling, health and housing or should the aim be to fill in the gaps into which the most needy often fall? Managing public organisations in such a demanding and fluid environment is a hugely difficult task.” (Leadbeater and Goss, 1998, p13)

Leadbeater and Goss (1998, p18) define civic entrepreneurship as follows:

“Civic entrepreneurship is the renegotiation of the mandate and sense of purpose of a public organisation, which allows it to find new ways of combining resources and people, both public and private, to deliver better social outcomes, higher social value and more social capital” (Leadbeater and Goss, 1998, p18)

Given the cuts which the neo-liberals in the previous Conservative Government sought to inflict on the state, what was the future of the state, within the concept of civic entrepreneurship? Leadbeater and Goss (1998, p19-20) again relate the development of creativity and innovation:

“The public sector may benefit from further rationalisation, restructuring and privatisation, but what it most needs is revitalisation. The debate about the state in Britain has been befuddled by crude questions whether the public sector should be larger or smaller. Britain does not need a smaller or larger public sector; it needs a public sector that is much more creative and innovative, inquisitive and intelligent. That means developing an approach to the governance, funding, management and evaluation of the public sector that promotes and spreads civic entrepreneurship. The entrepreneurial organisations profiled in this report show how much scope there is for innovation, how much latent entrepreneurship lies untapped. The lessons they provide should help us to turn ambitions for a more holistic, enabling state into reality.” (Leadbeater and Goss, 1998, p19-20).

Welfare to Work Strategies and potential Impact on SSA

Although not a part of the SSA process specifically, the interest that DEMOS has in Welfare to Work is interesting in that issues for SSC and for SSA development come out of these ideas, which are implied if not specific. The link between skills (and a key criteria of the SSA, getting the right skills for employers) is developed by Pinto-Duschinsky (2001), he states:

“Demand led welfare-to-work programmes are based on one key idea: that companies will only be prepared to embrace welfare-to-work recipients if it is in their commercial interest to do so. A work force development system must be built around the needs of employers, if it is to succeed. The post-industrial
economy is highly skills intensive, and the skills needs of individual companies and sectors are increasingly specific. In this environment, companies often find it hard to find people with the exact skills sets they need. These programmes seek to make welfare recipients attractive employees by giving participants customised training that enables them to exactly fulfil the job requirements of individual positions. In short, these programmes create opportunities for the disadvantaged by aligning their interests with those of potential employers.” (Pinto-Duschinsky, 2001, p32).

Another observation made by Pinto-Duschinsky (2001) is that the success of demand led programmes can only work, if they are supported by employers. As has been discussed in other papers, engaging employers within the SSA process was a difficult achievement for SSCs to manage. Pinto-Duschinsky (2001, p41) concludes:

“Revamping the competitive performance of a sector requires considerable co-operation between participating firms. Comprehensive service initiatives require companies to spend money to address collective challenges facing their sector as a whole. If a large majority of firms within a sector decline to participate, hoping to free-ride on the backs of others’ investments, these initiatives will collapse. No one will be willing to pay for training and other services knowing that their investment will simply be exploited by others. This problem has cropped up repeatedly in recent history. British firms have traditionally been reluctant to co-operate to address collective problems. For instance, firms have often been unwilling to invest in the skills of their own staff for fear that the newly trained employees will be poached by competitors. The inability of British companies to act together to address collective problems such as chronic skill shortages or underinvestment in research and development is one of the main causes of the UK’s lack of competitiveness for the majority of the post war period.” (Pinto-Duschinsky, 2001, p41)

Although Flores and Gray (2000, p10-11) argue that the concept of ‘Lifelong Learning’ is a concept that doesn’t adequately address the needs of the new entrepreneurial society, Pinto–Duschinsky (2001, p50) adopts its usage in relation to developing a constant training ethos among the workforce, leading them to seek new skills. There is a need for individuals as well as companies to perceive the role that constant training plays in relation to their careers (it is possible that Pinto is using the term here to mean working life, rather than the structured career paths that Flores and Gray argue are now defunct). Resistance to training is caused through a belief by individuals in the concept of there still being a ‘job for life’, such that they see training undertaken in their own time, or at their own expense to be unhelpful, although the new entrepreneurial culture requires people to become more focussed on getting their own training. Pinto-Duschinsky (2001, p50) concludes that one of the tasks of any welfare to work scheme (although the inference is that this applies equally across the whole of the economy) is to foster a culture of lifelong learning by making the rewards of retraining, and the risks of not doing so, more transparent to individuals.

An interesting conclusion that Pinto-Duschinsky (2001, p67) comes to is the need to rationalise bodies working in the welfare to work, lifelong learning and economic development policy arenas:

“The number of policy bodies involved with welfare to work, lifelong learning and economic development policy should be reduced. The government’s economic development, welfare to work and lifelong learning agendas are all delivered through a separate system of partnerships at local level. The
proliferation of these bodies is undermining attempts to integrate services. They should be rationalised and their remits more carefully structured”. (Pinto-Duschinsky, 2001, p67)

This statement is interesting as Pinto-Duschinsky (2001) was writing in 2001, four years before the articulation and commencement of the SSAs, yet he identifies many of the problems with the localised regional focus in the skills arena that were to dog the progress of SSCs towards meaningful employer driven change through the SSA process.

Globalisation

In previous work, the role of Globalisation has been identified as being a major driver of the national Government agenda, and I have explored how this has been integrated into the concept of regionalised responses to globalisation, although ‘regionalisation’ per se, is seen as being a post modernist response to the modernist concept of globalisation. DEMOS has not ignored (not surprisingly) the concept of ‘globalisation’. Lloyd (2001) for example has investigated for DEMOS the anti-globalisation movement, defining it as being anti social democracy. That within this context, Lloyd (2001) is seeing ‘social democracy’ through the ‘third way’ prism (as opposed to the Marxist concepts of ‘social democracy’) as he comments:

"Social democracy cannot take the position of many of the groups: explicit or implicit anti-capitalism. It requires a healthy capitalist system to achieve its reformist goals. Capitalism is currently the only grand economic system available; the issue for social democrats now, as it was (if less clearly) in the 20th century, is how to mould and shape it through the political process to meet popular- and global- needs.” (Lloyd, 2001, p11).

Lloyd (2001,p20) goes on to define a number of ‘grand narratives’ that have dominated thought since the end of the ‘cold war’ and these are first: that the ideological struggles has been replaced with a recognition that liberal democratic polities and market economics constituted the only grand system or ideology on offer. Second, that globalisation is rendering nation states increasingly powerless. Thirdly, a contrary argument is that nation states remain as powerful as ever, and that they will continue to seek to maximise their power and to protect themselves from other states doing the same. Fourthly, the traditional clash of ideologies has been replaced by a clash of civilisations, where cultural, religions and ethical bonds have reasserted themselves to bind nations and peoples together in civilisational blocs (Lloyd, 2001, p20).

Globalisation thinking can be found in a DEMOS work entitled: “The British Spring: A Manifesto for the election after next”, where Mulgan, Peri 6 and others (1997) describe a considerable globalised hegemony:

“No government can afford to ignore the driving forces shaping society both from inside and outside. They include, the likelihood of global warming and water shortages; the shifting of the world economy eastwards to China, India and East Asia, affecting competitiveness, inward investment and trade (by 2020 the World Bank forecasts that four of the world’s five largest economies will be in Asia, and that Britain will have been overtaken by Thailand); rapidly rising population in the non-OECD countries, with likely pressure on migration and the environment; and potential military threats- as much from an increasingly powerful China, as from Russia. Internally, they include a further aging of society (by 2016 over 65s will for the first time outnumber under-16s, bringing
new pressures on the financing of pensions, health and long term care, as well as new opportunities to employ older people in mentoring, childcare and guardianship; the continuing drift to smaller households (by 2006 one third of all people will live alone, with the prospect of more loneliness, mental and physical illness); and a further re-evaluation of relationships, with every second marriage likely to end in divorce. Within the labour market we expect educated women to continue doing better while less skilled men continue to do worse. More of the workforce may be temporary, part time and insecure, not least because many white collar jobs - from managers to lawyers and accountants will be replaced by technology” (Mulgan & Peri6, 1997, p13).

**Government Re-structuring**

A common theme running through a considerable amount of DEMOS work, is the belief that to obtain modern objectives, then there is a need to reform the mechanics of Government. One such concept is found in DEMOS (2007) a “Provocation” paper entitled ‘Agile Government’. The concept of ‘Agile Government’ is to create fast decision making, flexible resource allocation, accessing and analysing a constant stream of high quality data to understand the changing environment, appropriate risk taking, flexible policy making approaches that allow for rapid changes to plans and revising decisions when needed, balancing short term responsiveness with long term management of uncertainty, actively shaping the operating environment and finally a shared values base (DEMOS, 2007,p4).

DEMOS (2007,p10) define these concepts further, in relation to systems and policy alignment, they conclude:

“Agility cannot happen in isolation - it relies on the alignment of systems and policies oriented towards clear outcomes. Policy makers need to ensure that the whole system of government from top-to-bottom is aligned. The alignment of structures, incentives and accountability is critical to focussing governments’ capacity to implement policy, explore new opportunities and execute effective responses...Agile governments would have well aligned systems such as strategy, budgeting, human resources, service delivery, information management, project management, communications, monitoring, reporting and evaluation. They would also need to manage the softer aspects of alignment, understanding how to motivate professionals to deliver policy and harnessing their energy to create innovative approaches to implementation. Ultimately, agile governments might depend on creating a strong sense of shared vision and values.” (DEMOS, 2007,p11).

In relation to workforce adaptability then DEMOS (2007,p11) concludes that the public sector will need a workforce that is adaptive to new ways of inter-agency co-operation, inter-professional engagement and service re-design. Under agile government, policy practitioners, are required to develop project-based approaches to working that allows for their rapid redeployment across agencies depending on shifting priorities. Bradwell and Marr (2008) in their paper for DEMOS looking at collaboration in public service co-design, also speak of developing Government responses in relation to service provision, they point out, that this theme is at the highest levels of Government:

“In the UK, Prime Minister Gordon Brown again committed himself to reforms embodying. 'a new recognition that real and lasting change must come from empowering the users of public services themselves, with professionals and government playing a supporting role. He has cast current plans for public
services as a ‘third wave’ of reform, using greater citizen involvement to go
beyond these traditional approaches, with their focus on efficiency, cost
savings and measurement metrics. This meshes well with the UK government’s
aim of personalising public services. Co-design seems to meet the challenge of
unshackling public services from a one-size fits all model of provision.”
(Bradwell and Marr, 2008,p12).

Interestingly, despite the commitment of the Prime Minister, co-design appears to be at the
margins of policy development currently, and relates to new services, rather than existing
services (Bradwell and Marr, 2008, p23). Bradwell and Marr (2008,p37) then go on to state
the obvious:

“There is, however, a disjuncture between top-down strategic imperatives and
people centred initiatives. Drivers and incentives are very different for high
level policy makers and frontline staff, but the decisions of each impact greatly
on the other.”(Bradwell and Marr, 2008, p37).

Peri 6 (1997) has written a paper on holistic Government. He argues first, that the
government model that Labour inherited from the Conservatives was a failure, which was
caused by high cost, centralisation of the wrong things, a crude understanding of how to
change behaviour, short term thinking, too much focus on cure, too little on prevention, lack
of co-ordination and exacerbated problems of ‘dumping’, measuring the wrong things and
giving accountability to the wrong people (Peri 6, 1997, p26).

Peri 6 (1997, p52) talks of a tool kit of prevention for an anticipatory government, that first
develops skills, competencies and a new kind of professional status around prevention.
Secondly, early warning systems and scenario building exercises on the risks of particular
needs arising. Thirdly, early identification of at risk individuals through schools, social
services and the police. Fourthly, the provision of information and persuasion to change
cultures of behaviour. Fifthly, audits of the preventative impact of the entire range of
government policy and services aimed at identifying areas where prevention would, over
foreseeable periods, yield savings. Sixthly, develop more early intervention services targeted
at children and young people to prevent them from poor educational achievement,
delinquency, crime, ill health and unemployment. Seventhly, encourage preventative roles,
practices and models to develop within each of the professions, using codes of practice,
institutes and systems of accreditation. Finally, challenging the public’s attachments to
curative services that are ineffective (such as hospitals and authoritarian policing), by making
more powerfully the case for effective preventative measures (Peri 6, 1997, p52).

Government, were writing about ‘holistic’ Government. The themes that underpin so much of
the Demos ideology are neatly captured in the summary document..

“The watchwords of the new phrase are ‘holistic working’, ‘integration’, ‘co-
ordination’ and ‘joined-up public management’. Integration is a broad
spectrum from dialogue and taking other agencies operations into account
through to large-scale re-organisation and merger. Far from undermining
specialisation and the role of discrete professional skills, it puts these things
into their proper context; the enemy of integration is fragmentation, not
specialisation.”(Peri 6, Leat, Selzer and Stoker 1999, p9)

Although pursuing this DEMOS line of enquiry may seem at first instance to be at some
distance from the Sector Skills Agreement, in actuality, it is suggested that analysis of the
SSA as part of these papers identifies perfectly how little this concept of ‘joined up Government’ (a Blairite term for Holistic Government of DEMOS has actually impacted on policy implementation). Peri 6, Leat, Selzer and Stoker (1999, p17) go on to discuss the early attempts that the ‘Blair’ Government made with holistic working. First there was holistic auditing through several elements of the comprehensive spending review, and holistic budgeting through the ‘New Deal’ and ‘Sure Start’ programmes. Holistic information in the Governments commitment to a Central Information Technology Unit, which was designed to fit Government services around events in peoples lives. Holistic organisational structures have also been created around the development of partnerships among public bodies and between them and private firms or voluntary bodies in the ‘Invest to Save Budget’, and holistic action through the development of ‘special action zones’ for partnerships to pursue health, employment and education. Holistic policy co-ordination through a government-wide promotion of public health and an integrated family policy, and devolved structures to create opportunities for local politicians and public managers to design holistic initiatives; with finally there being a re-organisation at the centre, to promote and enable holistic working throughout Government (Peri 6, Leat, Selzer and Stoker, 1999, p17).

Peri 6, Leat, Selzer and Stoker (1999, p22) clearly see a certain degree of fluidity and this commitment to post modern regionalism that I have identified in previous work.

“Central Government, we firmly believe, cannot issue a memo to all-comers headed ‘What You Must Integrate’, because there is no general, one-size-fits-all kit for holistic governing available. Decisions need to be made and made accountable at the appropriate level; this often means locally, frequently at the neighbourhood level...The key role of central government must be to facilitate decision-making and holistic policy management at every level. By crowding out local decision-making, or setting it out with such constraints, that its results become distorted, central government will put in jeopardy, the whole agenda of holistic working.” (Peri 6, Leat, Selzer and Stoker 1999, p22-23)

Further commitment to regionalism is given later in the paper (p29)

“While central government has the right and the duty to set the direction and the goals, it is at the frontline of executive agencies operating locally that the knowledge, the capability and the practical networks necessary for successful reform will be found. The centre needs to learn from the locality about implementation, just as the local level needs to learn from the centre about commitment to the goals of reform.” (Peri 6, Leat, Selzer and Stoker 1999, p29)

Further advice comes from the authors about collating data at the regional level, and creating Lessons learnt Units.

“Holistic working requires more than the current collation of intelligence within Whitehall. The government should, for instance, encourage health and local authorities, TECs and public-private partnerships to establish US-army style, joint ‘Lessons Learned Units’ (LLUs). Their task would be to create forums in which to share knowledge and to support experimentation. Regional networks of these units, perhaps serviced by the Government offices for the Regions, could extend the learning at inter-regional level. LLUs might conduct local or inter-regional comparative audits on learning from the smartest and boldest failures as well as apparent successes. They should expect to host a continuous stream of online learning networks of practitioners, using electronic conferences, email and video-conferencing when possible.” (Peri 6, Leat, Selzer and Stoker 1999, p34)
If holistic government is so good, why has its performance been so ‘patchy’. The authors have an answer for this too:

“When it is hard to persuade people to do something, it is more usually because they don’t want to than because they can’t. Most of the reasons that make holistic government hard to achieve stem from fear, lack of ambition, risk aversion and the power of incentives to maintain the status quo. However, because it is not generally thought clever to parade one’s fears, low aspirations, aversion to risk or vested interests, the arguments that get voiced against innovation tend to focus on institutional blockages. In general, can’t turns out to mean won’t.” (Peri 6, Leat, Selzer and Stoker, 1999, p65)

In 2002 Leadbeater (2002) wrote an Open letter to the new cabinet secretary, entitled “Innovate from Within”. The paper is interesting, in that it proposes a lot of changes that devolved Government to more local and regional bodies, so for example there is a proposal for a generation of new types of services, such as home-based health care or education services, and a new deal between central funding and targets and local initiative and discretion (p8).

Government should be in the business of devolving more power and responsibility to managers, communities, cities and neighbourhoods committed to identifying and tackling problems. Also there is a proposal for the complete overhaul of audit, inspection and monitoring regimes, with an emphasis on peer-to-peer reviews and self-improvement programmes rather than punitive arm’s length inspection (Leadbeater, 2002, p9).

Leadbeater (2002, p17) talks about the managerial tone of ‘New Labours’ first term, which is in keeping with the Government’s own statements, on the over managerial style that it adopted during its first term. In this sense, Leadbeater (2002) and DEMOS are reflecting or influencing thought that was already present within Government thinking. Target setting too (p20) while acknowledged as giving real achievement to the Government’s first term, is questioned as to its continued effectiveness in achieving the subsequent Government’s policy agendas. The role and function of inspectors is also questioned (p21) by Leadbeater (2002, p24) inferring that there should be a move away from inspection. Leadbeater (2002, p24) states:

“The target culture is becoming the enemy of change. The Government says it is focussed on ‘delivery’. Yet at the heart of government, some people seem to believe simplistically that delivery should automatically and mechanistically follow from central instruction. Too many targets, tied to too many initiatives, with too little consistency and clarity about priorities are the enemies of good service. The public sector needs targets to make sure resources are devoted to services that matter to consumers. Those targets need to be about outcomes and general priorities rather than micro details. They should be set within a framework of trust, long term planning and flexibility to meet local circumstances, demands and opportunities.” (Leadbeater, 2002, p24)

Leadbeater (2002, p26-28) then goes on to discuss the issues that Labour discovered on taking office in 1997. He describes how weak the centre was, with the Prime Minister having little control of Government, with only the Prime Ministers Policy unit being able to transfer the Prime Ministers will around Whitehall. After the 2001 election, Blair tightened his grip on the centre with the result that the centre of British government is not an ‘arms race’ of strategic thinking, as there is now the policy unit and the cabinet office, the strategic
communications unit, the centre for management and policy studies, the performance and innovation unit, the Prime Minister’s forward strategy unit, and the office of the e-Envoy (p26-27). Leadbeater (2002) notes that all of these departments reported to the Prime Minister directly. To compensate/counteract this development from No 10, then other departments within Whitehall have created a range of their own think tanks and special advisors (p27). Leadbeater (2002, p27) points particularly to the developments in the Treasury, which appear to counter the moves that were made by the Prime Minister of that time, and which may in part be explained by the then relationship between the Prime Minister and the Chancellor of the Exchequer. Leadbeater (2002,p27-28) concludes:

“Many aspects of this stronger centre have proved effective, chief among them the performance and innovation unit. However, the centre of government has taken on a large number of roles (crisis management, target setting, driving delivery, medium term and long term policy thinking and communications coordination). You sit in the middle of several competing centres of power. The rest of government doesn’t know which way to jump until they get a decision from the centre, which can become a bottleneck. Policies patiently developed within departments, often using best practice of gathering evidence and involving stakeholders, can be tossed out with the wave of a imperious and ignorant hand in the Treasury. While the quality of strategic thinking may go up, the ability to deliver on the ground may be further jeopardised if a stronger centre strangles local initiative...This mechanistic centralising view of the world is so powerful because it fills a void; the government’s lack of a long term coherent political strategy for public sector renewal.” (Leadbeater, 2002,p28)

Not surprisingly, Leadbeater (2002,p35) echoes much in relation to what has been written about the development of civic entrepreneurship and the knowledge economy, with the increasing mantra that the time has come to reduce or move away from a national curriculum.

“In the long run, we need an education system which is capable of delivering the basics to everyone, with a smaller core national curriculum, but one that is increasingly able also to deliver individualised educational programmes tailored to the specific needs and learning styles of different children. That would be an education system that promoted equality of opportunity and high standards in the basics, but also tapped into the individual aspirations and motivations of children. People display different kinds of intelligence and these are drawn out in different settings. Learning needs to be organised around individual curiosity and aptitude, responding to the individualised nature of intelligence. The middle classes are already opting for choice in education. The aim should be for all families to have a choice of a variety of types of school, differing in ethos and aims to send their children to.” (Leadbeater, 2002, p37-38)

Leadbeater (2002,p40) points out that Government organisation is still largely dominated by hierarchical structures and centralised command and control over resources, with a workforce organised around rank and a chain of command, with space for initiative being limited only to senior positions. To address this, Leadbeater (2002, p40) suggests that networked organisations (as defined within the entrepreneurial section above) would address this need. Leadbeater (2002,p45) is also very clear that further devolution and regionalism is needed if Government is to be successful in the future:

“A more divers self-governing, networked and mutual state will only evolve if there is greater devolution of political power and managerial discretion. The
new public sector needs to be built on a new deal between the centre and localities, in which each respects the other’s role. The central job of politicians is to articulate the outcomes people expect public services to help to achieve, and to ensure as far as possible that systems exist, both inside and outside the state, to deliver those outcomes. The more these outcomes can be decided on by an open political process, in which people feel engaged, the more likely they are to attain legitimacy. That is why further devolution of political power to regions and cities to start making their own decisions and taking responsibility for their actions will have to be part of the agenda of public service modernisation. The arcane dispute between the labour government and the government of London over the financing of the Underground stems from an incomplete process of devolution. London should have the power but also the responsibility of organising a decent transport system.” (Leadbeater, 2002, p46).

Chapman (2002) in a paper for DEMOS entitled ‘System Failure’ arrives at many of the same conclusions as Leadbeater (2002). He states:

“The current model of public policy making, based on the reduction of complex problems into separate, rationally manageable components, is no longer appropriate to the challenges faced by governments and changes to the wider environment in which they operate. Key changes include increased complexity brought about by the impact of communication technologies and the resulting growth in interactions between the various organisations and agencies. A more diverse range of organisations involved in public service delivery, most of them not answerable directly to or under the control of ministers. Blurring of the boundaries between domestic and international policy as a result of globalised communications networks and the liberalisation of economic activity, meaning that events at home are increasingly influenced by international factors and vice versa”. (Chapman, 2002, p11).

Chapman (2002, p13) goes on to argue that there are a number of problems and obstacles within government to learning, and these include first, an aversion to failure, exacerbated by the adversarial political system, which uses failure to score points, rather than to learn. Secondly the pressure of uniformity in the public services, and thirdly, shared assumptions between civil servants and ministers that command and control is the correct way to exercise power. Fourthly, a lack of evaluation of previous policies and fifthly, a lack of time to do anything other than cope with events. Sixthly, a tradition of secrecy used to stifle feedback and learning. Seven, the dominance of turf wars and negotiations between departments, effectively making end-user performance secondary to other considerations and eight, the loss of professional integrity and autonomy under the knife of efficiency in policy making, and resistance and protection of vested interests by some professional and intermediary bodies (Chapman, 2002, p13).

Chapman (2002, p13) then goes on to recommend that a systems practice should be adopted. This systems practice is different from the traditional command and control approach in that first, interventions are based upon learning what works, on an ongoing basis, rather than specifying targets to be met. Secondly, the priority would be to improve overall system performance, as judged by the end users of the system not just by ministers or civil servants. Thirdly, the policy making process would focus on the process of improvement, rather than the control of agencies involved. Fourthly, engagement with agents and stakeholders would be based more upon listening and co-researching rather than on telling and instructing, with responsibility for innovation and improvement being widely distributed. Finally, implementation would deliberately foster innovation and include evaluation and reflection as part of the overall design (Chapman, 2002, p13-14).
By 2003, Bentley and Wilsdon (2003) were talking about Government reform as resting on a “curious hybrid”, which they identified as having four constituent components: first, the nineteenth century liberal administrative state, which was embodied in central government departments and local authority structures, and the model of financial accountability represented by Parliament’s public accounts committee. Second, the post war welfare state, which introduced mass production service management and procurement, from universal schooling to the NHS. Third the neo-liberal legacy of agencies, performance indicators, contract-based accountability and arms-length public bodies, and finally, the performance culture of modern public sector management, a unique and intriguing mix of mandarin wisdom and 1980s business performance techniques (Bentley and Wilsdon, 2003, p17-18).

An interesting comment made by Bentley and Wilsdon (2003,p31) suggests that despite the “rhetoric” of new localism, there is still a tendency for the centre to seek to use command and control to manage services:

“Our current definitions of successful political leadership require elected politicians to grapple with a level of organisational detail and overload that is unsustainable. Nye Bevan once famously said that the sound of a bedpan dropped on an NHS ward would reverberate around Whitehall. Today, despite the rhetoric of the new localism, too many ministers remain seduced by Bevanite myths of omniscience and control. The reality is that they cannot be in control of the organisational systems that they nominally head, even though they retain responsibility for them.” (Bentley and Wilsdon, 2003, p31)

Chapman (2003, p55) writing in Bentley and Wilsdon (2003) argues that Government should become a learning organisation. He concludes that the key feature of this style of management is that the organisation learns what works, rather than presuming that this can be known or deduced from analysis. To be successful, an organisation has to first, be tolerant of failure and willing to learn from successes and failures. Secondly, decision making is to be based on quantitative and qualitative feedback on outcomes, and third, be based on cooperation with service delivery staff and other stakeholders in the design, evaluation and subsequent modification of improvements. Chapman (2003, p55) concludes that the current Civil Service Culture makes this methodology difficult.

Kate Oakley writing in Bentley and Wilsdon (2003) considers a number of issues related to the regionalism and localism and its limitations, speaking first on the model of government carried out by New Labour, she concludes:

“This is more than an administrative fix. The managerialism that so dominated New Labour’s first term has understandable roots, but its consequences have been damaging. One does not have to hanker for the days of stronger trade unions, or Militant-led local authorities to believe that people are often ‘politicised’ and therefore educated by conflict and debate. The concentration on getting things done in public service reform often results in a smoothing over of inherent conflict or power imbalances, particularly in partnership organisations. This can mean that the required debate does not happen, those with a minority point of view disengage and learning opportunities are missed. From a desire to avoid what is seen as ‘pointless conflict’ the life has effectively been drained from some local institutions. A form of ‘productive conflict’ needs to be reintroduced if we are serious about transformation. (Oakley, 2003, p91)

Oakley (2003) takes issue with what she defines as the ‘cookie clutter’ approach of the regionalised policy documentation, and the ‘sameness’ of many of the conclusions.
“One has to spend very little time reading regional economic strategies to despair of the sameness of these documents, with their references to the knowledge economy, their use of sporting metaphors (the Premier League is a particular favourite), the importance of creativity and so on. My point here is not to question the argument that the UK is moving towards a more knowledge-intensive economy, or that the knowledge economy will have a major impact on all of Britain’s regions - but to question why the nature of that impact where it affects particular cities or regions is so poorly understood. All areas of the country, whatever their industrial base, human capital stock, scale of history are discussed in these documents as if they are identical and as if a knowledge economy will eradicate their differences, instead of exacerbating them, overnight.” (Oakley, 2003, p92-93)

Oakley (2003, p93) then goes on to give a very good example of how this ‘sameness’ of economic strategy leads to a failure to understand the regional or sub-regional characteristics. What Oakley (2003) is describing is in essence the regions actually responding to a centralist initiative (globalisation/ the knowledge economy) in a centralist, rather than a regionalist fashion in many respects. It should be remembered that the SSA, then was required to respond to these agendas in the regions themselves, which was difficult.

“During recent work in the Black Country, an area of the UK where small and often low-skill manufacturing firms make up a major part of the economy, I was recently told, ‘What this area needs is a research-based university like Cambridge.’ No recognition was made of the fact that a sudden wave of Cambridge-style graduates is unlikely to be absorbed by Black Country firms. Rather than trying to understand the difference between the knowledge economy of the Black Country and that, say of the South East of England, we seem hell-bent on trying to replicate a single model of the knowledge economy across the country. Everywhere is said to need a research university, some incubators and a ‘creative hub’, preferably with a sprinkling of cafes, galleries and fancy shops. All regions are pursuing the same economic development strategy, despite the evidence that their human capital stock cannot support it and that they will have difficulty attracting or retaining the kind of workers on which these economies depend.” (Oakley, 2003, p93)

Oakley (2003, p94) then goes on to describe the limits that she feels exist in relation to partnership working, particularly at the local and regional level, she states:

“The complexity of some social issues has led to an increased emphasis on partnership working. While few would question the need for this, the weight of expectations on partnerships to ‘join up’ policies at the local level can often be unrealistic. Partnerships are formed by groups of people from different sectors, with unequal powers, who usually bring with them different baggage in terms of expectations and understanding. Yet despite this diversity, they are rarely allowed time to develop a common narrative or set of assumptions. Partnership members often lack a common language or knowledge base. Local officials might describe the problems of the local economy as ‘a lack of NVQ2s’ while local employers talk of not getting enough staff ‘with the right attitude’. Policy types refer to evidence of a stronger economy as ‘improvement in Key Stage 1-4’, while local residents see it as ‘fewer cheap shops’. Despite its simplicity, one instinctively leans towards the second description, not because the first is inaccurate, but because the second at least suggests that someone is paying attention to their local area”(Oakley, 2003, p94)
It is interesting to note the comments of Oakley (2003) as many of these frustrations and conflicts are seen in the development of the SSAs regionally, and have been described in previous work in this series of work in progress papers.

The list of governance concept emanating from DEMOS appear to be almost inexhaustible. A further concept discussed by Chapmen (2004) is the concept of public value. This is defined as what the public values, and what they are willing to make a sacrifice of money and freedom to achieve (Chapman, 2004, p124). Public value is a multi-dimensional construct, which aims to capture what it is that the public values in relation to the government’s use of the power of the state. Thus public value is increased when first, the level of service provision is improved. Second, the quality of the service is increased, particularly in treating all recipients with respect. Third, the equity or fairness with which the service is delivered is increased. Fourth, service provision is more sustainable and takes into account the needs of future generations. Fifth, the provision of the service is done in a way consistent with the expectations of a liberal civic society. Seven, the service provision enhances the level of trust between government and citizens (Chapmen, 2004, p128). Jowell (2005) (who was then the Secretary of State for Culture, Media and Sport) describes the benefits of a public value approach as being first, public value helps to define added value in the public realm, not just in the private market. Second, public value focuses attention on what the public values, not just what producers value. Third, public value highlights the process of “co-creation”, which is necessary for the production of positive outcomes in much of the public service sector, including culture, arts and sport, and finally, public value highlights longer term outcomes not just short-term activities and outputs (Jowell, 2005, p6).

The Skills Paradox

Post the Leitch (2007) report, DEMOS have become interested in skills, although throughout their work, there has been an emphasis on education and skills related to the area of investigation, for example in relation to entrepreneurship, or ‘welfare to work’ schemes. O’Leary and Oakley (2008) have considered ‘skills’ specifically within one of their papers Jones (2008) in the foreword to O’Leavey and Oakley (2008) argues that although there has been a lot of discussion on the need for a demand led system, and the need for the skills system to respond effectively to the needs of employers, there has been little development of a definition for demand. An interesting comment from Jones (2008) (who is Director-General of City and Guilds, and therefore from a business perspective likely to be affected by any rationalisation of qualifications by SSCs, and therefore cannot be assumed to be totally impartial it is suggested) appears to be aimed at attacking the SSCs, as well as Leitch (2007) he states:

“Meeting demand is not as simple as listening to the proclamations of sector bodies or coming up with a list of levels at which a certain proportion of adults must be skilled by the year 2020. It is a complex, subtle equation, which must also take note of the need to create demand, both among individuals and employers, in certain high-skill areas to ensure that the UK remains economically competitive...While the Leitch report has an important ambition, some of the methods and targets used had their flaws. We fully recognise the Leitch vision of a better skilled UK, but believe that there may be alternative, more effective routes to achieving it than the ones currently being driven forward by policy makers..” (Jones, 2008, foreword)

O’Leary and Oakley (2008,p11) argue that a skills strategy should involve, but not be restricted to simply a reform of the education and training sector. They argue that this system
should make learning opportunities open to all and not just those who are currently in skilled jobs, which they conclude may require not just a skills strategy, but also a labour-market strategy. They then point out that while many parts of the UK economy rely on high skills and continuous training, this is not the case in other markets, where employers have little incentive to train, even with a Government incentive, thus reducing the effectiveness of skills training being oscillated around demands of employers, which of course was the key aim of the SSA. Instead the strategy should seek to drive a higher skills agenda, making learning opportunities for all within the strategy. Given what has already been stated within this paper in relation to the demise of the career for life, it is suggested that this is in part a call for the Government to move beyond sector demand to allow for required movements of labour, as the economies needs change.

O’Leary and Oakley (2008, p11) then go on to argue that a new skills strategy should “have space to innovate” (p11). This innovation should take the form of moving away from Government funding for only full approved qualifications, towards individual requirements for training, which can be achieved through the development of further personalised part-qualification training opportunities. This phenomenon would be achieved through continuing to develop competition models of education and training, which ipso facto would make providers more responsive to the needs of individual learners. This argument of course is nothing new, and has been ‘cited’ since 1990, for the development of the Further Education Funding Council (see Hammond, 2003). O’Leary and Oakley (2008, p13-17) develop a number of recommendations as part of their paper to address their perceived deficiencies with the skills agenda. These are as follows:

- Create incentives for employers to move up the value chain, which in this instance is presumed to be achieved through persuasion about the benefits of improving their skills level. Interestingly, there is nothing new here from the authors, or any attempt short of requiring companies to be required to publish figures on training as part of their formal accounts (p13).
- Establish rights for employees to train, through legislation giving employees the right to receive training.
- Build skills into welfare reform, a subject already discussed in this paper, but inferring that there is a clear strand of DEMOS thinking on this concept.
- Remove disincentives to invest in training for casual labour, presumably (although the authors are not explicit) this will involve some Government intervention through legislation or investment..
- Experiment with peer- to –peer to encourage people to take part in learning, through encouraging social relationships.
- Introduce long-term strategies to close the gap between the interests of employers and employees. The interests of employer and employee within a capitalist system and therefore employers train when there is a business case to do so, and do not train when there is not a business case to do so. In short the authors task Government with seeking to bring together the needs of employers and employees, so that they are better aligned.
- Measures to meet demand for learning in the training system/ subsidies for individuals not companies

“The idea of demand-led funding can have a number of applications: it can reflect the choices made by individuals or single employers, or perceptions of what whole sectors require, as judged by Sector Skills Councils. To avoid directly subsidising specific business and to help empower employees, entitlements should go unequivocally to individuals. In this context, the recent
legislation enshrining the right to training is an important step” (O’Leary and Oakley, 2008, p16)

It is in this analysis, that it can be seen that demand-led, is slowly metamorphosing from demand led by employers, to a more hybrid model of demand led by employees, although apart from comments about employees receiving ‘good advice’, there is really no analysis undertaken by O’Leary and Oakley (2008) about how individual learners will make training choices. Anecdotal evidence suggests that the choices learners make is determined by many external factors, including parents, ‘other ‘ family members, friends and the media (ETB 2009).

- Create ‘learning budgets’ for maximum flexibility and support, which includes the development of ‘learning budgets’ and universal skills accounts.
- Build in scope for second chanced- but not too easily, with actual decision making residing ultimately in the adult careers service.
- Recognise the difference between market-led and demand-led: a strategic role at local level

“In the language of public service reform, ‘demand-led’ is often equated with ‘market-led’. In truth, these terms overlap but are not the same. Markets respond where there is sufficient demand for something, rather than simply where there is any demand for it. There will always need to be some strategic commissioning at local levels to bring about truly demand-led systems of public services, which meet the needs of all service users. Whether this governance comes through local Sector Skills Councils, local authorities or city government, the specific governance arrangements are less important than the principle of there being some means for market management and oversight.” (O’Leary and Oakley, 2008, p17)

This paragraph emphasises quite well, the confusion that exists in relation to demand-led and the desire to move the concept away from employer led, which is where I would suggest the concept of demand led originally had, when the SSCs commenced the SSAs. It may be , that O’Leary and Oakley (2008) are thinking of ‘market led’ as being what I would define as demand led, for the purposes of this research. From an SSC point of view though, is the comment about ‘local Sector Skills Councils’, which the authors do not appear to understand to be an oxymoron as SSCs are national organisations constituted around sectors, determined by Standard Industrial Classification Codes, when what the authors are describing are different organisations. SSCs are in part postulated on the fact that sectors have national characteristics, which can be defined, and thus makes it easier for national government to relate to the whole of the UK economy. The majority of SSCs are too small to have anything more than a nominal regional presence, which in essence, is usually one member of staff., so this is a rather strange statement by the authors.

- Establish diversity goals for Sector Skills Councils

“People should feel able to work in any sector- and society should benefit from workplaces that support social integration, not segregation. Yet too often people from particular backgrounds cluster in low-pay, low status sectors, which hampers both social mobility and social integration. To address this, Sector Skills Councils should be given as a core goal the task of attracting the widest possible pool of talent into an industry- involving new and different people from all backgrounds to work and prosper in the sector.” (O’Leary and Oakley, 2008, p17)
O’Leary and Oakley (2008, p19) is quite inspirational in its goals for skills strategy, as intimated above, the authors seek to relate more sociological needs of individuals with those of the employers, for example under the heading of ‘why and how skills matter’ (p19), they conclude:

“Meeting ‘demand’ for higher skills in a globalised world is not enough—even if it coincides with greater equality. Governments should take their cues not just from labour market signals, important as they are, but also from wider social goals. These include giving people the chance to fulfil their potential, helping people take greater control over their own lives and improving well-being through learning. This does not mean ‘learning for learning’s sake’, but an aspiration to help create a fairer society in which people lead more fulfilling lives. In this way, policy should seek to contribute to: high employment, high productivity, high social mobility, quality, not just quantity of work, [and] personal development and well-being.” (O’Leary and Oakley, 2008, p19-20)

As stated in previous work on the SSA, a major task of SSCs through the SSA was to examine the productivity of the sector. O’Leary and Oakley (2008, p21-22) recognise the improvements that skills can make to productivity performance, although, they point out (p22) that it is more difficult in some professions than others, to identify productivity improvements through increases in skills. They conclude:

“It is important, however, not to overstate the extent to which greater skills levels alone can drive productivity improvements. For skills to add value they must be used in practice and this depends on changes in a range of other areas, from product strategies to management and job design. So while highly productive firms are likely to depend on highly skilled employees, higher skill levels will not necessarily produce higher productivity. For that to be possible, individual firms must also decide to alter their business models. It is important, then, to recognise that skills are necessary but insufficient condition for greater productivity.” (O’Leary and Oakley, 2008, p22).

Earlier in the O’Leary and Oakley (2008) paper Jones (2008) had intimated that there were issues with the Leitch (2007) report, and O’Leary and Oakley (2008, p26) intimate that one of their issues with the Leitch report (2008) was that the social benefits of learning were not accentuated. They state:

“Years of research conducted by Leon Feinstein and his colleagues at the Centre of Research on the Wider Benefits of Learning have shown that learning in adult life can improve outcomes in a number of important areas, including physical and mental health. This value was reflected rhetorically in the Leitch review of skills but, as we shall argue, has been crowded out—perhaps unintentionally—by an overly centralised system for rationing public funding.” (O’Leary and Oakley, 2008, p26).

In the chapter entitled ‘The current approach and its assumptions’ O’Leary and Oakley, 2008, p31) begin to look at the drivers around employers. They conclude that for over a decade, not just in the UK but around the world, national vocational education and training systems have been criticised for failing to meet the needs of industry (p31). Policy makers have sought to respond to these criticisms by developing more responsive training systems and establish a firmer relationship between business development and investment in learning. These
responses appear to have been developed around a model based on sectors, although O’Leary and Oakley (2008, p32) point to four different sectoral models, that have been developed around the world. The first is employer involved: this involves either voluntary engagement of employers in sector skills debates primarily by consultation or statutory engagement if employers in financing sector skills delivery and voluntary consultation (O’Leary and Oakley, 2008,p32).

The second type of engagement is Employer modelled, which utilises the best practice models of skills development to shape training practice within the sector. Thirdly, there is the employer owned mode, where the employer funded sectoral approach is utilised, which ties into sectoral skills strategies and needs, as identified by employers’ associations and representative groups. Finally, there is the employer-driven groups, which have two variants, being first a public vocational education and training system determined by employer demand, or a number of private partnerships, bring in employers together, in order to identify and invest in training (O’Leary and Oakley, 2008,p32). Currently, as O’Leary and Oakley (2008,p35) point out that around the world, employer engagement transverses across a spectrum from consultation to coercion, in requiring employer involvement. O’Leary and Oakley (2008,p36) conclude:

“The lesson for the UK seems to be that the key question is where and how to involve employers rather than whether they should play a part in some form. The test is how to create a relationship between the training system and labour market in which stimulates the other in a move towards high skilled work. This suggests a strategy that works simultaneously on issues of supply and demand for skills.” (O’Leary and Oakley (2008, p36).

O’Leary and Oakley (2008, p36-37) then go on to discuss the Leitch settlement on the skills policy agenda. Although this skills agenda post dates the SSA, it probably represents the ‘high water mark’ from which the Government subsequently has moved away from the demand led system being demand led in so far as employers are the drivers of curriculum supply. So the SSDA became the UK Commission for Skills, with a remit that was more ‘hands off’ the management of the SSCs. SSCs too got powers to make sure that the content of publicly funded courses and qualifications meet employer needs. Some employers also obtained the powers to accredit their own qualifications, allowing on-the-job training to become nationally recognised and accredited.

Train to gain was to be the mechanism used to determine that the greater proportion of public funding for training will be employer led, with all adult skills funding intended to be routed through the Train to Gain and Learner Accounts by 2010. Market failures around information would be addressed through skills brokers helping businesses assess their needs, and a new universal adult careers service working for individuals to advise them about learning and professional development opportunities. Finally funding would be provided to address another perceived market failure, this being the funding for basic skills qualifications - reflecting the view that formal qualifications to level 2 often lack economic value in the labour market. The assumption in the Leitch settlement was that in a global market, with the supply of training reformed, demand for training among employers would be unleashed, thus employer engagement within the Leitch (2007) context, was focussed on improving the supply of training, rather than more direct measures to improve demand (O’Leary and Oakley, 2008,p37-38).

O’Leary and Oakley (2008,p38) then go on to analyse the post –Leitch settlement:

“Since the government’s initial response to the Leitch review, however, a more rounded approach has begun to take shape. Just as other countries have sought to address wider issues of demand for skills, through a combination of
workers rights (as in France) and employer incentives (as in Singapore), the government has sought to broaden its own repertoire. Unveiling the government’s draft legislative programme for 2008/09 the Prime Minister announced new proposals to establish the right to request training for employees, alongside a duty to consider requests for employers…This shift marks a tacit acknowledgment of wider reasons for low participation in formal learning, which lie beyond an unresponsive training system. And it reflects the reality born out by training systems around the world that reflect the long-term aspirations of whole societies, not just the short-term aspirations of particular businesses.” (O’Leary and Oakley, 2008,p38).

O’Leary and Oakley (2008,p42) also stress the ‘importance’ of the social justice concept within the skills agenda (an issue, that as I have pointed out in previous work played a significant part in the actual development of the Sector Skills agreements).

“Progressive governments should aspire towards social goals rather than just what the market ‘demands’. The role of the state should not be just to make the market work better on its own terms, but to shape it- and compensate for it in other ways- so that better social outcomes are achieved. Put simply, finite demand for high skills from employers does not mean that a government should be satisfied with limiting opportunities to take part in learning. Helping people fulfil their potential is an essential task of any progressive government.” (O’Leary and Oakley, 2008, p42).

Another issue, that featured in many SSAs and complicates the task of SSCs in promoting training or increasing skills in the indigenous workforce, is the presence of migrant labour.

“Employers’ skills surveys have shown that that only a minority of the establishments in the sector reporting such vacancies respond by increasing or expanding trainee schemes; with the more commonly adopted responses being to expand recruitment channels. A number of employers we interviewed in the sector expressed a dilemma between training local people- often their preferred option- and drawing on skilled labour from abroad. The result is a sector in which around 14 per cent of foreign–born workers from the A8 countries (Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia and Slovenia) are in employment, and where employers link the recruitment of migrant workers directly to skill shortages.” (O’Leary and Oakley, 2008,p46)

O’Leary and Oakley (2008, p58) identify part of the problem for employer reluctance is that many full qualifications have as part of their curriculum things that employers would not necessarily see as being part of their needs, and therefore they are reluctant to send employers for off-the–job training that doesn’t strictly meet their needs, although as ‘O’Leary and Oakley (2008, p58) argue , the original ethos behind funding full qualifications funding was that the qualifications were then more portable, than be-spoke training, and more centrally, the desire to achieve PSA targets, which full qualifications facilitate, as they are easier to measure than be-spoke qualifications.

An argument often used (by the SSDA that was and the UK Commission in their research) is that investment in skills has a direct correlation to salary. O’Leary and Oakley (2008,p59) comment:
“Often the approach to encouraging more people back into learning has been to stress correlations between average qualifications and average earnings. Take part in training and on average, people are likely to earn more. This is a sensible message to communicate, but it is likely to be unsuccessful if people have already decided that this is something that does not apply to them. The reasons that people may be resistant to this message range from the basic belief that learning has no value, to doubts about their personal ability or the psychological challenge posed by starting again in a new field after years working (and learning) in one sector.” (O’Leary and Oakley, 2008, p59)

O’Leary and Oakley (2998, p63) invest a considerable amount of time to an analysis of Sector Skills Councils, which as they are writing both post Leitch, which was commensurate with later tranches of SSCs developing their SSAs and ultimately the completion of the SSA process itself. An analysis of O’Leary and Oakley (2008) is rather critical, suggesting the value that SSCs are playing at the interface between employers and providers etc:

“The issue is where and when employers, who are busy running their own businesses, can add value- and with whom they should engage to achieve this. Our research suggests that positioning Sector Skills Councils as intermediaries between employers, qualification agencies, training providers and individual learners, serves to complicate the process unnecessarily. Frequently the employers we visited complained that the qualifications eligible for public funding were often not those that are most up to date and useful, while efforts to gain Sector Skills Council approval for new qualifications have proved difficult and time consuming” (O’Leary and Oakley, 2008, p63).

O’Leary and Oakley (2008, p63) go on to argue that expecting SSCs to be the arbiter in what is an economically value skill is problematic, as SSCs face a problem first of difficulty of definition, as O’Leary and Oakley (2008, p63) argue that it is difficult to define what precisely is an economically valuable skill, as many employers in their research had highlighted soft skills as being important as a platform of employability, suggesting that there is a shift from more technical definitions of skill. The second criticism is that the pace of change in labour markets makes it difficult for centralised organisations to keep pace with change. The third problem that SSCs allegedly have, is the unpredictability of labour markets, which SSCs may not be able to keep pace with. Finally O’Leary and Oakley (2008, p64) identify a need to create new demand through product innovation, which could be undermined if systems of quality assurance become overly prescriptive, thus there is a danger that the process of Sector Skills Council approval for qualifications being too cumbersome to support innovation, and the range of learning opportunities for funding is too narrow (p65).

The problems that are identified by O’Leary and Oakley (2008) could perhaps be more answered by reference to the ability of SSCs to engage with employers. There is no reason why SSCs should not be successful in determining economically valuable skills, if they are able to engage successfully with employers, such that they are aware of their sector’s needs, and can respond quickly to them. Many SSCs struggle to engage with employers, and there is still some confusion in the minds of many employers of the role that SSCs are supposed to take. But O’Leary and Oakley (2008,p65) conclude:

“In other words, there is a need to question the assumptions that underpin current policy in positioning Sector Skills Councils as the sole arbiters of what
is economically valuable in the labour market- and training system- at any one time. Policy needs to be able to draw on the distributed information held by employers and people themselves about their local labour labour markets and their own futures; it needs to be built on build around a dynamic, rather than static model of what is economically valuable; and it needs to support the emergence of new products and services, which entice people back into learning.” (O’Leary and Oakley, 2008,p65-66).

They continue:

“The issue in question is which model of competition should apply to the further education sector. Our research suggests that to gain the real benefits of a demand led system, what is required is competition between ideas and products, not just between providers delivering pre-approved qualifications. This requires a systems that does not get caught in the bottle necks currently created by Sector Skills Councils. Employers may be consulted collectively by Sector Skills Councils, but ultimately the system serves both to restrict the choices that people are able to make in practice, and to inhibit innovation. Just as governments risk locking industries into a given technology if regulation is too prescriptive, this ca be a risk too if they tie public funding to full, nationally approved qualifications.”(O’Leary and Oakley, 2008, p66)

If SSCs are not the right people to determine the needs then who are? O’Leary and Oakley (2008, p67) are in no doubt that it is individuals rather than SSCs, and even employers who must determine their training needs.

“The best people to judge value- and to negotiate the trade offs between different learning opportunities-are individuals themselves, so long as they are well informed and supported in the choices they make. More organic and bottom-up systems of accountability and quality assurance need to be built into the system for the full benefits of a demand-led system to be realised.” (O’Leary and Oakley, 2008, p67).

As already stated, the problem that I have with O’Leary and Oakley (2008) and their insistence on the development of a demand-led system driven by learners, is that it assumes a certain degree of knowledge that informs learner choices, when there is no evidence presented by the authors as to where and from whom learners will acquire this knowledge. Indeed, there is some question where learners have derived their information, and the motivators that motivate them. It does seem to the author, that many of the arguments although ‘badged’ within a new semantics, is in fact in part a return to an FEFC type model for FE, where providers compete with each other to attract learners into ‘popularist’ programmes that meet learner demand, but may lead to over supply of learners in certain parts of the economy. In Hammond (2007b) for example this phenomenon was noted, where thousands of qualifications were issued for plumbers, the majority of whom had little or no hope (given the labour market information that Hammond (2007a) had produced earlier) of ever finding employment as plumbers. Worse, as Hammond (2007b) argued, to flood the market with part- qualified plumbers, might damage the plumbing industry, as good firms are undercut by part qualified workers etc. The ideas of O’Leary and Oakley (2008) however mark a change in policy direction advice, and seem to render a lot of the work done in the SSA (whether successful or not) redundant.
Skidmore (2003) in a paper entitled ‘Beyond Measure: Why educational assessment is failing the test’ talks about the redundancy of a learning model that expects learning to be complete at any age. He concludes:

“These longer term shifts render obsolete a model of education or training that expects to teach young people by the age of 21 everything they will need to know for the rest of their life. Our skills, abilities and understanding will need to be refreshed and adjusted continuously throughout our lives. By European Commission estimates, 80 per cent of European Union workers will need significant retraining over the next decade because of the impact of new technologies on their existing work practices. By 2010, 65-70 per cent of employment opportunities will require a Level 3 qualification or higher. The half-life of most workplace skills is now just three and a half years. Employers consistently report that the skill requirements of most jobs continues to rise steadily. These informational demands also extend beyond the labour market to the domain of citizenship and society. There is a growing recognition that public services cannot continue to deliver solely on behalf of their users without their active engagement in identifying and creating positive outcomes”. (Skidmore, 2003, p15)

To address this problem, Skidmore (2003, p18) concludes that the assessment system must adapt to these changes, and suggests that the following five things should happen. First, qualifications should qualify you for something, and that something should be further learning. Secondly, assessment should combine the best of academic and vocational practices in order to certify not just what a learner knows, or what he can do, but also how well he learns. Thirdly, within a decade, everyone should be entitled to receive a personalised programme of learning that reflects their individual profile as a learner and which should be assessed appropriately. Fourthly, the purpose of assessment in schools should be to generate authentic and formative data about learners and their future needs, and other purposes should not be allowed to predominate. Fifthly, the provision of learning and its validation and certification should not be a closed shop (Skidmore, 2003, p18).

Knell, Oakley and O’Leary (2007, p1) in association with City and Guilds produced a paper for DEMOS entitled ‘Confronting the Skills Paradox’. In this paper, the authors begin by acknowledging the role of skills in developing a prosperous economy. The commitment by the UK to skills, has resulted in three distinct sets of policy priorities. First, basic skills, to improve literacy and numeracy, and to aid adults in being able to enter the employment market. Second, the ‘Skills for the Knowledge Economy’, through expanding elite (higher) education, and seeking to relate it to the opportunities and demands of a knowledge based economy, including a growing focus on enterprise and innovation; and third, new vocational learning, extending, and in some cases rebuilding vocational education and seeking to create new occupational pathways and work-based learning.

This has resulted to a number of policy objectives, which seek to reshape the 14-19 framework of education provision, reinvigorate employer-based apprenticeships, reshape the funding and institutional landscape for adult skill development, invest in basic skills for the most marginalised young people and adults, and through the Leitch (2007) on the long term skill needs of the UK economy, which was used to inform the 2007 public spending review (Knell, Oakley and O’Leary 2007, p1)

Knell, Oakley and O’Leary (2007,p3) conclude however that engagement in skills training and education remains poor among the groups that need it, and that high skilled individuals are continuing to access the most training, leading the authors (p4) to make a number of recommendations for harnessing the talents of the whole population. First, policy makers
need to make a distinction between the interests of individual employers and the needs of the economy and wider society. Secondly, to develop strategies to encourage more personal investment need to be developed on a more sophisticated model of how people make decisions, which extends beyond perceptions of economic self interest. Third, Government needs to find ways of boosting demand for skills which extend beyond simply reforming the supply of training and hoping that both individuals and employers will be ambitious and confident enough to spend time, effort and money taking up learning opportunities. Finally although there is overlap between economic and social goals, there are wider social goals which may not have an economic rationale which should still be pursued, which will require political leadership and accountable decision making.

Knell, Oakley and O’Leary (2007,p5) while accepting the underlining assumption in the Leitch (2007) report, that there should be shared responsibility between Government, employers and individuals, point out that there is a need to appreciate that there are conflicts of interest between the skills needs of individuals, and those of employers, and those of the wider society. The authors conclude that it is important to challenge the assumption that the enlightened self interest of individual employers will deliver the social goods that the Government aspires to. This is a very interesting statement, as it effectively challenges the whole rationale behind the Sector Skills Agreement, and even the Sector Skills Councils:

“First, it is assumed that an employer-led system will lead to the production of skills and qualifications that will improve productivity (for firms) and enhance labour mobility (for workers). But while a qualifications to an individual worker may be his or her passport to another job, to an employer it may be a wasted investment and a way to boost the competition. For this reason, employers are always likely to invest in job-specific or at least company specific training, rather than the kind of learning and qualifications that will empower employees to take up new and different opportunities in the labour market. Employers’ interests are varied and competing, so there is no magic bullet around ‘employer voice’. Employers are often described as if they are an homogenous group, but we know that individual employers within groups will compete for influence, whilst different groups will also compete with one another. Dialogue with ‘employers’ therefore has to be seen as a necessary but imperfect way of shaping qualifications” (Knell, Oakley and O’Leary 2007,p5-6)

The authors then go on it is suggested to almost directly challenge the methodology of the Sector Skills Agreement and the insistence of SSDA, that employers be asked about skills issues. They state:

“Asking today’s employers only gives you a snapshot of what the economy needs at present. Just as there is danger of privileging the needs of some employers over others, there is also a danger of ignoring the skills of the future by basing provision solely on the present. Employers are (understandably) more concerned by their business (at the moment), than by the potential businesses of the future. This problem raises some questions over how to determine exactly which qualifications are likely to be economically valuable. And contradictions abound. Employers are continually asking for a workforce rich in creativity, communications skills and cultural understanding, all of which can clearly result from study that has no immediate claim to economic value. Indeed, a recent work on innovation suggests that it is precisely the habits associated with a traditional liberal arts or humanities education, such as critical thinking, problem solving or resourcefulness, that are vital, if
neglected, element of current innovation policy. All of which suggests, that if the UK has aspirations to become a country of ‘mass innovation’, it needs an opening up of education, not a narrowing of it.” (Knell, Oakley and O’Leary 2007,p8)

The authors then go on to discuss the difficulties with the concept of self interest driving the engagement of learners with new skills, and point to a reluctance among people in the low skill and hard to reach groups to engage in any form of education or training. Knell, Oakley and O’Leary (2007,p8) also see the prevailing issue of a persistent lack of parity between vocational and academic qualifications as providing a discouragement for engaging in vocational training, and this links to some of my previous work on the middle class, and their effective opt out from the remit of the Sector Skills Councils, and the SSA.

The authors also suggest that the Leitch (2007) assumption of related to investment by employers and individuals is somewhat simplistic in approach, they conclude:

“Much economics is predicated on the existence of rational economic man (sic) and Leitch follows in a long line, by assuming that laying out the evidence on the returns to qualifications should help to persuade both employers to invest and individuals to take up training opportunities. But the complexity of our everyday lives - whether in organisations, communities or families - mitigates the choices that look inevitable in a macroeconomic model created in Whitehall. Small businesses are a clear example of this. Investment in skills over time requires sufficient capital and resilience in companies to ensure that they can pay for training and cope with short-term losses in productive capacity. These are not always characteristics of SMEs, however, which often cannot draw on the economies of scale created by larger enterprises to provide either time off or funding for professional development. This is a particular challenge, given that 50% of workers with less than level 2 attainment work for firms with fewer than 50 employees.” (Knell, Oakley and O’Leary,2007,p9)

A very powerful argument that Knell, Oakley and O’Leary (2007,p11) make, is that there is evidence to suggest that simply pumping more skills into the economy won’t move us up the value chain on its own. They conclude:

“Supply-side interventions can only go so far. One of the best-rehearsed and most profound criticisms of skills policy in the UK is that it is focussed almost entirely on the supply side, pumping out qualified people into an economy that often cannot absorb them. For example, a study for Future Skills Scotland found that ‘Scotland’s’ labour quality stands favourable comparison with the world’s best performing economies. In contrast, the quality of demand is not sufficient to employ the available labour. In the first instance, therefore, the quality of human capital is not a leading cause of Scotland’s relatively low ranking in the economic performance league tables.” (Knell, Oakley and O’Leary,2007,p11)

Knell, Oakley and O’Leary (2007) then discuss a range of conclusions to address the problems that they have identified. What is interesting from a SSC point of view, is that SSCs are not considered anywhere within the paper or mentioned by name, although in relation to Leitch (2007) they are implicitly criticised over defining economically valuable skills. Given that this paper was produced as the SSAs in tranches 2 & 3 were being published and all
SSCs were engaged in the process, this is a little surprising, and possibly indicates the lack of influence that the SSA process was having either in academia, or in the larger policy arena.

Parker and Gallagher (2007) (eds) in their paper for DEMOS talk about ‘The Collaborative State’ talk about how although public services have improved over the last twenty years through the use of inspection, markets and contractualism, these improvements are now becoming subject to the law of diminishing returns (p15). In addition although public services are improving, the trust that the public has in them is reducing, caused by the ‘bewildering range of agencies working in any given locality, suggesting that tight financial control, has come at the expense of fragmentation.

The answer therefore (as suggested in the title of the paper) is that there should be collaboration between the various parts of Government, to enable the Government to improve services and regain trust from the electorate. There are however barriers identified both at local level, and also at national level, as effective collaboration in localities is frustrated by rigid, confused and contradictory policy dictates from the centre. Frontline collaboration then becomes stifled by fragmented budgets, narrowly focused inspections and targets which do not add up on the ground, exacerbated as the individual partners within the collaboration are seeking to meet their own set of centralised targets. Parker and Gallagher (2007, p17) talk about collaboration being frustrated by old departmental traditions within the Civil Service remaining very strong, thus effectively encouraging ministers to interpret their roles in a vertical way (p17-18). Goss (2007, p39) writing in the same paper makes an interesting observation that neither centralisation nor decentralisation can resolve many of the issues of governance.

"Endless reorganisation through the cycle of centralisation and decentralisation- trying to get the delivery architecture right- leads to the discovery that there is no ‘right ’ structure. Organisations that are large enough to be strategic are always too large to be intimately connected to consumers; or they are small enough to be engaged closely with communities but too small to carry the power and leverage to make change happen” (Goss, 2007, p39)

Goss (2997, p49) concludes:

“In the UK, the response to the shortcomings of the New Public Management paradigm used slightly different language. The debate focussed more on how the incoming Labour government in 1997 could reform public services by a mix of investment and centrally driven performance targets. This resulted in a pluralistic approach that attempted to encourage New Public Management approaches where they were thought to be needed and networked, joined up or holistic where these made more sense. A decade later, there is a widespread recognition that centrally driven targets have been overplayed and that public institutions need to be more responsive to customers and citizens. The UK government’s approach to public service reform continues to place emphasis on centrally determined targets, competition and choice but it also gives fresh encouragement to ‘bottom-up’ collaboration. The development of ‘Local Area Agreements’ -formal multi-agency agreements in local government areas to share goals such as reducing crime and improving health- has provided additional impetus to strategic collaboration at the local level.” (Goss, 2007, p49)

Parker (2007, p153) makes the following assertion about why collaborative Government is difficult, where he states:
“Ask frontline public servants what stops them from collaborating and the same answer is likely to come back with depressing regularity: central government departments. Ministers get the blame for setting targets and budgets that might make sense on the national political stage, but get in the way of meeting local needs. Nationally accountable quangos fail to join up with locally accountable public servants. Local government’s room to lead collaboration is hamstrung by a lack of budgetary and administrative discretion. A more collaborative state does seem to demand a more collaborative kind of Whitehall- confused and contradictory central policy can easily become an almost insurmountable barrier to change at the local level. And yet the central policy apparatus of the state is one of the least reformed public services of the Blair years. In the era of the ‘new localism’ it remains all too easy to caricature departments as lumbering relics of an antiquated management system. How can they possibly capture and deal with the sheer variety and complexity of the social problems facing places as different as Lewisham, Luton and Oxford? Even where the government has a clear outcome that it wants to meet, for instance reducing child poverty, the means of doing so is likely to vary according to local circumstances.” (Parker, 2007, p153)

Impacts on Education and Skills

Education and Skills have thus far been mixed into other wider topics, as they are a focus for many DEMOS initiatives. Within this section of my paper, I intend to place some direct policies or arguments made by DEMOS, to analyse the attitudes of DEMOS writers to education and skills. There will probably be some general overlap between this section and others, however, readers will be able to draw conclusions between these two areas as appropriate. Mulgan, Peri 6 and Others (1997) make a somewhat broad assumption that the role of education is to prepare people for jobs, in what is educational mantra that is familiar from Callaghan’s Ruskin College speech in 1979:

“The baseline role of education is to prepare people for jobs, with a foundation of numeracy and literacy. Here the UK’s problem is sadly familiar- excellent education for a large minority, appalling for another large minority, the trailing edge of low achievement. One in six are below functional levels of numeracy and literacy. Britain’s overall performance in maths and science is now below Korea, Taiwan and China. Much of that low achievement cannot be blamed only on schools. It also reflects the cultures of parents and teenagers that fail to value education. Young people spend only 15 per cent of their waking time in schools. More attention needs to be paid to helping parents to help their children to learn. Bring private schools into an integrated and open common system of schooling over the next 15 years. “ (Mulgan and Peri 6, 1997, p41).

From this point Muglan and Peri 6 (1997, p42) offer a number of solutions to address the problems enunciated. First they propose that the national curriculum will be continually reviewed to test its relevance to learners, with more emphasis being put on life skills and skills in thinking. In addition to the three Rs, schools are tasked with teaching the three S’s of a computer age, which are simulation (learning how to model everything from running a city to flying an aeroplane); selection (learning how to cope with huge quantities of information) and sharing (learning how to share knowledge and work in teams. Secondly (and definitely un-Blair PC) is the integration of private schools into the mainstream public education.. Thirdly (and again highly un- New Labour it is suggested) is the suggestion that local
authorities could be allowed to raise more tax targeted at specific education initiatives. Fourthly, a sabbatical scheme, to allow teachers to take at least six months out of every five years in employment. Fifthly, to lengthen the school day, to develop a more rounded curriculum, and sixthly, to allow individuals and companies to found schools, and make them eligible for public funding if they meet basic criteria. Seventhly, they propose that the balance of public funding from tertiary to primary education (Mulgan and Peri 6, 1997, p42-43).

Higher education has been a commitment of ‘New Labour’ since its election, and therefore Mulgan and Peri 6 (1997, p44-45) have a number of proposals for Higher education. Mulgan and Peri 6 (1997) state:

“Higher education now involves a third of each new age cohort. We see it as having two main roles; producing common knowledge and understanding and preparing individuals for their lives and work. To fulfil these roles, we need a much bigger, more differentiated higher education system; more demand-driven rather than planned; and funded in ways that depend less on general taxation. With a clearer distinction between teaching and research (to attract a higher calibre of teaching), over time higher education should be able to encompass everything from a short one week course to a course spread over periods of up to ten years, with a much higher proportion of students attending later in life.” (Mulgan and Peri 6, 1997, p44).

Mulgan and Peri 6 (1997, p44) then go on to discuss the funding of Higher Education, suggesting that higher tax rates for graduates should apply, rather than loans, as these discourage many people from higher education. They further propose that the costs of education and maintenance be managed by a separate public company, with the debt being sold to the private sector.

Mulgan and Peri 6 (1997, p45) conclude however that in addition to higher education, there is also a need for new frameworks of lifelong learning of vocational and non-vocational skills. Government under this proposal has two functions, which are:

“Easy access to menus of options through a ‘lifetime university’ federation providing an umbrella for all new forms of learning, including businesses’ own internal universities, further education colleges and private agencies. The federation would be concerned primarily with marketing, accreditation, quality control, and information provision, while also managing an infrastructure of distribution using a range of technologies from satellite television to the Internet, as well as face to face tuition. This could also provide a base for British universities to offer programmes of remote virtual education and accreditation over the internet, satellite and video, on a commercial basis across the globe. Establish a ‘second chance’ scholarship fund offering 1000 scholarships each year to the top five universities for over-25 year olds who left school at 16.” (Mulgan and Peri6, 1997, p45).

Much of the skills rhetoric emanating from the ‘New Labour’ Government can be found within this work, and the sociological dimension to the skills agenda and the concepts of natural justice can be seen within this work:

“Education cannot bear the weight of too many demands and expectations. But it can help to prepare people to live, rather than just to carry out jobs. In a more complex, fast changing society people need a subtler range of skills to live well: understanding how to make and keep relationships, how to be a
parent, how to use time in fulfilling ways. Much more is known about how these capacities can be learned usually through activities and reflection rather than traditional teaching. The great educational task for the next century is to produce qualities as well as qualifications, and to prepare people better for using their own time in more fulfilling ways. As a first step, alongside arguments about the contents of the national curriculum we need a national debate about the qualities we want to cultivate in children. Ten basic skills that all children should have learnt by the age of sixteen might be how to sing, resolve a simple dispute, cook, tell a story, speak in public, grow food, learn a language, use the internet, camp and survive and swim”. (Mulgan and Peri6, 1997, p54)

What is interesting about the litany of skills mentioned above is it is suggested their class domination, and bias to the arts, that would probably not resonate with a traditional working class upbringing, of the type that I have discussed in my earlier work on class. This statement seems to mirror the ‘middle class’ status with which ‘New Labour’ appears to address its policies in education and skills, and does not appear to acknowledge the legitimacy of any deviation from liberal middle class arts. The Blairite statement that ‘we are all middle class now’ might be amended to read, ‘we will all be middle class now’.

Peri6 (1997) also writes about human capital in a similar document, he states:

“The most valuable form of capital today is arguably human capital- not just formal qualifications and skills, but also subtler ones; knowing how to behave at work, knowing how to please a customer, knowing how to work in a team and, most importantly, being able to spot an unexploited opportunity and find a way to make use of it. Policies to regenerate poor areas today would more sensibly start with learning rather than the state of the physical environment. Certainly, this means improving the quality of schools, especially in the poorest areas. But it also means supporting for learning at home and in the wider community where most learning is done. As a slogan to describe the agenda of enabling people to re-educate and retrain themselves throughout the working life, ‘lifelong learning’ is not a bad one. However, governments have not to date developed the financial instruments to support this, particularly for those on incomes too and insecure to be able to finance such learning. This will become one of the major policy debates about tackling social exclusion. There may even be a case for considering some kind of compulsory savings system for learning accounts. While this would be a kind of hypothecated tax on people of working age to finance a funded system of learning support, the fact of its dedication to learning might make citizens less resistant than they would feel toward a general increase in direct or indirect taxation.” (Peri6, 1997, p9)

Peri6 (1997) is however critical of what he identified were the practices surrounding the delivery of vocational education and training. These criticisms are not unfamiliar to the author, even though they were written over ten years ago, in the era of the FEFC.

“Despite the constant talk about the importance of vocational training, we should be wary of obsession with job training specifically for people who are already unemployed. Employers value education much more than specific training in employees. Most people get their training on the job, rather than
getting a job from training. The skills that employers often value most are flexibility and the tacit, informal skills of networking, identifying opportunities and using initiative and imagination. These are better acquired early in life during education. Billions have been spent on training programmes for unemployed people to little effect. Many of those put through them see them as a cynical alternative to what they really want— a job. Measured by the numbers of people who get into jobs they both wanted and were trained for, or even by the less demanding measure of the numbers who wouldn’t have got back into some kind of work sooner or later anyway, may training schemes have been expensive failures. The quality of training is poor, and too many people are pushed into learning skills where there is already a glut of qualified people. (There are only so many hair cuts that any nation can consume from hairdressers with NVQ Level 2 in scissorswirk.). Training providers have tended to ’skim the cream’ and pick only those people who would have got a job without the training; it’s more satisfying to work with those who are already well motivated, it makes the figures look better and when providers are rewarded on ’performance’ measured in this way, it makes financial sense.” (Peri6, 1997, p9-10)

Schneider (1997,p102) makes a similar point to Peri6 (1997) pointing to the social relationships that underpin the finding of work.

“Policies which stress only work or training fail because they ignore an important third ingredient, which makes the difference between stable employment and poverty: social capital. Social Capital generally refers to the web of relationships with people who can help an individual find appropriate training and employment. The old adage it is ‘not what you know, but who you know’ remains true for job seekers today.” (Schneider, 1997, p102).

Bentley (1997, p151) also discusses the concept of the role of education in the development of social capital and thus social cohesion. Bentley (1997, p151) states:

“The acquisition and applications of knowledge are fundamentally important to prosperity and social cohesion. Education- all systems and processes by which we organise and assess learning, not simply the formal education sector-is therefore central to any strategy to combat social exclusion. Knowledge and qualifications are a passport to regular work, personal mobility, civic participation and long term well being. But the debate over how to improve educational performances is limited by the way our institutions work and by long standing assumptions about the scope and nature of education. Educational institutions often entrench social exclusion by helping to limit the horizons and experiences of those at risk and by stifling their motivation to learn. If education is to play its part in reducing social exclusion, it must embrace four key insights: an understanding of the range and diversity of human intelligence. The importance of emotional health as the foundation of personal achievement. The potential connections between education and other public and social services. The place of formal education in wider communities of human learning and interaction.” (Bentley, 1997, p151-152)

There is some acknowledgement, that there may be some reluctance from the disadvantaged working class proletariat, which Bentley (1997, p153) accepts:
“Among disadvantaged working class communities, attitudes to education are often deeply ambivalent and sometimes openly hostile. This is partly a function of the environment in which people live: if there are fewer resources available to support education, if the priority is to find ways to make ends meet and if the community in which a young person grows up is tight-knit and suspicious of outside influences, then finding and sustaining motivation is much harder.

Learning involves opening up to the outside world, while the experience of many young people pushes them towards closure, suspicion and defensiveness. Historically, the process of extending compulsory education in the UK has seen many working class families struggle to overcome strong beliefs that a child or young person should be earning a living and getting on in the world they know, rather than spending more time in school.” (Bentley, 1997, p153).

Hargreaves (2003) writing in Bentley and Wilsdon (2003) eds talks about creating an education epidemic in schools. Hargreaves (2003) referring back to central initiatives such as the ‘literacy hour’ concludes that although this ‘lever’ was successful, policy makers have over utilised the lever, and rendered it less effective. Hargreaves (2003, p80) goes on to argue for a localised policy to make secondary schools more creative and innovative. Hargreaves (2003, p80-81) goes on to argue that practitioners within the schools need the motivation to create new professional knowledge, and the opportunity to engage actively in innovation, with the skills for testing the validity of the knowledge that they are developing. From this practitioner innovation, there needs to be the means for transferring the validated innovations rapidly within the school and into other school.

Hargreaves (2003, p83) goes on to talk about the intellectual capital and social capital that is contained within each school. Interestingly, Hargreaves (2003, p83-84) definition of social capital in this context, is different to that discussed elsewhere in this paper, and elsewhere. He states:

“Another of a school’s invisible assets is its social capital, a term that covers the character and quality of the social relationships within an organisation. Social capital has cultural and structural aspects. Culturally, it consists in the trust that exists between the organisation’s members; structurally, social capital is the extent and quality of the networks by which its members are linked to one another. As applied to a school, social capital refers to the extent of trust between head and staff and among the staff, between staff and students and among the student body as a whole, as well as the extent and quality of the school’s internal networks, such as the organisational networks of subject departments and many kinds of informal networking among friends. A school that is rich in social capital has a strong sense of itself as a community.” (Hargreaves, 2003, p83-84).

Hargreaves (2003, p88) conclusion is that to transform schools, there needs to be the development of vertical-central and lateral-local reform strategies that compliment each other. The DfES (as it then was) is tasked with first, identifying the main areas for transformation and securing collective ownership of the. Second, creating a climate of trust among the stakeholders, and laying down an appropriate infrastructure, both social (networks) and physical (ICT). Fourthly, encouraging schools to use social capital to mobilise their intellectual capital in innovation, and fifthly, enhancing the organisational capital of all school leaders, and respecting the self-organising systems and spontaneous order within the education service and finally, brokering key partnerships to ensure that the process of continuous innovation and knowledge transfer thrives as the hubs change in the light of new themes and priorities for innovation (Hargreaves, 2003, p88).
Demos and the Third Way

It is perhaps not surprising that many of the architects of the ‘Third Way’ have been invited to write for DEMOS on the ‘third way’. Hargreaves and Christie (1997) justify the development of the third way and contextualise it within the concept of globalisation.

“This search is taking place within the centre ground. For now, the extremes are becalmed. In times of relative economic plenty, and with the United States alone as a superpower, the far left and the far right are largely irrelevant, though it would be a mistake to assume that primitive, populist and nationalist politics is dead or confined to faraway places. If the profound changes being wrought by globalisation of industries and market forces are mismanaged, if they are not accompanied by a sense of progress and justice, then atavistic extremism will have its chance. So at present the political context is focussed on how to balance prosperity with social inclusion, capitalism with community, how to modernise welfare systems, public services and labour markets, how to deepen democracy and how to connect progressive politics with the imperative of ecological sustainability. These challenges arise against a background of profound forces of globalisation, which have sharply altered the operating environment for government. Governments can no longer easily erect barriers to the exchange of money, regulate precisely what media their citizens consume, insulate their economies from global business cycles or pursue autonomous defence strategies.” (Hargreaves and Christie, 1997, p1-2).

Hargreaves and Christie (1997,p5) suggest eight defining challenges that the government faced at the beginning of the twenty-first century, and these were first, achieving the transition on to an economy based on intensive application and development of knowledge. Second, managing the breakdown of the old structures of the life-cycle on which much of twentieth century welfare and education were founded. Third, reversing the trends towards inequality and social exclusion. Fourthly, protecting the environment and planning a long term transition to an economy which is ecologically sustainable. Fifthly, ensuring that science and new technologies enhance our lives rather than bringing unacceptable risks. Sixthly, supporting parents and creating education systems which enable the young to thrive on the challenges of the new century. Seventhly, improving mechanisms for international cooperation and democratising our systems of translational governance. Eight, achieving genuine equality between races and between women and men (Hargreaves and Christie, 1997, p5).

Leadbeater (1997,p13) argues that the old traditions of the left had been proved to be wrong, so the market was seen to be the most effective way of coordinating much of the economy and in most areas of economic life is far superior to centralised planning and state ownership. Leadbeater (1997,p17) also talks about how the new economy will demand new skills, and this conclusion it is suggested associates the need for improvements in skills levels. Leadbeater (1997) concludes:

“Demand for unskilled labour has collapsed. The wage differential for those with skills has risen markedly since 1980 despite an increase in the supply of graduates. In 1980, an man with a first degree or above was paid 148 per cent of the median earnings for all males. In 1993, the figure was 156 per cent. Over the same period, the wages of those without a qualification or with a GCSE below grade one fell respectively from 91 per cent and 98 per cent of median earnings to 81 and 85 per cent.” (Leadbeater, 1997,p17)
“Modern economies will be made up of overlapping knowledge supply chains, which will help to take ideas from inception through to commercialisation. Successful economies will need a rich and deep knowledge base of well-educated workers and world-class research. But education is just an enabler. The crucial question for economic policy is how a knowledge base is exploited and developed, how ideas are turned into products and businesses. This process-generating, applying and exploiting knowledge-will become the driving force for modern economies.” (Leadbeater, 1997, p17-18)

Giddens (1997,p30) also makes the same point about education and training being a key part of ‘third way thinking’, he concludes:

“Education and training have become the new mantra for social democratic politicians. The need for improved education skills and skills training is apparent in most industrial countries, particularly so far as poorer groups are concerned. Who could gainsay that a well-educated population is desirable for any society? Investment in education is an imperative of government today, a key basis of the ‘redistribution of possibilities’. Yet the idea that education can reduce inequalities in a direct way should be regarded with some scepticism. A great deal of comparative research, in the US and Europe, demonstrates that education tends to reflect wider economic inequalities and these have to be tackled at source. Involvement in the labour force, and not just in dead-end jobs, is plainly vital to attacking involuntary exclusion. Work has multiple benefits, it generates income for the individual, a sense of stability and direction in life, and creates wealth for the overall society. Yet inclusion must stretch well beyond work, not only because there are many people at any one time not able to be in the labour force, but because a society too dominated by the work ethic would be a thoroughly unattractive place in which to live. An inclusive society must provide for the basic needs of those who cannot work and must recognise the wider diversity of goals life has to offer.” (Giddens, 1997,p30-31)

A further argument that occurs in many third way thinking, as we have seen in relation to entrepreneurship, is that education currently fails to meet the needs of the emerging (global society). Bentley (1997) in the same series of papers edited by Hargreaves and Christie (1997).

“Added to these is the failure of educational success. Mounting evidence shows that, too often, young people who succeed in education are unable to apply what they have learned in unfamiliar contexts where the knowledge might actually be useful. This is true in all subjects and disciplines and of adults, university graduates and schoolchildren. Producing the correct answers for examinations is not, it seems, enough to enable a learner to make use that knowledge in the wider world. The tendency to revert to basic, intuitive ideas and understandings developed in early childhood when confronted by unfamiliar problems can, all too often, coexist alongside highly developed formal and theoretical knowledge which contradicts them. In these cases, the things we learn in education institutions do not benefit us in solving questions, meeting responsibilities and making choices, although they may still help us gain access to status, income and other life-chances.” (Bentley, 1997, p86).
Bentley (1997, p89) also talks about the need for relationships to be developed to take education outside of educational institutions, with schools and colleges playing their part in the learning revolution through becoming ‘community assets’. Bentley (1997, 93) concludes that education is no longer the one-way transmission of information and knowledge, but the patterns of interaction that allow society to acquire new information and develop disciplines, which leads to a greater understanding, and discover shared meaning through mutual comprehension.

Etzioni (2000) in a paper entitled ‘The Third Way to a Good Society’, although surprisingly, Etzioni (2000, p7) is prepared to admit right at the beginning of the paper, that the ‘third way’ concept has been a failure. He states:

“The ‘Third Way’ debate has, so far been a failure. The shaping of a distinctive philosophy which can inform the policy and practice of a new centre-left remains in its early stages. This is ironic, given the world wide level of energy and commitment being poured into the search for a new political synthesis. However, it is not surprising given the complexity of the task. Those engaged in it are grappling with an external environment which many still struggle to understand. The scale and complexity of economic, social, technological and environmental change are unprecedented. Simple ideological formulas do not provide policy solutions or command widespread electoral support. Citizens are increasingly sceptical, and politicians must contend both with higher levels of expectations and with widespread disengagement from the whole of formal politics. There is also serious confusion over the nature of the project itself. Is the Third Way an abstract philosophy, and approach to political leadership and management, or a distinctive set of policies? Should it be all three? The weak connections between these three missions are one explanation for the failure so far. For those seeking further renewal in specific areas such as health, education or neighbourhood regeneration, the absence of a big picture frustrates their attempts to build a coherent long-term strategy. The politics of the age, dominated as they are by media management, personality and pragmatism, often seem at odds with the call for a long term, ethical approach to politics and public life. These factors often obscure the debate in all systems, but in the UK they are especially pronounced. Despite the power, energy and initial popularity of New Labour, it has suffered from a key weakness; the inability to root its policies and pronouncements deeply in a surrounding context. New Labour has only taken concrete shape since Tony Blair’s election as party leader in 1994, and its nature has been oppositional- not only was the 1997 election won through effective critique of the incumbent government, but many of New Labour’s symbolic acts, such as rewriting of Clause Four, were calculated to distance the party from its own history. The facts mean that the Third Way, as an experiment in government, has had shallow roots.” (Etzioni, 2000, p7-8).

He concludes:

“But there are other deeper reasons for the failure of this debate. One reason is the relationship between theory, or ideology, and practice. The discussion and formation of political theory has become a specialist activity, restricted largely to universities, some sections of the media and a narrow group of other elites. Those who produce big ideas are often not responsible for understanding how to implement them. Yet innovation in practice has become a definitive test of the new politics. Theory is not enough if it does not inform and approach to organisational life- whether it be the governance of communities,
the delivery of healthcare or conduct of education. Governments are trying to adapt to an environment in which they effect change not so much through large scale macro-decision making, but through sustained campaigns of persuasion and cultural change.” (Etzioni, 2000,p8)

The concept of the ‘good society’ would appear to be linked into the ‘social justice’ arguments that as I have mentioned in previous work, was extremely difficult to deal with, when seeking to implement a Sector Skills agreement . Etzioni (2000,p12) seeks to define the ‘good society’ of linking to the needs of the state, the market and the community, in what is a typical ‘third way’ discourse, he states:

“When we bond with family, friends or community members we live up to the basic principle of the good society. The values of love loyalty, caring and community all find their roots here. In contrast, when we ‘network’- bonding for a utilitarian purpose, rather for it sown sake- we abandon this realm. The relationship of the basic principle to social justice is a complex one. The priority of treating people as ends requires more than equality of opportunity, but less than equality of outcomes; it denotes a rich basic minimum for all. Still other values arise more indirectly, we shall see, out of moral dialogues. These seek to limit conflict and cultural wars and put a premium on reaching shared understandings- a major attribute of good societies...The good society is one that balances three often partially incompatible elements; the state, the market and the community. This is the underlying logic of the statements above. The good society does not seek to obliterate these segments but to keep them properly nourished- and contained.” (Etzionni, 2000, p12).

The Third Way Good Society, can be differentiated from the neo-liberal mode of governance in relation to its view of the role of regulation of markets.

“A good society should view the market as akin to nuclear energy: it can provide an enormous and growing bounty of products and services and help to serve the common good, including culture and arts, science and education, public health and welfare. However, it must be watched over carefully. If excessively restricted market the market cannot perform well. At the same time, a good society assumes that if the market is not properly contained, it may dehumanise people and wreak havoc on local communities, families and social relations. Indeed, unfettered markets can undo I-Thou relations and allow I–It ones to dominate. The Third Way does not lead to a free market any more than it favours football without rules or referees. The market has always operated within a social context, which has included a fabric of social values, laws and regulatory mechanisms. The role of the government is not to abolish these but to adapt them to changing conditions, especially to the cyberspace. The main question Third Way societies struggle with is when to allow market forces a free reign and when to put up containing walls. (An obvious example of an area the market must be kept from penetrating is the distribution of transplantable human organs). There are significant differences among Third Way societies on this view point, which reflects how much progress they have made on this journey, especially between societies that have been Thatcherised (mainly the US and the UK) and those that have not travelled far down this road.” (Etzionni, 2000,p43).
Conclusions

This paper has simply sought to bring together a range of themes that Demos scholars have worked with since 1996. Demos through its third way thinking and academic policy exploration have had a significant influence on the ‘New Labour’ Government, and it is suggested, have highlighted the development of policy from the ‘command and control’ centralised modernism of Labour’s first term towards the regional/ localised post-modernism that has ‘cornered’ much of ‘New Labour’ thinking post the 2001 election.

There does not appear to be much theoretical in Demos work of the different philosophical basis in which the two concepts of centralism and localism are based, and there remains an assumption that centralised concepts such as ‘globalisation’ are easily transferred to the local context, which I would question.

It appears that the SSA has been caught between the need to meet the devolved skills needs locally, and the perceived concepts of Ministers in Whitehall, with the effect that it has been as suggested in my previous work, generally unsuccessfully in influencing policy at the local and devolved level, while producing in general only ‘high level policy measures’.

References


*This document was added to the Education-line collection on 30 October 2009*