

# Skills Resilience In A Changing World

**Austen Okonweze**, Deputy Director, Engagement & Planning, Industrial Strategy, BEIS



Department for  
Business, Energy  
& Industrial Strategy

# Education and skills are essential to driving long term growth



- Education and skills are key components to addressing national and local productivity challenges
- 1/5<sup>th</sup> rise in productivity between 1994 and 2019 attributed to improvements in quality of workforce

# Covid-19 has severely impacted and created a shift in our economy

Covid-19 has had a significant impact on the economy and labour market:

- Rising unemployment figures
- Hard hit sectors such as aviation, creative industries, tourism, retail and hospitality
- Manufacturing and skilled trades exposed to slow recoveries
- Younger, lower paid, and likely women more likely to be more severely affected

# We are also having to contend with transformative global mega trends which must be embraced



Automation &  
Technological Change



Net Zero Transition



Digital Transformation



Ageing Population

# We have persistent skills shortages in areas such as STEM and Digital which will drive new opportunities

The 2019 Business Barometer - skills shortage is costing UK organisations est. £4.4 billion a year

9 in 10 (89%) STEM businesses have found it difficult to hire staff with the required skills in the last 12 months, leading to a current shortfall of over 173,000 workers - an average of 10 unfilled roles per business.

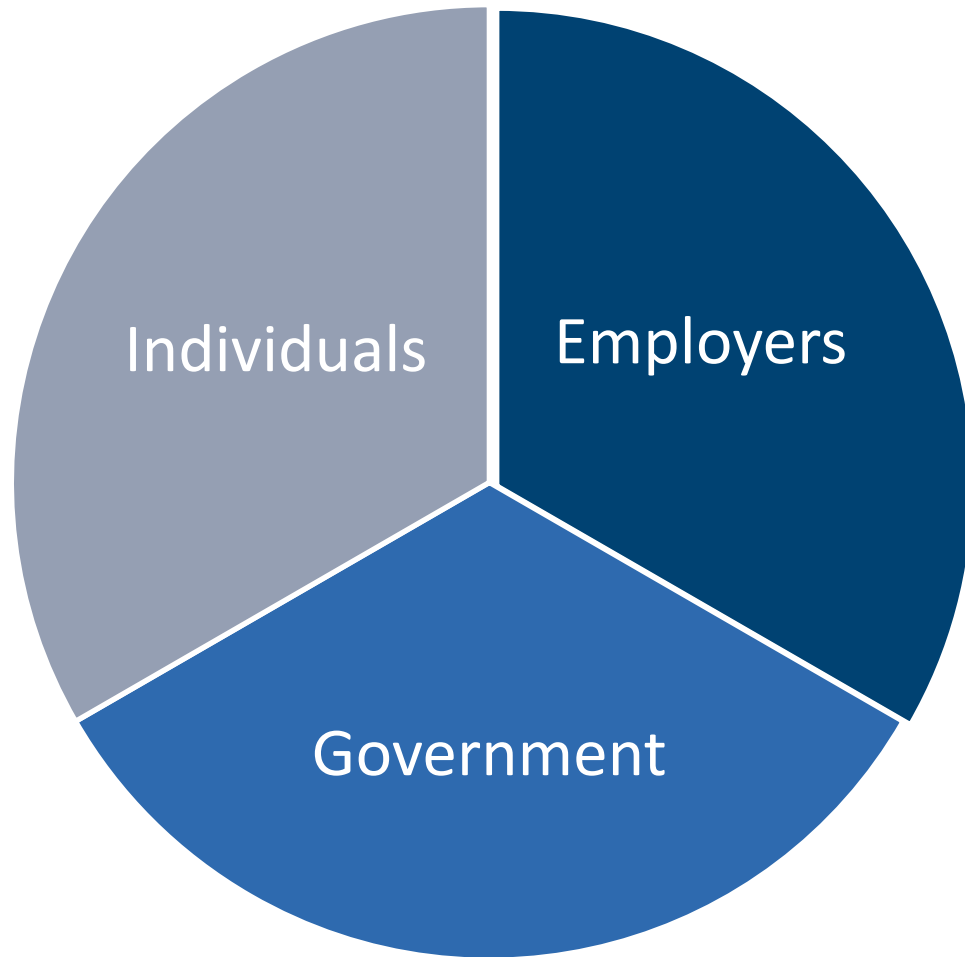
UK firms have reported that lack of access to the right skills as the number one threat to the competitiveness of the UK labour market. ISC UK Skills Mismatch in 2030 report

**Table 4: Annual Digital Demand by Skill Level**

Skill Level	Baseline Digital (% of job adverts in occupations requiring baseline digital skills)	Specific Digital (% of job adverts in occupations requiring specific digital skills)	All Digital (% of job adverts in occupations requiring digital skills in either category)
Low-Skill	74%	29%	77%
Middle-Skill	83%	59%	85%
High-Skill	75%	67%	83%
All Jobs	77%	56%	82%

Note: The two categories 'baseline digital' and 'specific digital' are not mutually exclusive. An occupation can require both baseline and specific digital skills.

# We need to shift to a new normal of life long learning underpinned by collaboration and partnership



- 80-90% of our estimated 2030 workforce is already in the labour market today. We cannot rely only on new graduates to meet our future skills needs
- We want to ensure people can retrain and upskill so they can take advantage of opportunities in growing sectors and UK businesses can access the talent they need to thrive and grow

# The government is trying to play its part to enable adults to reskill and upskill quickly

The PM's Speech On Lifetime Skills Guarantee sets a framework for how we can build skills resilience and develop skills throughout people's lives.

- More flexible higher education loans to support people to retrain for jobs of the future
- Adults without A-Level or equivalent offered a free, fully-funded college course through the National Skills Fund
- Investment in Further Education College
- Increased apprenticeship opportunities
- Roll out of digital bootcamps
- Expansion of Online Skills Toolkit

# What more can we do?

1. How do we create a stronger more positive culture of life-long learning in the UK?
2. What can we do to encourage more employer investment into skills development
3. How do we build more stable partnerships between the public and private sectors to work together to build skills resilience?

