Boosting skills would drive UK growth and productivity

19/11/2017 — The United Kingdom has record-high employment levels and very low jobless rates compared to most OECD countries. However, labour productivity growth remains weak and the job prospects of many adults are hurt by their poor literacy and numeracy skills. To boost growth, productivity and earnings, the UK should encourage lifelong learning among adults and promote better skills utilisation, according to a new OECD report.

<u>Getting Skills Right: United Kingdom</u> says that educational attainment has been rising in the UK, with 42% of adults having a tertiary degree, compared with 34% across the OECD. Sixteen per cent graduate in the field of sciences, more than in any other OECD country, and nearly half of science graduates are women.

The share of young adults enrolled in vocational education and training has risen to 43% but remains lower than in many other European countries. Apprenticeships are also less popular, pursued by around 24% of upper secondary students, compared to 59% in Switzerland or 41% in Germany.

Recent reforms to the regulation of apprenticeships should bring training content more in line with employer needs. The new apprenticeship levy should also encourage employers to take more responsibility for training, but care should be taken to prioritise quality of apprenticeship training to discourage employers simply rebadging existing training as an apprenticeship, according to the report.

Challenges remain in matching skill supply with skill demand in the UK. A high proportion of jobs remain low-skilled while the proportion that are high-skilled remains low relative to the increasing supply of workers with higher level qualifications. Among the countries covered by the OECD Survey of Adult Skills, the UK is only behind Spain in terms of the share of jobs that require lower-level qualifications (22%) while demand for higher level qualifications falls short of supply, with only a third of jobs requiring a tertiary education.

About 40% of British workers are either over-qualified or under-qualified for their job, and the same number are working in a field of study different to the one in which they studied in school. Furthermore, the OECD Skills for Jobs database reveals shortage pressure in knowledge related to education and training, health services and STEM subjects. More efforts are needed to improve skills utilisation and to stimulate innovation and growth in knowledge sectors, says the report.

Among the OECD's recommendations are that the UK should:

Strengthen career guidance services. There should be more interactions between employers and secondary schools and access to career guidance services should be extended to cover employed workers as well as the unemployed.

Encourage lifelong learning. Advanced Learner Loans could be made more attractive for low-skilled workers by tying repayment waivers to employment in some shortage occupations. Personal learning accounts or paid training leave for in-demand skills could also help.

Enhance awareness about the value of training. More efforts need to be made to convince employers of the return on investment of training. Group schemes may also encourage more small and medium-sized firms to offer training.

For more information, journalists should contact <u>Katharine Mullock</u> of the OECD Skills and Employability division (tel. + 33 1 45 24 19 17) or the <u>OECD Media Division</u> (tel. + 33 1 45 24 97 00).

Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.

Fifth OECD Forum on Tax and Crime

A Whole of Government Approach 7-8 November 2017 London, United Kingdom

Financial crimes threaten the strategic, political and economic interests of all countries. Illicit financial flows strip resources that could finance the long term development of developing countries. Criminals adapt quickly to take advantage of new opportunities for financial gain, frequently outpacing the legislative changes designed to combat them. Working together, both internationally and using a whole of government approach, is necessary to tackle these crimes more effectively.

Senior policy makers from tax administrations, Ministries of Finance and Justice, Financial Intelligence Units, and other law enforcement agencies with responsibility for policy and operational work in this area, are invited to participate. This event will provide a unique opportunity to come together and discuss the global response to the changing nature of tax crimes and other financial crimes.

Key topics for discussion will include:

- Data challenges and opportunities in fighting financial crimes.
- Showcasing examples of effective action against professionals who enable tax crime.
- Strengthening our ability to work with other domestic law enforcement agencies, across government, with the private sector and internationally.
- The changing nature of tax crime modern challenges and new problems for tax investigators.
- Enhancing financial crime investigations by improving links with corruption authorities.

Publications to be released at the event:

This year's forum will be hosted by HM Revenue & Customs (HMRC). Participation is by invitation only. For more information regarding this event, please contact OECD.TaxandCrime@oecd.org.

Mr. Angel Gurría, Secretary-General of the OECD, in London on 6 November 2017

Mr. Angel Gurría, Secretary-General of the OECD, will be in London on 6 November 2017 to attend the **Confederation of British Industry Annual Conference**, where he will deliver remarks at the Business debate on **How to ensure globalisation is a positive force**. While in London, the Secretary-General will hold bilateral meetings with several high level officials.

Conference on engaging employers in building better local jobs and creating a more responsive skills system

■ 2 November 2017
■London, United Kingdom

Event Overview

This conference organised jointly by the OECD, Warwick University, the Work Foundation, and the Centre for Cities will bring together stakeholders from national government departments, cities, Local Enterprise Partnerships (LEPs) as well as business, NGOs and research institutions to discuss the key challenges facing the United Kingdom in building more and better quality jobs.

During the event, the OECD will launch a new report on <u>Better Use of Skills</u> in the <u>Workplace: Why It Matters for Productivity and Local Jobs</u>.

Programme

The conference will focus on discussing the key challenges and opportunities from Brexit and sharing local solutions as well as international lessons from OECD countries on how effective skills policies can foster productivity and inclusive growth.

Key Contents

- Opportunities and challenges emerging from the new economic context after Brexit opportunities for local leadership.
- Creating high performance and productive workplaces what works in practice?
- Building an effective and responsive skills system.
- Escaping low-wage work: how to improve the quality of jobs and build productive employment opportunities.

Find out more



Mr. Angel Gurría, Secretary-General of the OECD, in London on 17 October 2017

Mr. Angel Gurría, Secretary-General of the OECD, will be in London on 17 October 2017 to present the **2017 OECD Economic Survey of the United Kingdom** alongside Mr. Philip Hammond, Chancellor of the Exchequer. He will also present the **OECD Development Co-operation Report Data for Development**, alongside Ms. Priti Patel, Secretary of State for International Development. While in London, the Secretary-General will attend the **Sodexo Quality of Life conference 2017**.