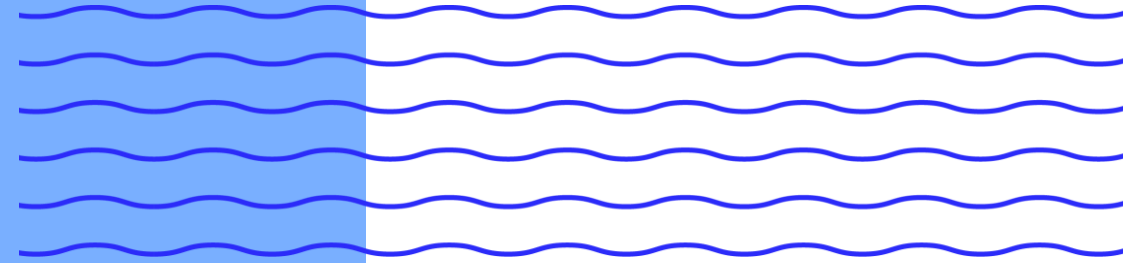


Things can only get better?



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“...we have lifted the cap on student numbers and 100,000 more will go to university in the next 2 years, 700,000 more to further education. So today I set a target of 50 per cent of young adults going into higher education in the next century.”

Tony Blair, Speech to Labour Party Conference, 28 September 1999

The government has moved to clarify its promise that by the end of the decade half or more of young people would be entering higher education.

University students will be the largest part of any total, but calculations for participation rates will not be limited to those following courses at higher education institutions.

January 2002 (BBC report)

Student targets will be based on:

- 18 to 30 year olds
- Courses of one year or more
- Awarded by higher education institutions
- Awarded by recognised national bodies
- Possibly professional qualifications of less than one year

So how did we do?

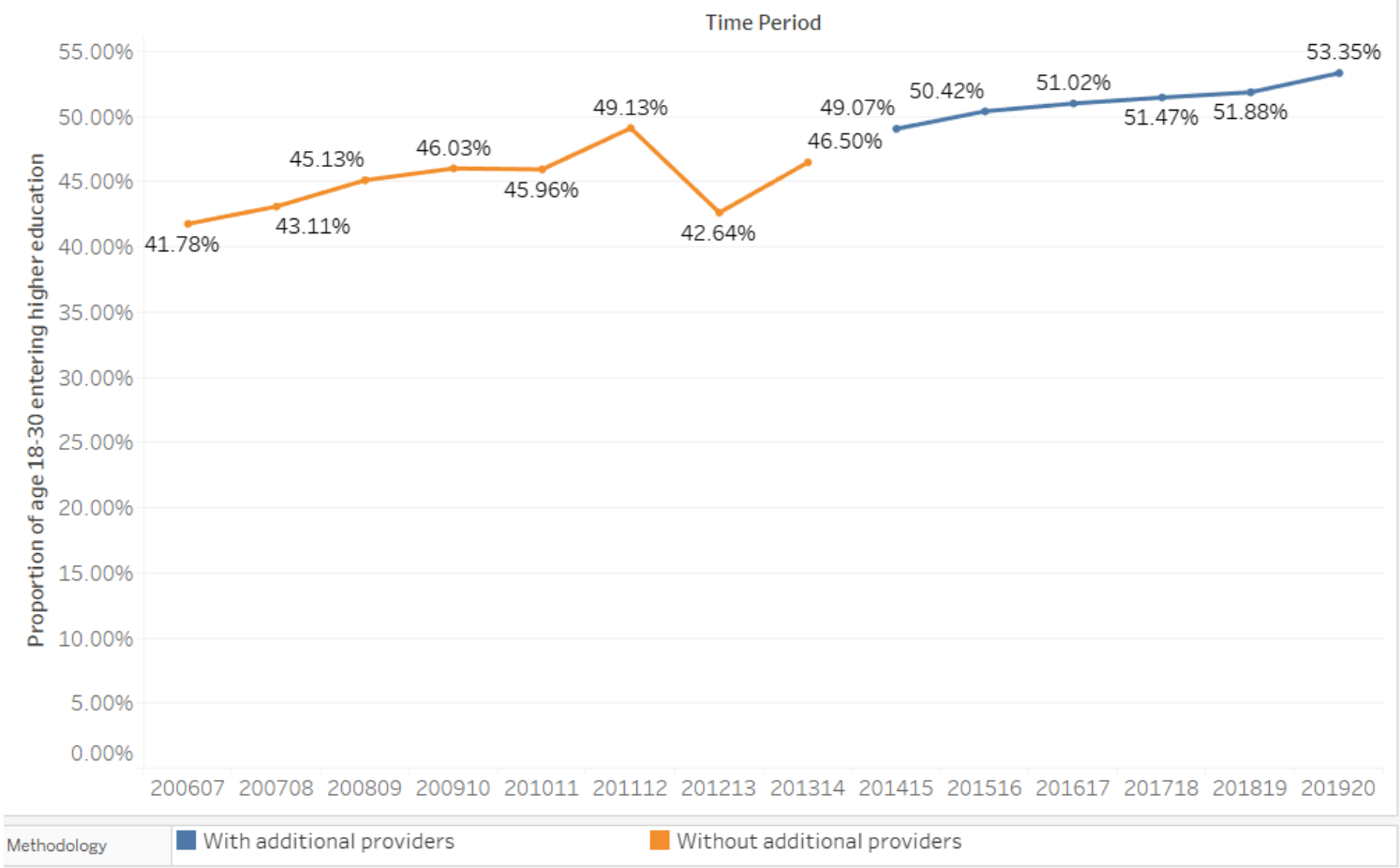
Methodological note

HEIP can be thought of as “a projection of the likelihood of a 17-year-old today participating in higher education by age 30 if the latest year's entry rates persisted in the future”.

The numerator for each age-specific rate includes English domiciled entrants to higher education who participate in UK higher education for a minimum period of six months for the first time. The measure includes full and part time participation. In 2014-15 participation at “alternative providers” were added to the total.

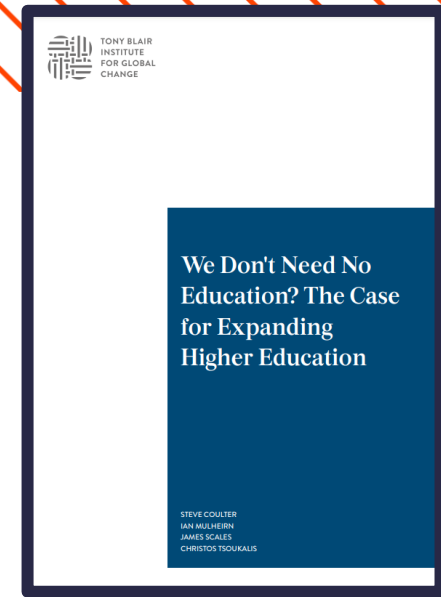
Higher Education Initial Participation (HEIP)

Data: DFE, published 25 November 2021



We don't need no education?

In a nutshell



Skills

Away from current employer needs

The future skills needs of the economy (2030s/40s) will be characterised by soft skills, adaptability, and advanced technical skills. Immediate skills needs are not a basis for long term skills planning.

Participation

Increases worked – let's continue

Call to move to 60 per cent participation by 2030 and 70 per cent participation by 2040. This refers to the target as currently constituted, and is in line with global trends.

Productivity

Higher education has driven post '08 growth

A disaggregation of one productivity measure shows that the human capital (skills) growth spurred by better qualified entrants (and less well qualified leavers) is the only think that has maintained even the mild growth we have seen.

Information

Student choice and public investment

Better information means better choices. Salary information here is not as helpful – low school attainment needs to be addressed. Low skilled courses could be reformed.

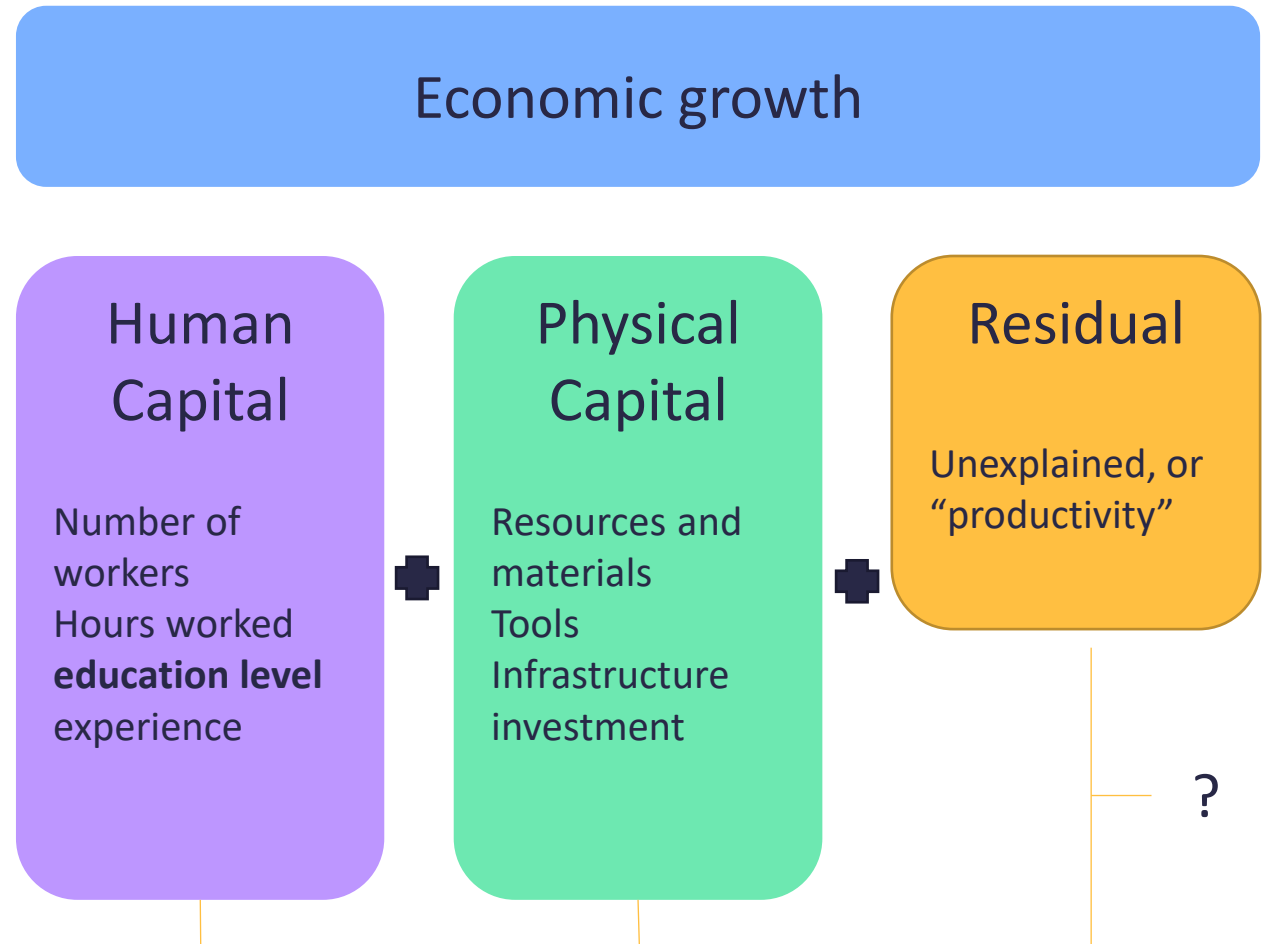
What's growth accounting?

The productivity puzzle

One common way of thinking about economic growth is to consider a range of inputs against outputs. Productivity in this context is a residual that can be observed but not independently measured, and is driven by increases in human and physical capital.

It's a bit like a “free” component to growth that has a relationship to the two “paid” input categories.

The TBI report argues that, post-2008, sluggish investment stymied growth in physical capital, employment rates fell, but the education level of those entering employment rose – and that therefore, this rise was the primary contribution to productivity.



The future

Skill levels will grow for next decade

Current growth in placed students will mean proportion entering work with high skill level will rise.

Automation affects low and mid skill jobs

Growth in employment will happen at high skill levels

Current skills needs will change

New technologies, demand for “human” skills that can’t be automated.

International comparators are investing

Participation is already at 60/70 per cent in some countries. Others have set ambitious targets.

Wild cards: climate change/ pandemic

Graduate adaptability and soft skills will be invaluable here

HE definition will broaden

The LLE – the government’s own policy – will substantially increase L4+ participation in the years to come.



The politics

- You can frame this intervention as a “trigger the Tories” moment – the doubling down on the dreaded 50 per cent target and the involvement of Blair was always going to raise hackles.
- But we are really looking at a restatement of orthodoxy. All sides of the political debate are calling for a rise in L4+ participation... the arguments are about scope and nomenclature.
- What is illustrated is the pointlessness of the current “war on universities” – higher education providers will likely be delivering a lot of these qualifications for the foreseeable future.

