

Advancing Enterprise 2005

4 February 2005

Speech by Rt. Hon Ruth Kelly MP, Secretary of State for Education and Skills United Kingdom at Advancing Enterprise 2004.

Advancing enterprise: people and skills.

Hello everybody and welcome to this session this afternoon. I'm Ruth Kelly, the new Secretary of State for Education and Skills. I'm really pleased to see you all here today. You've all been hearing today about the considerable challenges and opportunities of globalisation. The world's changing and changing increasingly rapidly. In fact reading our packs, I was incredibly struck by the fact that it took nearly 40 years for 50 million people to own a radio, 16 years for 50 million people to own a P.C., but just five years for 50 million people to connect to the internet. It gives you an idea of the sort of scale and pace of change, and how do we equip our workforce to change and develop the skills needed to cope in this rapidly changing world. Well, it's clear to me that we can't just compete on wage constants. Instead, we must compete increasingly in a high-tech, high-skilled, high quality end of the market, whether it be in manufacturing, commerce or the service sector, in the areas where knowledge, innovation, speed of response and flexibility are vital.

But sometimes we seem to concentrate just on the difficulties, And if there's one message that I want to send you today, it is that these aren't just challenges. Globalisation is also about the opportunities that we have, the opportunities of vast new markets with their growing demands which can be met in part by the UK and its workforce, opportunities already being grasped by some like Tesco's and B.P. and Standard Chartered Bank that we have with us and speaking to us today.

The government's focus on reforming and investing in the country's education and training system will, I think, put us in good stead to rise to this opportunity, but to do this, we will have to widen and extend the horizons of both employers and employees to be more open to new ideas and changing methods of work and new knowledge, and for employers, they have to be and encourage their workers to be bold, innovative, enterprising, entrepreneurial and at the forefront of knowledge, and to do this, of course, we've got to start at school and even before. As Gordon was saying this morning, we must ensure that there's no limit to potential, no cap on aspiration, and we must build that not just through the school system, but also right into the workforce, building skills all the time. Our 2003 White Paper on 21st century skills set out some of the challenges and actions that we're taking, actions to give employers the skills that they need for success, and individuals the skills that they need for person fulfilment and employability, and we're just about to publish a second White Paper on skills, and that will detail not just the progress that we've made, but it will set out all help that we intend to give employers and individuals on this agenda. It will, I believe, deliver a responsive demand-led, employer-led agenda, and it will work right across the government and emphasise the need for employers, employees and other stakeholders to work collectively to meet the challenges.

Advancing Enterprise 2005

Now, in the few short minutes available to me, I can only touch upon a few of the problems that we face and the actions that we are going to take to address them. It's truly shocking that millions of adults in England can't read and write at the expected level of an 11-year-old and even more have problems with numbers. They lack the basic skills required for life, certainly for jobs. Our Skills-for-Life Programme is working to ensure that they obtain the basic skills necessary to get a job. We set ourselves the target that by 2010 we will have reduced the number of adults without basic skills by 40%, and I must thank Sir Digby who's going to speak shortly, and the CBI for the support that they've given to this programme, and the unions are also playing an absolutely critical role here. They have the capacity to reach some of the hardest-to-reach learners such as older learners and those in the ethnic minorities.

The 7,500 learning reps have to date helped 60,000 people back into learning. These are being helped by the 196 new union learning centres, and we're building on this success by working with the TUC to develop proposals for a union academy which will give added coherence to the many different aspects of union learning. The White Paper puts employer-led Sector Skills Councils to the fore. SSC's, Sector Skills Councils will have the role of identifying their sectors' current and future needs, agreeing with employers how this should be tackled and then negotiating with stakeholders' hard-edged Sector Skills Agreements to ensure that the supply side responds to these requirements, and through our National Employer Training Programme we will put the voice of individual employers at the heart of the skills system.

The new Skills Academies will provide an opportunity for employers to have more say in the development of the curriculum and qualifications. The first pathfinder, the Academy for Retail Fashion is being established in partnership with the Arcadia Group and the London College of Fashion, and there'll be further information about how we're going to take these proposals forward in the forthcoming White Paper. As I've already stressed, we need to ensure that students throughout education are trained in enterprise skills and entrepreneurship as well as the skills of their trade, and we're taking steps to ensure that this does happen through the work of the National Council for Greater Entrepreneurship launched in September by the Chancellor. The Council's aim is to raise the profile of entrepreneurship and increase the number of graduates considering and engaged in new business start-ups. Its Flying Start events across the United Kingdom aim to attract 4,000 students and graduates to help them consider the possibility of starting a new business. There's a lot of cause for optimism. High level self-employment, low inflation and good news right across different sectors, but there's no room for complacency. Let's discuss the challenges but also the opportunities that globalisation brings, and the measures that all must take: Sector Skills Councils and employers, the government, the unions, other stakeholders, but most of all employers themselves.

Now, I'm absolutely thrilled to have with us today three very eminent speakers to contribute to this discussion. I've already made mention of Sir Digby, Sir Digby Jones, who began his career in the Navy, I believe, before moving into law, and has now moved from law into corporate finance to being I think one of the strongest

Advancing Enterprise 2005

voices of business that we've seen in many a long year. I very much welcome Digby Jones, Director General of the CBI, championing the leads of business for government. Sir Digby, if you'd like to come and say a few words, it'll be a pleasure to have you.