

## City-REDI Podcast

How can national and local skills policies encourage collaboration between universities, colleges and employers to drive productivity, innovation and growth?

### Speakers:

- Christopher Millward, Professor of Practice in Education Policy at the School of Education, University of Birmingham
- Peter Creticos, President and Executive Director, Institute for Work and the Economy
- Ewart Keep, Professor of Education, Training and Skills, University of Oxford

### Chris Millward

Welcome to the City-REDI podcast. Today we're talking about how universities, colleges and employers should work together to improve innovation and productivity. I'm Chris Millward. I'm professor of practice in education policy at the University of Birmingham. I'm talking today with Peter Creticos. He's president and executive director of the Institute for Work and the Economy in Chicago. In the U.S. And also professor Ewart Keep, who is professor of education, training and skills at the University of Oxford. Welcome, both. So. So, Peter, could you just tell us a little bit about yourself and your role?

### Peter Creticos

Sure. Thank you. And thank you for inviting me to be part of this. The Institute for Work in the Economy was established in 2000 as a policy collaborative on workforce and economic development. We were originally part of Northern Illinois University, just outside of Chicago, and separated is an independent, not for profit in the early 00s, in the early 00s.

My role is been primarily focused on sort of the juncture, the intersection of workforce and economic development policy as practice here in the United States and have participated in some international engagements of the OECD in a similar vein.

### Chris Millward

Great. Thanks. And. Could you tell us about your role?

### Ewart Keep

Okay. Well, I spent 35 years working in the field of research on the links between skills, the economy, the labour market and work. I used to run an ESRC Research Centre on this topic, and I've done quite a lot of work with policymakers across the UK for UK countries in New Zealand and Australia. Most recently, I was a member of the rather short lived of UK government skills and productivity Board and I'm currently a member of the Scottish Fund, a board member of the Scottish Funding Council, a board member of City of Glasgow College, which is the largest college in the whole of Scotland.

And for me, for the purposes of this talk, the most relevant thing is I'm on the Skills Board of Oxfordshire Local Enterprise Partnership.

Chris Millward

Terrific. Thanks. So, Peter, if I could start with you, how would you describe the pattern of relationships between universities, colleges and employers in Chicago, Illinois?

Peter Creticos

More generally, in the United States, there's always been historically there's been a very strong working relationship between public and private institutions, educational institutions and corporations, primarily on the research side, where there's been some a lot of joint investment coming from from corporate partners with universities. Here in Chicago, there is a there is a long history of collaboration between the universities, employers and unions, frankly, on public policy issues that pertain to skills development, skills recognition, education, that is focused to meeting the needs of employers in the in the area.

And it largely breaks between public and private institutions in the sense that the public institutions, publicly funded institutions, because of their mandate for providing extension services, which connects people with, you know, sort of real life experiences and jobs, will probably have a more robust kinds of working relationships with employers than the private universities in that same area. Now, in research, it's flipped.

The private universities, I think, probably have a have a stronger relationship. But when it comes to things that pertain to employment and job development and job creation, there is there is a I would argue that there is a greater bit of attention on the public institutions to paying attention to what the employers demands are, what the community's demands are, and also the role of unions and other organizations in terms of that, in terms of that mix.

Chris Millward

I wonder, is there anything you want to say about how universities and community colleges work together in that context? Peter.

Peter Creticos

Yeah. So for those who are not familiar with our system here in the United States, we have two year institutions called community colleges, the ones we're called junior colleges. They do provide a two year associate's degree, but they also are very much engaged indirectly, very much engage directly with employers within their service areas in meeting specific demands with respect to training as well as providing direct services to employers on a contract basis in terms of education needs, how the two year institutions and the four year institutions connect is that there are articulation agreements often between the two year institutions and the four year institutions, so that the so that the college coursework is done, that the two year is recognized at the four year. It's still a bit rocky in places, but there has been a real effort to try to smooth that so that the the time and money that's spent by students at the two year institutions, which are quite a bit more affordable than the four year institutions, because there is in the at least in Illinois, there's a direct tax support

for these two year college institutions that that that that time is, is not lost and the education is not lost. That the transition. So it's it's getting better. But it is something that, you know, they are trying to they are trying to smooth that process between the two in the four.

Chris Millward

And how important is the national, the state and the local? So you have federal government, state government and local. How do you see the interaction of that?

Peter Creticos

Yeah, so the federal government comes into into the mix in a couple of areas. One is they there are several of the direct student assistance programs are funded through federal through federal programs like Pell Grants, which are often goes to students in the two year institutions through college loans, which come through the largely the federal system and so forth, student loans.

In addition, what the federal system does is that it finances sort of the backbone of the workforce development system here across the state. And a lot of that is controlled locally so that the money comes from the feds because passes through the state governments into local areas that are governed by local workforce boards, that are private public private partnerships by their design.

So there is there is that now that that money typically goes for training as opposed to education and it's often targeted to specific groups that whereas where they won't necessarily have the means to be able to obtain the training independently. So it's subsidized work at the state level. There may be other resources that come into play in this case in Illinois, there has been a substantial effort around energy, and so the state has developed its own funding resources to support transition to renewable energies, hydrogen and other sorts of resources.

And and it's and with a strong focus on economic justice and environmental justice. At the local level, in addition to what they may receive from the feds and through the state. You will also see often employers partnering with the local workforce boards in developing specific programs that are again often targeted to populations that are underrepresented or underserved in the community and underrepresented economically and underserved.

Chris Millward

Thanks. So Ewart you obviously have a really unique perspective having worked with different parts of the UK. I wondered how that looks relative to your experience of different parts of the UK and how the collaboration works.

Ewart Keep

Okay. Well, I think little pieces outline sounds more like Scotland than it sounds like England. Partly because things are more devolved in Scotland. In England it's very patchy. The real problems in England with both national and local level, with the relationship between the skills system and employers. I mean, one of the things you have to remember in the UK as a whole is that employers are fairly weakly organized collectively and that's problems got worse and worse.

The UK government stopped funding sectoral bodies, skills bodies for employers and they abolished the UK Commission for Employment and Skills, which in a sense tried to bring all this together across four UK nations. So there is a nasty vacuum at national level in England. At a local level in England you've got the huge problem that only some parts of the country have the local authorities, local government actually have any money to spend on skills.

Those parts of the country, the devolution deal have got some money, though it's not very much and it's mainly allocated to spending on adults, not on initial schooling or initial college or university in other parts of the country have nothing effectively. And in fact, their adult education budget is dealt with centrally by a contracting exercise by central government and a remarkably centralized and incredibly inefficient way of which seems guaranteed not to meet local needs.

So. So England's a really bit of a mess, whereas Scotland does better, partly because it's a smaller country, there's better articulation between colleges and universities. So the model that Peter described how universities and colleges work together with articulation agreements is exactly replicated in Scotland, certainly does not exist in most of England. And more generally the Scots are piloting a couple of things called tertiary provision pathfinders, which are local attempts to try and restructure of educational beneficial educational provision to better meet meet the needs of employers in the local economy.

So one provision, Pathfinder, is a very rural area of Scotland, the borders with England and the other is in the north east around Aberdeen, which is experiencing all the economic and employment effects of a transition towards net zero in a city that's based around the oil and gas industry. So there are some interesting things going on in Scotland, but in England, England it's a really problematic picture. It's not clear to me that it's going to get better in the immediate future.

Chris Millward

If I pick up on that last point. How important, given what you've just said, is devolution and meaningful and consistent devolution for improvement?

Ewart Keep

Oh, I think it's absolutely critical. I mean one of the things that people from abroad, from practically every other developed country always remark upon, if they actually look in detail at the particularly the English scale system is how centralized it is. You know, for Peter's sort of purposes, everything that's important is dealt with federal level. It's not the federal government or, you know, the UK government deals with all of the detail.

It directly funds all state schools in England through various mechanisms. But ultimately the Secretary of State is responsible for them. It runs the student loan scheme. It runs funding for further education colleges, which are our vocational colleges, everything is very, very, very centralized and it's very dysfunctional. I mean, we spent the last 40 years gradually centralizing all the power and decision making to one postcode in London rather than actually devolving, that's a good quote from Andy Burnham, that was a quip he made a while back, but I think it's very true and we need to start, the centre needs to start letting go. We need to align our skill systems with local needs, local priorities, and allow local actors to have a bigger say about where the funding goes. Because at the moment, we're wildly over centralized.

Chris Millward

Thanks, Peter. I wonder if you could give us a good example that has really boosted skills and productivity and innovation where you are.

Peter Creticos

Well, I wanted to pick up on something that Ewart was talking about first, because I think it's important to understand how these differences do evolve. So in the U.S., we have a very decentralized structure with respect to unions, whereas in the U.K. and in England, you have a very centralized structure with unions. And I think some of these patterns repeat themselves and so, you know, we have the AFL-CIO, American Federation of Labor, the Congress of International, the CIO.

It is it is a member organization, membership organization of unions. And there are those power structures start at the local and move up. And so when you think of skills training, when you think I'm just using this as example, that structure. So when when you think of these kinds of structures in terms of how then they get replicated in terms of the workforce system, it follows a similar pattern.

And so I do think that that some of its government, but some of it's also just the way our systems have evolved in very different ways. And so then the structure kind of mimic that. So I apologize for diverting us on this. But anyway, the in terms of examples in Chicago, Illinois, that boosted skills for productivity, innovation. We have there have been a few examples or several examples from one. One in particular that that I'm watching is is one that is through the Illinois Innovation Network.

Illinois Innovation Network was established has been established of all the public universities in the state of Illinois. And their work has been focused on developing new models for university engagement on workforce and economic development practices and policies across the state. One initiative that that I've been involved in that is yet to produce anything directly, but is something that has some promise, has been a couple of energy related initiatives where this group has been very involved in in a comprehensive series of comprehensive proposals to the Department of Energy in the transition, in one case to hydrogen and another in the industrial in the electrification of industrial processes, key processes. Where they the sought to they're seeking to take coursework within the universities, track that with training programs that in terms of the application and and then involve those in the actual transition activities of these of towards these new energy systems. It's a complex problem, but it's one where you see multiple universities, each trying to contribute their own specialty to this process.

Chris Millward

Thanks. Ewart, I wondered if you wanted to reflect on what changes we should be making in the UK regionally, nationally, to really stimulate sustained activity of the kind that has been talking in?

Ewart Keep

Yeah. I mean, I guess first of all, underpinning it has got to be a belief that devolution is a the direction to go. As you know, you know, in the last four or five years, there have been limited amounts of devolution around the skills budget in England. They're not progressing very fast. And I have certainly seen several commentators say that the Department for Education (DfE) is the most is the central government department most averse to the concept of devolution.

On my experience, I'd probably have to agree with that. I think I DfE really struggle with the idea of letting go. I think, you know, regionally you can see some of the new. Well, relatively new mayoral combined authority starting to really take this seriously. Beginning to do the kinds of things that are necessary, not just in terms of having a skills strategy, but I think much more importantly linking that up with economic development, workforce planning, trying to get people who are far away from the labour market reengaged and trying to find them jobs where they can earn a decent living.

So job quality, job improvement, innovation, support at various levels, not just at the really high tech level, but also this kind of innovation support vocational colleges can supply. In terms of technology, adoption and upskilling the management of small and medium sized enterprises. But it's a joined up package. And I think that's the key thing, that it's something that we're really weak at in England, we have separate little sort of streams of activity. So we have skills and then we divide that up into different sorts of skills. We have very limited emphasis on business support. Innovation policy is dealt with by a separate central government ministry and you know, net zero and all the job and skill challenges that it creates is seen as being in yet another box. So I think where you're more likely to be able to do this sort of joining up is at regional level, regional and local and obviously regional in Britain is by American standards really rather a small area.

So, you know, we ought to be able to do this and we're going to have to do it if we really want to make a dent in our productivity record, which is flatlined since 2010. And in terms of a just transition to net zero.

Chris Millward

Interestingly, regions may be small in the context of the U.S., but in terms of population size comparable to Wales, Scotland, Ireland, Norway, New Zealand, countries that are in developing that joined up approach across whether in higher education research as well as skills. So there's no reason why we couldn't think in those terms.

Ewart Keep

No. And I think the other thing is that we really need to think about the incentives in England to get colleges and universities to work together. Some do, but they're mainly doing that again. The actual incentives that are funding structures, you know, provide them with. We're really poor at that and we're going to have to think much harder about getting colleges and universities to work together more closely.

In Wales and in Scotland the direction of travel is towards the tertiary system. They'll still be colleges, they'll still be universities, that there'll be one system, much more joined up than at present and much working much more collaboratively than they do now.

Chris Millward

Peter, do you think there's some areas of work that can't really be well served by a local orientation towards policy?

Peter Creticos

Yeah, I do. And I think that the emergence of gig work or independent work is an area that I don't think any of our systems are prepared to support, because it's what's interesting about that, if you think it through, is that the focus of attention in gig work is actually the individual and they are working in larger markets that they're working in markets that may well go beyond their local third local industry, their local commerce.

And and part of the challenge is how do you support that? You know, what is it that they need to know and how do they learn it and get those resources when they need it? What is that? What's the nature of competition within their field? Because oftentimes now they're competing even transnationally, internationally in terms of other people. And it's one where you don't have employers to poll, you don't have employers to go to in your community and say, what is it that you need?

Instead, what you really have to do is to be able to anticipate what it is that the gig workers will potentially need, given the mix that exists within your community of these workers and and then and then trying to align resources to support that. I'm not sure that locals are prepared to do that. I don't know if national systems or in our case, statewide systems are the appropriate place as well.

We certainly don't have the information systems, and frankly, that is a role we haven't talked about this, but that is a role where central government can play an enormous can be an enormous benefit because it's those information labor market information systems that that right now are essentially aligned to to report to decision makers about what's the economy doing.

But they are not aligned to telling, to informing the individuals. What is it they what is what's what are the paths that they can take, given the information that's available about their what they do, their potential career pathways and so forth. And so there I do think that there is there's a role for central government to play, because I think that the task is too big for local to develop that kind of information system.

And again, we're in some cases we're talking about global labor markets. And so, you know, I think it's a very different kind of model that we need to be addressing here, and environment. And it's not one that I mean, it's not one where I think the existing structures, at least in the United States, which are very localized, are prepared to handle properly.

Chris Millward

So a need for more sophisticated information systems which recognize the pathways for individuals and global labor markets, which takes you know, we talked about a federal, state, local level, but takes you into the global level as well with with the national state not being best place to be able to do that.

Peter Creticos

At least in my mind. I think that that's something that's a starting point in our labor market information systems are poorly equipped with respect to that. But I also think that our focus on looking at local employers needs also is a distraction for in the policy realm in terms of developing systems that support independent workers.

Chris Millward

Thanks. Just finish off. I wondered Ewart. You've obviously worked in different parts of the world, but are any countries you think are getting this really right? And we ought to learn from?

Ewart Keep

Yeah, they probably are. But the catch is the learning would transfer very easily in the point that Peter's raised. But different countries have got different structures and historical traditions and different political systems and different policy systems. And therefore what works great in the Netherlands or Germany is probably not going to work terribly great in England. I think we've got to we've got to think very hard about our own solutions where I do think some learning could take place would be across the four UK nations.

Since they do share quite a lot of history, they do share a general, you know, UK level political system and they do share the same set of national employers. So it would be really nice if the four governments chose to learn from one another at the moment while Scotland and Northern Ireland spend quite a lot of time learning from each other.

The big partner that just sits outside saying, Oh, I'm much too important to talk to or listen to these small people. It's across the UK or otherwise known as the English government, in this particular case. We've got to learn more from across the UK because there are various experiments and developments in Scotland and Wales that, you know, England could learn a lot from if it chose to be willing to do so.

Chris Millward

And in the US context, Peter, are you looking to other countries or is it more about states and city-regions learning from each other?

Peter Creticos

Oh, I'm always looking at other countries the again, but the translational there is a translational problem. I mean, I'll give you an example. We're working on some ideas in the apprenticeship field, and one way that we're very much like the UK is an apprenticeship. Our apprenticeships are post-secondary. They start basically with after the person completes secondary or secondary education. In Germany and other places, it's it's during their high school, what we call high school, there secondary education year. And so as a result, I mean, they have they offer the they offer alternative pathways. So, for instance, in the U.S., our apprenticeship programs need to be tied to a job in a career at the end of the apprenticeship. As my understanding in Germany and Switzerland, you can you can take your apprenticeship and then move into post-secondary education, which which is not deemed a success here.

That's that's that is that's a failure of the system because you're not employing the individual at the end of that apprenticeship period. So I do think that there are now recognizing that we still can learn from the Germans, we can still learn in terms of how it is that they develop it and maybe move our policies and practice in such a way so as to recognize this alternative pathway.

And and so there is the value, but is there again, though, the German system is very much embedded in the culture. You know, it's an agreement between the local union and the chamber of

Commerce in terms of what the needs are. And then they train to those particular needs. We don't have a comparable system here. And every time I've seen somebody try to adopt the German system, it's another failure because they don't they don't have the culture to support that.

Chis Millward

That's great. Thank you, Peter, Ewart. Terrific insights. A lot of food for thought, for policy and also for the debates. Thanks very much.

Ewart Keep

Thank you.

Peter Creticos

Thank you.