

KEYNOTE ADDRESS

By

*Rt. Hon. Alan Johnson MP, Minister of State for Lifelong Learning,
Further and Higher Education*

ASET is an organisation that's leading the way in promoting graduate employability – a key area for this Government - and I welcome this opportunity to give public recognition, and my personal appreciation, for your many achievements in this important field.

ASET's Mission Statement is very clear: *"To promote and to support the concept of higher and further education programmes that integrate periods of academic study with periods of relevant work in an external organisation."*

Well, I'm pleased to say it's an aim that runs very much in tandem with what we as a government are working to achieve: lifelong learning for personal development and employability. Your hard work and expertise is playing a vital role in delivering solutions based on work and learning. They have benefited universities, the corporate world and above all the many undergraduates you assist.

I applaud your many successes as a leader in the field and encourage more people to become involved.

When I joined the Ministerial team at the Department for Education and Skills last year I was the first ever HE Minister not to have been to university. In fact, I worked as a postman between the ages of 18 and 30. I happened to be lucky – I had opportunities to develop and progress and I took them. But I'm only too aware that a lot of my generation – indeed, some of my closest friends – were not so fortunate. I don't want that to be the case for today's young people or for their children.

In the two decades since I left the postal service the number of people gaining degrees has tripled. And, although I have no regrets about the path that I personally chose, I do feel very strongly that university offers a life enhancing experience and opens up all sorts of opportunities and choices.

I believe passionately that anyone who has the ability and aspiration to undertake higher education should have the opportunity to do so. It's now over 40 years since the Robins Committee published their report on higher education - one of their prime recommendations was the need for expansion. That argument is as strong today as it was back then. I make no apologies for our 50% target and our recently published 'Five Year Strategy for Children and Learners' clearly states how we intend to develop this offer so that *all* who have the potential to benefit *do* have access to a world class HE system.

That said, we are not interested in "expansion" simply for expansion's sake - the fact remains, however, that the economic case for expansion is overwhelming. Research undertaken by the 'Institute for Employment Research' shows that, far from there being too many graduates, 80% of the 2 million plus new jobs expected to be created in the UK over the next decade will be in occupations that will typically require a Higher Education qualification.

I recognise that there are concerns, possibly even amongst this audience, about this drive for expansion. However, I doubt that any of us could make an effective

argument against the very strong case for investment. Even to maintain participation at its current rate of 43%, 120,000 additional places need to be created.

Today our world is changing faster than ever before. And whether we like it or not the pace of change will continue to accelerate. The nature of work itself is changing, portfolio careers are fast becoming the 'norm'. Furthermore, we're now competing in a global market place where the 'World Wide Web' allows access to jobs, information and markets throughout the world. This is all at a speed that a generation ago would have been considered the stuff of science fiction. Our graduates, and employers, compete today on a world stage. We need to broaden our outlook just to stay ahead, let alone remain competitive, in this ever-changing environment.

So we have to be open to new ideas and new ways of working. You have found this to be true; ASET no longer concentrates purely on the needs of sandwich placement courses, but has evolved and broadened your remit to encompass all forms of work experience and work based learning, including the relatively new concept of "Co-operative" education.

Employability is a prime theme that runs throughout the 5 Year Strategy, with business involved in designing employability skills education right from 11. Vocational training is crucial to that approach and we intend to provide world-class vocational qualifications of the highest calibre. We intend that this raft of flexible qualifications will once and for all dispel the still prevailing culture of prejudice which surrounds some of these qualifications.

And the scale of reform is radical – frankly, it has to be – this country has one of the highest drop-out rates of 16 year olds of any developed country in the world. In fact, we come a shameful 27th in the OECD league of 30 countries. But we are determined to turn the situation around. The '*Success for All*' initiative is raising quality and participation in post 16 learning, with the continuing expansion of Centres of Vocational Excellence (COVES) to help further education colleges and work based learning providers to respond to the skill needs of employers.

We will continue to record, monitor and respond to skill needs at every level – be they local, regional and national; and to develop better progression into and through HE via the vocational route. Strong partnerships will be the key to success. One idea, for example, is to create "*Lifelong Learning Networks*" to strengthen partnership working between HE, FE and Work-based learning providers with Centres of Vocational Excellence, Sector Skills Councils and Centres of Excellence in Teaching and Learning. Yet another aim is to improve progression from the apprenticeship route from NVQ Level 3 to Level 4.

Foundation Degrees will form the cornerstone of this programme of reform – they have already been applauded for their flexibility, and accessibility. But their, to use a marketing expression, 'Unique Selling Point' lies in the fact that employers play a central role in both the design and delivery of every Foundation Degree, whatever the discipline. They are very much 'in the driving seat'.

Our 5 Year Strategy fully commits this Government to their expansion. They are already growing in popularity – currently there are over 24,000 students enrolled – and we are planning that these numbers will increase. In fact, by 2005 we are planning to have 50,000 full time places available.

Work-based learning is central to the Foundation Degree and the latest figures available from the organisation First Release show that this is proving to reap

benefits for its students. A sample of 800 Foundation students who graduated in 2002/2003 showed that 96% of these students were taking up immediate employment or further work/study programmes. Encouraging news indeed.

Of course, Traditional Honours Degrees remain the right initial choice for many who have the ability and desire to achieve at that level and beyond. And I'm sure that a significant number of Foundation Degree graduates will progress onto Traditional Honours Degrees over time.

But, whatever HE qualification students are aiming to achieve, *let's not forget life skills*. Again, we have listened to the pleas of employers, to their repeated requests that each and every young person brings to a job those skills which may be less tangible but are nevertheless essential. Skills like initiative, leadership and problem solving, that employers inform us are so often lacking in even the most highly qualified and gifted of graduates.

However employers also tell us that some skill deficiencies relate to skills and knowledge that can be best gained "on-the-job" - hence our commitment to employability and, again, work place learning.

So we have funded ESECT, The Enhancing Student Employability Co-ordination Team, specifically to promote and encourage employability, and ensure that it becomes embedded into the HE curriculum. I know that ASET's John Wilson has made an enormous contribution to ESECT's work, via his participation in the HE Academy's Work Placement Network Group.

And Knowledge Exchange is expanding, through specific schemes such as the Higher Education Innovation Fund (HEIF), which aim to build and strengthen many excellent links with the corporate world. In all this the needs of employers are crucial to our approach. And we are seeing many examples of the excellent results *for all involved* that these partnerships engender. Rolls-Royce, for example, sponsored an Engineering Doctorate student to undertake in-service monitoring of electrical machinery. The result has been a positive one for both parties: with the young engineer bringing his innovative and technical skills to one of our leading companies, in exchange for new career opportunities.

But let's not forget that other essential skill and talent: entrepreneurship. We need to foster an enterprise culture if we're to stay ahead – indeed we plan to embed enterprise activity as part of the curriculum in every secondary school throughout the country. I think everybody here recognises the need for closer links between business and Higher Education, and how crucial these relationships are to a successful and competitive economy. Indeed, Lambert, in his recently published 'Review of Business and University Collaboration', is quite adamant about precisely that: *"My colleagues and I are excited about the way that business and universities are already working together across the UK"* he says, *"and about the scope for substantial further collaboration in the future"*. I'd certainly like to echo that. These partnerships have a vital role to play, not only in the employment field, but in community and social regeneration throughout the UK.

The establishment of 13 Science Enterprise Centres is just such a venture – it involves over 60 universities and has been established nationwide using government funding. It is exactly the kind of exciting initiative I've been talking about; which will allow science students to develop the commercial potential of their work.

And next week the Chancellor of the Exchequer will formally launch a National Council for Graduate Entrepreneurship with Karan Bilimoria, of Cobra Beer fame,

as its 'Entrepreneur Champion'. I'm sure Karan will prove to be an inspired choice – popular with students and business alike. The Council will forge national and regional links to encourage and support students and graduates who aspire to start up their own businesses.

Students themselves are telling us that they need more than just a paper qualification to compete in the marketplace. They say what they need is proper experience in a working environment which will enhance their degree and help to build an impressive CV. So we're doing everything we can to help. The National Association for Student Employment Services (NASES) recently undertook a project, funded by DfES, to professionalise student employment. Through this, many university 'Jobshops' developed strong local and national links with employers who provide temporary and part time work for students. Students themselves recognise the value of the skills they gain through part-time and vacation work and choose to "earn while they learn", not just for the cash, but to help get a head start when applying for graduate positions.

And so to funding, which I know is a concern to many of you here today. Accessibility is the key, and one of the key principles underpinning the Higher Education Act is flexible and fairer funding with an end to upfront fees. And from 2006 there will be £3000 a year of support, in the form of grants and bursaries, to help the poorest full-time students. There will be more flexibility on repayments too, with graduates only being asked for their contributions once they are earning over £15,000 a year.

I genuinely believe that these measures will encourage any able and ambitious individual to further their education. We all make choices for many reasons and young people are no different. Many choose to "explore" the world, some engage in periods of voluntary, or charity work, a number will opt for courses that involve periods of study abroad whilst others undertake education courses that offer a year "out" working for an employer.

I do not say any of this lightly, and I hope I do not sound complacent. Of course people need to consider the costs and will do so. In return we have to think creatively and consider new and varied ways of delivering both further and higher education – part-time study, distance learning, work-placed and work-based learning all have their place. Similarly, the need for high quality teaching, as well as local partnerships and regional collaboration, will become ever more important. I want to deliver a high value/high equity system for all our young people – and I think that is an aspiration we all share.

Finally, I would like to close today by stating clearly and emphatically that I personally and this Government passionately believe in the importance of higher education for all our futures. We are committed to ensuring that higher education benefits:

all who have the potential to gain;
employers and businesses - the wealth creators of this nation; and
communities and economies nationwide.

In short, we desire a higher education system equipped to meet the demands of a twenty-first century world and I thank and applaud your contribution towards achieving our desires.