EQUIPPING SCOTLAND FOR THE FUTURE
Key challenges for the Scottish skills system

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Developing a skills system that meets the needs of an ever-changing labour market is one of the biggest issues facing the Scottish government over the coming years. Scotland currently faces challenges around productivity, progression and pay, and, more generally, economic growth. In the longer term, technological and demographic changes will alter our economy and society, and will mean people will work longer, in multiple careers and for multiple employers. The skills system will need to reform and adapt to meet these challenges.

This discussion paper aims to stimulate debate and generate ideas for the future of the skills system in Scotland. It is informed by stakeholder events and interviews that set out to speak with people working directly with and within the skills system and those interacting with it. It outlines 10 future challenges for the skills system, and six priorities for action that must provide the focus in the short term in order to ready the skills system for the long term.

This paper forms part of a series of reports from IPPR Scotland in relation to skills in Scotland.

KEY FINDINGS

There have been substantial changes in the skills system in Scotland in recent years. These have included a move towards regionalisation, most notably in the college sector, the introduction of outcome agreements for further and higher education provision, a focus on full-time, recognised qualifications across the system and an emphasis on young people.

Our research with those in the skills system in Scotland, and those interacting with it, aims to understand the future challenges it faces, and the priorities for action in the short term to ready the skills system for the long term. In developing this work, we undertook a series of stakeholder events and interviews to speak with people working in and with the skills system in Scotland.

The purpose of this discussion paper is to stimulate debate and generate ideas for the future of the skills system in Scotland. This paper forms one part of a series of reports from IPPR Scotland, which will build a picture of where the skills system is now, where it needs to be to meet the needs of the future, and what decisions are required to enable it to do so. We believe a well-functioning skills system in Scotland needs to be at the heart of meeting many of the challenges that Scotland faces.

There are 10 key challenges facing the skills system in Scotland:

- funding the skills system in Scotland in the future
- addressing current weakness in the economy and delivering inclusive growth
- responding to the increasing pace of change and disruption in the economy
- promoting a high-skill business model among employers
- encouraging employees and learners to upskill and progress
- the changing effects of globalisation, Brexit and migration
- demographic change and shifting demand from the labour market
- longer working lives, multiple careers, multiple employers and the transferability of learning throughout learners' careers
- technological advances and the opportunities for new, more efficient learning methods and pedagogies within the skills system
- automation in the economy reaching mid-skill roles, and the need to produce technologically-savvy learners and employees.

RECOMMENDATIONS

A number of issues were raised consistently by our attendees and interviewees, which we have brought together into six priorities for action for the skills system in Scotland:

- **embedding an outcome approach and setting a clear national purpose of the skills system**
- **regional integration of the skills system**
- **clarifying roles of learning routes within the skills system**
- **learners and employers co-designing a responsive skills system**
- **improving flexibility of learning**
- **increasing transferability of learning**.

Action in these six areas will prepare the skills system in Scotland to meet the long-term challenges it faces, and to be at the centre of driving the changes that Scotland will need to see over the coming years.

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