Research Briefing № 101

Skills and Skilled Work: An Economic and Social Analysis

This book brings together multiple perspectives from economics, sociology, management, psychology and political science to derive an original framework for understanding skills in modern society. It develops a rationale for social intervention beyond market failure.

Key words: skill; skill match; education; training; youth transition; skill system; learning

Key findings

- Skills should be conceived broadly as personal characteristics that can add value, can be augmented, and are socially determined.
- There are two articulated markets: the supply and demand for skilled labour, and the supply and demand for skill development services.
- The last 20 years have seen great strides in the measurement of skills and the match between skills and jobs.
- Employers are key actors in these markets. There is strong evidence that employers’ demands for skills has increased with changing technology and work organisation. Simultaneously, education systems are expanding everywhere, in countries rich and poor, transforming the education levels of the workforce in only a couple of decades.
- To understand youth transitions and other decisions about acquiring skills we need to examine beliefs and expectations, resources, and the preferences or dispositions of people. Simple rational models are inappropriate in a world with deep uncertainty.
- Many problems occur with skills systems for matching supply and demand in the skilled labour market and the market for skill development services. Problems include: ill-informed decision making, socially inefficient private decisions, equilibria that occur at low skill levels (i.e. an economy stuck with low skills supply and low skills demand), persistent skills mismatches, and skills poverty are just some. Such problems point to the need for interventions and corrections.
There is a strong case for social intervention to influence both employer and employees' plans for skills development beyond schooling. The case rests in part on the social benefits to training exceeding the benefits for individuals. It also rests on the need for employer learning about the benefits of developing the workforce in situations where innovation and investment also need encouraging.

Social intervention for skills development can be taken by local or sector-level organisations such as employers' associations, trade unions, or governments at all levels.

Governments can nowadays forecast the supplies and demands for skills at aggregate levels.

What we did

However they construe economic and social progress, most writers and policy-makers stress the importance of enhancing skills. Yet hitherto much of the research and policy advice has emerged from disciplinary silos. Economists, sociologists, psychologists, educationalists and political scientists produce findings and make policy recommendations about skill, with barely a reference to the insights of other disciplines. There has even been little agreement about what is meant by 'skill'.

This research integrates theoretical ideas and empirical findings about skills and skilled work from all these disciplines in a unified framework. The book argues for the recognition of a sub-discipline of skill studies. It provides a method and approach for analysts the world over to think about skills in their own countries, and to develop skills strategies.

How we did it

The book, which was completed in 2012 and published in the summer of 2013, emerged from two decades of doing skills research, and a multidisciplinary examination of studies of both skills and skilled work.

Further information

Publication:


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