



Press Release

Embargoed Until 00:01 hrs
Monday 24th January 2005

Mind the Gap: Productivity hamstrung by Education, Business Leader says

Current Government policies on education and training are doing nothing to plug the UK's productivity gap a leading business figure will say today.

In a speech to the Institute of Economic Affairs in Central London, Miles Templeman, Director General of the Institute of Directors, will lay the blame for weak productivity – compared to other G8 economies – squarely on historical underinvestment in education.

Mr Templeman is due to tell the audience:

“Successive generations of policy-makers have been aware of deficiencies in education and training but have failed to rectify these failings. Despite 11 years of compulsory education, about 25,000 pupils leave school at 16 without a single GCSE to their name. Around four and a half million people have no qualifications at all.”

Added to the problem of poor basic skills, the UK has also failed to develop a proper system of vocational education, Mr Templeman will go on to claim. The damage to the economy being obvious.

“Many businesses experience skill shortages and are unable to recruit the adequately skilled individuals from the labour market that they need. In 2004, 135,000 vacancies could not be filled because of skill shortages. Other businesses suffer from skills gaps, whereby some of their employees lack the skills that they need to carry out their jobs effectively,” he said.

In one of his first major speeches since taking over as Director General at the IoD Miles Templeman will set out a four point plan to boost the UK's productivity gap.

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- An improvement of standards in literacy and numeracy. English and maths being the building blocks for further progression in education and training;
- An improvement in the system of Apprenticeships. At present too many apprentices are receiving poor quality training from too many poor providers, resulting in too many trainees failing to complete training programmes;
- Vocational qualifications have to meet the needs of employers. In too many schools this is not the case. OFSTED have condemned Advanced Vocational Levels for example;

Finally,

- The Government should reduce the tax burden on business allowing firms to invest more money in training and skills development.

In conclusion Mr Templeman will tell the IEA audience that the problem is not the sole responsibility of the Government to solve. Employers and employees both have a duty to improve skills in the workplace for the benefit of all.

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21.1.05 no.201

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Notes to editors

- Miles Templeman is due to speak at 3.00 pm at the Institute of Economic Affairs' 22nd Annual State of the Economy Conference, being held at Bloomberg Auditorium, EC2A 1PQ, for details www.iea.org.uk
- Advanced copies of the speech are available under embargo from the IoD Press Office, tel. 020 7451 3264; press@iod.com . Please check against delivery.
- The IoD (Institute of Directors) was founded in 1903 and obtained a Royal Charter in 1906. The IoD is a non-party political organisation with upwards of 54,000 members in the United Kingdom. Membership includes directors from right across the business spectrum – from media to manufacturing, e-business to the public and voluntary sectors. Members include CEOs of large corporations as well as entrepreneurial directors of start-up companies.

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- The IoD offers a wide range of business services which include business centre facilities (including six UK regional centres and one European centre in Paris), conferences, networking events, issues-led guides and literature as well as information services and free access to a comprehensive business library and enquiry service. The IoD places great emphasis on director development and has established a certified qualification for directors - Chartered Director - as well as running specific board-level and director-level training and individual career mentoring programmes.
- In addition, the IoD provides an effective voice to represent the interests of its members to government and key opinion-formers at the highest levels. These include ministers, constituency MPs, Select Committee members and senior civil servants. IoD policies and views are actively promoted to the national, regional and trade media.
- For further information, visit our website: www.iod.com