

## C DEVELOPING SKILLS AND REWARDING WORK

### Main messages

There has been a steady improvement in the proportion of young people gaining formal educational qualifications. In 1999, 74 per cent of 19 year olds had achieved qualifications to NVQ level 2 or equivalent. And the percentage of 16 year-olds in England achieving no qualifications has decreased. But about a fifth of all adults of working age in the UK were estimated to have low literacy and numeracy skills in 1996; these were predominantly older people with low levels of education. In 1997, just over a quarter of respondents to a survey in England and Wales said they had done no learning in the previous three years, or since leaving full-time education if that was more recent.

In 1999 almost three-quarters of people of working age were in work. But in 1998 13 per cent of working age adults lived in households where no-one works, and in 1999 13 per cent of people of working age had been out of work for more than two years. In 1998 a quarter of the population worked long hours (over 45 hours a week) and 14 per cent worked over 50 hours per week.

The work place became safer between 1986/87 and 1998/99.

### Relevance

To achieve stable and sustainable growth, we need a well-educated and adaptable labour-force. Learning also has a wider contribution to make – it promotes active citizenship and helps to combat social exclusion. It opens up opportunities for people and gives them the chance to make a full contribution to the community. In a world which is changing rapidly, people need the skills to adapt, and opportunities to update them throughout their lives.

Employment enables people to meet their needs and improve their living standards and is the single most effective and sustainable way to tackle poverty and social exclusion for those who can work. But people need to be treated fairly: workers should not be required to work unreasonable hours, they should be entitled to a reasonable working wage and should be able to work in a safe and healthy environment. The quality of life of workers in other countries who export to us is also important.

The extent to which the key objectives identified in the Strategy are being achieved, as reflected by the indicators, is illustrated in the following table.

### Key strategies

- *A better quality of life. A strategy for sustainable development for the UK (6.22-6.41)*
- *Opportunity for all: Tackling poverty and social exclusion<sup>1</sup>*
- *The learning age: A renaissance for a new Britain<sup>2</sup>*
- *Welfare to work strategy<sup>3</sup>*

<sup>1</sup> September 1999, ISBN 0-10-144452-4

<sup>2</sup> 1998, ISBN 0-10-137902-1

<sup>3</sup> March 1998, ISBN 0-10-138052-6

**Some other related indicators:**

Total output of economy (GDP and GDP per head) **(H1)**; Investment in public business and private assets **(H2)**; Indicators of success in tackling poverty and social exclusion **(H4)**; Expected years of healthy life **(H6)**; Economic stability and competitiveness **(B1-B5)**; Economic vitality and employment **(E1-E5)**; Health **(F1-F4)**; Voluntary activity **(L2)**; Awareness in schools **(T8)**

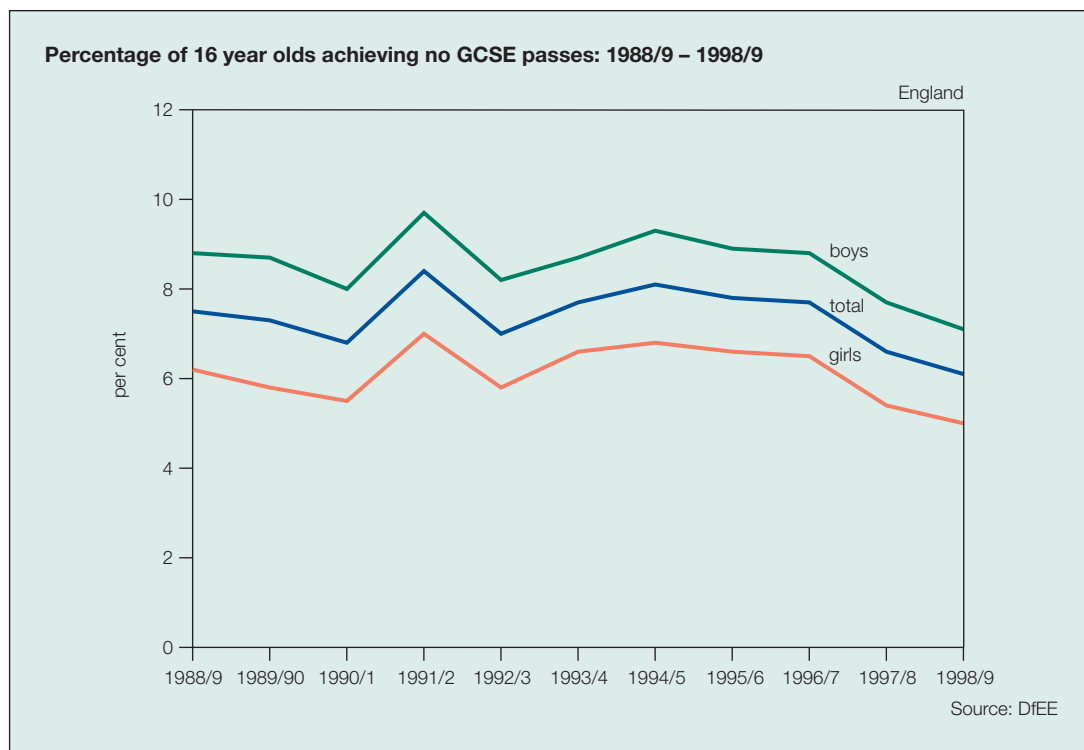
Key	
✓	significant change, in direction of meeting objective
≈	no significant change
na	not applicable, in cases where the indicator is for contextual purposes
✗	significant change, in direction away from meeting objective
•••	trend is uncertain or no quantitative data available

Objective	Ref no.	Indicator	Data used	Change since		Specific targets/goals
				1970	1990	
Equip people with the skills to fulfil their potential	H5	Qualifications at age 19 (headline)	1984-1999	...	✓	85 per cent of 19 year olds in England to have a 'level 2' qualification by 2002; 75 per cent in Wales by 2002 and 85 per cent in Northern Ireland by 2001
Raise educational standards at all levels and close the widening gap between high and low achievers	C1	16 year-olds with no qualifications	1988/89-1998/99	...	✓	95 per cent of 16 year-olds to achieve 1 or more GCSE at grades A*-G in England
	C2	Adult literacy/numeracy	1996	...	...	
To become a learning society – in a rapidly changing world people need the skills to adapt, and opportunities to update them throughout their lives	C3	Learning participation	1997	...	...	To reduce non-learning by 7 per cent by 2002 in England compared with 1997
Boost workplace learning	C4	Businesses recognised as Investors In People	1993-1999	...	✓	45 per cent of medium sized or large organisations and 10,000 small organisations to be recognised as Investors In People by 2002 in England
Maintain high and stable levels of employment so everyone can share greater job opportunities	H3	Proportion of people of working age who are in work (headline)	1970-1999	≈	≈	An increase in the proportion of working age people in employment, over the economic cycle, in the UK
	C5	Proportion of people of working age in workless households	1990-1998	...	≈	A reduction in the proportion of people living in workless households in the UK
	C6	Proportion of people of working age out of work for more than two years	1984-1999	...	≈	A reduction in the proportion of working age people claiming out of work benefits for more than two years in GB
	C7	Proportion of lone parents, long-term ill and disabled people who are economically active	1984-1999	...	≈	An increase in the employment rates of disadvantaged groups and a reduction in the difference between their employment rates and the overall rate in the UK
Fairness at work	C8	People in employment working long hours	1984-1999	...	≈	
	C9	Low pay	To be developed	...	...	
Maintain a safe and healthy environment for workers	C10	Work fatalities and injury rates; working days lost through illness	1986/87-1998/99	...	✓	
Raise quality of life of workers in global supply chains of companies importing into the UK	C11	UK companies implementing ethical trading codes of conduct	To be developed	...	...	

**Objective** Raise educational standards at all levels and close the widening gap between high and low achievers

**Indicator** Sixteen year olds with no qualifications

**C1**



The percentage of 16 year olds in England achieving no qualifications has decreased, to a provisional figure of 6.1 per cent in 1998/9. Thus, 93.9 per cent of 16 year olds gained at least one GCSE at grade A\*-G or equivalent in that year.

**Relevance** To achieve stable and sustainable growth, we need a well-educated, well-equipped and adaptable labour force. Learning also has a wider contribution to make – it promotes active citizenship and helps to combat social exclusion. It opens up opportunities for people and gives them the chance to make a full contribution to the community.

**Targets and goals** Government has set new National Learning Targets, including one that in England by 2002, 95 per cent of 16 year olds achieve 1 or more GCSEs at grades A\*-G.

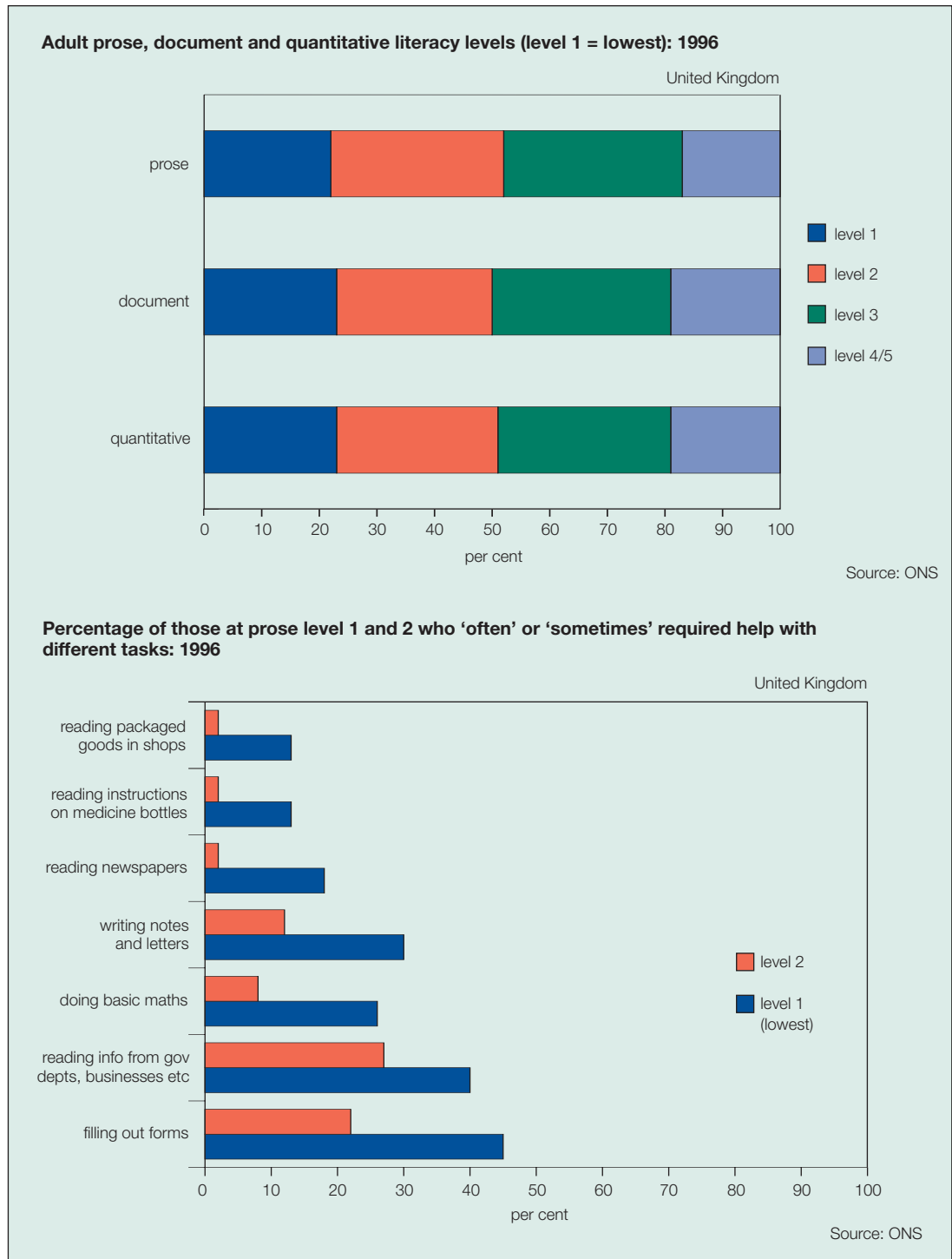
**Trends** There is a small discontinuity in the series at 1991/2, from which point special schools were also included in the figures; there has nevertheless been some increase over the past decade in the percentage gaining at least one GCSE at grade A\*-G or equivalent. The percentage of girls achieving no qualifications has been consistently lower than the percentage of boys. Provisional figures for 1998/9 show that 5.0 per cent of 16 year old girls, and 7.1 per cent of 16 year old boys, achieved no qualification.

**Background** Educational standards must be raised at all levels and the widening gap between high and low achievers must be closed.

**Objective** Raise educational standards at all levels and close the widening gap between high and low achievers

**Indicator** Adult literacy/numeracy

C2



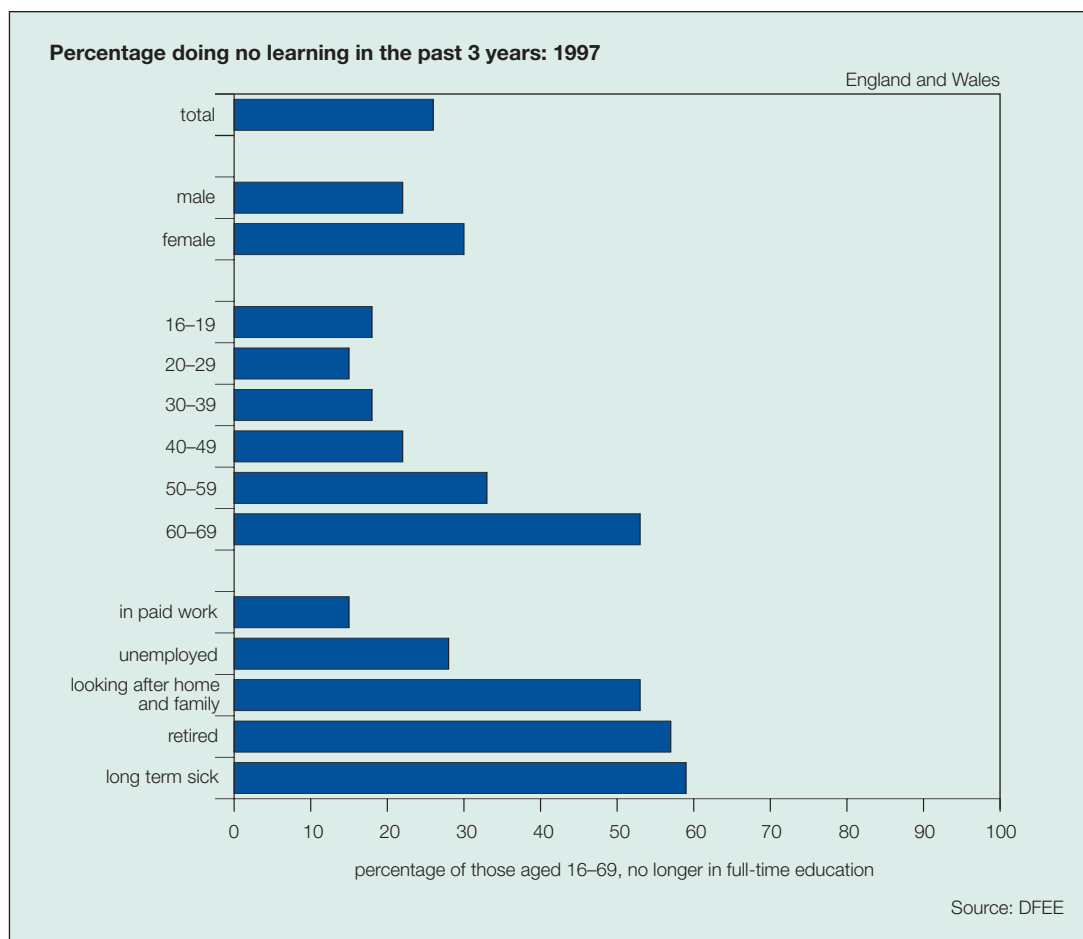
Over a fifth of all adults of working age in the UK were estimated to have low literacy and numeracy skills in 1996. Prose, document and quantitative literacy were measured.

<i>Relevance</i>	As all occupations involve the use of reading, writing and mathematical skills to some extent, people without those skills are at a disadvantage in obtaining employment.
<i>Trends</i>	Those people performing at the lowest level (level 1) were predominantly older people with low levels of education. They were more likely than people with higher levels of these skills to be unemployed, to belong to the manual rather than the non-manual social class groups, and to be on a low income. They were also more likely to say they needed help with various literacy tasks, particularly filling out forms and reading information from government, businesses and other institutions (almost half sometimes or often needed help with one or more tasks). The information is drawn from a one-off survey of adult literacy in this country in 1996 – part of the International Adult Literacy Survey. Relative to some other countries, the skill distributions in Britain appear more polarised; although the majority of the population were at the middle skill levels, large proportions of the population were at the lowest or highest literacy levels.
<i>Background</i>	Educational standards must be raised at all levels and the widening gap between high and low achievers must be closed. People need to be equipped with the skills to fulfil their potential in the knowledge driven society on which our future depends.

**Objective** To become a learning society – in a rapidly changing world people need the skills to adapt, and opportunities to update them throughout their lives

**Indicator** Learning participation

C3



**In the first year of the National Adult Learning Survey, in 1997, 26 per cent of respondents in England and Wales (equating to about 8.5 million people) said they had done no learning in the previous three years, or since leaving full-time education if that was more recent.**

**Relevance** Widening participation in learning and providing opportunities for more people to achieve their potential will result in people being more effective and confident within the context of a more successful society and economy.

**Targets and goals** In England, to reduce non-learners by 7 per cent from the 1997 figure, by 2002.

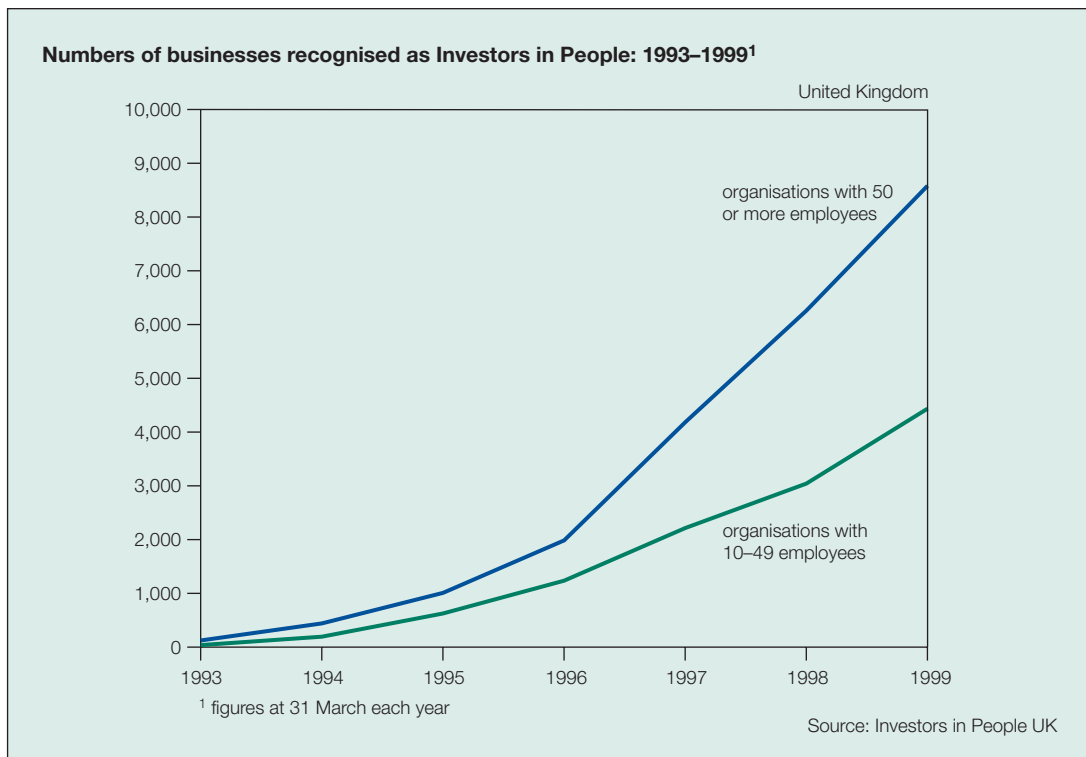
**Trends** Groups least likely to have undertaken learning in the past three years included those aged 50 or over, those looking after the home or family, the retired and those unable to work because of long-term sickness, and those leaving school aged 16 or younger and those leaving school without qualifications.

**Background** The definition of learning used includes all types of taught, classroom-based learning and non-taught learning of a deliberate nature, including self study. Both vocational and non-vocational learning are included regardless of whether they lead to qualifications. The survey was run for the first time in spring 1997.

**Objective** Boost workplace learning

**Indicator** Businesses recognised as Investors in People

**C4**



**8,581 organisations in the UK with 50 or more employees had achieved the Investors in People Standard by March 1999 – 21 per cent of all such organisations. At that date, 4,435 (2 per cent) small organisations in the UK (with between 10-49 employees) were recognised as Investors in People.**

**Relevance** Successful businesses are essential for a healthy economy, a key sustainable development objective. Business performance can be improved through linking the training and development of employees to an organisation's business objectives.

**Targets and goals** In England, 45 per cent of medium sized or large organisations, and 10,000 small organisations, to be recognised as Investors in People by 2002.

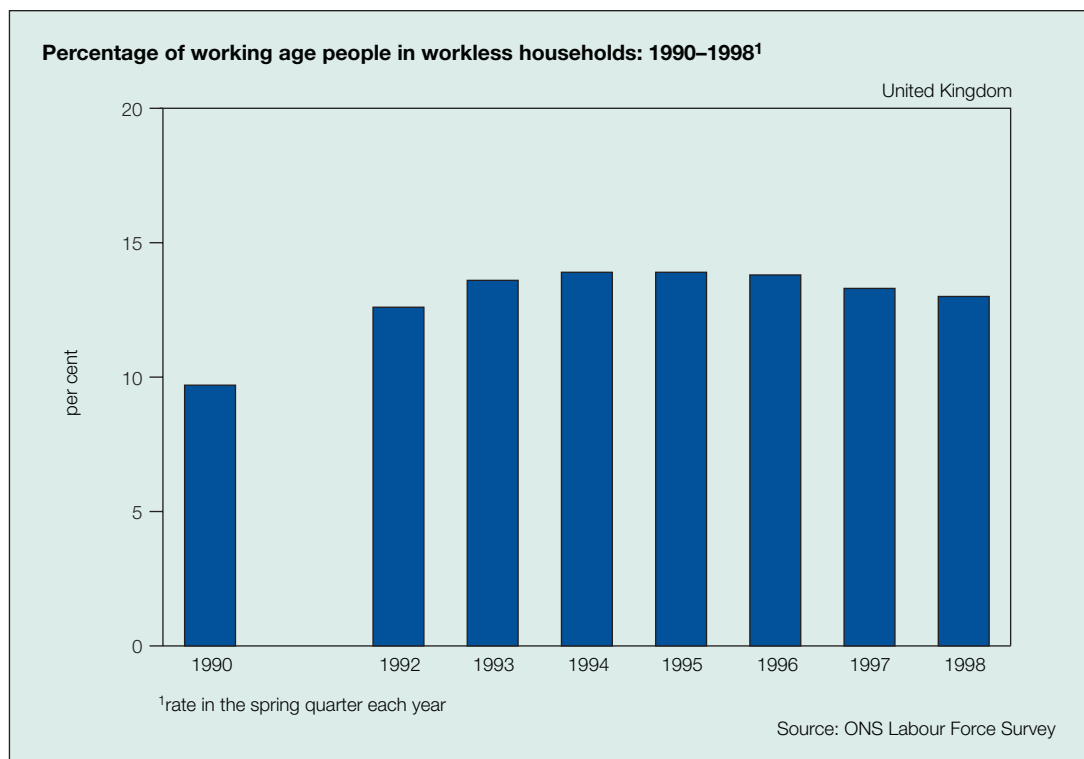
**Trends** The numbers of organisations recognised as Investors in People have increased over the past few years, particularly among larger organisations. In England in March 1999, 22 per cent of organisations with 50 or more employees, and 3463 organisations with between 10 and 49 employees, were recognised as Investors in People.

**Background** Investors in People is the National Standard which sets a level of good practice for improving an organisation's performance through its people.

**Objective** Maintain high and stable levels of employment so everyone can share greater job opportunities

**Indicator** Proportion of people of working age in workless households

C5



**In 1998, 13 per cent of working age adults lived in workless households – a small decline since the mid 1990s**

**Relevance** Worklessness, particularly in households where no one is in work, whether as a result of unemployment or economic inactivity, is the main cause of poverty and social exclusion.

**Targets and goals** A reduction in the proportion of working age people living in workless households, for households of a given size, over the economic cycle, in the UK.

**Trends** The proportion of working age adults in workless households has been falling in recent years but was higher in 1998 than in 1990, partly because of the increase in single adult households.

Looking at longer trends, the proportion of households without a worker rose from 8% of households in 1979, to 20% in 1996. From the late 70s to the mid 80s the main cause was falling employment rates across all households, especially during the 1980s recession. From the mid 80s onwards the biggest factor has been the increase in single adult households. Two thirds of the increase over the whole period was single people, including lone parents.

**Background** Households with only one person of working age are much more likely to be workless than other households so changes in the proportion of working age adults in workless households result partly from changes in economic activity and partly from changes in household size and structure.

People are likely to suffer hardship most where all members of their household are unemployed or inactive; such households are more likely to live in poor quality housing, have poor diets and suffer from poor health. Three quarters of all those living in a workless household are in the bottom 30% of household income.

**Objective** Maintain high and stable levels of employment so everyone can share greater job opportunities

**Indicator** Proportion of people of working age out of work for more than two years

C6



**In 1999, 13 per cent of people of working age were out of work for more than 2 years. The proportion has remained relatively stable over the last decade.**

**Relevance** Long-term unemployment and inactivity is a key determinant of poverty and social exclusion. The longer people are out of work the less likely it is that they will return to work because they can lose skills and motivation and become increasingly detached from the labour market.

**Targets and goals** A reduction in the proportion of working age people claiming out-of-work income-related benefits for more than two years, in GB.

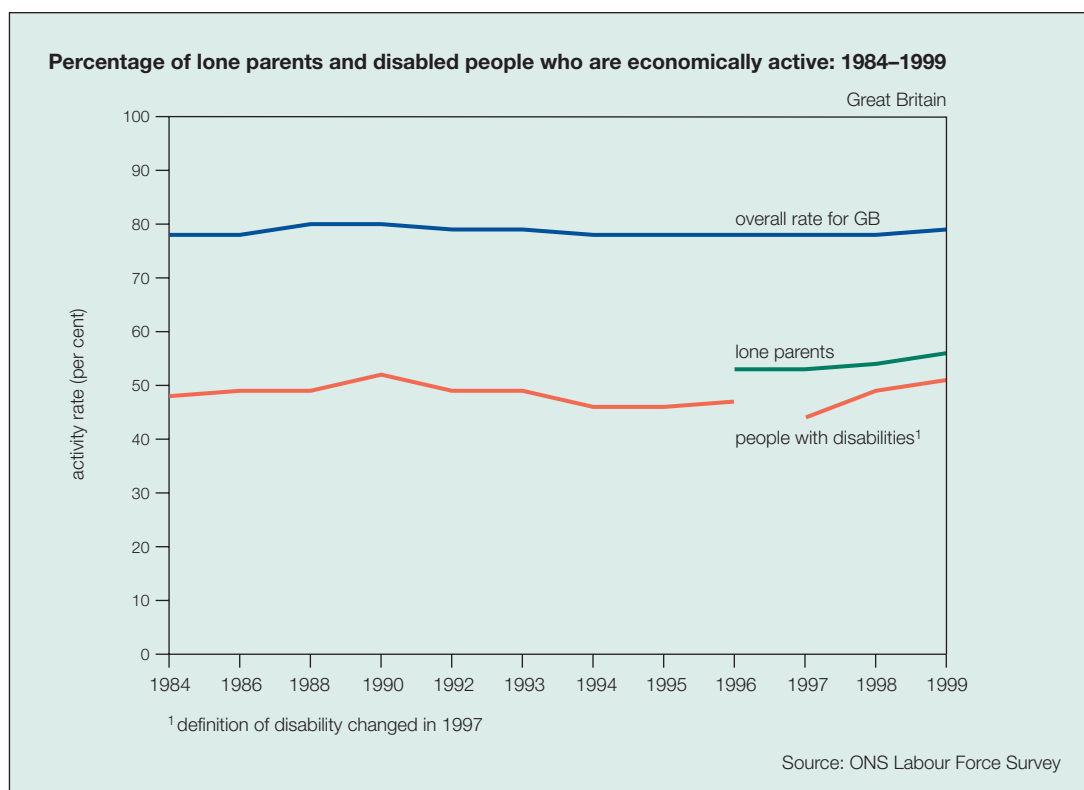
**Trends** Following a fall in the proportion after recovery from the 1980s recession, the rate has stabilised.

**Background** The indicator is affected by the economic cycle. It is also affected by changes in its constituent parts, for example the working age population and reasons for inactivity; big increases in student numbers during the 1990s have kept the inactive figures high.

**Objective** Maintain high and stable levels of employment so everyone can share greater job opportunities

**Indicator** Proportion of lone parents, long-term ill and disabled people who are economically active

C7



**Economic activity rates overall and rates for disabled people have remained at about the same level over the period 1984 to 1999.**

**Relevance** Removing barriers to employment is important for sustainability so that everyone can share in high living standards thereby reducing poverty and social exclusion, and realise their own personal ambitions and potential.

**Targets and goals** An increase in the employment rates of people with disabilities, and lone parents, and a reduction in the difference between their employment rates and the overall rate, in the UK.

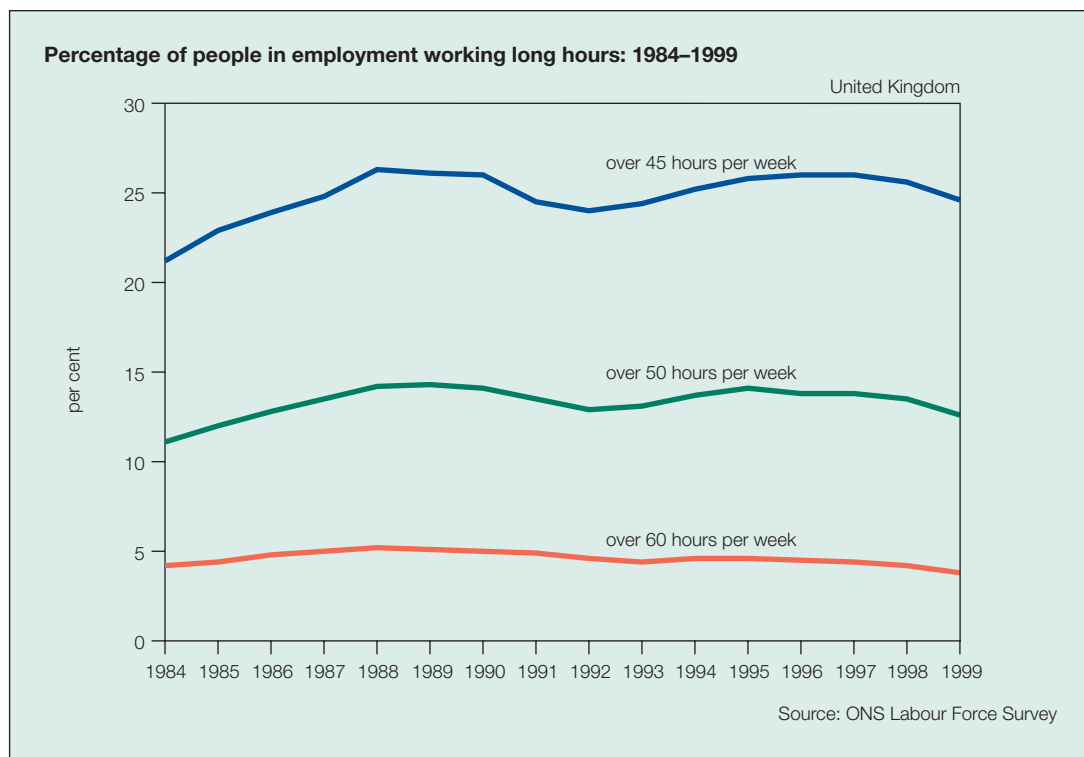
**Trends** Economic activity rates overall since 1984, have remained relatively stable and at a high level despite demographic changes such as an ageing population. Activity rates for people with disabilities have also remained relatively stable, but rates increased in 1998 and 1999. There were increases in activity rates in the last two years for lone parents.

**Background** Economically active people are those either in employment, or unemployed but seeking work according to International Labour Organisation definitions. Definitional changes have meant that activity rate levels for long-term ill and disabled people up to 1996 are not comparable with the rates for 1997 onwards. The new definitional base will be used to track activity rate changes from 1997.

**Objective** Fairness at work

**Indicator** People in employment working long hours

**C8**



**In 1998, a quarter of the population worked over 45 hours per week, and 14 per cent worked over 50 hours per week. The EU recommended maximum is an average of 48 hours per week.**

**Relevance** Treating people fairly is one of the key sustainability objectives. Workers should not be required involuntarily to work unreasonable hours.

**Trends** The proportion of people working over 45 hours a week increased, with cyclical fluctuations, from 21 per cent in 1984 to 26 per cent in 1998. The proportion of people working over 50 hours per week also increased from 11 to 14 per cent over the same period. The proportion of those working over 60 hours a week remained relatively constant, at around 4 to 5 per cent.

**Background** The figures relate what people consider to be their total weekly hours including paid and unpaid overtime, but excluding meal breaks. Most long hours are worked by men; almost 40 per cent work over 45 hours, which compares with 10 per cent for women.

These figures do not measure compliance with the Working Time Regulations which were implemented in October 1998; some employees will not be subject to the 48 hour average limit, either because they choose not to be, or because they are employed in one of sectors which are exempt from the regulations. Also hours are usually averaged over a 17 week period.

**Objective** Fairness at work

**Indicator** Low pay (to be developed)

C9

*Relevance* Treating people fairly is one of the key sustainability objectives. Employers should ensure reasonable minimum standards of pay for all workers.

*Background* The National Minimum Wage (NMW), which came into effect from April 1999, is £3.00 for 18-21 year olds and £3.60 for those aged 22 and over. A £3.20 rate applies to workers aged 22 and over for 6 months after starting a new job with a new employer if they are receiving accredited training. Anyone under 18, genuine volunteers, apprentices and workers on Modern Apprenticeships under 19 years of age, and those aged 19-25 in the first 12 months of their apprenticeship are exempt from the NMW. The government has asked the Low Pay Commission to monitor the impact of the NMW and report by the end of 1999.

The Department of Trade and Industry will consider options for a suitable indicator of low pay. In developing this they will wish to take account of work in progress by the Office for National Statistics to refine low pay estimates.

**Objective** Maintain a safe and healthy environment for workers

**Indicator** Work fatalities and injury rates; working days lost through illness

C10



**Work fatalities and injury rates have been falling over the period 1986/7 to 1998/9**

**Relevance** Everyone should have the benefit of working in a safe and healthy environment.

*Trends* Fatal injury rates have been generally falling since 1988/9 when 609 workers were fatally injured, which includes 167 in the Piper Alpha disaster. The fatal injury rate has declined by more than 40 per cent since 1986/7. Major injury rates in 1995/6 are 21 per cent lower than in 1986/7.

*Background* The injury rates are for all workers, employees as well as the self-employed. The rates for 1996/7 and later years are not comparable with earlier rates because of changes in the definition of a major injury. Fatal injury rates are largely unaffected by these changes.

Some information is also available about work-related illnesses. In 1995, around 600,000 people took an estimated 18 million days absence due to work-related illness. Overall, workers on average took 0.6 days off work due to work-related illness.

Asbestos is the biggest cause of work-related fatal illness. There are three diseases caused by asbestos: mesothelioma, which is always fatal; lung cancer, which is usually fatal; and asbestosis, which is sometimes fatal. Together they cause about 3000 deaths annually in Great Britain.

<b>Objective</b>	Raise quality of life of workers in global supply chains of companies importing into the UK
<b>Indicator</b>	<b>UK companies implementing ethical trading codes of conduct (to be developed)</b> <b>C11</b>
<i>Relevance</i>	UK business has an important role to play in promoting better living standards and working practices in developing countries where they have business interests, and which import goods into the UK.
<i>Background</i>	<p>Ethical trade can be judged by monitoring and verification of codes of conduct derived from the International Labour Organisation's core labour standards. It is important that the indicator is based on the effective implementation and achievement of such codes of conduct. The indicator should, ideally, identify the number of UK companies effectively implementing codes of conduct and the number without such codes.</p> <p>The government is supporting an initiative that is looking to promote best practice in the implementation of codes of conduct. The Ethical Trading Initiative (ETI) was established in 1997 and is a tripartite organisation of UK retailers, trade unions and non-government organisations.</p>