

Institution: Cardiff University
Unit of Assessment: UoA25 Education
Title of case study: Challenging the International Policy Consensus on Skills, Knowledge and Human Capital in the Global Economy (Case study 3)
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>Over a decade of innovative comparative research has made a significant contribution to international debates on the future of education, employment and the labour market in the global 'knowledge' economy. Prior to this research it was commonly assumed that the demand for high skilled workers would increase in the developed economies as emerging economies including China and India, entered the global economy. Research led by Cardiff University is the first to (a) show how this underestimated the way emerging economies were rapidly entering the competition for high skilled work and (b) outline its far-reaching implication for education, skills and economic policies in the West. The impact of this research is demonstrated in the way policy-makers in transnational organisations including the International Labour Office (ILO) and national governments are rethinking their policy agendas in this crucial area of public policy</p>
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>The theoretically-informed empirical research underpinning this impact is based on on-going comparative research by Brown (Distinguished Research Professor at Cardiff University (1 Sept. 1997- to date) and Lauder. It started with an ESRC funded project on skill formation, globalisation and the rise of the Asian Tiger economies in the late 1990s (rated as 'outstanding'). This led to a second ESRC funded project (2004-2007) on 'Globalisation and the Skill Strategies of Multinational Companies' (also rated as 'outstanding'). This study involved 190 face-to-face interviews with senior corporate executives and policy advisors in Britain, China, Germany, India, Singapore, South Korea and the United States. A follow-up study was then funded by the Centre for Skills, Knowledge and Organisational Performance (SKOPE) resulted in an additional 60 interviews with policy-makers across these countries in an examination of the impact of the global financial crisis on national skill formation strategies. New funding has been received from The Institute of Adult Learning (under the aegis of the Workforce Development Agency) in Singapore, to fund a £280K study of global value chains, skills and the future of work (Brown and Lauder) in the ASEAN region (2013-15). Hence, a major strength of this research is the extensive fieldwork across a number of major countries, very rarely found in studies of education, skills and globalisation.</p> <p>Our studies identify a number of inter-related trends in education, new technologies, corporate strategies, and the global labour market, that call into question the opportunity bargain premised on 'learning equals earning' (human capital theory). It therefore challenges our understanding of the role of education and skill formation as a source of economic competitive advantage and social justice, while acknowledging that the consequences of the 'global auction' for jobs will play out differently depending on national context [3.1; 3.2]. These findings show that the comparative advantage associated with a highly skilled workforce is declining due to a rapid doubling in the global supply of college and university educated labour, driven by China. This expansion, along with advances in new technologies and the globalisation of 'best practice', has led to a 'quality-cost' revolution that has enabled emerging economies to develop a high skilled, low cost model that challenges Western accounts of 'learning equals earning' and their assumptions about the global knowledge economy.</p> <p>The policy relevance of our findings also relate to changes in the way companies utilise knowledge, technologies and approach 'talent management'. A key finding is that if the twentieth century brought what can be described as <i>mechanical Taylorism</i> characterised by the Fordist production line (where the knowledge of craft workers was captured by management, codified and re-engineered in the shape of the moving assembly line) the twenty-first century is the age of <i>digital Taylorism</i>. This involves translating <i>knowledge work</i> into <i>working knowledge</i> that can be extracted, codified, packaged and manipulated by other less skilled workers, although social skills will remain critical when working with customers. This is leading companies to rethink the way they manage knowledge workers and to differentiate between those who are given 'permission to think' and who are judged as 'high potential' or 'top talent' from those who may also be graduates but are in 'demonstrator' roles using 'working knowledge' consistent with the distinction between conception and execution. Therefore, some university graduates will continue to make a significant return on their 'investments' in higher education, but many others will find themselves in a 'reverse</p>

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auction' where the remuneration packages typically associated with graduate employment will be difficult to maintain [3.3; 3.4; 3.5]. As well as challenging many of the policy assumptions concerning the demand for graduates and the returns to investments in human capital at a time of rising student fees, this research also poses a major challenge to national governments in affluent economies that continue to assert that differences in income and life chances reflect a meritocratic pyramid of individual achievement [3.6]. This study shows that creating a high skilled workforce is only one part of the new economic equation and it is going to require imaginative industrial policies to achieve a shared prosperity [esp. 3.1].

Key Researchers: Brown (Cardiff University for whole REF relevant period) was the principal researcher for the ESRC funded project (2004-2007) on 'Globalisation and the Skill Strategies of Multinational Companies'. He was also the lead author of *The Global Auction: The Broken Promises of Education, Jobs and Incomes*, New York: Oxford University Press (2011). Virtually all the empirical research was conducted by Brown and Lauder (University of Bath). Brown also wrote all but two chapters of the book in collaboration with Lauder and Ashton (Honorary Professor, School of Social Sciences, Cardiff University).

3. References to the research (indicative maximum of six references)

[3.1] **Brown, P.**, Lauder, H, and **Ashton, D.**, (2011) *The Global Auction: The Broken Promises of Education, Jobs and Incomes*, New York: Oxford University Press. A translation by a leading Chinese publisher (Hunan Science and Technology Press) was released in October, 2013; and a Korean translation is to be published by Kaemakowon Publishing (Seoul), early 2014. ISBN: 9780199731688.

[3.2] **Brown, P.**, Lauder, H. & **Ashton, D.**, (2008) 'Education, Globalisation and the Future of the Knowledge Economy', *European Educational Research Journal*, 7(2): 131-56 .
<http://dx.doi.org/10.2304/eeerj.2008.7.2.131>

[3.3] **Brown, P.** and Lauder, H. (2009) 'Globalization, International Education, and the Formation of a Transnational Class?', in F.Rizvi and T.Popkewitz (Eds.) *Globalization and the Study of Education*, Yearbook of the National Society for the Study of Education, (NSSE), 108, 2, 130-47, Chicago: Blackwell. <http://dx.doi.org/10.1111/j.1744-7984.2009.01165.x>

[3.4] Lauder, H. and **Brown, P.** (2010) 'Economic Globalisation, Skill Formation and the Consequences for Higher Education', in Apple, M., Ball, S.J. and Gandin, L.A. (eds.) *The Routledge International Handbook of the Sociology of Education*, London, Routledge, 229-240.

[3.5] **Ashton, D.**, **Brown, P.** and Lauder, H (2010) 'Skill Webs and International Human Resource Management: Lessons from a Study of the Global Skill Strategies of Transnational Companies', *International Journal of Human Resource Management*, 21(6): 836-850. DOI [10.1080/09585191003729325](http://dx.doi.org/10.1080/09585191003729325)

[3.6] **Brown, P.** (2013) 'Education, Opportunity and the Prospects for Social Mobility', *British Journal of Sociology of Education*, Special Issue on Education and Social Mobility, 34, 5/6, 678-700.

Grants: **Brown, P.**, **Ashton, D.** and Lauder, H (2004-2007) 'Globalisation and the Skill Strategies of MNCs: A Comparative Analysis', ESRC (Grant No: RES -000-23-0287) £240,051. Rated 'Outstanding'.

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4. Details of the impact (indicative maximum 750 words)

Impact on policy and public debate in UK:

Prior to the current REF period our work had begun to have an impact on UK policy through presentations to Select Committees on three occasions and government interest in the relationship between skills and the global economy. Broader dissemination of our ideas – including articles by Peter Wilby and Aditya Chakraborty in *The Guardian*, as well as articles written for non-academic audiences that span the political spectrum from *Soundings* (2012), *Crossbow* (2012) along with the

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ESRC's *Britain in 2010* – has helped underpin our impact. Two of the project team (Ashton and Brown) were appointed to the Expert Panel of the UK Commission for Employment and Skills (2008-2011) [5.1]. Membership of the panel allowed us to contribute to policy debates by drafting a Briefing Paper and a more detailed Praxis report on the key findings of our research which were widely circulated within Westminster and to the wider policy community [5.2]. We also contributed to an Associate Parliamentary Skills Group and National Skills Forum publication on future directions for education and skills policy in Britain launched in the House of Commons (2011), also widely circulated [5.3]. We are working with the Higher Education Policy Institute (HEPI) [5.4] and GuildHE in the U.K. on alternative approaches to human capital models of H.E. and the graduate labour market. In a letter of support the CEO at GuildHE notes of our work: “we have used its central arguments and research as a key theme of our work at GuildHE and we reference it regularly in presentations and articles”. In addition, as a result of this use, “several important organisations [including the National Union of Students, the Labour Party and HEFCE as well as individual colleges and universities] have asked for further information on the ideas in the 'Global Auction'”. [5.5]

Impact on Transnational policy debates:

The reach of our research dissemination is reflected in the large number of invited keynote presentations at policy conferences, seminars and workshops in over 20 countries (the vast majority since 2008). These include The World Bank, Washington DC (2010); International Labour Office, Geneva (2010: 2012); Global Human Resources Forum, Seoul (2010); World Universities Forum, Hong Kong (2011); Emirates Center for Strategic Studies, Abu Dhabi (2010); Council of the European Union, Brussels (2012); European Union Presidency Conference on Vocational Education and Training, Copenhagen (2012); and The European Business Forum on Vocational Training, European Commission, Brussels (2012).

As a result of this broad dissemination, the World Bank and the International Labour Office have both expressed interest in our research as they look for new models for delivering economic development and social justice. Drawing on our research in shaping current debates, the Director of Education for the World Bank's Human Development Network announced in a major conference on Global Human Resources (Seoul, 2010) that the ideas in *The Global Auction* posed a fundamental challenge to many of the assumptions about globalisation and human capital theory that had informed the World Bank's policy agenda [5.6]. The Head of Skills and Employability at the International Labour Office has written that 'The Global Auction' and our presentation at the ILO in Feb, 2010:

“engendered reflection on ILO's own research and policy advice...they have the all-too-rare ability to translate these findings into conclusions and implications that are meaningful to policy-makers...This has proven effective in increasing the impact of their work in both research and policy-making worlds.” [5.7]

Jose Manuel Salazar-Xirinachs, Executive Director of Employment, ILO, cites 'The Global Auction' in reference to re-thinking ILO strategies with respect to economic development [5.8].

The impact of our work on **policy debates** is underlined by Stéphan Vincent-Lancrin, Senior Analyst at the OECD Centre for Educational Research and Innovation (CERI) who has stated that: “Changes in business models and practices, such as the 'digital Taylorism' depicted in Brown et al (2008) are interesting for education as they may shape the future of education and education systems...What would the school and university of the digital Taylorism era look like? This will be a fascinating future research agenda.” [5.9]

International policy impact: Singapore.

Brown and Lauder have been appointed to the expert panel, Centre for Skills, Performance and Productivity, Institute of Adult Learning, Department of Workforce Development (from 2012), which adds to the impact of this research since Singapore is widely acknowledged to have one of the most sophisticated systems of skill formation and industrial policy in the world. Moreover, in recognition of the impact *The Global Auction* is having on discussions about globalization, skills and the future of the labour market in Singapore, Brown and Lauder presented key findings at the Civil Service College, along with dissemination events at the Ministry of Education, and Ministry of

Manpower. The highly influential Ministry of Trade and Industry's, Futures and Strategies Division, has also drawn heavily on our research findings in mapping future trends and their consequences for Singapore, with a senior policymaker highlighting the way "the book re-defines the conception of the linkages between education policy, economic policy, industrial policy and welfare policy" and as a result how "What was once simple and linear has become complex and messy". One consequence of the book in Singapore is that "Policymakers are alerted to the complexity of the issues, and the difficulty of managing economic competitiveness, the education of its workforce, and the promise of better-skills for better-jobs"[5.10].

5. Sources to corroborate the impact (indicative maximum of 10 references)

[5.1] UK Commission for Employment and Skills Expert Panel Webpage

<http://webarchive.nationalarchives.gov.uk/+http://www.ukces.org.uk/our-work/research-and-policy/partnership-working/expert-panel/> Confirmation of Prof. Brown and Ashton's membership of the prestigious Expert Panel of The UK Commission for Employment and Skills. Prof. Brown has since been appointed as a Visiting Research Fellow (2013-2014).

[5.2] Phillip Brown, David Ashton and Hugh Lauder (2010) *Praxis: Skills are not enough: the globalisation of knowledge and the future UK economy* (UK Commission for Employment and Skills) <http://www.ukces.org.uk/assets/ukces/docs/publications/praxis-4-skills-are-not-enough.pdf>: Evidence of the UKCES interest in our challenge to the policy consensus, as this was one of the early Praxis reports widely circulated to politicians, policy advisors and leading employers.

[5.3] <http://www.policyconnect.org.uk/apsg/research/open-ideas-essays-education-and-skills> Evidence of how our policy challenge has been acknowledged in Westminster with an invitation for the Associate Parliamentary Skills Group and National Skills Forum to contribute new thinking on education and skills issues.

[5.4] Testimony from Director of Higher Education Policy Institute (HEPI) confirming our impact of our research on higher education and the graduate labour market.

[5.5] Testimony from CEO of GuildHE confirming the impact of our research on both the worlds of higher education and politics.

[5.6] Testimony from Education Advisor, Human Development Network, World Bank, confirming our work informing debate on skills and workforce development at the World Bank.

[5.7] Testimony from Head of Skills and Employability, International Labour Office, corroborating impact in both research and policy-making world of the ILO.

[5.8] José Manuel Salazar-Xirinachs, (2011) A Note On Catch Up Growth, Productive Capacities And Employment: A New Paradigm For Development? http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_152689.pdf Corroboration of our policy impact from the Executive Director, Employment Sector, International Labour Organization, who refers to our research in outlining a new paradigm for employment and economic development.

[5.9] Stéphan Vincent-Lancrin (2008) Response to 'Education, Globalisation and the Future of the Knowledge Economy', *European Educational Research Journal*, 7(2): 151-155 <http://dx.doi.org/10.2304/eeerj.2008.7.2.131>. Commentary from a Senior Analyst at the OECD Centre for Educational Research and Innovation (CERI) highlighting the importance of our research for a new future research agenda (see page 154).

[5.10] Testimony from Executive Director, Institute of Adult Learning, Department of Workforce Development, Singapore highlighting the impact of our research in Singapore including the Ministry of Trade and Industry's Report on Future Jobs.

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