

# Responding to the White Paper - role of the private sector

Jane Lethbridge

The White Paper *Skills for Jobs* gives the private sector a dominant role in the skills agenda. The private sector will determine skills training at local level through Local Skills Development Plans. Although providers will retain their individual responsibility for skills provision, Local Skills Improvement Plans aim to bring colleges and other providers together to agree how skills gaps can best be filled. Additional Strategic Development Funding will be used to help set up new Business Centres in colleges. The emphasis will be on higher level technical skills.

The dominant role that the private sector is being given in the White Paper should be understood in the context of other government policies towards public services where the private sector is being promoted as a provider, not necessarily with any relevant expertise, but as a way of expanding the profits of the private sector more generally. This can be seen in the government response to COVID-19, with companies expected to deliver the test and trace system, the allocation of food vouchers, and tutorial support for children/students, with no relevant experience, and as a result delivering very poor quality services. This explains why, although the private sector is being expected to identify skills needed, influence local skills development plans, influence teaching, and work with colleges and other providers, it does not necessarily have the relevant expertise or commitment to do this.

More likely, the private sector will take opportunities which will allow companies to expand their businesses:

- 1) The experience of FE colleges over the last two decades has shown that they have the potential to be a source of new business opportunities, for example: outsourcing of cafes, IT services, cleaning and security, together with opportunities for assessment, testing and curricula design.
- 2) There is likely to be a new emphasis on public-private partnerships, which have been shown to damage the future of the public sector by enmeshing

it in contracts with high, long-term, payments.

3) The new government initiative to set up 'free' ports, where companies will receive tax-free benefits for locating in these new enterprise zones, will attract companies, even though the previous experience of free ports in the European Union is that they result in corruption and money laundering. Global experience of tax-free economic zones shows that they do not necessarily stimulate local economic activities and they lack democratic accountability.

4) Recent anecdotal accounts of setting up partnerships between colleges and the private sector for new Institutes of Technology show that setting up private sector / college partnerships will be difficult, often highly bureaucratic. This raises questions about the type of companies that colleges should develop partnerships with and whether the interests of colleges and companies involved in the military / industrial complex or other unethical work are acceptable.

A private sector driven skills strategy has implications for the future of local, democratic skills strategies. The private sector will be interested in promoting skills necessary for the short-term goals of business. The longer-term interests of communities will not be considered, which will mean that the different needs defined in terms of, for example, age, gender, minority ethnic groups and disability, will not be recognised. Any interest in a green agenda or a care agenda will only be profit-driven.

The short-term interests of business will preclude any commitment to longer-term holistic planning for localities and regions. The loss of democratic influence on skills and training development at local / regional level will limit the power of local communities to influence future economic and social development. This is particularly important in the post-COVID period. FE colleges should play a key role in the development of democratic training