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Projecting the Demand for Qualifications in the Scottish Economy to 2007 — Executive Summary

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Executive Summary

- This report aims to improve the intelligence available to SQA to enable it to better understand the skills that will be required in the future if it is to develop qualifications that will meet the needs of employers and employees.
- Established data analysis techniques are applied using British Household Panel Survey (BHPS) data for Scotland to estimate the change in employment in the Scottish economy as a whole and changes in the turnover and relative shares of different occupations within each industry and the associated requirements for qualifications.
- Six alternative scenarios are presented, given the range of opinion with respect to total sector employment in 2007 and retirement rates between now and then.

Findings

- Over the next four years (ie to 2007), there will be a *minimum* requirement for 50,000 new workers qualified to Standard Grade level, 20,000 to Higher/Advanced Higher level and 40,000 to HN/SVQ level. Given the current economic outlook for Scotland, the actual demands will most probably be much higher than these.
- The largest Industrial Sectors demanding SQA qualifications will be Wholesale/Retail; Financial Intermediation; Health and Social; and Real Estate. There could be, however a substantial demand from both Construction and Manufacturing sectors but this is more dependent upon actual economic recovery.
- The largest Occupational demands for SQA qualifications will be from clerical and administrative workers at a variety of levels as well as construction workers and plant operators.

Recommendations

- That more work needs to be done to determine more accurately workforce 'exit' (which includes retirement) rates between now and 2007.
- More weight should be attached to the Fraser of Allender economic forecast given its dedicated Scottish focus and the accuracy of its recent predictions.
- That SQA assumes that the actual demands for its qualifications will be rather more than the minima (viz, Standard Grade qualifications — 80,000; Higher/Advanced Higher — 44,000 and HN/SVQ — 80,000).
- That SQA should concentrate its resources on the development of vocational qualifications that aim to serve the high-demanding sectors and occupations.
- That the maintenance and development of SQA qualifications needs to take place with regard to the general observable trends in the Scottish labour market (ie the ageing workforce, worsening employment prospects for the unqualified and the changing gender balance in the labour market).



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