

# **Education, Skills and the New Economy**

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**[www.ppionline.org](http://www.ppionline.org)**

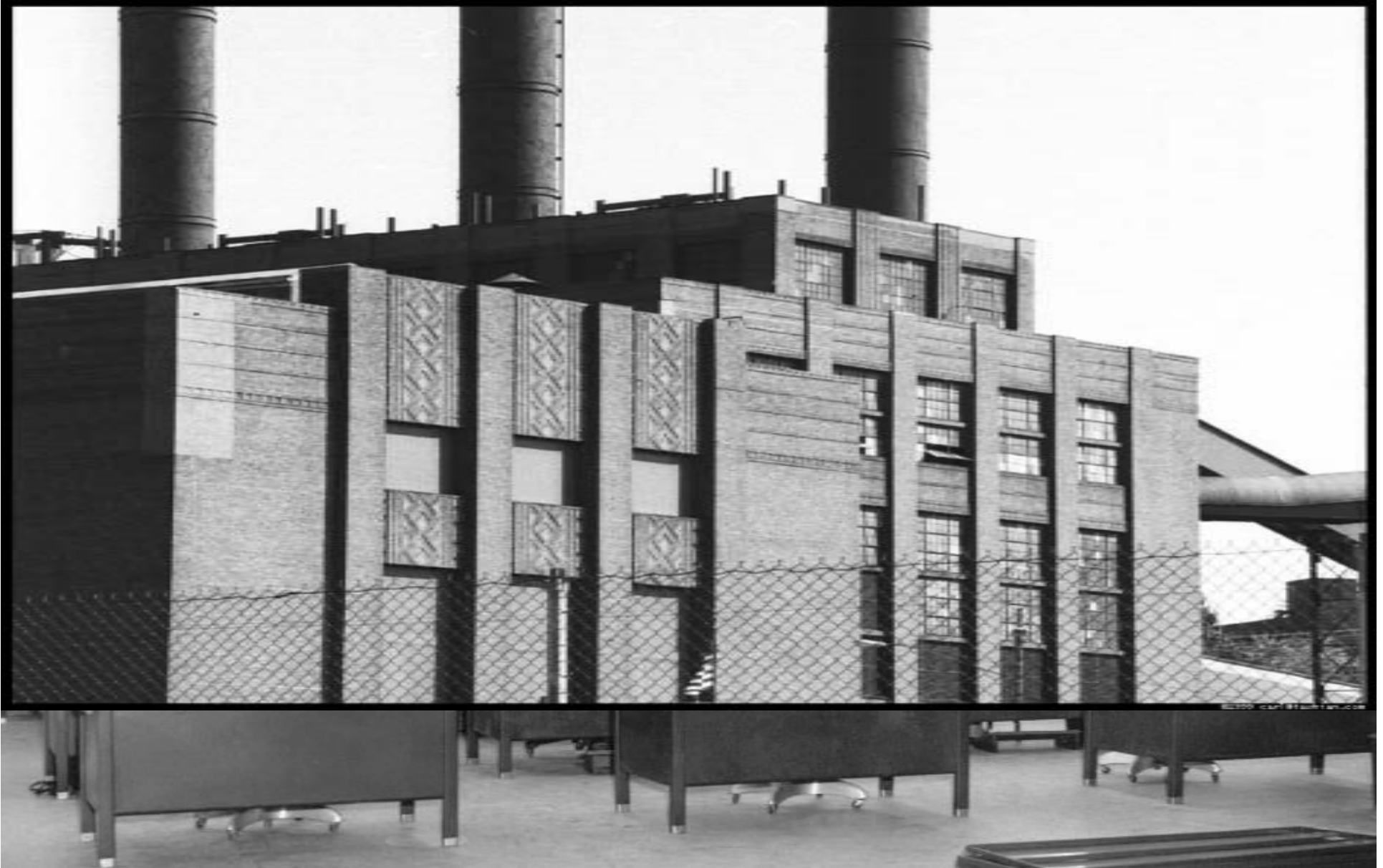
# The Progressive Policy Institute

- Founded in 1989 by the Democratic Leadership Council
- Mission is to define and promote a 'Third Way' progressive politics for the Information Age
- An alternative to the liberal impulse to defend the bureaucratic status quo and the conservative bid to dismantle government

# New Workforce Realities

**IN THE NEW  
KNOWLEDGE-BASED  
ENTREPRENEURIAL  
ECONOMY SKILLS ARE  
MORE IMPORTANT  
THAN EVER**

# Work Is Changing From This...



... To This



From This...

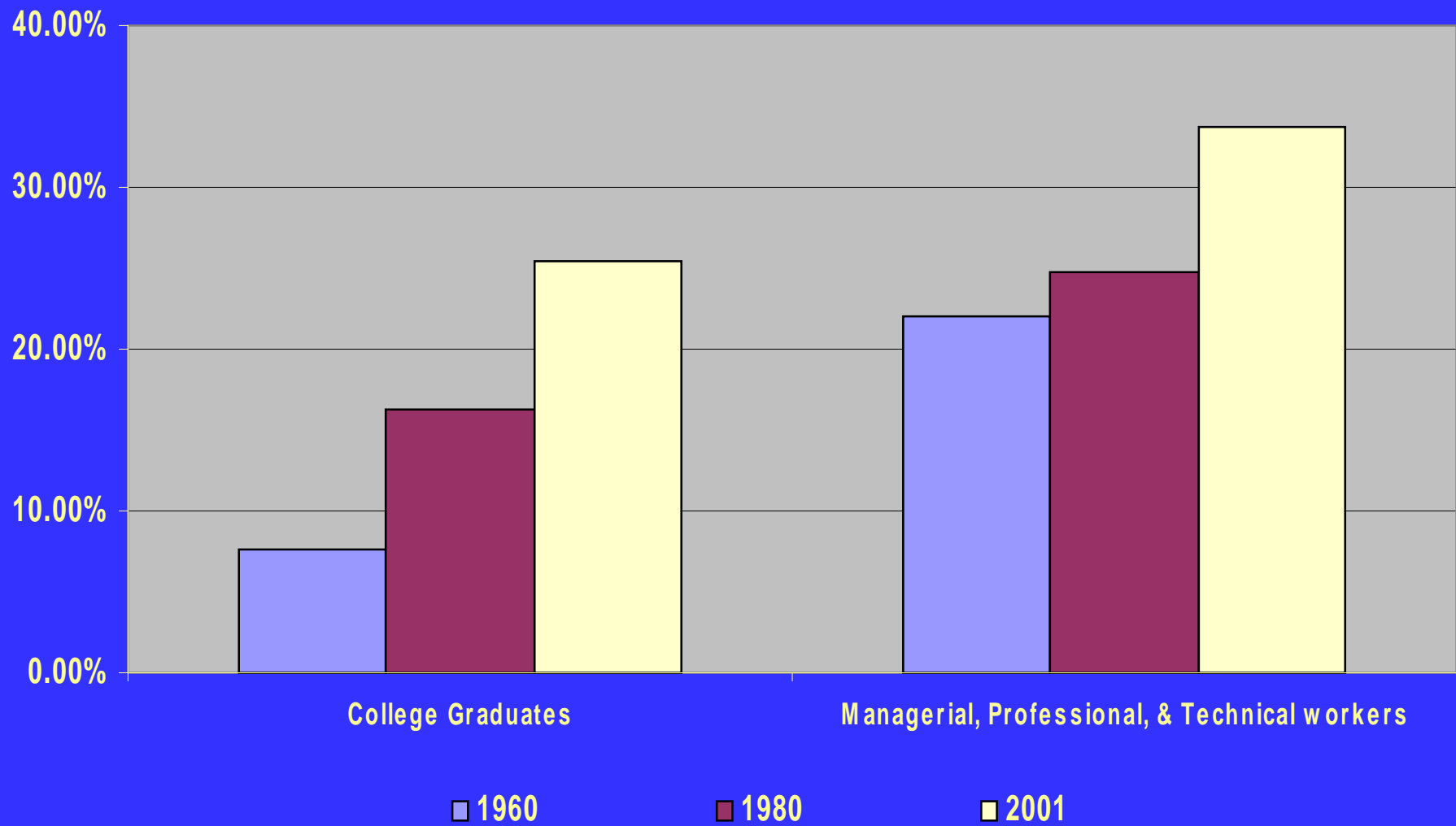




... To This.

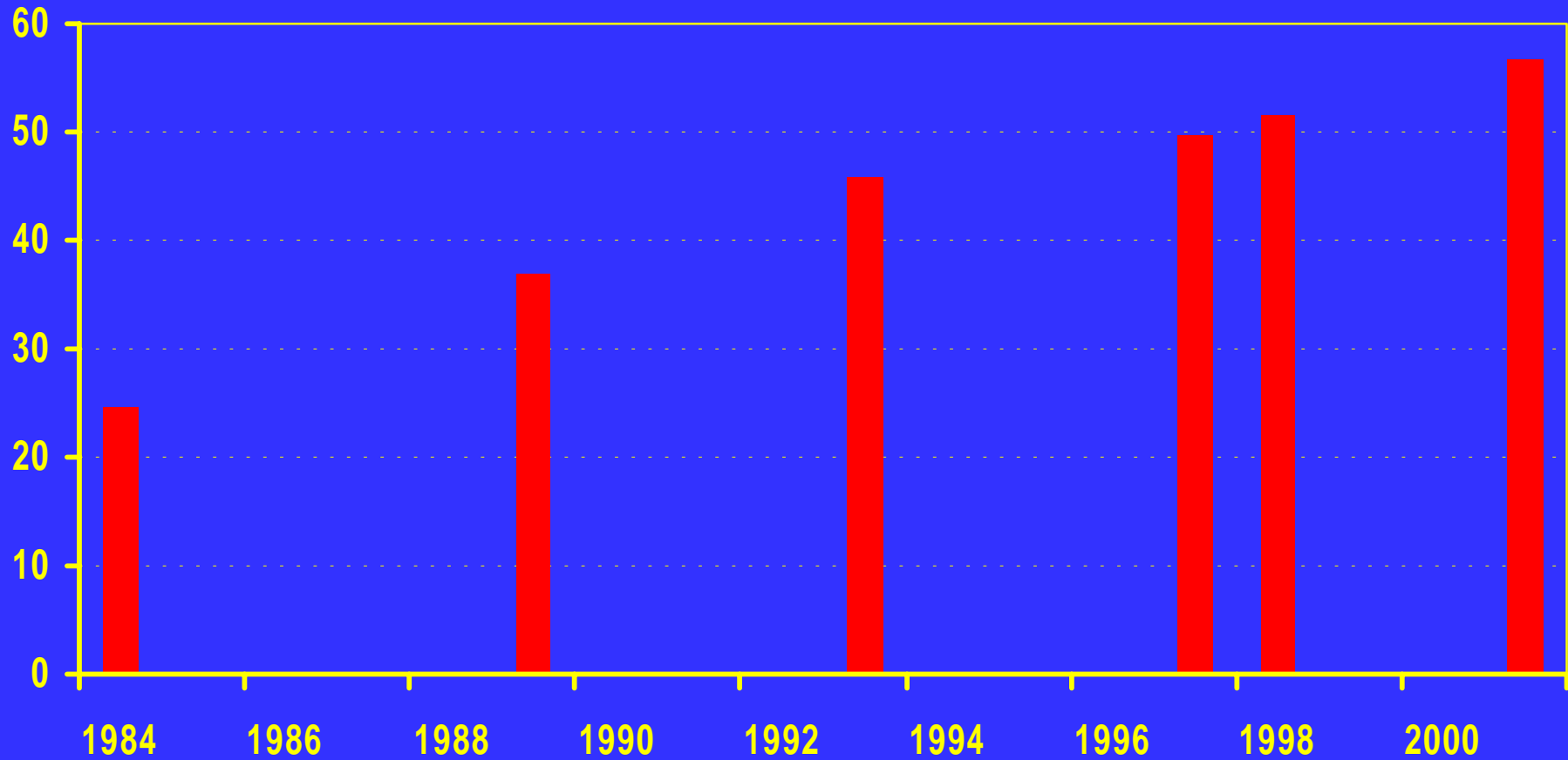


# As a Result, Knowledge Jobs Are Growing



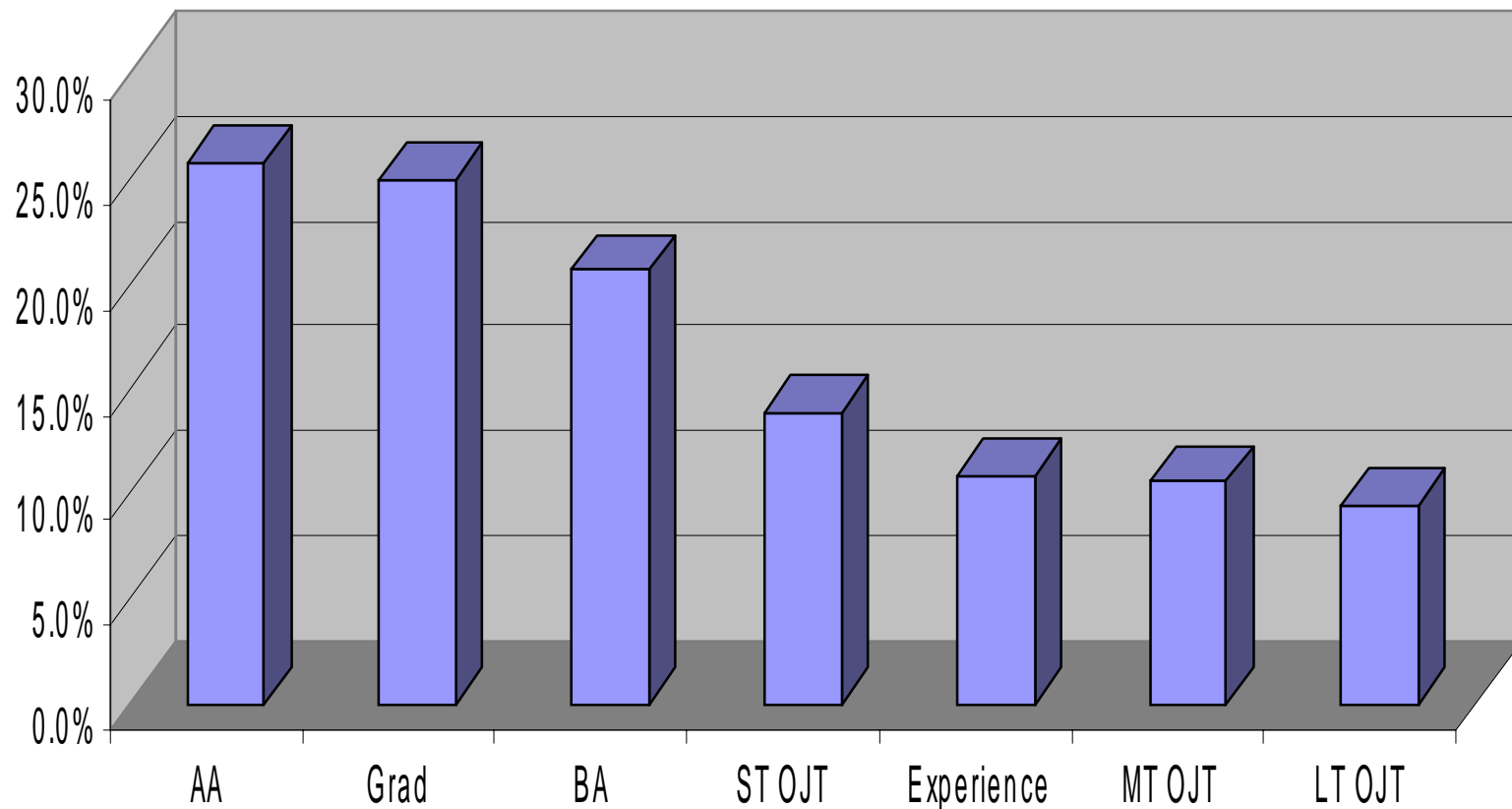


# So Are Jobs Requiring Computer Skills

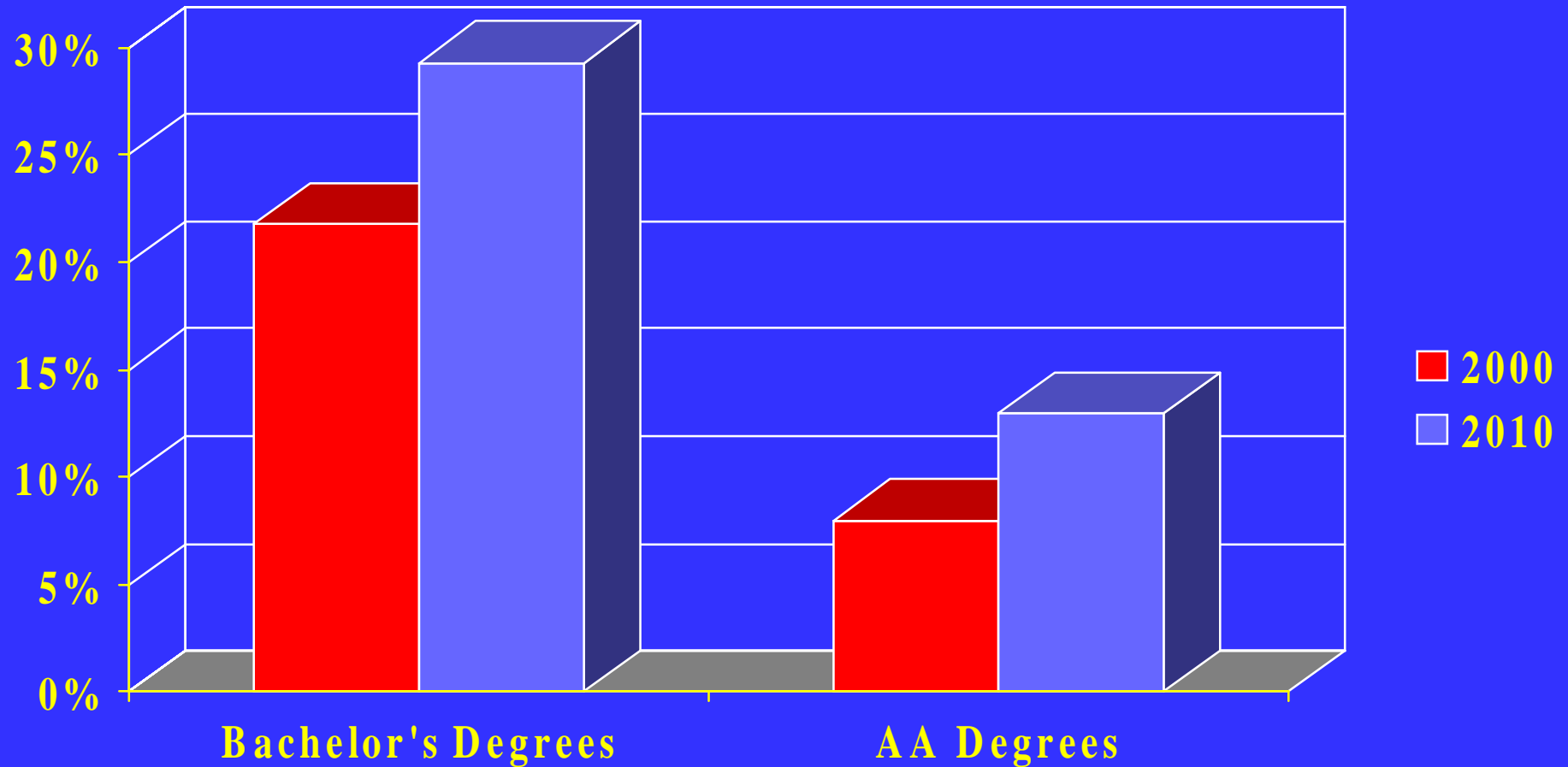


% of workers using computers on the job

# Higher Skilled Jobs Are Expected to Grow Fastest: 2002 - 2012



# And People Are Getting More Education



But Jobs Are Also Shifting From This..



... To This

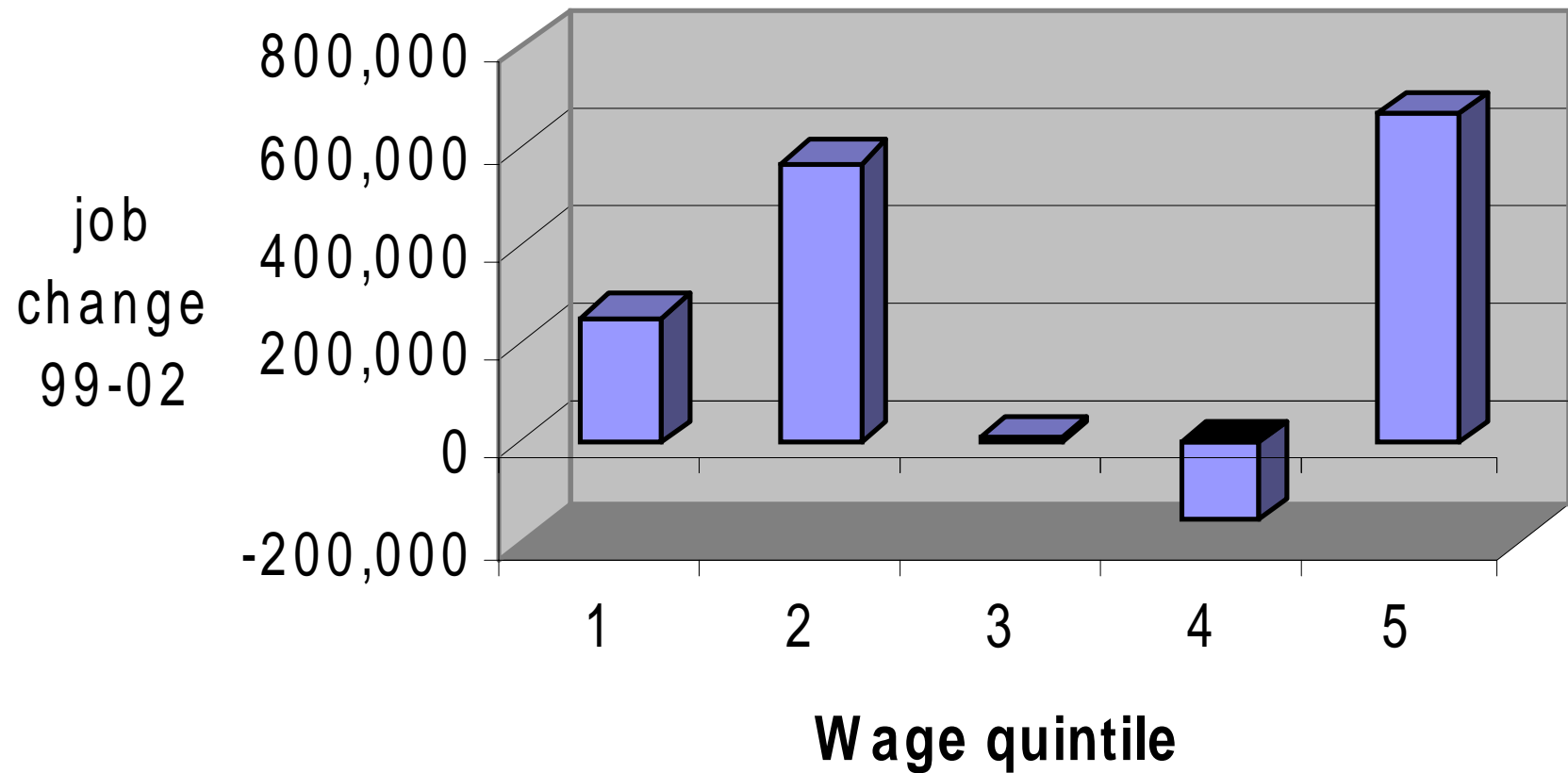


...and To This.

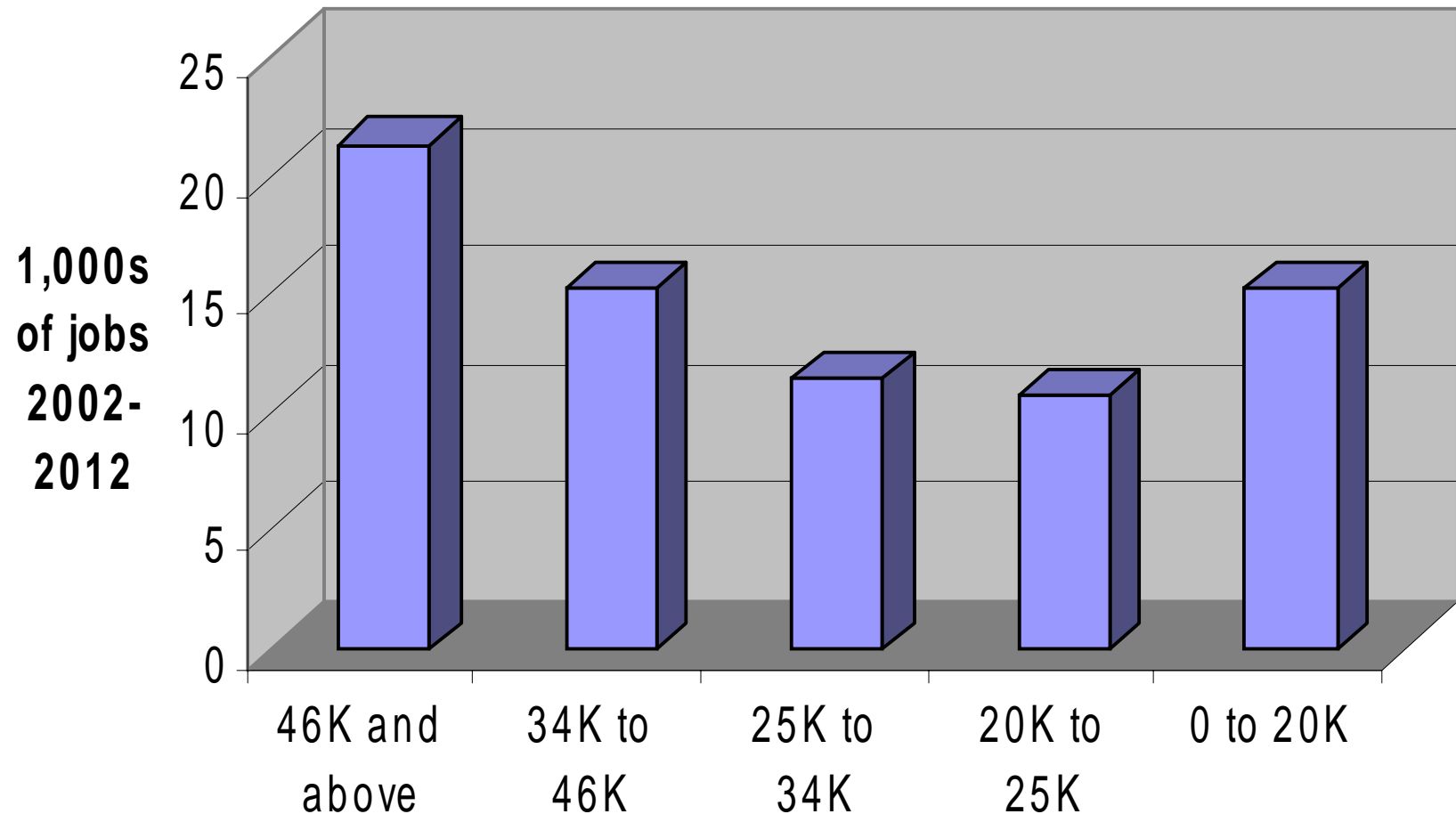




# The Disappearing Middle Job



# And It's Expected to Continue



# The New Bifurcated Labor Market

- **While higher-paid, higher-skilled knowledge jobs are growing, so to are lower-paid, lower-wage service jobs.**
- **Are we headed to an increasingly bifurcated labor market with lots of higher-wage jobs, lots of lower-wage jobs, and relatively fewer in the middle?**

# How Do We Enhance Opportunity and Growth in an Increasingly Bifurcated Labor Market? Only One Real Choice:

- **Help Lower End Jobs Become More Productive So They Pay More and So That There Are Relatively Fewer of Them and Relatively More Good Jobs.**

**High-performance work organizations can help boost wages and productivity. As a result, the Workforce Development System Should Be An Agent To Foster High-Performance Workplace Innovation**

## **Eight Characteristics of a High Performance Workplace:**

- 1. Labor and management cooperate**
- 2. There is a commitment to quality improvement**
- 3. The organization is decentralized and workers are empowered**
- 4. Jobs are flexible and work is organized into comprehensive processes;**
- 5. Worker skill training is continuous;**
- 6. Technology is used to help workers perform their jobs better;**
- 7. The emphasis is on coaching workers.**
- 8. Pay is based on skills, knowledge and performance.**



# Focus on Boosting HPWOs

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- 1) Target efforts to firms and groups of firms willing to embrace High-Performance Work Organization practices and the associated skill-upgrading.**

**These include Regional Skills Alliances (e.g., Wisconsin Regional Training Partnership, Michigan's new workforce plan;)**

# Create A National Skills Corporation

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- 1) The quasi-public NSC would be governed by a board of directors made up of business and labor leaders, educators, and local elected officials and funded with funds transferred from employment and training programs managed by DOL and adult education programs at DOE and increased Congressional appropriations. (see PPI report, “Creating a National Skills Corporation”).**

# NSC's Role

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- 1) Develop and manage a national learning strategy for American workers .**
- 2) Foster Regional Skills Alliances (e.g. the new UK Sectoral Skills Development Agency and wide network of employer-led Sector Skills Councils).**
- 3) Develop Learn.gov, as an online training, education, and labor market resource.**
- 4) Promote best practice sharing and benchmarking between sectors and regions.**

# HPWO Resources

- **Robert D. Atkinson**, *The New Economy: Technology, Innovation, and America's Recurring Economic Transformations* (forthcoming, Fall 2004, Edward Elgar Publishers)
- **Peter Cappelli**, *The New Deal at Work: Managing the Market-Driven Workforce*
- **Stephen Herzenberg, John A. Alic and Howard Wial**, *New Rules for a New Economy: Employment and Opportunity in Postindustrial America.*
- **Paul Osterman**, *Securing Prosperity.*

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