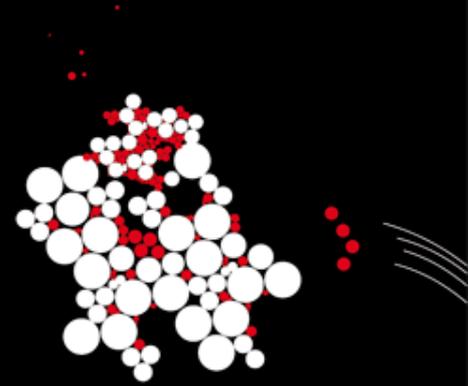


Employability in retrospect:  
Regulation of graduate  
supply and demand



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# Policies to align Higher Education more closely with labour market needs and related priorities

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## **EU Agenda on Modernisation HE in Europe**

- Strengthen the knowledge triangle between education, research and business
- Involving employers in the design and delivery of programmes
- Partnerships and cooperation with business as a core activity of HEIs
- 40% of a generation should complete HE by 2020

## **NL Human Capital Agenda**

- To improve the connection – qualitative and quantitative – between education and business wrt the topsectors
- To increase the supply of graduates and attractiveness of employment opportunities in these sectors (e.g. employability and LLL).

# Senses of regulation

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- As an identifiable and discrete mode of government activity to exert rational controls over important economic and social activities
- Selznick: regulation as focused control exercised by a public agency

## **Types of regulatory strategies:** (Baldwin, Cave & Lodge 2011).

- As a specific set of demands: a binding set of rules, e.g. labour market regimes/ contractual power (employment regulation)
- As deliberate state influence: actions designed to influence social behaviour – modes of influence e.g. based on the use of economic incentives (taxes, subsidies), supply of information.
- As all mechanisms of social or economic influence affecting behaviour: State, but also other institutions, corporations, self-regulators are deemed regulatory.

## Main types of regulation in HE: labour market demand and social demands

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### Central planned economies:

Planning of HE  
(provision, number of  
places) on the basis of  
manpower needs

### Market economies:

Functions of HE as a  
matter to be negotiated in  
the market place between  
teachers, students and  
employers

Ahsby: environmental forces acting  
on HE systems: consumer demand,  
manpower needs and the patron's  
influence – 'inner logic'

# Failure of both approaches

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In retrospect it is not apparent which of the two types have proven more effective in aligning supply and demand.  
Valid comparisons are not really possible.

## Manpower planning

- can only work on the basis of draconic controls over student intakes and graduate employment possibilities.
- it proved very difficult to predict requirements on the basis of need analyses

## Market approach

- is a kind of naturalistic functionalism, i.e. leave it to the market and it will 'sort itself out'.
- the market does not function effectively, students opt for other study choices.

## Employability as a relative concept

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- Expansion of HE as a self-generating upward trend in schooling compared to a relatively stable job level  
→ *higher education credentials are essentially 'positional goods'*
- Specificity of degree for high qualified jobs decreased
- Employment skills that are less bounded to specific subjects; increasing emphasis on generic skills
- Specialist versus generalist studies (WRR/ Minor-major)
- Period of transition from HE to employment is lengthening and more complex – Diverse recruitment processes

# Recruitment on top of Fuji



# International policies regulating supply and demand

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- **UK: demand for higher skills**
  - Leitch report: UK world leader in skills
  - Demand-led reforms/ financial incentives
  - Adequate provision of SIVS subjects (science, maths, technology)
  - Greater role for employers, workforce development, flexibility for sponsorships
- **Germany: emphasis on labour market qualifications**
  - Increasing capacity in HE
  - Science & Technology (MINT) more attractive
  - Bachelor degree more labour market oriented
- **France:**
  - Strengthening professional dimension in HE (bachelor)
  - Framework for cooperation with business (apprenticeships)

# Employers engagement

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- Employers in governing boards of HE institutions
- Support with co-funding (UK), strengthening capacity of HEIs via Skills Pathfinders
- Brokers role (FD), sectoral and regional

For-profit private institutions:

- Contribute to government objectives (access) at lower costs
- Partnerships for HEIs interesting in context of employability agenda
- More regulation of the for-profit HE sector (US)

# Quality assurance and accreditation

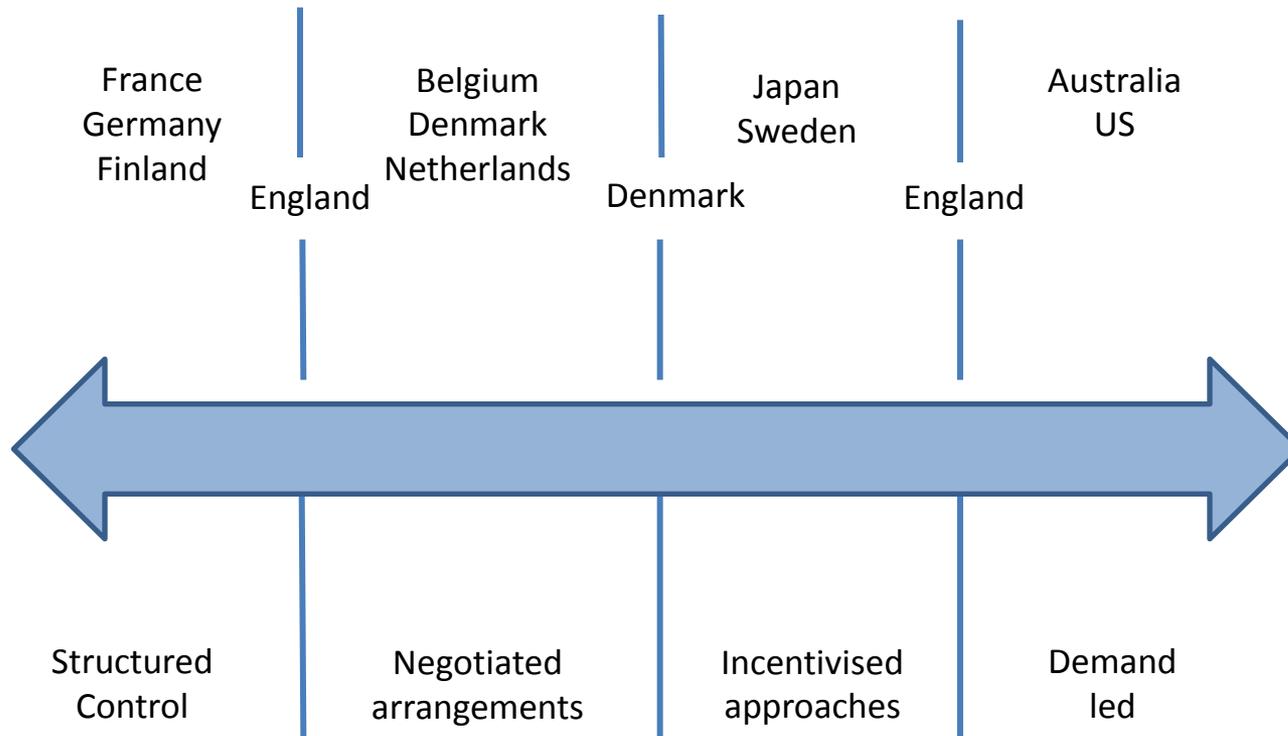
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- Emphasis on quality and labour market relevance
- Employers take part in quality assurance and assessment panels (Sweden, England)
- Improved labour market information: UK : KIS; Sweden graduate employability index, Australia - Graduate Outlook Survey); quest for labour market indicators (NL)

## *Two crucial issues:*

- How to ensure that developments are made without compromising national academic standards of HE?
- Pros and cons of using employment in field of study as an educational outcome metric?

# Approaches to state-institutional relationships



# Converging trends to regulate supply and demand (‘policy borrowing’)

## Call for better regulative frameworks:

- **US:** accreditation agencies, State education agencies and Federal Dept of Education should work together (“triad”).
- **Flanders:** Rationalisation of programmes can lead to drastic interventions in the program landscape. Reliance on self-regulation?
- **Germany (Bavaria):** ‘Optimisierung’ of study provision to increase transparency and profiling of HE institutions. State power to reduce study places or close down of study programs in case of oversupply of graduates
- **Many countries:** Strong need to regulate at the ‘whole systems level’ (between all parts of the system), in order to use resources better for the HE system as a whole (macro-efficiency)

Re-calibration processes between governmental regulation,  
other actors and self-regulation (HE autonomy)

## Regulation of new HE programs (in NL)

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**Before 1985**  
strict regulation of  
programs.  
Detailed content  
requirements per  
course

**HOAK 1985**  
decreasing regulation /  
responsiveness to labour  
market needs. Numerus  
fixus in case of mismatch  
supply and demand

**WHW 1993**  
Macro-efficiency:  
labour market demand  
as criterion (ACO)

**HOOP 2000**  
Deregulation policy:  
self-regulation by the sector.  
(very limited judicial review by  
ACO)

**Strategic Agenda 2011**  
labour market relevance a more  
weighty criterion for new  
programs

## Developments in HBO

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- Forms of national working field consultation with business for all program clusters
- Universities of Applied Sciences in Europe
- Development of practice-oriented research: ‘bridge function’ between HBO and business (SMEs)
- Centres of Expertise

## Dutch policies in perspective

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- Beta techniek: Technology pact (loans system) / Jet-Net
- Improved study information
- Limit access (fixus) where oversupply (e.g. psychology)?
- Institutional profiling

### **Topsectors**

- Alliances between industry, government regulatory authorities, education sectors and other parts of the public sector – human capital agenda
- Private-public panels, innovation partners at national level
- Impact?