



IoD Business Manifesto 2010

Rebuilding the UK's competitiveness

IoD POLICY PAPER





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ISBN 978 1904520 75 7

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Published by the Institute of Directors
116 Pall Mall, London SW1Y 5ED

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Price: £20.00 where sold

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Executive summary

- There is a malaise hanging over the UK economy, and the challenges facing the country are deep and numerous.
- A new government needs to have a bold programme over the next parliament to restore the UK's competitiveness. It is also vital that a new government acts decisively and early to address the UK's challenges.
- During the first 100 days, an emergency Budget should be passed setting out a clear plan to reduce the deficit; a school reform Bill should be introduced; and regulatory budgets across all departments need to be implemented.
- These early measures would immediately show that the UK was serious about remaining competitive, addressing its fiscal situation, and creating a skilled workforce in the long run.
- If implemented, the policies set out in this manifesto would radically transform the UK's economic prospects.

1: The challenges facing the UK

It has been a common feature of post-war British politics for a new Chancellor to arrive, announce to the Commons: “I have looked at the books; the situation is grave”, and proceed to raise taxes, cut spending and enact a host of other unpopular measures. But this time, there is no need to wait until after the election for the bad news.

The challenges facing the UK are deep and numerous:

- A budget deficit of around £178 billion;
- A complex and uncompetitive tax system;
- Falling educational standards relative to the UK’s international competitors;
- An overall regulatory burden that, despite Government attempts at reduction, IoD members feel is getting more onerous;
- Declining labour market flexibility, now ranked 35th in the international league table;
- Increasing levels of employment regulation, particularly from the EU;
- An over-complex pensions system that is ill-equipped to deal with rising longevity;
- A serious risk of the lights going out in the middle of this decade;
- Congested road, rail and airport infrastructure;
- Serious shortcomings in financial sector governance and financial regulation;
- Almost a decade of falling public sector productivity.

There is a malaise hanging over the UK economy which is not only the result of the recession. It is also attributable to a growing sense that the competitive gains achieved over the past 30 years are now being reversed.

It will take brave and disciplined government to solve these challenges. Getting the major policies right in the first 100 days will be crucial. That needs to be followed by a sustained reform effort throughout the next parliament.

This article sets out the key measures that the IoD believes need to be taken to restore the UK’s competitiveness and allow the country to prosper again.

The first 100 days may be symbolic to a large extent, but it is vital that a new government acts decisively and early to address the country’s challenges. The following three measures would calm fears and signal a determination to get the country back on the right track.

2: The first 100 days

2.1 Deficit reduction plan

The UK's record-breaking fiscal deficit is the number one problem that will face the new government. An emergency Budget should be passed within the first 100 days, setting out a clear plan to reduce the deficit, with specific cuts to less productive items of public expenditure the most important element. The Budget should also enact a new fiscal target to reduce public spending to 35 per cent of GDP by 2020-21, dealing with the root cause of the UK's borrowing problem – excessive public spending.

2.2 School reform Bill

The new government should immediately introduce a Bill to kick-start school reform and introduce greater competition into educational provision. This is a radical reform that would transform education performance, but will take time to yield results. This is precisely why it should be started as soon as possible.

2.3 Regulatory budgets

Regulatory budgets should be introduced across all government departments, reducing the total costs of regulation (policy and administrative) year-on-year. Regulation should be a declining burden on UK businesses rather than a rising encumbrance, and there needs to be a very clear and immediate signal that this will be the case in the UK.

3: The next parliament

Below we set out the key measures that should be enacted in the next parliament. There is clearly more that should be done than is listed on the following pages, but if the next government does nothing else, it should do the following.

3.1 Public spending

Where we are now

- It is common knowledge that the UK is facing a fiscal crisis, but the actual numbers involved are quite staggering. The Treasury estimates that net borrowing will peak at around £178 billion this year, 12.6 per cent of GDP, while the structural deficit is set to peak at around 9 per cent of GDP. These are the worst figures the UK has seen outside of a major war.
- The primary reason for the UK's fiscal crisis is an excessive increase in public spending, based in part on high tax revenues from housing and the financial services industry that were the result of bubbles, rather than more normal conditions. Between 2000 and 2007, in other words before the current economic crisis began, public spending increased by 7.5 percentage points of GDP, by far the fastest increase in the OECD.
- Voters, companies, bond markets and international investors all need to see a credible fiscal austerity plan. Indeed, the sooner such a package is in place, the better. Some commentators argue that early implementation of a fiscal squeeze could threaten economic recovery. We take a different approach. The announcement of a credible fiscal plan could enhance investor confidence and act as a spur to growth via lower gilt and corporate bond yields.
- The economic policy measures below aim to restore the UK's competitiveness by the middle of the next decade and create the most competitively sized public sector in the world by 2020. Lower public spending will in turn deliver a lower tax burden.

The key measures

- **Enact a new fiscal target to reduce public spending to 35 per cent of GDP by 2020-21.** A wealth of academic and empirical evidence reveals that higher taxes slow economic growth. For that reason, both the IMF and the EU Commission have concluded that fiscal consolidations that are largely comprised of lower spending, with credible fiscal rules, are more durable than those largely comprised of higher taxes. A commitment to reduce the share of public spending in national income would deal with the cause of the UK's deficit.
- **Freeze public spending in real terms for the next decade.** The fiscal target should be implemented via a 10-year real freeze in public spending, except for key infrastructure spending. The Canadians reduced their public spending to GDP ratio by almost 10 percentage points in the 1990s. It can be done.

- **Set up a new Fiscal Policy Committee to monitor progress towards the fiscal target.** The Fiscal Policy Committee would not have power over taxation and spending, but would be an independent body monitoring progress towards a statutory target.
- **Reduce specific items of public expenditure immediately.** The risk of a credit rating downgrade for the UK remains real, and a credible plan for reducing the deficit cannot avoid making specific cuts. Reforms and efficiencies will not be sufficient. The IoD has made 34 suggestions of cuts to save £50 billion a year, including a one year public sector pay freeze,¹ the abolition of child benefit for better off families, and a 10 per cent reduction in the size of the Civil Service.²

3.2 Taxation

Where we are now

- The UK is losing ground to other developed economies. In 1996, the UK had the eighth lowest overall tax burden in the OECD as a share of GDP, and the joint fifth lowest corporation tax rate. Now our overall burden is well above the average, and our corporation tax rate is joint 17th lowest. We also suffer from rising complexity, and the recovery will be undermined by planned increases in national insurance. The tax measures set out below would be facilitated by the public spending measures outlined above.

The key measures

- **Set out and implement steady reductions in the main and small companies corporation tax rates, down to 15 per cent.** Given the level of the deficit, it might take ten years to get down to 15 per cent, but if that were the end point of a programme of reductions that was not merely planned but implemented, confidence in the tax competitiveness of the UK would be restored. We need no-strings-attached rate cuts that give a real boost to business, not cuts that are paid for by reducing allowances.
- **Reverse the proposed one per cent increases in national insurance.** The cost to the Exchequer would be high, but the cost of not reversing these increases in this tax on jobs, and hampering the recovery, would be higher. National insurance also has a significant impact on the pay packets of the lower paid, and on the economic viability of jobs.
- **Roll back the planned income tax increases.** The proposal to phase out personal allowances at high incomes will be hard to operate and is based on a misunderstanding of what is essentially a zero rate band. The proposed 50 per cent rate is already having a disincentive effect. It also marks the UK out as a high-tax country – a very damaging reputation to have.
- **Adopt measures to encourage saving.** More personal saving is important, both to ensure people's financial security and to support long-term economic growth. Simplification of the ISA rules would be a first step. It will also be important to look for more ways to reduce the tax burden on savings of the types that are made by lower-income individuals.³

3.3 Education and skills

Where we are now

- Analysis suggests that the UK is at best treading water in its attempt to be a world leader in skills. Whilst official education statistics suggest improved performance at all levels, employers are more sceptical and thousands of young people continue to leave education without mastery of the basics.

TABLE 1: THE UK AND WORLD CLASS SKILLS - OECD INTERNATIONAL RANKING

	UK position as assessed in Leitch Review	Current international position	Projected international position - 2020	Ambition 2020 target position
Low level skills	17	17	23	Top 8
Intermediate level skills	20	18	21	Top 8
High level skills	11	12	10	Top 8

Source: *Ambition 2020: World Class Skills and Jobs for the UK* (UKCES, 2009), p.7 & p.48

The key measures

- **Act to increase competition in education as soon as possible.** Injecting greater competition into the delivery of public services is the key to driving up standards. Radical educational reform is required to give parents a genuine choice of schools for their children – a choice they are effectively denied at present. Opening up the sector to new providers will provide a strong catalyst for improvement. But this catalyst will only be transformative if potential providers are adequately incentivised. This means that they must be allowed to make a profit. Genuine competition also requires purchasing power to be placed firmly in the hands of parents, with money following children wherever they are educated – including in the independent sector.
- **Prioritise early achievement.** One third of IoD members' organisations report that some of their employees have basic skills weaknesses,⁴ and improving standards of literacy and numeracy is consequently considered by directors as the top educational priority for the next government. Tackling early underachievement is key. Almost two fifths of 11 year olds do not achieve the expected standard for their age in the 'three Rs'.⁵ Half of pupils do not achieve five good GCSEs including English and maths.⁶ This is no platform for world class skills and just has to improve.
- **Simplify the publicly-funded skills system.** The sheer complexity of the skills system acts as a major disincentive for employers to engage, even for those otherwise committed to skills and training.⁷ The next government must act quickly and decisively to simplify the system, and not waste time in further reviews and consultations. The number of different skills initiatives should also be rationalised into as few employer-facing 'brands' as possible, and their bureaucracy slashed. Finally, there should be no further regulatory intervention in the skills arena: no extension of the poorly-conceived Time to Train legislation to SMEs, no return to compulsory training levies and no new statutory rights to training.

3.4 Regulation

Where we are now

- Members of the Institute of Directors have long held the view that regulation is one of the largest barriers to their business operations, but despite Government efforts at deregulation the problem is getting worse. Last October, a *Policy Voice* survey of 1,235 IoD members found that over 50 per cent thought the regulatory burden was still increasing.

The key measures

- **Halt the introduction of specific employment regulations.** With unemployment at such a high level, there should be an immediate halt to new employment laws, which will only make it more expensive for companies to hire people. There should be no additional statutory duties for individual directors on health and safety, no extension to the Right to Request Time Off for Training to employees of SMEs (see Education section), and no regulatory requirement for businesses to undertake Gender Pay Reporting. Making it easier, rather than harder, for companies to hire new staff should be the priority.
- **Introduce Regulatory Budgets in all government departments.** This move would play a central role in the reduction of the overall regulatory burden (policy and administrative costs) by reducing the total costs of regulation year-on-year. While departmental budgets would vary, the overall government regulatory budget should be frozen for the next parliament. This would mean no net increase in regulation and would ensure that regulatory costs were a declining proportion of GDP.
- **Commission a review of Civil Service incentives, job evaluation and career progression.** For civil servants and ministers alike, success is often synonymous with activity. In Whitehall this activity is often translated as a need to regulate. The IoD believes that current processes reinforce a culture of legislative dependency that needs to be tackled in order to improve the regulatory environment. For this reason an external review should evaluate existing Civil Service practices regarding salary rewards, bonuses, annual assessment criteria, and broad career/promotion structures in the context of their effects on individual regulatory behaviour.
- **Recalibrate de-regulatory efforts: reduce, repeal and freeze.** To date the efforts at reducing regulatory burdens have been curtailed by obsessive empiricism, political ring-fencing of legislative stock and a tendency toward lesser improvements, such as improved guidance and the creation of web-based tools. If the Better Regulation agenda is to have the commensurate impact on business views three major recalibrations have to take place: ensure greater use of businesses' preferred regulatory improvements – reduce, repeal and freeze; focus de-regulatory efforts on the key areas of employment and health and safety legislation; and introduce business opinions as a key measure of government success.

3.5 Employment

Where we are now

- The UK no longer has the flexible labour market it once had. The Government says that protecting flexibility is one of its key priorities, but all the recent World Bank reports which measure labour market flexibility have shown the UK slipping down the league table of countries (from 17th in 2007, to 21st in 2008, to 28th in 2009 and now to 35th in 2010).
- This decline is not surprising. Since 1997 over 50 new employment regulations have been implemented by the Government. These laws have created numerous costly new procedures for businesses to follow. They have also limited the ability of employers to manage labour to meet peaks and troughs in business demand. Small firms have been particularly hard hit by the expansion of employment regulation. Without the resources to hire in a human resource function, small employers walk a tightrope as they try to comply with the ever-increasing stock of employment law. This inhibits business growth and ultimately stifles job creation.

The key measures

- **Remove gold-plating from Agency Workers regulations.** The Directive only applies to firms hiring agency workers that have collective agreements and pay scales for their workforces. The latest UK regulations have been drafted so that all firms hiring agency workers will have to cope with the bureaucracy of the Directive. In order to preserve the agency sector, and the flexibility it gives to both employers and workers, the UK regulations should be changed so that they no longer go beyond the requirements of the Directive.
- **Introduce a minimum £500 deposit in employment tribunals to deter weak cases.** Too many weak claims are being made by employees because there is no incentive for employees and their lawyers not to bring weak cases to tribunals. If an employer chooses to fight a case they will find themselves embroiled in a long and expensive process. The result is that many cases that would not be won by the employee end up being settled “out of court”. A modest deposit would deter “no win, no fee” lawyers from pursuing weak cases and would save businesses that have not infringed employment law a huge amount of management time and money.
- **Allow agency workers to be used during strikes.** The current prohibition undermines an organisation’s ability to serve its customers and clients. This means that even the threat of strike action gives trade unions unwarranted ability to hold organisations in both the private and public sectors to ransom.

3.6 EU policy

Where we are now

- After a golden age of economic growth during the post-war period Western European economies now face challenges of the highest order. Since the 1970s the European corporatist model has faltered. Output per capita now lags the US by around a third. This productivity problem, created by high taxes and intrusive labour and product market regulation, is now being exacerbated by demographic change. With a declining working population the only way existing GDP growth rates can realistically be maintained is by Europe achieving higher rates of productivity.

The key measures

- **Defend the competition principle and uphold EU state aid rules.** As competition from developing countries like China intensifies, it is essential that EU member states resist the temptation to give uncompetitive European businesses state aid. It is also important that the Commission, when challenging monopolies and dominant players, receives the wholehearted support of all member states, including those countries directly affected. Propping up failing industries and companies will only lead to a misallocation of resources and undermine Europe's ability to develop a competitive advantage in sectors where it has an established specialisation, such as business and financial services.
- **Support SMEs with a low-regulation approach.** The EU's high-regulation approach, particularly in relation to employment law, inhibits the growth of small companies and stifles job creation. We would like to see policymakers stop the generation of EU employment laws immediately. If there continues to be an appetite at the Commission for new laws, we would welcome a UK proposal during any forthcoming treaty negotiations to remove the Commission's employment powers.
- **Maintain the competitiveness of Europe's financial centres.** Europe has world-leading financial centres in London, Paris and Frankfurt that generate huge tax revenues and employ, directly and indirectly, millions of people. It would be folly to jeopardise one of Europe's biggest economic assets by introducing a regulatory and supervisory regime at EU level that encouraged financial institutions to migrate to countries outside the bloc. We should be fostering business and financial services, not undermining them.

3.7 Pensions

Where we are now

- Huge and continuing increases in longevity since the last war, which gave rise to the state and private pension systems we see today, mean that we are asking to fund a "retirement" phase potentially almost as long as the "working" phase. But the UK's pension system, both state and private, is horrendously complex, suffers from disincentives to save and is severely ill-equipped to deal with the longevity challenge.

The key measures

- **Review the operation of auto-enrolment into pension saving.** Evidence remains that many of those to be auto-enrolled into pension saving will experience poor outcomes because of the adverse interaction between private saving and the means-tested retirement benefit system.
- **Raise the state pension age to 70 as soon as practicable.** The idea that either state pensions or private saving can support a 25 to 30 year “retirement” from an effective 30 to 35 year working life is, unfortunately, unsustainable. We recognise that there will be those who are unable, particularly in manual trades, to carry on working beyond 60 or 65, and we need to make arrangements to ensure they are not unfairly disadvantaged, but 70 should become the state, and the default, retirement age.
- **Radically overhaul the state retirement benefit system to provide a single, universal, decent basic state pension.** The current system of means-tested and other retirement benefits is a hugely complex morass, difficult to understand and expensive to administer. Worse, the system of pension and savings credits interacts adversely with private saving, discouraging modest earners from saving. Together with an increase to the state pension age, abolition of the pension credit, the winter fuel allowance and the state second pension would more than create the savings needed to fund a universal, decent, basic state pension at or above the current combination of basic state pension plus pension credit. All private saving would then be clearly to the future benefit of the saver, and clear messages to encourage saving could be transmitted.
- **Reform the current pension saving architecture.** The current “pension” architecture – tax-relieved saving, locked up until retirement, then some tax-free cash and a taxed annuity income – is out of date, inflexible and unattractive to savers in the 21st century. It is also hugely complex and presents savers with difficult choices in terms of retirement income which they find impenetrable and, when they do understand them, unattractive. The search needs to begin for the “new pension” architecture for the 21st century.
- **A Pensions Commission**, the only recommendation of the Turner Report not implemented by the Government, is required to recommend and oversee these reforms. Its first task should be urgently to recommend policies radically to reform and simplify the state and private pension systems, as suggested above.⁸ The Commission will also need to address the growing cost of public sector pensions, and propose reforms to ensure their sustainability at reasonable, rather than excessive, cost to the taxpayer.

3.8 Energy

Where we are now

- Energy policy has been thrust to the fore in recent years due to: (1) a surge in the price of oil and gas and the resulting macroeconomic fall-out; (2) fears over anthropogenic global warming and the introduction of policies aimed at reducing carbon emissions. Regardless of the debate over the nature of the threat from global warming, energy efficiency and security of supply issues argue for a reduced dependence on fossil fuel sources, especially from the Middle East and Russia.

- It is important that environmental credentials should not come at the expense of the UK's economic competitiveness. A principle of "do no harm" should underpin energy policy. The worst way to reduce carbon emissions is to cut jobs in the UK and send emissions abroad, often to locations that are less environmentally sensitive, resulting in a net increase in global emissions. Uncertainty around the scale of the threat from global warming means that a greater emphasis should be placed on adaptation rather than mitigation.
- Despite the intense focus on energy policy, there remains a lack of clarity over exactly what the future energy mix in the UK will be. Energy policy and carbon price uncertainties severely hamper the urgent investment required over the next decade if we are to avoid "the lights going out". Only 40 per cent of the new electricity generating capacity required is actually under construction.

The key measures

- **The new Infrastructure Planning Commission should be retained** in order that it might fast track strategic energy projects of national importance (such as nuclear power stations).
- **The imposition of carbon taxes should be revenue-neutral.** Climate change measures should not be used as a method to increase the overall tax burden.
- **Establish a commission to investigate the relative cost of all energy sources in order that an informed debate can occur.** Relative cost, base load and planning issues mean that wind power will not expand sufficiently to close the "energy gap". Gas could help close the gap but that would threaten carbon emission targets. Alternatively, nuclear generating capacity could be expanded, but that would threaten significant political opposition.

3.9 Transport

Where we are now

- The current fiscal crisis is putting severe strain on transport investment in the UK. Overall public sector net investment is projected to fall from 3 per cent of GDP in 2008-09 to around 1.5 per cent of GDP in 2013-14, but this threatens the long term competitiveness of the UK economy.
- Transport projects are politically easy to cut as they have little immediate impact in advance of an election. However, taking the easy road politically will damage future economic performance because the severe congestion in our existing road, rail and airport infrastructure will get even worse. For this reason the IoD has consistently argued that transport investment should be ring-fenced and protected from the sharp reduction in unproductive public spending required elsewhere.

The key measures

- **Build a third runway at Heathrow.** Heathrow airport operates at 99 per cent capacity and in order to alleviate this pressure the IoD supports the case for a third runway.

3: THE NEXT PARLIAMENT

- **Political paralysis must stop.** The Government should provide leadership and firm assurance to private investors, in order to encourage them to invest in new road, rail and airport infrastructure. In an environment of severe fiscal pressure, new models of private financing need to be developed.
- **Invest in the UK's road network.** Even though the road network accounts for more than 90 per cent of passenger miles, it receives only a fraction of the investment allocated to the rail network. This imbalance needs to be reduced via higher investment in the road network, whilst maintaining investment in the rail network.
- **Proceed with key infrastructure projects such as Crossrail.** However, as the Eddington study showed, there should also be a focus on all the small capital expenditure projects, which in aggregate, could substantially ease congestion across the road network.
- **Retain the new Infrastructure Planning Commission.** As well as being vital to fast-track strategic energy projects (see Energy section), it could potentially play a very important role in fast-tracking strategic transport infrastructure projects of national importance.

3.10 Corporate governance

Where we are now

- The financial crisis has revealed significant shortcomings in financial sector governance. Banks that are “too big to fail” still represent a major risk to taxpayers and overall economic stability. The existing tripartite framework of financial regulation has proved inadequate in managing financial instability, and gives rise to muddled lines of accountability.
- Outside of the financial sector, the existing framework of UK corporate governance remains broadly fit for purpose. The Combined Code on Corporate Governance encourages the adoption of best practices without the need for an onerous regulatory regime. However, there remains inadequate engagement between institutional shareholders and the boards of UK-listed companies.

The key measures

- **Responsibility for financial regulation and supervision should be transferred from the FSA to the Bank of England.** A “twin peaks” supervisory approach would place responsibility for financial stability in its entirety in the hands of the Bank of England, leaving the FSA to focus on consumer protection and business conduct issues. The integration of macro and micro-prudential supervision at the Bank would improve the coordination of UK financial supervision. However, any realignment of responsibilities should be implemented in a way that minimises organisational disruption and cost.
- **The reform of UK financial regulation should be coordinated on an international basis.** Given the devastating consequences of the financial crisis for companies and government finances, the UK government should work to establish a safer financial system. However, it is essential that any regulatory response is coordinated on a global basis. The UK should not introduce financial regulation that is more restrictive than that of other leading financial centres. Such a unilateral approach would be

ineffective in promoting global financial stability, and would damage the competitiveness of the UK financial services industry.

- **Corporate governance policy should focus on: (a) developing the professionalism of boards and individual directors; and (b) increasing the active engagement of institutional investors with companies that they own.** There are limits to how far boardroom behaviour can be improved through further changes to legislation and codes. Government should promote boardroom professionalism through the encouragement of director-specific training and professional development. In addition, it should support the adoption of the proposed Stewardship Code for UK investors, and encourage fund managers to adopt a longer-term ownership strategy.

3.11 Public sector productivity

Where we are now

- Whichever party wins the next election will have to tackle the country's enormous fiscal challenges, and bringing down the deficit will require not only cuts in government spending but a genuine improvement in the woeful record of public sector productivity.
- 22 estimates of public sector productivity have been made in the last six years, mainly by the Office for National Statistics, with only four showing increases and the remaining 18 showing falls in productivity. According to the most recent estimate, public sector productivity fell by 3.4 per cent between 1997 and 2007. If, instead, it had matched the rate of productivity growth in the private sector, public services would be £58 billion cheaper than they are today.⁹

The key measures

- **Real terms increases in public spending should only be obtainable by higher public sector productivity.** If government consumption spending is frozen in real terms over the next five years, a 2 per cent annual increase in government productivity would release an extra £31 billion per annum of resources by the end of the period.
- **Introduce Fundamental Savings Reviews.** These should implement a root and branch analysis, by department, of what the public sector should/should not be doing in the 21st century. Unproductive and poorly-performing items of public expenditure should be the first to go. In addition to the national reviews, there should also be regional reviews aimed at narrowing the North-South divide in public spending.
- **Move towards a “smarter state” with far greater decentralisation of decision-making and a transition to an enabling instead of a providing role.** In many areas, for example education, the state should be funding but not necessarily providing. An education voucher system would increase productivity by allowing far greater competition between and within the private and public sectors.

4: References

¹ Except for the Armed Forces.

² For more detail on these proposals, please refer to the IoD's *Where do we go from here? An economic recovery plan for the UK*, and the joint IoD-TPA publication *How to save £50 billion: Reducing spending for sustainable public finances* www.iod.com/economy.

³ For more detail on these proposals, please refer to the IoD's *Tax – Making the UK Competitive* www.iod.com/tax.

⁴ IoD *Policy Voice* survey of 1,316 members conducted in July/August 2009.

⁵ *National Curriculum Assessments at Key Stage 2 in England, 2009 (Revised)*, Department for Children, Schools and Families, SFR 32/2009, 1 December 2009, Table 4a.

⁶ *GCSE and Equivalent Results in England 2008/09*, Department for Children, Schools and Families, SFR 01/2010, 13 January 2010.

⁷ Almost two thirds (64 per cent) of IoD members believe that the skills system is too complex and difficult for employers to engage with. See *Training in the recession: winner or loser?* (IoD, June 2009), p.33.

⁸ For more detail on these proposals, please refer to the IoD's *Roadmap for Retirement Reform 2009* http://www.iod.com/intershop-root/eCS/Store/en/pdfs/policy_paper_rrr09.pdf.

⁹ For more detail on the public sector's productivity record, please refer to the previous edition of *Big Picture* www.iod.com/bigpicture.

