<p>Cuts in Defence spending hollow out essential skills in defence sector</p> <p>The long standing stagnation of the UK defence budget has inevitably led to a reduction in jobs in the defence industry � UK capability will be affected as a result as the sector risks losing highly skilled professionals deemed essential to the defence support base, argues a new RUSI study.</p> <p>'Defence Skills: A Shift in the Myth' by John Louth, Trevor Taylor and Henrik Heidenkamp, surveys a large number of people who left a major defence firm over a five-year period. There's a summary on the next page</p>   <p>The study finds that 80 per cent of the personnel leaving the defence business were lost to the sector as a whole, while 45 per cent of those exiting were engineers, project managers, and information specialists � all critical roles essential to a healthy defence sector.</p> <p>Thus the period under review saw a real reduction in the number of people available to develop, produce and support defence equipment, limiting the country's capacity to respond to changing threats and risks.</p> <p>Nearly 70% of those responding to the survey felt that they were not using the range of skills they had learned in defence work, indicating that, at least as late as 2011, the British economy was not generating significant demand for the high-value technical expertise that the defence sector uses. On the positive side, only 1% of respondents were still looking for work a year after losing their defence jobs.</p> <p>This study highlights the economic impact this is to have not only on the defence sector but the economy as a whole. It points out the loss of revenue to the exchequer as a result of reductions made in the defence sector.</p> <p>Of employees leaving the defence business, more than half took more than six months to find a new job, which had implications for the government's benefits spend, and, when people found work, over half took jobs that were less well paid than what they had previously earned. This will have had consequences for tax revenue and multiplier effects in the economy as a whole.</p> <p>Finally, more than a third of those responding to the RUSI survey had to relocate to find work: for areas where industry is important on a regional scale � such as Barrow, Preston, Blackburn and Portsmouth � suggesting that further defence cuts are likely to have an impact on local authority revenues, housing prices and consumer-facing businesses.</p> <p>According to Professor John Louth, one of the author's of the study:</p> <p>"For years there has been am accepted notion that once a defence business in the UK made staff reductions another business would absorb these skills so that defence capabilities remained. Yet, savings in government defence spending, leading to job losses in industry, generate a significant diminution in the national defence skills base. The military is dependent on these skills to deliver defence capabilities on the frontline and throughout its supply chain."</p> <p>Professor Trevor Taylor goes on:</p> <p>"For the first time, our research presents data on the effects of defence spending reductions on the skills and competencies necessary for national defence and security. Our work suggests that the national defence skills base, located in on-shore industries, has significantly shrunk in recent years, with consequences we are only now starting to understand."</p> <p>Access paper at: https://www.rusi.org/downloads/assets/201406_BP_Defence_Skills.pdf</p> <p>Methodology note : This study was based on a survey of 2,500 ex-employees of BAE Systems, the UK's largest defence contractor. Each ex-employee was sent a questionnaire seeking to capture information relating to the moment they left the business and their subsequent activities. A number of informal, semi-structured telephone interviews were also conducted where respondents had indicated that they wished for a follow-up call to be made. Of the number of questionnaires sent out, the research team received 586 responses in reply, representing a return of 23.4 per cent. The

methodological literature suggests that this is a credible and relevant research return.</p>