A GREAT TRAINING ROBBERY OR A REAL ALTERNATIVE FOR YOUNG PEOPLE?

APPRENTICESHIPS AT THE START OF THE 21ST CENTURY.

Martin Allen and Patrick Ainley
PREFACE

Apprenticeships ain’t what they used to be

In the run-up to the scheduled 2015 general election, all the Parliamentary parties support *The Reinvention of Apprenticeships*. This has been part of their shared response to the ‘Great Recession’ which followed the 2008 ‘Banking Crisis’ or ‘Credit Crunch’. Promising recovery, the Coalition government sought to force through new policies for welfare and education alongside ‘austerity’ in the economy. Apprenticeships are justified as part of this, not only as a way to revive Britain’s economy, but as a solution to a ‘skills crisis’ and as an alternative to university for school leavers.

We question the consensus of politicians with educational professionals in support of apprenticeships to ask whether the UK can really replicate the success of countries like Germany that rely upon regulated systems of apprentice training. Behind the relentless propaganda for apprenticeships we reveal the disappointing realities of many apprenticeships and in the context of changes in the economy and the occupational structure, we ask whether most employers actually need them. We provide a bigger background picture against which the latest *Reinvention of Apprenticeships* can be understood. In conclusion, recognising the depth of the crisis facing future generations and society, we argue that clear alternative policies are needed, not only for education and training but in the economy as a whole.

The authors share an interest in the relationship between education, economy and society and, more specifically, in contrasting what education and training regimes are supposed to do (how they are justified at the level of government policy and so on) with what actually happens to young people in and out of employment, on training schemes and in school, college and university. Central to this has been a critique of the assumption that the prime role of education and training is to create the ‘human capital’ essential for economic competitiveness. Our argument has been that, on the contrary, the huge expansion of schools, colleges and universities in recent years has been the result of a new period of what we have called *Education Without Jobs* – the reality is that generations of young people are now increasingly overqualified for work and typically underemployed.

This critique is a long way from ‘the knowledge economy’ that is the goal of ‘the global race for economic survival with our economic competitors’. In fact ever since the final collapse of industrial apprenticeships in the 1970s and ’80s, vocational routes have been advanced by politicians and educational professionals as suitable for other people’s children. At first, these were via Youth Training Schemes, then new vocational qualifications in extended schooling, now University Technology Colleges have been introduced and a new ‘Techbacc’ proposed. Rather than repeating efforts to rebuild the vocational route and *Another Great Training Robbery*, we propose a general education for all.

The intention is to be widely accessible and reach beyond an ‘academic’ audience while not diluting the rigour of its research. Large amounts of public money have been spent on apprenticeships but there has been little detailed scrutiny of them. Making research widely available to show what has been going on is therefore important but it should also add to public debate about policy. This study intends to make such a contribution. Comments can be submitted through the www.radicaledbks.com website, which also contains information and downloads of other publications by Martin Allen and Patrick Ainley.

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A GREAT TRAINING ROBBERY OR A REAL ALTERNATIVE FOR YOUNG PEOPLE? APPRENTICESHIPS AT THE START OF THE 21ST CENTURY.

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Introduction
The reintroduction of apprenticeships in the UK has received unanimous backing across the political spectrum. The term ‘reintroduction’ is an appropriate description because the traditional ‘time served’ apprenticeship that proved an important avenue in the transition from school to work for young people (if mostly young males) had virtually disappeared by the end of the 1980s. It was replaced first by youth training and then by increased participation in higher education.

The new emphasis placed on apprenticeships by the Coalition (achieving 1.5 million starts since coming to office) is a response to the increasing difficulties young people face in entering the labour market, but also the need to provide alternatives to a higher education system fuelled by mountains of unpaid student debt and a generation of graduates who are ‘overqualified and underemployed’ (Allen and Ainley 2012). It is also a response to a long-standing perceived UK skills crisis at ‘intermediate’ and ‘technical’ level (Steadman, Gospel and Ryan 1998), with the CBI arguing that the UK cannot rely on traditional degree courses to meet all the needs of key industries such as manufacturing, construction, IT and engineering. ¹ During ‘National Apprenticeship Week’, an annual event designed to promote apprenticeships, Prime Minister Cameron told the BBC that apprenticeships gave school leavers ‘the chance to learn a trade to build their careers’ and allowed the creation of ‘a truly world-class, highly skilled workforce that can compete and thrive in the fierce global race we are in’.²

Rather than contributing to increased economic prosperity, this study shows that much of this latest crop of apprenticeships have been low skilled and ‘dead end’, aimed at regrading existing workers as much as recruiting and upskilling young people. Forty years after Ivar Berg’s Education and Jobs, The Great Training Robbery noted, ‘America fools many of its young by linking job opportunities to diplomas and degrees from schools that provide sometimes pitifully inadequate – indeed appalling – experiences’ (1973, 29), the main benefactors of this latest Great Training Robbery have been private training agencies, rather than new young workers.

The second part of the study assesses the future of apprenticeships, but also provides a more general critique. It contrasts the system of apprenticeships in the UK with the German ‘dual system’ – frequently cited as a model the UK could emulate, but it also questions the assumptions about employment and skills on which the latest expansion of apprenticeships have been based and argues that, while traditional conceptions of vocational education need to be rethought, robust alternative economic policies are also necessary.

The reinvention of apprenticeship
Apprenticeships have a long history in England (Aldrich 1999) with origins in the middle ages when they were integral to the ‘guild’ system where boys (usually) could be apprenticed to a guild member from twelve or younger for between five and nine years (usually seven).

‘When historians consider “apprenticeship”, they often generalize in terms of three extended periods. These may broadly be characterized as that of “guild apprenticeship”, let us say from

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¹ http://www.huffingtonpost.co.uk/2013/07/31/university-route-not-enough-more-apprenticeships_n_3680977.html?view=print
² 11/03/13 http://www.bbc.co.uk/news/uk-21734560
about the 12th century to 1563, with the state underpinning much practice; the period of statutory apprenticeship, from 1563 to 1814 (with guilds slowly attenuating); and finally a great diversity of forms which might be summarised as “voluntary” apprenticeship, often agreements between employers and unions, from 1814 to the present day.’ (Snell 1996, 303)

Sheldrake and Vickerstaff’s 1987 History of Industrial Training in Britain gives a picture of very variable practice in the latter period but, as Ainley and Rainbird write, ‘After a period of decline in the 1970s and its denigration in the 1980s as “mere time serving”’ (1999, 1), the idea of apprenticeship as largely ‘sitting by Nelly’ to gain an entry ticket to practice a particular job or trade dominated much of policy discourse, associated with demarcation disputes and other ‘restrictive practices’. This despite the attempted revitalisation of training under the 1964 Industrial Training Act, passed by the Conservaties but under Labour government playing a part in national planning processes. This followed in turn the secondary technical schooling intended by the 1944 Education Act but due to underinvestment never including more than 4% of the total school population. Apprenticeship training thus focussed on school leavers with alternating attendance at FE colleges so that, by 1950, 33% of boy and 8% of girl school leavers entered apprenticeships (Finn 1987, 55) and by the mid-1960s, when apprenticeships were at their peak, up to a quarter of a million apprenticeships were on offer each year for 25% of school leavers, although by then only 6% of women were apprenticed (mainly as hairdressers) (Mizen 2004, 51).

The collapse of the apprenticeship system coincided with the rapid decline in manufacturing which had previously generated ‘youth jobs’ (Allen and Ainley 2012) while the post-war economy continued to grow at a steady average of 3%, sustaining ‘full employment’. Up until the 1970s, the economy was also able to provide clear transition routes for most young people (Ainley and Allen 2010). As economic prosperity faltered and youth joblessness began to reach alarming levels, working-class school leavers were offered ‘youth training’. Youth training was not only state organised, but also centralised through the Manpower Services Commission (MSC). (See Ainley and Corney 1990 for what is still the only history of this pioneering quango). The MSC promoted ‘generic’ competencies rather than narrow craft skills, so as to reflect what were claimed to be new employment requirements in more ‘flexible’ labour markets, where workers moved across occupational divides during their working lives. But MSC’s critics considered that, as well as being Training Without Jobs, this imposed new types of labour discipline in response to rising youth unemployment (Finn 1987).

Officially youth training was ‘counter-cyclical’ so that trainees would ‘hit the ground running’ when the economy began to recover. However, recovery was never complete and, as Ken Roberts reminds us (2010), more and more people have become ‘structurally unemployed’ with a process of ‘churning’ at the bottom of the labour market into and out of short-term and insecure employment alternating with periods of unemployment (MacDonald 2013). By the time this new pattern (Ainley 2013) had established itself however, young workers had ‘voted with their feet’, remaining beyond the statutory leaving age of 16 (since 1972) in full-time education in ‘new school sixth forms’ or going to FE – even though the influence of the MSC reached into colleges and schools via new full-time ‘vocational’ and ‘pre-vocational education’ courses that many of them were enrolled for there (Ainley 1990).

The initial reinvention of apprenticeships in 1994 as ‘Modern Apprenticeships’ – a level 3 equivalent to A-level (level 2 being established in 2003) – also involved increased state intervention but nowhere near that of the MSC years and, as will be evident, considerably less than that in the successful German ‘social partnership’ model. Nevertheless, by 2000, the Learning and Skills Council, now the Skills Funding Agency (SFA), overseen by the Department for Business Innovation and Skills (DBIS), had taken on responsibility for apprenticeship funding. In April 2009, the National Apprenticeship Service (NAS) was launched with responsibility for both setting and monitoring standards. Government also provided significant funding. Small and medium enterprises (SMEs) which sign up for the scheme are eligible for the Apprenticeship Grant for Employers (AGE) receiving up to £1,500 for ten apprentices providing they are between 16-24. Between Feb 2012 and
January 2014, there were 68,600 apprenticeship starts through which a payment was made this way (SFA, Statistical First Release 23)\(^3\). In addition, the SFA pays all training costs for 16-18 year-olds and 50% for 19-24 year-olds.

To qualify for an apprenticeship an individual should be in employment for 30 hours per week. There are almost 200 specific frameworks related to particular jobs covering ten areas of the economy. Apprenticeships are offered at Intermediate Level where trainees work towards a level 2 National Vocational Qualification (considered a GCSE equivalent) and at Advanced level through level 3 NVQ (considered equivalent to A-level). More recently, Higher Level Apprenticeships have been established and linked to Foundation degrees at level 4 and to full degrees, at level 5 or above.

From October 2012, apprentice frameworks have had to include Functional Skills certification in numeracy, literacy and ICT, if it is considered relevant to the jobs the framework applies to – though apprentices who have achieved a C grade at GCSE are exempt. There should also be coverage of the Personal Learning and Thinking Skills (PLTS) recently established in schools and colleges. There has been concern that applicants for Intermediate apprenticeships are increasingly being required to have at least some GCSE grades in English and maths so as to maximise their chances of meeting functional skill requirements if not exempting them altogether.\(^4\) Difficulties experienced by young people without qualifications in maths and English was one of the reasons for the setting up of the pre-apprenticeship Traineeship programme administered by private training providers or colleges and involving a series of work placements and instruction in basic skills\(^5\).

Apprenticeships are designed to be delivered in the workplace, DBIS having clamped down on ‘programme apprenticeships’ where young people are based at a training organisation and complete work placements with different employers. Apprentices also have to be paid at least the relevant statutory minimum wage. Most employers are unable to provide the necessary training ‘in-house’ and rely on the growing number of private training providers, who have successfully side-lined FE colleges, being able to visit workplaces more easily. After serious concerns about quality and standards, training providers are now subject to regular monitoring and inspection through Ofsted. Because training organisations claim back the cost of training apprentices from central government, they play an active role in the recruitment of employers. According to the Richard Review (2012)\(^6\), produced by Dragons’ Den entrepreneur Doug Richard commissioned by the Coalition to conduct a review of apprenticeships as a result of the concerns about quality, 27% of employers said that the main reason for taking on an apprentice was because of an approach from a training organisation, compared to only 12% who identified a skills need. In fact, the latest UKCES skills survey report shows only 15% of employers reporting skill deficiencies with two-thirds of these the result of employees taking on new or changing roles\(^7\). The issue of whether employers actually need apprentices will be addressed further later.

Smaller employers can also work with Apprenticeship Training Agencies (ATAs). ATAs essentially play a brokering or ‘middleman’ role and work as recruitment/employment agencies. In otherwords, the ATA employs the apprentices and hires them out to host employers. The host employer covers the agreed wage and also pays a management fee. An advantage for the host employer is that if they are

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\(^3\) The SFA statistical releases can be accessed via [https://www.gov.uk/government/publications](https://www.gov.uk/government/publications)

\(^4\) [http://feweek.co.uk/2013/09/06/apprentice-hopefuls-face-gcse-barrier/](http://feweek.co.uk/2013/09/06/apprentice-hopefuls-face-gcse-barrier/)


\(^6\) [http://www.schoolforstartups.co.uk/richard-review/richard-review-full.pdf](http://www.schoolforstartups.co.uk/richard-review/richard-review-full.pdf)

unable to retain the apprentice on full-time duties, the ATA as the employer, is required to find alternative and appropriate employment for the apprentice so they can continue their apprenticeship.

**How many apprenticeships? What sort and for whom?**

Approaching 300,000 employees began apprenticeships during 2009/10, up from 160,000 in 2002/3. In 2010/11, there were 442,700 starts, a 58% increase. The Coalition’s first budget announced a target of 50,000 more apprenticeships and 250,000 more by 2015. By the summer of 2013 DBIS was claiming 1.5 million starts since 2010 (press release 17/10/13). Figures from the Skills Funding Agency, also showed apprentice participation at 869,000 for 2012/2013 (Skills Funding Agency Statistical Release 21 28/11/2012). Completion rates also remain comparatively high, 70% + for all levels and age groups.

Schools have been criticised by Ofsted for not promoting apprenticeships as a real alternative to university. There are nowhere near enough apprenticeships compared to the level of demand however and as a result, the role of apprenticeships in reducing youth unemployment has been limited. For example, almost 461,500 applicants submitted online applications through the National Apprenticeship Service between August and October 2013; this represented an increase of 46%, but vacancies – despite increasing by 24% – totalled 37,410, approximately 12 applicants per post. In 2013, vacancies were at their highest the day after A-level results, with 17,610 positions advertised.

The greatest numbers of both applications and vacancies were in Business, Administration and Law with 165,410 applications made during the period for some 15,550 Apprenticeships, though the sector with the highest ratio of applications to vacancies was Education and Training, which attracted an average of 27 applications per vacancy, followed by Arts, Media and Publishing (26). Elsewhere, even though ICT vacancies had risen by 13% over the year, there were 20 applicants for every position.

The lowest ratio, 10 applications per vacancy, was to be found in Retail and Commercial Enterprise and Science and Mathematics. Meanwhile Engineering apprenticeships are generally in short supply (see Table 5 below ) and those with British Gas are in such high demand that suitable applicants have only about a 1 in 15 chance of being accepted. In comparison, qualified applicants for engineering at Oxford have a 1 in 3 chance of success. In response to the overall shortage of apprenticeships, Skills Minister Matthew Hancock told *The Guardian* (05/02/14), With each online position attracting an average of 12 applications, demand continues to outstrip supply and I would urge more employers to consider how they can take advantage of this available pool of talent and grow their business through apprenticeships.

A major issue has always been the level at which apprenticeships are being offered. As Table 1 and 2 below indicate, participation continues to be concentrated at Intermediate Level, while participation at Higher Level (Level 4 and above and considered as an equivalent alternative to university) remains at around 2%. The level of participation in Intermediate schemes has to be considered against the overall recorded skill level of the population. According to SFA data (SFA/ SFR20), 80.6% are already qualified to this level (up from 71.8% in 2006) with 61.6% qualified to at least Level 3 (up from 53.2%) and 39.5% to Level 4 or above (up from 33.0%).

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10 Reported by CIPD 05/02/2014 ([www.cipd.co.uk](http://www.cipd.co.uk)).

11 [http://news.bbc.co.uk/1/hi/education/7071089.stm](http://news.bbc.co.uk/1/hi/education/7071089.stm)

A Great Training Robbery?

Table 1. Participation in funded apprenticeships (England)

<table>
<thead>
<tr>
<th>Level</th>
<th>2008/9</th>
<th>2012/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate</td>
<td>273,600</td>
<td>501,700</td>
</tr>
<tr>
<td>Advanced</td>
<td>170,900</td>
<td>377,000</td>
</tr>
<tr>
<td>Higher</td>
<td>200</td>
<td>13,000</td>
</tr>
</tbody>
</table>

Source Skills Funding Agency Statistical First Release DS/SFR21

Table 2. Apprenticeships starts (England)

<table>
<thead>
<tr>
<th>Level</th>
<th>2008/9</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate</td>
<td>158,500</td>
<td>292,800</td>
</tr>
<tr>
<td>Advanced</td>
<td>81,300</td>
<td>207,700</td>
</tr>
<tr>
<td>Higher</td>
<td>200</td>
<td>9,800</td>
</tr>
</tbody>
</table>

Source Skills Funding Agency Statistical First Release DS/SFR21

Apprenticeships and young people

More significant however – as evident in the tables below – young people still did not comprise a clear majority of those on apprenticeship schemes. In fact, the SFA data shows that under-19 participation has largely flat-lined since 2008/9, the 81,000 starts in 2012/13 representing a fall of almost 15,000 by those under 19 compared with 2011/12, even if the provisional data for 2013/14 in Table 4 indicates that under 19 participation may be rising once again.

Table 3 Ages of those participating in apprenticeships 2012/13

<table>
<thead>
<tr>
<th>Age</th>
<th>Intermediate</th>
<th>Advanced</th>
<th>Higher</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 19</td>
<td>132,600</td>
<td>54,800</td>
<td>800</td>
<td>188,200</td>
</tr>
<tr>
<td>19-24</td>
<td>167,200</td>
<td>132,500</td>
<td>4,200</td>
<td>303,900</td>
</tr>
<tr>
<td>25-49</td>
<td>167,700</td>
<td>166,700</td>
<td>6,900</td>
<td>340,600</td>
</tr>
<tr>
<td>50+</td>
<td>34,200</td>
<td>23,700</td>
<td>1000</td>
<td>58,900</td>
</tr>
</tbody>
</table>

Source Skills Funding Agency Statistical First Release DS/SFR21

The fact that people aged 25 or over comprised a large proportion of apprentices, set off alarm bells as it became clear that it is those already in work who were benefitting from apprenticeships rather than new workers being trained in new skills and new jobs being created. As will be clear below, many workers have simply been re-graded as apprentices in jobs that they already do. According to the Richard evidence, 70% of apprentices previously worked for their employer. As a result, Richard proposed that apprenticeships needed be ‘redefined’ and targeted at those ‘who are new to a job or role that requires sustained and substantial training’ (2012, 18).

To an extent, the over-representation of existing employees on apprenticeships can be attributed to the 2010 transfer of funding to apprenticeships from the previous Train to Gain initiative, which provided free training to employers to Level 2. According to Fuller and Unwin (2012), this resulted in the ‘conversion’ of existing employees. This would particularly apply to those who were in the process of completing NVQ units. The working through of these conversions would be expected to result in a
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fall in the number of over-25s on apprenticeships, particularly if it is combined with the Richard recommendations above and this is partly reflected in the provisional SFA data for 2013/14 in Table 4.

Accrediting existing workers for what they could already do allowed the NAS to meet its targets. There were also examples of other highly dubious practices, however. The supermarket chain Morrisons can be taken as a notorious example. An investigation for BBC’s Panorama (02/04/12) found that nearly 4 in 10 of Morrison’s entire workforce were classed as ‘trainees’ and claimed that 1 in 10 of all apprenticeships created in England during the previous year, had been the result of a regrading exercise by this single supermarket chain. Of nearly 18,000 new apprenticeships started in the academic year 2010/11 – mostly level 2 and in retail – only 2,200 were for those below 19, while in the same period Morrisons had started just 290 apprenticeships aged 16-18. The Telegraph (28/10/11) also reported that an Asda scheme, accounting for 25,000 posts, was only for staff already employed at the supermarket.

The figures in Table 4 show that a significant number of Intermediate starts continue to be by those over 25 years (almost one in three) but there has been a large fall in the number of Advanced level starts by those over 25 in the first sixth months. As a result, the total number of starts for apprenticeships as well as the total for overall participation can be expected to fall for the full year (the provisional data for 2013/14 recording overall participation at 649,000 and starts by those over 25 years old likely to be down for 2012/13). At the same time, the proportion of starts by young people under 25 is likely to increase and this is particularly the case with those under 19 who represent around 40% of the new starts, reflecting Richard’s objectives.

Table 4 Provisional data for apprenticeship starts Aug-Jan 2013/14

<table>
<thead>
<tr>
<th></th>
<th>Under 19</th>
<th>Under 25</th>
<th>25 plus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate</td>
<td>48,500</td>
<td>46,100</td>
<td>42,800</td>
<td>137,400</td>
</tr>
<tr>
<td>Advanced</td>
<td>22,100</td>
<td>28,300</td>
<td>6,000</td>
<td>56,300</td>
</tr>
<tr>
<td>Higher</td>
<td>600</td>
<td>1,600</td>
<td>300</td>
<td>2,500</td>
</tr>
<tr>
<td>All</td>
<td>71,100</td>
<td>76,000</td>
<td>49,100</td>
<td>196,200</td>
</tr>
</tbody>
</table>

Source Skills Funding Agency Statistical First Release SFA/SFR 23

The figures also show large falls in the number of over 25s starting at Higher Level, (down to just 300). Advanced Learning Loans (modelled on the student loans in higher education), introduced in August 2013 for those over 24 studying at level 3 or above, were withdrawn for apprenticeships in March 2014, but this cannot be seen as a reason for the sharp decline in the number of over 25 starts at Advanced and Higher Level. According to FE Week (17/12/13), there had been only 400 loan applications by apprentices. Most of the current 42,000 holders of these loans are students on full-time FE courses.

Apprenticeships are not alternatives to university

A decision by a young person to enter an apprenticeship in the workplace rather than continue with full-time post-16 education and then progress to university is a major one. The make up of those who take up the Advanced Level apprenticeship is thus very significant as it is a Level 3 qualification considered equivalent to A-level. The number of Advanced Level starts by under 19 year-olds has continued to be low, however, and represents a very small proportion of the cohort. The 25,100 starts in 2008/9 had only increased to 34,000 by 2011/12 but then fell by 900 for 2012/13. As Table 4 shows, the 22,100 starts by those under 19 Advanced level schemes and the 28,300 by 19-24 year-olds compares unfavourably to 300,000 annual candidates and over 750,000 entries for GCE A-levels.

Greenwich University research (DBIS 2013a) also shows 53% of Advanced level apprenticeships from a 2009/10 cohort had progressed via Intermediate level, but only 61% of those were under-19
A Great Training Robbery?

and 60% for those under 25. As can also be seen, SFA data records only 300 starts in 2011/12 by those under-19 at Higher Level (up to 600 for 2012/3) and only 2,400 by those 19-24. As Table 4 indicates, the rate of Higher Level starts by those under 25 in the first six months of 2013/14 has increased only slightly. By comparison, UCAS figures show that there were 219,300 acceptances to university places by 18 year-olds for September 2013 entry and a further 88,000 by 19 year-olds. Provisional figures for 2014 entry saw a further 1.4% rise in HE applications from school/college leavers, with 35% of the cohort now applying (44% in London).

Claims that young people are deserting university for apprenticeships are therefore groundless, as are assertions by Labour MP Frank Field that ONS data shows apprentices earning an average of £11.10 per hour on completion, a figure higher than a quarter of graduates (The Telegraph 17/01/14). The DBIS’s own survey put average apprenticeship wages at just over £6 per hour with just seven in ten apprentices (71%) receiving the minimum amount they should get based on their year and/or age (DBIS 2013b).

Further Greenwich research (DBIS 2014) also shows low rates of progression from Advanced Level Apprenticeships to Higher Education. While 20% of advanced apprentices had moved onto Higher Education within seven years of beginning their apprenticeship, the number moving into HE within three years of starting (in other words, more or less immediately after completing) was less than 10%. For Advanced Level apprentices under 19 (in other words those deciding to leave full-time education for workplace based learning) the proportion going on to HE within three years of starting their apprenticeship (in other words almost immediately after it ends) has remained at around 12%. Arguably, this is a more accurate expression of the direct relationship between Advanced Level Apprenticeships and HE.

More girls than boys

According to the NAS statistics for August and October 2013 referred to earlier, as many women apply for apprenticeships as men. On the other hand, the continued decline of manufacturing means that most apprenticeships are in services (Table 5, over) and also in sectors like Health, Public Services and Care that generate low-grade, badly paid, insecure jobs predominantly undertaken by women. This helps to explain why women already make up 50% of Intermediate Level apprentices. The large number of older women (25 and older) currently on Intermediate Level programmes also reflects the large number of ‘conversions’ discussed earlier, with big increases after the abolition of Train to Gain funding. Meanwhile, women are significantly underrepresented in sectors like Engineering (Newton and Williams 2013).

In relation to younger women, the situation is slightly different with TUC research showing that under 19 more men than women start apprenticeships. For 19-24 year-olds, however, women have overtaken men. This rise has been driven by substantial increases in women taking up Advanced Level Apprenticeships – 210,500 female compared with 166,500 male in total are participating at this level. At Higher Level also, women occupy almost two-thirds of the places – in this respect it should also be remembered that women now outnumber men at university by 42% of 18-19 year-old entrants in 2013 to 34% (HEFCE 2013, 10). Only 3.2% of apprentices are from minority ethnic groups (Newton and Williams 2013), though it is likely that apprenticeships are seen as low status by particular ethnic groups now increasingly represented in Higher Education.
Table 5  Apprenticeship starts by apprenticeship sector* 2011/12

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total</th>
<th>Change since 2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business, Amin and Law</td>
<td>164,830</td>
<td>115%</td>
</tr>
<tr>
<td>Health, Public Services and Care</td>
<td>109,410</td>
<td>148%</td>
</tr>
<tr>
<td>Retail and Commercial Enterprise</td>
<td>108,300</td>
<td>76%</td>
</tr>
<tr>
<td>Engineering and Manufacture</td>
<td>21,620</td>
<td>57%</td>
</tr>
<tr>
<td>Construction and Built Environment</td>
<td>24,000</td>
<td>-5%</td>
</tr>
<tr>
<td>Leisure, Travel and Tourism</td>
<td>19,770</td>
<td>35%</td>
</tr>
<tr>
<td>ICT</td>
<td>18,250</td>
<td>47%</td>
</tr>
</tbody>
</table>

*Agriculture, Arts and Media, Education all have less than 10 000

Source  House of Commons Library SN/EP/6113 Apprenticeship statistics

Another Great Training Robbery?

The 2011 Education Act created a duty on the government to make ‘reasonable’ efforts to ensure employers provide Apprenticeship training with NAS publishing a Statement on Apprenticeship Quality in May 2012 outlining minimum standards. For example, all apprentices should spend at least 280 hours a year in ‘guided learning’ and 100 hours or 30% (whichever is greater) of all guided learning must be delivered ‘off-the-job’. From August 2012 all apprenticeships were required to last for 6 months. The number of apprenticeship starts with a planned length of stay of 12 months or more increased by 50.5 per cent to 475,900 between 2011/12 and 2012/13. The numbers increased by 31.9% for under 19s, 59.9% for those aged 19-24 and 55.5 per cent for those aged 25 and above (SFA/SFR23).

Although all apprenticeships are supposed to provide technical knowledge and some general education, competence-based National Vocational Qualifications have retained central significance. NVQs were subject to serious criticism when introduced as the main industrial training standard in the late 1980s but have continued to be a benchmark qualification. According to their proponents (eg. Jessop 1991), NVQs reflected the growth of a new and superior educational paradigm, which sought to demystify assessment and move away from a system that has been ‘provider-led’ to one that is ‘learner-centred’. Rather than trainees/apprentices being graded in college classrooms by lecturers, ‘verifiers’ visit workplaces to observe the carrying out of tasks, or collect witness statements by employers to supplement observations.

For critics, NVQs are based on a ‘behaviourist’ model (Hyland 1994) with learners reduced to passive performers of prescribed tasks rather than being active agents. The NVQ preoccupation with learning ‘outcomes’ deliberately ignores how learning takes place. For Brockmann, Clarke and Winch (2008), NVQ marginalises theoretical knowledge, though to a limited extent this was corrected in the full-time General National Vocational Qualification (GNVQ); this increasingly took on features of ‘academic’ learning with textbooks and multi-choice objective tests (Allen 2004). For Smithers (1997), NVQs have destroyed the established and respected technical education of the post-war years.

In the DBIS pay survey, though 90% of apprentices said they had an external assessor who came into the workplace to assess their skills, only half of apprentices in England (47%) said they had received off-the-job training, though over two thirds (70%) received training on-the-job. 19% of apprentices in

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13 According to the House of Commons library Apprenticeship Statistics (08/02/13) expected costs would reach £1.55 billion in 2012/13 and constitute almost a third of the entire adult skills budget.
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England said they did neither of these forms of training. There is no significant difference in these figures compared to 2011.

Apprentices who were able to calculate an average said they completed just under five hours (4.9 hours) of off-the-job training per week while 11.5 hours was spent on the-job training; both of these figures are significantly down compared to a 2011 comparison. Those working for an employer prior to enrolment were also more likely to report they received neither on- nor off-the-job training. Elmfield Training, the private company at the centre of the Morrisons Panorama investigation, had a government contract worth £37 million. Rather than the planned 56 weeks, Elmfield was taking just 28 weeks and was accused of merely providing accreditation.

Putting employers in the driving seat?
As a result of continued concerns about the way apprenticeship training is organised, the Coalition government announced consultation on proposals that employers pay for the cost of an apprentice upfront, then reclaim the money through their tax returns. Unveiling the plans, Skills Minister Matthew Hancock said the reforms would encourage employers to take on more apprentices by giving them greater control over training. In response, Steve Radley, director of policy at the EEF manufacturers’ organisation, told Engineering and Technology magazine (05/12/13):

‘Businesses have long been calling for a revolution in how apprenticeships are funded, and today their calls have been heard. Placing funding in the hands of the employer will create a truly responsive, relevant skills system that delivers high quality apprenticeships. Employers now need stability and certainty on apprenticeship funding.’

According to Richard, as the ‘real consumers’ of training, ‘employers are best placed to judge the quality and relevance of training and demand the highest possible standards from training organisations’ (p.13). However, providing employers with the initiative may reduce take up. As Chris Jones, chief executive of the City & Guilds Group, told the website Education Investor (05/12/13), the reforms were ‘risky… It’s the assumption that employers have the time – and indeed the will – to cope with the additional bureaucracy these reforms will entail… Rather than incentivising employers, I fear they’ll be put off by what’s been announced.’ According to one training provider, the funding changes could lead to an 80% drop in training numbers. According to another, ‘a clear majority of large and small businesses wish to keep the existing funding’ and are ‘uninterested in taking on apprentices if the changes are introduced.’ This raises the question whether employers actually need that many apprentices –we will return to this question in the conclusion of this study.

14 Nevertheless, according to Richards (background evidence p.13), individuals with an Advanced Level apprenticeship experience increased wage returns of up to 22% (between £77,000 and £117,000 more over a lifetime) while those at Intermediate Level enjoy a 12% increase. In addition, 4 out of 5 apprentices considered that their apprenticeship training had improved their ability to do their job (Richards background evidence p.25). This may well be true and it is also the case that workers trained by an employer will continue to work for them longer than those who have not been. As Richards also observes, higher returns from training are only part of a ‘package’ of components delivered in the workplace (background evidence p.13).
15 John Hyde of HIT Training Guardian 07/01/2013
http://www.theguardian.com/education/2014/jan/07/apprenticeship-funding-employers-training-providers
16 Stewart Segal CEO Association of Employment and Learning
http://www.theguardian.com/education/2014/mar/19/apprenticeship-funding-reforms-small-businesses
What is Labour proposing?
In response to the criticism of apprenticeship training, the *Something for Something* policy document commissioned from Institute of Education director Chris Husband as part of Labour’s Policy Review called for a doubling in the number of apprenticeships, but it also emphasised that under Labour’s plans, all apprenticeships would be at level 3 (equivalent to A-level) or above, lasting a minimum of two years for level 3 and 3 years for level 4. This led to Liberal Democrat press releases ‘revealing Labour’s secret plans to scrap half a million apprentices… the plans would make it harder for young people to find good, well paid jobs, and would damage the skills base in the British economy.’ 

Even if Labour make some valid criticism of the current over-dependency on Intermediate level schemes, *Something for Nothing* only recommends that Labour redesign and rename intermediate apprenticeships or link them to ‘traineeships’. Neither is there any likelihood that a Labour government would scrap the funding for people who want to do the equivalent of an intermediate qualification.

According to Labour, all apprenticeships should also include at least a day a week (or the equivalent) off-the-job training, thus ensuring that young people receive a broader theoretical understanding alongside work-based training. The requirement to base apprenticeships on NVQs would also be removed, enabling employers ‘who know best’ to choose the most relevant qualification for their sector, something recommended by Richards (above) to ‘replace the continuous bureaucratic box-ticking and assessment and obscure the real task of an apprenticeship’ (p.7). To begin this process and in response to Richards, DBIS have announced eight Trailblazers – ‘groups of employers working together to design new Apprenticeship standards for occupations in their sectors, and moving quickly to develop examples of the new system working in practice.’

Apprenticeship training requirements drawn up entirely by Sector Skills Councils was also considered inappropriate by Professor Alison Wolf in her 2011 review. Wolf has slightly different concerns, commenting on ‘the extent to which the current general education components of apprenticeship frameworks are adequate for 16-19 year olds, many of whom may wish to progress to further and higher education’ (Wolf Recommendation 8). Wolf makes a valid point that 16-19 year olds are an age group that have a right to free full-time education and argues that employers should receive payments in exchange for providing ‘clearly identified off the job training and education’ (Wolf Recommendation 14).

Reference was made earlier to applicants already being expected to have GCSE qualifications in English and maths so as to at least limit the time spent on taking functional skills qualifications. Bearing in mind the general state of the youth jobs market has created large numbers of graduates who are ‘overqualified and underemployed’ (Allen and Ainley 2013) it would be very surprising if a similar situation did not exist at apprenticeship level. While graduates would be excluded from level 2 or level 3 funding, it will certainly be the case that many young people will begin apprenticeships with academic qualifications that are at least equivalent to the occupationally linked NVQs they will undertake.

References:
17 http://www.libdems.org.uk/labour_calls_half_a_million_apprentices_dead_weight
19 Vacancies for Intermediate Level positions regularly require applicants with GCE grade C in at least English, maths and ICT.
Training and Higher Level Apprenticeships
In December 2011 Business Secretary Vince Cable announced details of up to £20m government funding to create 19,000 new degree-level Higher Apprenticeships. In his 2013 Autumn Statement, George Osborne committed another £40m. According to Cable:

‘Investing in skills is central to our drive to boost business and productivity and make the UK more competitive… by radically expanding the number of degree level apprenticeships for young people, we will put practical learning on a level footing with academic study. This is an essential step that will help rebalance our economy and build a society in which opportunity and reward are fairly and productively distributed.’ (DBIS press release 08/12/11)

Examples from the NAS website show that Higher Level Apprenticeships can involve a variety of training programmes – NVQ competence-based assessment, foundation and full degrees at university as well as those offered through new private ‘universities’ – the most prominent being BPP, ‘Europe’s largest specialist training provider’ which awards its own degrees (from foundation to postgraduate) as well as ‘technical qualifications for professionals’. The Greenwich University research referred to earlier shows a large proportion of Higher Level Apprentices attending HE but is based on a limited number of schemes and, with Table 4 above showing a potential fall in the number of Higher Level starts for 2013/14, it is too early to make generalisations.

Nevertheless, in November 2013 the BBC offered 20 places on a Higher Level Apprenticeship scheme with £11,500 salary and full payment of tuition fees for a B.Eng. provided in conjunction with Salford and Birmingham City Universities and the BBC Academy. Applicants needed ‘at least 300 UCAS points’ to be considered and were expected to have studied maths and science to A-level. Siemens were offering four places but did not specify the entrance qualifications required. Like a number of others, the Siemens scheme was organised through BPP. The apprentices were offered £135 a week for approximately three years with employment on completion. In January 2014, BSkyB offered two positions on a two-year Technology Programme at its Isleworth HQ in West London at a weekly wage of £300 a week and training to City and Guild level 4, also leading to permanent employment on completion. Jaguar Land Rover were recruiting 10 Higher Level apprentices as part of an intake of 45 and offering NVQ level 4/Foundation/Full Engineering degree through Warwickshire College. Applicants required 2 A-level passes at C in maths or a science-related subject/BTEC level 3. The apprenticeship lasts for up to six years at £307 a week.

Also in January, Stockport Council offered a vacancy for a Business Administration apprentice at the national minimum wage on an 18 month programme. A NVQ level 4 certificate in Business and Administration is promised and no specific entry qualifications are required. As is the case with all competence qualifications, training and assessment will be workplace-based and the certificate is designed to be completed in less than 250 hours. Finally, BT advertised five places on a level 4 finance apprenticeship for those with grade B A-levels at £375 a week for up to 24 months ‘with potential for future progression within the company’. Training will also be carried out by BPP.

Despite the small number of participants, there are 41 Higher Apprenticeships in place with Bachelor and Masters degree level available for the first time. Schemes range from commercial piloting to fashion and textiles, though development of schemes and employer consultation is still at its early stages. It is too early to predict the eventual outcome of the Higher Level Apprenticeship initiative but the arguments outlined below raise questions for the future of apprenticeships in general. The success or failure of Higher Level Apprenticeships will, arguably, have significant implications for vocational education in HE.

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28 On 08/05/14 the NAC website featured 58 adverts for 110 apprentice positions ranging from Intermediate to Advanced. In all cases applicants apply to BPP rather than the employer. All training takes place through a BPP tutor system or a BPP study centre. Follow links through www.bpp.com.
PART TWO

Why can’t we do it like the Germans?
For admirers like Andrew Adonis and Will Hutton\(^{21}\), the UK apprenticeship model remains light years away from the German ‘highly organised, mass system’ (Green 1997, 88) where apprentices sign a contract lasting for around three years with a company licenced as a provider. 90% of apprenticeship starts in Germany are at level 3 or above with training needs discussed by employer and trade union committees which also oversee apprenticeship content. 25% of employers provide apprenticeships and all employers with more than 500 employees are bound to do so, compared with 305 who volunteer to do so in the UK (Steadman 2010). Apprentices participate in a ‘dual system’, spending part of the week in work-based training and part of their week (up to two days) completing the Berufsschule – classroom-based study of the more theoretical aspects of their vocation. Alternatively, apprentices undertake ‘blocks’ of classroom learning.

According to the Institute of Public Policy Research (2013), while a smaller proportion of young people in Germany attend university – less than a third, a much greater proportion – up to 60% – complete apprenticeships of several years and 90% of them then secure employment. All German apprentices have proper employee status from the day they begin working, though, as in other European countries, apprentices are paid less than in the UK. This reflects more of a ‘trainee’ or even ‘student’ status as part of a recognised transition process from youth to adulthood through the development of an occupational identity. In Germany, 40 out of every 1,000 employees are apprentices (in Austria 33), compared to just 11 in the UK (Steadman 2010). Brockmann, Clarke and Winch (2008) contrast the ‘holistic’ approach of German apprenticeship learning, designed to allow the student to take ‘autonomous and responsible’ action in the workplace, with the UK model which focusses on particular skills at the expense of any personal or social development and on confirming existing skills rather than encouraging the development of new ones\(^{22}\).

The state we’re in
However, the German apprenticeship system is a product of post-war ‘social partnership’, a relationship which depends on a strong regulatory framework. Under social partnership, employers and trade unions have both committed to the establishment of a national framework involving both legislation and much higher levels of state involvement and financing than the British ‘market state’ could possibly allow. Markets are closely regulated with national coordination of research and development. Apprenticeships reach well beyond the manufacturing sector – although 40% of German apprentice schemes are in industrial production and manufacturing employed 24% of workers at the end of the 20th century, compared with 18% in the UK (Steadman 2010). Providing a ‘licence

\(^{21}\) Labour Peer Adonis suggested apprenticeship is the reason youth unemployment in Germany is much lower than elsewhere. [www.guardian.co.uk/commentisfree/2013/jul/01/youth-unemployment-not-age-lack-of-skills](http://www.guardian.co.uk/commentisfree/2013/jul/01/youth-unemployment-not-age-lack-of-skills) Similarly, Will Hutton (Observer, 10/03/13). [http://www.theguardian.com/commentisfree/2013/mar/10/alan-sugar-apprenticeships-britain](http://www.theguardian.com/commentisfree/2013/mar/10/alan-sugar-apprenticeships-britain)

\(^{22}\) In this respect, the introduction of functional skills could be seen as a very limited attempt to broaden the knowledge content, with students being required to learn grammatical rules and numeric formula and, in the case of ICT, to understand why particular software programmes should be used instead of others; functional skills being more ‘knowledge based’ than the previous generically formulated ‘core’ or ‘key skills’ that featured in vocational education programmes like the General National Vocational Qualifications (Allen 2000).
to practice’, entrants have only been legally allowed to enter many occupations when they have completed the apprenticeship programme that supports them. According to Green (2001), ‘social partnership’ also has a strong cultural context; this embodies a commitment to conflict resolution and a greater commitment from workers towards the companies they work for but also a greater emphasis on social welfare and the clearly defined responsibilities of government towards its citizens. There has never been anything like this in the UK. ‘Doing it like the Germans’ would – if it were to be remotely possible – not just involve major changes to the content of vocational education and training, but, more significantly, major cultural and institutional changes at state level, a number of which were previously outlined by Hutton (1995), but as Richard concludes ‘I cannot recommend we adopt a system built, over generations, upon a very different economy, labour market and social partnership’(16).

In contrast, even though participation in UK education has increased – raised post-16 participation has also carried through to university. The British ‘market state’ has followed an American model where education and labour market advancement has been considered largely an individual matter and where educational qualifications are seen as crucial to improving the prospect of ‘employability’ – to be traded in the jobs market, rather than providing any automatic rite (and right) of passage or any occupational identity. In this respect, increasing the supply of educational credentials has substituted for the sort of ‘industrial strategy’ that exists in other European countries. Indeed, ever since the dissolution of the Department of Employment into the Department of Education in 1995, education has substituted for an economic strategy.

Classroom, not work-based learning
Rather than developing the sort of integrated system that exists in Germany where workplace training is conducted alongside classroom learning, full-time vocational education in the UK has had little direct input from employers and has been almost entirely classroom-based. Qualifications like GNVQ, for example, had no work experience requirement. They were taught almost entirely by school teachers and college lecturers, many of whom had little other employment experience (see Ecclestone 2002). As significant, rather than forming part of an employment strategy, vocational qualifications in England have played a ‘credential’ function, invariably being used as ‘second chance’ qualifications by a new generation of sixth-form students to enter university, or at least new universities rather than older ones.23 Figures produced by Pearson (BTEC’s private parent company) show admissions to UK universities by BTEC students rising 30% year on year with more than 100,000 students successfully applying to HE after studying a BTEC.24 Likewise, 60% of full-time students and 40% of part-time students on the vocationally orientated two-year Foundation degrees generally provided through FE colleges have sought to convert them to conventional honours degrees by adding another year at the franchising university.25

In order to improve the status of vocational courses, the last Labour government rebranded GNVQs as Vocational A-levels. Created in the 1990s to replace established BTEC qualifications and extending NVQ notions of specific competence contradictorily to a general area of application as applied GCSEs and A-levels with more emphasis on academic content and assessment, this resulted in ‘the worst of both worlds’ as students who had already been alienated from academic learning found these courses no longer appropriate, while those who were always going to follow traditional academic options continued to see applied qualifications as inferior. The result was that participation rates fell and many schools and especially colleges, returned to rejuvenated BTEC courses.

23 Allen and Ainley SRHE day event University of Greenwich 27th Jan 2010 http://radicaled.wordpress.com/category/the-business-studies-generation/
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New Labour’s 14-19 specialist Diplomas proved to be an expensive disaster (Allen and Ainley 2008). Designed to ‘put employers in the driving seat’, they ended up being drafted by consultants, repeating the same mistakes as previous vocational qualifications – in other words, being neither ‘academic’ nor ‘vocational’. The special funding for these qualifications was withdrawn by the Coalition and they have become virtually extinct. According to Wolf (2011), the introduction of the Diplomas, which – despite their practical orientation – were not considered by Labour ministers as ‘job training’, ghettoised apprenticeships further. Neither did the diplomas have any formal links to employment (Guardian 25/10/13).

In her 2011 Review of Vocational Education for the Coalition, Wolf went further and argued that UK vocational awards (level 1 and 2 in particular) provided low or even negative labour market returns and that 350,000 young people – between a quarter and a third of the post-16 cohort – ‘get little or no benefit’ (p.7) from post-16 education. With figures showing the number of key stage 4 vocational ‘equivalents’ achieved approaching 500,000, Wolf argued that vocational learning should only make a ‘limited contribution’ and comprise no more than 20% of a young person’s curriculum offer and that apprenticeships would provide much higher rates of return to young people by giving them workplace experience. She recommended employers be paid to take on 16-18 year olds, providing apprentices also received clearly defined off-the-job training and education.

Wolf’s critique of vocational learning has not stopped Lord Kenneth Baker, who as Secretary of State in 1986 created the original ten subject National Curriculum, trying to instigate a German ‘different schools for different routes’ approach (Baker 2013, 61). Baker and the Edge Foundation have been the driving force behind the establishment of University Technology Colleges (UTCs) which offer technical specialisation alongside main GCSE subjects like maths, English and science, but also of ‘Career Colleges’ that have a more direct link with particular occupations. There are significant tensions between Baker’s calls for more practical learning for some and Michael Gove’s emphasis on academic subjects for all school students (Allen 2013). Being sponsored by both universities and employers, Baker hopes will allow UTCs to enjoy ‘parity of esteem’ – something the post-war secondary technicals were unable to achieve – and enable young people to move into work, apprenticeships or higher-level technical education. Leaning towards Baker, if not going as far as endorsing his proposals for different types of schools for different types of learning from 14, the Labour Party have also endorsed alternative routes to a ‘general’ or ‘technical’ baccalaureate.

UTCs have similarities with the German Fachoberschulen or technical high schools which exist alongside the Hauptschulen providing more general education and the Gymnasium which resemble post-war English grammar schools. Yet, as noted earlier, because around 60% of young Germans enter apprenticeships, the Fachoberschulen are not specifically linked to them. Young people in Germany can begin an apprenticeship at 15 after finishing Hauptschule, though this is now much less common with the Fachoberschulen providing chances of obtaining apprenticeship training in occupations that offer a high income, job security and social prestige. Whereas in the 1960s the vast majority (80%) of apprentices came from the Hauptschulen, according to Tremblay and Le Bot (2003), they now make up only 40% and the majority come from higher level schools. A more recent phenomenon is that more and more young people are heading toward the dual system after having obtained their university entrance certificate. It also has to be recognised that the three tracks of the German secondary system are now becoming less distinct with the increased popularity of the Gesamtschule (comprehensive school). Whereas at the start of the century, 1.6 million young people, or approximately two thirds of the 16-25 age group, still entered the vocational route at the end secondary level 1, according to surveys, parents no longer want an early selection of their children after the fourth school year.

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27 Goethe Institute www.goethe.de/wis/bko/en3610188.htm
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The economy we’re in: apprenticeships and future occupational trends
For Steadman (2010, 23), ‘Apprenticeship in Germany is still the route into work and further career development for nearly 2/3rds of all young people’ and the survival of the German dual system has demonstrated both its durability and also its ability to respond to changes in the economy and the occupational structure. The German economy has certainly fared better in its ability to maintain its manufacturing base and its state driven apprenticeship system has clearly been integral to this. The issue is whether it can continue to do this is the future.

In the UK, the NAS continues to emphasise the huge impact which the increase in apprenticeships – even based on current patterns of delivery – will have on productivity and improved business efficiency. Thus, the Centre for Economic and Business Research (2013) predicts that 3.8m. people will complete apprenticeships by 2022, contributing £3.4bn. to the UK economy in net productivity gains, the equivalent of 0.2% of the forecast GDP for that year. The report argues that in 2012/13, gaining an Apprenticeship raised an employee’s gross productivity by £214 per week on average.

But, as CEBR itself recognises (p.5), long-term predictions depend on the ‘future development of the economy’ and also on assumptions that the successful economies of the future will continue to follow a ‘high skills’ route, generating increasing numbers of professional and managerial jobs, while the current level of youth unemployment can also be reduced by higher level vocational training. A high skills model of the economy assumes a ‘diamond-shaped’ occupational structure, where the increased demands of the workplace have the effect of pulling up the bottom into the middle. This was the model endorsed by Tony Blair and Gordon Brown, who argued that the global economy of the 21st century would increase opportunities for those who continued with education and training. Integral to these assumptions has been the further assumption that a high skills route – and by implication continued advances in technology – would be confined to the ‘magnet economies’ of the United States, Western Europe and other affluent nations.

Such ‘human capital’ responses to resolving labour market failures are open to challenge. Brown, Lauder and Ashton (2011) have described the new Global Auction for jobs where skills and technological advances have also become globalized, resulting in a ‘broken promise’ of education, jobs and incomes. They describe a shifting in the international balance of forces to the high-skill, but low-wage economies of East Asia and in the UK, UKCES (above, p.3) reports that, in contrast to major skill shortages, half of UK employers (48%) admit skills under-use, and 4.3m. workers (16% of the total UK workforce) are reported as being over-qualified – i.e. underemployed – for the jobs that they are currently doing.

Rather than a diamond shaped structure, it is increasingly argued that an ‘hour-glass’ economy is now emerging (Wolf 2011) where there are increases in managerial and professional employment but also growth of new types of unskilled work, what Goos and Manning (2003) refer as both ‘lovely’ and ‘lousy’ jobs. As a result of many intermediate and routine non-manual occupations disappearing there has been a ‘hollowing out of the middle’ (Lansley 2012). Goos and Manning attribute this as being the result of the latest applications of new technology, exacerbated by trade liberalization and outsourcing (Turner 2008).

An ‘hour-glass’ occupational structure has clear implications for young people seeking to enter the labour market and it is suggested by some28 that expenditure on creating apprenticeships needs to give way to continued expansion in the number of graduates. For example, the University Alliance 2012:

‘strategies to increase other forms of education or training to encourage moves straight into the workforce at the expense of higher education could be a disservice to individuals and the

economy if the occupations that are growing and thriving would benefit from, and provide meaningful work for, many more graduates than we currently have.’

Typically, this seriously overestimates the extent to which managerial and professional work has grown. According to Brynin (2013), only 17% of ‘scientific technicians’ were graduates in 1993 but this figure had risen to 25% by 2008 with a similar pattern for ‘health associate professionals’. As we have argued (Ainley and Allen 2010, Allen and Ainley 2013), this proliferation of professions – or para-professions, presented as a professionalization of the proletariat, particularly through widening participation to higher education, has accompanied an actual ‘proletarianisation of the professions’.

The expansion of ‘para-professional’ work has coincided with the ‘unbundling’ and ‘bite-sizing’ of work roles, designed to increase productivity and cheapen production by allowing ‘flexible’ labour substitution. As an alternative to the ‘hour-glass’ model and recognising the significance of para-professionals across the new service economy, we have argued that the occupational structure has instead turned ‘pear-shaped’ (Ainley and Allen 2013) with absolute downward rather than upward social mobility.

Elsewhere, it is suggested that a 5-75-20 service-based society has replaced the post-war pyramid (Policy Network 2014)29 in which manual work predominated with ‘time-serving’ apprenticeships for skilled labour. Instead, manual/non-manual divisions have been superseded by an ‘insecure middle’30 worse off than their counterparts a generation ago and struggling to sustain their standard of living.

This leaves the new generations running up a down-escalator of devalued qualifications in an Alice through the Looking-Glass world where you have to run faster and faster just to stand still.

**Work and Employment in the post-crash economy.**

Whatever the exact nature of the occupational structure, the cyclical effects of the downturn have increased the significance of low-paid, low-skilled and insecure work at the bottom of the occupational structure and intensified the longer term structural changes outlined above. For example, ONS statistics for December 201331 show only 137,000 of 500,000 new jobs between September 2012 and 2013 being ‘professional scientific and technical’ with the TUC also estimating that since the end of the recession, four out of five new jobs have been in low-paid sectors. According to the Chartered Institute of Personnel Directors, 1 in 4 jobs only require a primary school level education compared to countries like Germany and Sweden where they account for just 5 per cent of jobs32. The effect is that the UK has the highest proportion of low skilled jobs in the OECD after Spain. According to CIPD, 30% of workers also estimate themselves to be overqualified – the highest recorded level apart from Japan.

The number of ‘self-employed’ has also increased by 573,000 since the recession of 2008-09 – a rise of 15%. CIPD estimates that the rise in self-employment has compensated for around 40% of the loss in employee jobs. Had that not happened we could have seen unemployment nudging three million33. According to the TUC (23/01/13), 44% of jobs created since the beginning of 2010 have been ‘self-employed’ (http://union-news.co.uk/2013/01/raise-in-self-employment-masking-true-extent-of-uk-unemployment-tuc/). 40% of these have also been part time. The TUC found the largest increases in self-employment were in administrative and secretarial work (52%), sales and customer service roles (32%) and personal service occupations, such as hairdressing, cleaning and care work (31%).

**References**


30 See also Allen and Ainley’s concept of a ‘working middle’ in an ‘Americanised class structure’ (Ainley and Allen 2010)


32 [http://www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2014/02/26/higher-skilled-workers-under-used-in-uk-economy-finds-cipd-report.aspxover](http://www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2014/02/26/higher-skilled-workers-under-used-in-uk-economy-finds-cipd-report.aspxover)

In addition, the TUC report shows earnings for self-employed workers have fallen by a fifth between 2006 and 2010, suggesting that many people have been forced into it as a result of being made redundant – the TUC adds that the number of self-employed people setting up a company has fallen; so, rather than a new generation of entrepreneurs, ‘selling goods on line’ or ‘odd-jobbing’ is more likely to be the norm. The number of people paid by employment agencies has also fallen. Almost two million self-employed workers are over 50, including 400,000 over 65, suggesting self-employment is a way of supplementing meagre income from elsewhere. At 4.5 million, self-employment represents just under 15% of all working, but it is claimed that the self-employed will outnumber public sector employees within four years.35

As Frances O'Grady, General Secretary of the TUC notes (22/01/13),

‘More than in one in three new jobs created since 2010 have been self-employed roles. It would be naïve to think that these are all budding entrepreneurs. Worryingly, the figures suggest that many of those who have lost their jobs over the last few years are not simply choosing to go freelance, but are being forced into false self-employment, which is often insecure and poorly paid’35

Previously in February 2012, the TUC had estimated the real level of unemployment was over 6 million rather than the 2.68 million ‘official’ count. It argued that the jobs crisis is not confined to those out of work, with nearly two million people being forced to take low-paid, insecure, short hours contracts because of the lack of proper full-time employment36. The unemployment figures also exclude around 1.4 million people having to work part-time because they can’t find full-time jobs37.

‘Education without jobs’ - The great university bubble

Instead of being necessary to fund an increased number of graduates, we have argued previously that increases in tuition fees have been designed to ‘price out’ large numbers of applicants to university, part of a more general Great Reversal of education reform (Allen and Ainley 2013). It is clear however that this strategy has largely failed and only intensified the financial precarity of what McGettigan (2013) has aptly called The Great University Gamble. Even if there may have been a decline in the number of older applicants, UCAS data38 shows that the number of school leavers aiming for university, particularly those from less well-off back grounds continues to hold up.

The huge number of applicants, but as importantly the low salaries that many graduates are predicted to receive, means that the write-off figure for student loans is rapidly approaching the 48.6% mark. This is the threshold figure where the government will lose more money than it would have saved by keeping the old £3,000 tuition fee. According to the Sutton Trust39, nearly three quarters of students will fail to clear their loans before they are written off and the large majority will still be paying off into their forties, even their early fifties (based on the current £21,000 income threshold). The Institute

34 www.cityam.com/article/1395711130/self-employed-outnumber-public-sector
36 http://union-news.co.uk/2012/02/uk-total-unemployment-rate-more-than-6-million-says-tuc/#sthash.MbvjOnhk.dpuf.
38 www.ucas.com/about_us/media_enquiries/media_releases/2012/20120130
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For Fiscal Studies (reported in the Guardian 24/04/14) estimated that for each £1 loaned to students for maintenance and tuition, the average long-term cost to the government will be 43p. This means that an average £40,000 loan requires a £17,000 subsidy. According to the IFS, when other forms of government spending on undergraduates is taken into account, each student costs the taxpayer just over £24,500 in total over the whole of their degree course. This works out at around £7,600 per year of study, for an average course of 3.2 years – more than the £6,000 on average that the government spent on each state secondary school pupil in 2012/13.

With half of current 17 year-olds predicted to go to university at some time or other, without radical changes to the way loans are repaid or to the threshold repayment level, the great university bubble can surely only burst. On the other hand, it continues to be the case that a graduate earnings premium continues to be evident – if not the £100,000 more in lifetime earnings that graduates can supposedly expect over those without degrees, graduates join the jobs queue ahead of non-graduates. With no real alternatives, young people have few other options and many realize they will never have to pay their loans back anyway!

Despite mass higher education helping to consolidate ‘education without jobs’, official statistics (ONS April 2014) showed almost 900,000 16-24 year olds out of work, over 700,000 18-24 year olds and 600,000 16-24 year olds not in full-time education. In addition 1.04 million young people continue to be classified as NEET (Not in Employment, Education or Training) almost 15%, or over one in seven of all 16-14 year olds.

A good general education for everybody

The inadequacies of UK vocational education have been outlined above, particularly the lack of connection between classroom ‘vocationalism’ and workplace learning as well as the minimal involvement of employers. Repeated efforts to rebuild a vocational route with ‘parity of esteem’ to the long-established academic one have ended in failure time and again and will continue to do so. Within higher education also, particular subjects like Law and Medicine (the original vocations along with the priesthood) have always been oversubscribed, but young people now sign up in their thousands for newer areas like Business Studies, UCAS data showing over 220,000 UK applications by March 2014 for Business and Administration courses starting in September of that year (220,000 in all), a 5% increase on the previous year and representing 10% of all applications.

A high level of applications for courses that are perceived to be directly vocational is understandable given the current economic climate and the increases in student fees but, as we have documented elsewhere (Allen and Ainley 2010 and 2013), up to one third of recent university graduates continue to end up in ‘non-graduate’ jobs, particularly those from the more vocationally inclined post-1994 universities. At the same time, leading graduate employers are more likely to recruit from a small number of elite institutions as much as they are subject disciplines.

Raised and differentiated tuition fees can only increase the commodification of student experience and heighten differences amongst students. Reductions in fees are necessary but there should also be an emphasis upon the contribution to knowledge that students can make in their chosen area. The limitations of academicism also need to be recognised, instead of being shored up by a new curriculum of ‘powerful knowledge’ (Young 2013). This can only emphasise the role of cramming for largely literary tests of academic ability as proxies for more or less expensively acquired cultural capital in a competing hierarchy of semi-privatised and state-subsidised provision from primary to post-graduate schools. This competition has the effect of sorting out students according to their

40 www.telegraph.co.uk/education/educationnews/10783491/IFS-rise-in-student-fees-will-not-save-taxpayer-money.html
41 www.ons.gov.uk/ons/rel/1lms/labour-market-statistics/april-2014/index.htm
parental background by the differential discourses they acquire in largely arts and humanities degrees in hopes of entry to what has become a hierarchy of ‘graduatised’ employment distinguished from non-graduate entry jobs to which the other Half our Future (1963) with inferior vocational or no qualifications are relegated. Instead, the vocational nature of higher and further education should be recognised as extending to the most prestigious of subjects at the most elite of institutions, as in the ‘original vocations’ of law and medicine above but also the other STEM subjects and, indeed, the academic vocation itself. This is the way that higher education can recover itself in connection with further training to recognise and build what Silver called ‘a thick HE’ (2004), one that is both theoretically informed and practically competent.

At the upper end of secondary education, rather than Labour’s proposals for an alternative Techbacc for half of 14+ school students, a general diploma should be available for everybody. Education in schools should also be informed by the discussion, research and scholarship preserved and developed by post-compulsory further, higher and adult continuing education in a process of critical cultural transmission, creation and recreation. Fundamentally however, the perception of ‘the problem’ needs to be changed: from being seen as one where young people lack the ‘skills for employability’43 to recognise that it is the majority of employment that is being systematically deskilled by outsourcing, subcontracting, bite-sizing, unbundling and all the other ‘flexibilities’ inflicted on labour by the latest applications of new technology. Schools, colleges or universities offering ‘pre-vocational’ general, further or higher education, or government-backed pseudo-work placements, bogus apprenticeships and endless internships are no answer to this crisis of employment. Instead, the starting point should be one of entitlement. This is not ‘the right to work’ under which the left continues to operate within a post-war collectivised model of the labour market. Rather, we argue for conditions under which entitlement to work and to learn about work – and not just to work – are part of a process of cultural creation and recreation. This involves thinking through what a general schooling leading to graduation as citizen and worker ‘fit for a variety of labours’ would involve, as well as how to revocationalise ‘thick FHE’.

CONCLUSION

Young people and employment: the need for alternative economic strategies

Instead of young people’s fortunes depending on changes to education and training – whatever form these may take, it is robust alternative macro-economic policies that are needed if the economic and occupational trends outlined above are, at the very least, to be moderated and youth unemployment to begin to be reversed. Without these, the changes to the way apprenticeships are funded, proposed by Richard and now being drafted by government could, as suggested earlier, result in a large reduction in the number of apprentices, especially as most of the employers who are to be put in charge of them do not really need them.

Alternative policies would need to go much further than anything considered before, directly challenging the neo-liberal ‘market state’. These policies would need to be accompanied by direct initiatives aimed at young people in the way we have outlined previously elsewhere (Allen and Ainley 2012 and 2013). These initiatives need to focus on job creation, rather than following the neo-liberal creed that ‘upskilling’ the workforce will generate new employment opportunities. The current ‘austerity’ measures of the Coalition and the EU should be rejected in favour of significant increases in public spending – the basis of an ‘old fashioned’ Keynesian reflation and pushing unemployment well below the 7% mark that, according to Bank of England Governor Mark Carney, represents a

43 For instance in the latest British Chambers of Commerce Budget submission (23/2/14) asking for government subsidy to hire long-term unemployed 16-24 year-olds and so allay employers’ concerns about the work readiness of young people... faced with a deficient education, training and skills system.’
new norm, if not a new definition of ‘full employment’.

But it goes without saying that ‘demand’ side policies by themselves will be nowhere near adequate to challenge the structural (supply-side) weaknesses of the UK’s ‘declining economy’ (Allen and Ainley 2013) and to at least significantly restrict the changes in the occupational structure noted above. As argued above, the UK continues to lack anything which resembles an ‘industrial strategy’ and instead relies on ill-conceived education policies to substitute for one. For example, rather than attempting to mimic aspects of East Asian education systems, it should be recognised that, as in Germany and despite differences in both emphasis and operation, the national state apparatus as much as the market continues to play a leading role in the economy (TUC 2014). Again, this is not to imply that these sorts of policies can simply be imported but they can provide a starting point to a long overdue debate.

This study has sought to ground a critique of apprenticeships within an analysis of changes in the labour market. Within academia in particular, especially amongst those concerned with social justice, a more interdisciplinary approach is needed and—to quote the esteemed Monsieur Picketty—‘social scientists in other disciplines should not leave the study of economic facts to economists’ (Piketty 2014, 575). More precisely, a new political economy of and for young people is urgently required.

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Based on new research, Martin Allen and Patrick Ainley refute exaggerated government claims about the successful re-introduction of apprenticeships. They explain the difficulties of emulating the German system, but also argue that more general changes in the economy threaten the existence of many of the occupational skills with which apprenticeships have traditionally been associated. This calls for new approaches, not Another Great Training Robbery.

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