
Mr Cameron's Three Million Apprenticeships

MARTIN ALLEN

ABSTRACT In the 2015 general election campaign David Cameron celebrated the success of apprenticeships during the Coalition and promised another 3 million. This article argues that the 'reinvention' of apprenticeships has neither created real skills nor provided real alternatives for young people and that the UK schemes fall far short of those in Germany, for example. Apprenticeships can only be improved, it concludes, if there are alternative economic policies to support them.

The promise to create three million new apprenticeships for young people became a key policy commitment in David Cameron's election campaign, but reinventing apprenticeships has received unanimous backing across the political spectrum, as did George Osborne's budget proposal for an employer levy to pay for them. The term 'reinvention' is an appropriate description because the new schemes are very different to the traditional 'time-serving' apprenticeship that proved an important avenue in the transition from school to work for young working-class people – particularly males – but which were in serious decline by the end of the 1960s. Apprenticeships were briefly replaced by ill-fated 'youth training' schemes described as no more than *Training without Jobs* (Finn, 1987)[1], but the last decades of the twentieth century saw dramatic increases in participation in post-16 and higher education.

Why Have Apprenticeships Been Reinvented?

Apprenticeships have been reinvented as a result of a number of sometimes contradictory pressures. Firstly, youth unemployment is still more than double that for the population as a whole and there are still nearly 1 million 16-24-year-old NEETs (Not in Education, Employment, or Training). At the same time the consequence (and success) of mass higher education has led to concern about the over-supply of graduates, with up to a third ending up in non-

graduate jobs, and estimates that 40% of student debt may never be repaid. It has also been argued that as a result of the higher education bubble there is now a growing 'skills gap' [2] in a number of craft and technician level jobs – though the evidence for this is less convincing. More recently, the *Wolf Review of Vocational Education* [3] has criticised school and college classroom-based vocational education, arguing that it provides poor labour market returns and that more workplace-based training is needed.

Originally rebranded as Modern Apprenticeships by John Major – apprenticeships now exist at Intermediate (level 2), Advanced (level 3) and Higher level – in order to start one, an individual must be employed for 30 hours a week and an employer must follow one of the 200 established frameworks. New employers are eligible to receive up to £1500 for 10 apprentices aged between 16-24; all training costs for those under 19 are reclaimable, and up to 50% for others.

Are Apprenticeships a Real Alternative for Young People, or a Great Training Robbery?^[4]

The majority of the two million plus apprenticeships created while the Coalition was in office did not provide real alternatives for young people. Firstly, there continues to be a shortage of opportunities – on average there have been up to 12 applicants per post, with 'elite' apprenticeships, like those with British Gas for example, generating much higher demand. The highest number of apprenticeships is in business, followed by social care and retail – a reason why there are now as many female apprentices as male. The construction and manufacturing sectors, areas where skills shortages are often cited, have performed poorly.

Secondly, at least until very recently, the majority of apprenticeships have been for existing employees 'converted' into apprentices (Fuller & Unwin, 2012).[5] This has allowed the National Apprenticeship Service (NAS), charged with the development of the new apprenticeships, to meet its targets. It has also enabled training providers to continue to access state funding. An investigation for BBC's *Panorama* (2 April 2012) exposed the supermarket chain Morrisons, finding that up to 40% of its entire workforce had been reclassified as 'trainees'. *The Telegraph* (28 October 2011) also reported on an ASDA scheme that accounted for 25,000 apprenticeship posts, but only for staff already employed at the supermarket.

A Department for Business, Innovation and Skills (DBIS, 2014) apprenticeship survey [6] showed that 82% in hospitality and catering, 63% of hairdressers and over half of those in construction and business related apprenticeships were already existing employees. According to other DBIS data [7], between August 2014 and April 2015, there were only 123,480 'on-line' (external) apprentice vacancies. The most recent national data for August 2014 and April 2015 [8] shows a small increase in the proportion of apprenticeship starts by those under 19 (now over 1 in 4), but this is the result of a fall in the

number of those aged 25 and over and there has been concern that the overall number of people beginning apprenticeships may be tailing off.

Two-thirds of new starts continue to be at Intermediate (General Certificate of Secondary Education [GCSE]) level and only last a year, with no guarantee of employment after completion or of progression to Advanced level and beyond. The fact that 70% of 16-year-olds already gain five A*-C pass grades at GCSE means that most current apprenticeships do not upgrade skills, but only replicate them. In other words, most apprenticeships have been low-level and dead-end. The number of Advanced-level apprenticeship starts has been particularly low compared to the 800,000 entries for General Certificate of Education (GCE) A levels. In 2013/14 there were only 35,600 Advanced-level starts by under-19s – less than a third of the 145,000 total starts. Meanwhile, at Higher level, comparable to the early years of higher education, there were just under 3000 starts by those under 24 – one-third of total starts – but only 700 by those under 19. By way of comparison, 40% of all young people now start some form of higher education.

Although all apprenticeships are supposed to provide technical knowledge and some general education, narrow, competence-based National Vocational Qualifications (NVQs) have formed the basis of apprenticeship training. The style and educational content of 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. NVQs are mostly workplace based, and rather than any educational assessment, involve 'verifiers' visiting workplaces to observe the carrying out of tasks, or to collect witness statements by employers to supplement observations. In another DBIS survey, only half of respondents reported they had any 'off the job' training, while those apprentices who did averaged under five hours a week, compared with 11 hours 'on the job'.

Why Can't We Do it like the Germans?

The 2012 Richard Review [9], carried out for the Coalition Government by *Dragon's Den* television show panel member Doug Richard, led to a series of recommendations on improving the quality, the level and the take-up of apprenticeships by young people, but UK apprenticeships remain far removed in quality from those of Germany – admired by many and cited as a reason for the lowest rate of youth unemployment in western Europe. But the German system has involved a 'social partnership' between employers, government and trade unions, where an apprenticeship provides a future 'licence to practice' in an occupation, rather than representing just a 'job'. Some 25% of employers provide apprenticeships; those with more than 500 employees are legally required to do so. Thus, apprenticeships in Germany form the backbone of an employment strategy for young people, with a much smaller proportion going on to university.

In Germany, apprenticeships are started by around one in six young people, with 90% of these progressing to full employment; 90% of apprenticeship starts in Germany are at level 3 or above, with apprenticeship content discussed by employer and trade union committees. 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. There is also a much greater continuity between apprenticeship training and technical and vocational education in German schools. The United Kingdom has no link, with vocational education mostly an entirely classroom-based activity and higher-level vocational courses as likely to be used as 'proxy' qualifications to university.

Are Apprenticeships a Skills or a Jobs Problem?

The main drag on the growth and the improvement in the quality of apprenticeships, however, remains the type of economy for which apprenticeships will be created. Here there are major issues. Firstly, the increase in the United Kingdom's gross national product has been continually cited by George Osborne to confirm that his economic policies are working. This, however, is the result of an increase in the size of the labour force, not an increase in skills, productivity or technological investment. Much of this growth is the result of (often illusory) 'self-employment' and a 'zero-hours' workforce. As the TUC [10] has shown, up to 80% of the 'new' jobs created in the post-2008 crash economy have been low skilled and low paid. Meanwhile, thousands of permanent public-sector jobs have been decimated. The UK economy, without an industrial strategy or any national investment plan, is heavily dependent on the short-term profitability of the financial sector and has also been far more exposed to longer-term structural changes that are the consequence of neo-liberalism, particularly the further decline of manufacturing and the outsourcing of jobs.

There continue to be alarming predictions about the way in which many of the technician and 'intermediate' level jobs with which apprenticeships are associated will disappear as a result of the automation and digitalisation of a Second Machine Age.[11] It may well be that skills shortages exist in certain areas, but at the same time a United Kingdom Commission for Employment and Skills (2014)[12] employer survey estimated that 4.3 million workers currently have qualifications and skills more advanced than their job requires while the influential Chartered Institute of Personnel Directors (2014)[13] calculated that one in five jobs need only primary education. As a result, a major problem with apprenticeships is that many employers do not need them. With 40% of the workforce now educated to degree level, why would employers want to spend money on training for higher-level apprenticeships when they can recruit graduates?

The Prime Minister and his advisers have either been completely misled about how apprenticeships work, or have been able to exploit a more general public ignorance. The Conservative election manifesto and the Queen's Speech promised 3 million new apprenticeships, but at the same time, only 2 million new jobs. In labour market statistics, apprenticeships count as jobs and apprentices have to be paid at least a minimum wage – even if many may not be. Therefore, on the basis of numbers alone, regardless of quality, Cameron is already seriously undershooting his target for apprenticeships. In order to solve the apprenticeship problem, government must also solve the jobs problem. Apprenticeships can certainly be improved, but without alternative economic policies and in particular without a proper industrial and employment strategy to support them, they will not provide a secure passage to employment in the way they could.

Young People and the Transition to Employment at the Beginning of the Twenty-first Century

The continued lack of proper opportunities means that becoming an 'apprentice' is not an alternative to continuing to be a 'student'. As a result, most of those that are able to do so will continue to join the scramble for higher education. Despite high tuition fees and high levels of graduate underemployment, attending university, at least for the moment, puts graduates further up the jobs queue and allows them to earn considerably more – with a government-commissioned Lancaster University study (DBIS, 2013)[14] showing that men with degrees will have earned 28% more during their working life than those without; for women, the gap equates to 52%. Despite educational opportunities being better than they have ever been, young people no longer make the relatively smooth transitions to employment that they once used to – in the early 1970s, for example, 40% still left school without any qualifications. For most, entering the labour market is now a prolonged and precarious affair. Leaving school is now only the start.

Notes

- [1] D. Finn (1987) *Training without Jobs: new deals and broken promises*. Basingstoke: Macmillan.
- [2] See H. Steedman, H. Gospel, & P. Ryan (1998) *Apprenticeships: a strategy for growth*. Centre for Economic Performance paper.
http://eprints.lse.ac.uk/20248/1/Apprenticeship_A_Strategy_For_Growth.pdf
- [3] A. Wolf (2011) *Review of Vocational Education*. London: Department for Education.
- [4] See Martin Allen & Patrick Ainley (2014) *Another Great Training Robbery or a Real Alternative for Young People*. www.radicalbks.com

- [5] A. Fuller & L. Unwin (2012) What's the Point of Adult Apprenticeships? *Adults Learning*, 23(3), 8-13.
- [6] Department for Business, Innovation and Skills (2014) Apprenticeship Pay Survey. <https://www.gov.uk/government/publications/apprenticeship-pay-survey-2014>
- [7] Department for Business, Innovation and Skills/Skills Funding Agency Apprenticeships May 2015. The Number of Vacancies Posted. <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeship-vacancies>
- [8] DBIS (2015) Statistical First Release. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/438131/SFR_commentary_June_2015.pdf
- [9] D. Richard (2012) The Richard Review of Apprenticeships. London: Department for Business, Innovation and Skills. <http://www.schoolforstartups.co.uk/richard-review/richard-review-full.pdf>
- [10] According to the TUC press release (12/07/13), almost 80% of new jobs created since June 2010 have been low-skilled, low-paid and often part-time, insecure jobs in sectors such as retailing, waitressing and residential care with an average hourly wage of £7.95 or lower.
- [11] For an assessment of the effects of the new technologies on employment, see Erik Brynjolfsson and Andrew McAfee's (2014) *The Second Machine Age: work, progress and prosperity in a time of brilliant technologies*. New York: W.W. Norton.
- [12] United Kingdom Commission for Employment and Skills (2014) Employer Skills Survey. <https://www.gov.uk/government/collections/ukces-employer-skills-survey-2013>
- [13] Chartered Institute of Personnel Directors (2014) *Industrial Strategy and the Future of Skills Policy: the high road to sustainable growth*. <http://www.cipd.co.uk/hr-resources/research/industrial-strategy-skills-policy.aspx>
- [14] Department for Business, Innovation and Skills (DBIS) (2013) *The Impact of University Degrees on the Life Cycle of Earning*. London: DBIS.

MARTIN ALLEN is a researcher interested in young people, education and skills. He has taught in secondary, post-16 and higher education and was an activist in the National Union of Teachers for 25 years. More details about apprenticeships research can be found at www.radicalbks.com. Correspondence: marall1@btinternet.com