

Apprenticeships. New Opportunities for Young People, or Another Great Training Robbery?

Martin Allen and Patrick Ainley

Contact email: marall1@btinternet.com

Abstract :

Apprenticeships have been 're-invented' supposedly as a way of enabling young people to enter skilled and reliable employment, but also as an alternative to attending university. Building on the findings of our initial research, this paper argues that despite the creation of over 2 million apprenticeships since 2010, there is little evidence of either of these. On the contrary, it argues that apprenticeships have constituted a 'Great Training Robbery' and that without a radical change in the way the economy is organised, attempts to improve their 'quality' are unlikely to be sufficient. As traditional 'transitions' from school to employment continue to break down, the expansion of the apprenticeship programme provides new challenges for practitioners.

Keywords: Young people, employment, skills, apprenticeships, economy.

Introduction

The reinvention of apprenticeships in the UK has received unanimous backing across the political spectrum. 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 people – particularly young males – and which were in serious decline by the end of the 1960s. These were replaced by 'youth training' – described by its critics as *Training Without Jobs* (Finn, 1987). Although youth training was a kneejerk response to increased cyclical unemployment and economic downturn in the 1970s, young people have faced growing 'structural' unemployment – the collapse of apprenticeships coinciding with the rapid decline in manufacturing which had previously generated 'youth jobs'. As a result of declining employment opportunities, young people have increasingly stayed in full-time education for longer, many on 'vocational' courses in sixth-forms or in Further Education, but also progressing to Higher Education – what has been described as a process of 'education without jobs' (Ainley & Allen, 2010).

Initially renamed as Modern Apprenticeships by John Major, it was during the period of the Coalition government that apprenticeships became a major part of education and training policy, with well over 2 million being created. As well as being promoted as an alternative to university, apprenticeships were also introduced in response to perceived labour market needs – though as will be clear later, the evidence of this is far from convincing. According to researchers at the Centre for Economic Performance, London School of Economics and Political Science for example:

Britain has serious skill shortages and enduring skills gaps at the skilled crafts, technician and associate professional level. These shortages have consequences for the economy as whole, contributing to wage inflation and making macro-economic policy management more difficult by pushing up wages and lowering productivity growth in the longer term (Steedman, Gospel & Ryan, 1998).

The current issue and full text archive of this journal is available at: www.ymcaresarch.org

As a result of the changing nature of the economy and the decline of manufacturing, the vast majority of new schemes have been in the service sector – business, healthcare and retailing recording the most starts and there have been as many starts by women as by men.

This contribution builds on our initial research on apprenticeships (Allen & Ainley, 2014). That research involved an analysis of official statistical data on apprenticeship participation and a review of report evidence on the success of apprenticeships from other interested parties. It was motivated by our more general interest in the relationship between young people, education, skills and employment – on which we have published widely (see in particular Allen & Ainley 2007, 2013; Ainley & Allen, 2010). We include here the most recent Skills Funding Agency data on apprenticeship starts and in the context of the 2015 General Election result, provide a more accurate assessment of their future direction than is widely available.

There has continued to be a shortage of apprenticeships

It is sometimes argued that apprenticeships have an image problem in that they are seen as being inferior to attending university (Ofsted has criticised schools for not promoting them), or that parents are prejudiced and have not been properly informed about their importance (Blackwell, 2015). There may be some truth in this, but the main problem is that there continues to be a shortage of opportunities. As our research noted, between August and October 2013 for example, over 460,000 online applications were made through the National Apprenticeship Service, representing a 46% increase; but vacancies only increased by 24%, resulting in 12 applicants per post.

As our research also noted, manufacturing and engineering apprenticeships are particularly in short supply. ‘Elite’ apprenticeships, those with British Gas and Rolls-Royce for example, 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, the then 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’.

There has been an additional problem in that many of the new apprenticeships were set up for existing adult employees who were ‘converted’ into apprentices (Fuller & Unwin, 2012). This allowed the National Apprenticeship Service (NAS), charged with the development of the new apprenticeships, to meet its targets; but with the ‘Train to Gain’ initiative being wound down, it also enabled training providers to continue to access state funding. An investigation for BBC’s *Panorama* (02/04/12) for example, found that nearly 4 in 10 of supermarket chain Morrison’s entire workforce were classed as ‘trainees’ so 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 Morrison’s apprenticeships starting in the academic year 2010/11, only 2,200 were for those below 19, while in the same period Morrison 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.

Increasingly susceptible to charges that apprenticeships were not delivering what they were supposed to, the Coalition commissioned television’s *Dragons’ Den* entrepreneur Doug Richard to conduct a review. Partly as a result

The current issue and full text archive of this journal is available at: www.ymcaresarch.org

of his recommendations (Richard, 2012) new data shows over a quarter of apprenticeships being started by under-19 year olds. In 2011/12 and 2012/13, by way of comparison, when Coalition policy begun to kick in; almost half of apprenticeships were started by over 25 year olds and another third by those between 19-24:

Apprenticeship starts August 2014–April 2015

Under 19	101,700
19-24	122,100
Over 25	150,300

Source: Statistical First Release SFA/SFR29, published 25th June 2015

At the same time however, the increases in total number of starts may be levelling off. There were 440,400 Apprenticeship starts in the 2013/14 academic year, a decrease of 13.7 per cent on 2012/13. The provisional SFA figures show there are currently 776,800 participating in funded apprentices, this compares with 851,000 during the previous 12 months and 868,700 for 2012/13. Much of the levelling can be explained by the fall in adult apprentices.

Most apprenticeships have been low level and ‘dead end’

As the data below shows, a further problem with the new apprenticeships, is that two-thirds continue to be at Intermediate (GCSE) level, lasting a year sometimes shorter. The fact that 70% of 16 year-olds already gain 5 A*-C pass grades at GCSE means that most current apprenticeships do not provide opportunities for any skills development, only replication. Neither are there clear routes of progression for young people through the different apprenticeship levels. Greenwich University research (DBIS, 2013a) shows 53% of Advanced level apprenticeships had progressed via Intermediate level, but only 61% of those were under-19:

Apprenticeships starts August 2014-April 2015 at different levels

Intermediate	224,000
Advanced	122,100
Higher	12,300

Source: Statistical First Release SFA/SFR29, published 25th June 2015

Apprentices and students

The number of Advanced level starts is particularly low compared to the 850,000 entries for GCE A-levels in the summer of 2014. For the previous full-year, there were only 35,600 Advanced level starts by under-19s – less than a third of the 145,000 total starts. At higher level there were just under 3,000 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. In otherwords, despite Coalition attempts to promote them as such, apprenticeships are not a serious alternative to university for young people in terms of future occupational progression and earnings.

Even taking into account the cost of student loans and despite the number of graduates pushed down into ‘non-graduate’ jobs (Allen & Ainley, 2013), degrees still pay a ‘graduate premium’. A Lancaster University study commissioned by the Department for Business, Innovation and Skills (DBIS, 2013b) shows average graduate earnings exceed those of non-graduates in all subject areas. Men will have earned an additional 28% more (£168k over a working lifetime) on average compared with someone with a similar background who did not go to university.

The current issue and full text archive of this journal is available at: www.ymcaresarch.org

For women, the gap between what female graduates and non-graduates earn is markedly larger, equating to an additional 52% (£252k over a working lifetime).

Claims that young people are deserting university for apprenticeships are therefore groundless, as are assertions by Labour MP Frank Field that ONS data show 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 apprentice 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, 2013c).

Further Greenwich University research (DBIS, 2014) also shows low rates of progression from Advanced Level Apprenticeships to Higher Education. While 20% of Advanced Level Apprentices had moved on to 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%.

A Great Training Robbery?

Although all apprenticeships are supposed to provide technical knowledge and some general education, narrow competence-based National Vocational Qualifications have formed the basis of apprenticeship training. 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 (see in particular, 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 assessed 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. For critics, the NVQ preoccupation with 'learning outcomes' deliberately ignores how learning takes place. For Brockmann, Clarke and Winch (2008) for example, 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.

General Election 2015: Mr Cameron's three million apprenticeships

The Richard Review called for apprenticeships to be for new workers in new roles and that as the 'real consumers' of training, employers should have more control over what sort of training apprentices should have and how government funding was used. In October 2013 the Government published its reform programme, *The Future of Apprenticeships in England: Implementation Plan*. This announced that apprenticeship specifications would be redesigned by leading employers in each sector and that new forms of funding delegation would be financed which would put 'employers in the driving seat'.

Both Labour and the Conservatives backed Richard's proposals and pledged more and better apprenticeships in the next Parliament. In the run up to the election, 'apprenticeship' became a buzz-word as the Conservatives promised

The current issue and full text archive of this journal is available at: www.ymcaresarch.org

another 3 million and to 'roll out Degree Apprenticeships' – by this we assume they meant more Higher Level schemes. David Cameron, taking advantage of pre-election media attention, launched a new Whitbread's scheme, announcing he wanted apprenticeships to be level-pegging with a university degree, giving millions more people the dignity of work and a regular pay packet (*BBC Election 2015*, 09/04/15). But the new apprenticeships were at the subsidiary Costa Coffee, where an intermediate programme, as well as teaching how to make hot drinks, will also include customer service, communication and team-building skills (!). With the election days away, Cameron also promised that £227 million raised from Deutsche Bank Libor fines would be used to create 40,000 apprenticeships for 22-24 year olds who had been out of work for six months (*Guardian* 28/01/15) – failure to accept an apprenticeship would result in loss of benefits.

In response to concerns from government skills advisor Alison Wolf, that there would not be enough money to fund the high quality schemes the economy needed (Wolf, 2015), Chancellor Osborne announced an apprenticeship levy on large firms (July 2015 Budget). At the time of writing there are no further details, although Wolf suggested a 0.5% contribution on employer payrolls would raise £2 billion. Osborne also announced that rather than employers being given money directly, a new 'digital voucher' exchangeable for government funding can be passed to a chosen provider. This would certainly reduce paper work, but as our research warned, a potential problem with the Richard proposals will be that smaller employers in particular, would have neither the time or the experience to run an apprenticeship scheme as they have relied on the training agencies to recruit, organise and provide apprentice training.

In the construction industry, for example – which the government considers a crucial area of growth and development, the Industry Training Board's Steve Radley told a Parliamentary Sub-Committee for Education and Training (10/12/14) that seven out of ten providers in the sector (one in which the government had been anxious to increase apprenticeships) had less than 49 employees and questioned their ability to be able to negotiate with individual providers. Unsurprisingly, because they have been one of the main financial benefactors, training agencies have been some of the most critical of the new proposals, claiming they could result in an 80% drop in numbers, with HIT Training's John Hyde telling *The Guardian* (07/01/14), the proposed changes were 'well-intentioned but ultimately misguided. It risks derailing vocational skills training for our young people'.

Why can't we do it like the Germans?

Though Richard considered it inappropriate for the UK, the German apprenticeship system has provided an inspiration to others, with Labour's influential Lord Adonis arguing it was the reason for both German economic success and low levels of youth unemployment (*Guardian* 07/01/13). Rather than using the free-market 'employer-led' approach proposed by Richard however, the German model is dependent on state direction. German apprentices sign a contract lasting for around three years with a company licenced as a provider rather than merely an employer. 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 (Steedman, 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.

The current issue and full text archive of this journal is available at: www.ymcaresarch.org

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 even 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 compared to just 11 in the UK (Steedman, 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.

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 (Steedman, 2010). Providing a ‘licence to practice’, entrants have only been legally allowed to enter many occupations by completing an apprenticeship. As a result, 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.

While the German system is far from perfect, it remains light years away from that of the UK.

A jobs, not a training problem

Despite being exposed to global pressures and adopting an increasing Neo-Liberal orientation, the German economy has 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 in the future. This can be contrasted to the UK economy without any real industrial or employment policy that relies on a labour market predominately determined by ‘free market’ principles, has been more fully exposed to longer term structural change and where the decline of ‘intermediate’ and technical jobs has been more pronounced.

Examination of labour market trends in the post-crash period now show that a large proportion of new jobs being created are low-skilled, low-paid positions at the lower end of the service sector. The increase in output has been the result of an increase in those in employment, not because of an increase in productivity or technological investment. There has also been a growing ‘self-employed’ and ‘zero-hour’ *lumpen* workforce, while trade unions have remained weak and have found it increasingly difficult to recruit among an atomised and disparate workforce.

Without a radical change in the way the economy is organised, simply improving the ‘quality’, the design, or the image of apprenticeships in the way suggested earlier, is unlikely to be sufficient. With a UKCES (2014) employer

The current issue and full text archive of this journal is available at: www.ymcaresarch.org

survey estimating 4.3 million workers currently have qualifications and skills more advanced than their jobs require and the influential CIPD (2014) calculating that 1 in 5 jobs needs only a primary education, a major misconception of free market or 'neo-classical' economics is that increasing the supply of 'skills' will inevitably lead to increased employer demand for them.

From a research perspective, the discussion about the future of apprenticeships has to be a debate about economics as much as it does about education and training and this requires a much more interdisciplinary approach than has been the case so far. For practitioners however, helping young people navigate an increasingly precarious transition to adulthood, the reinvention of apprenticeships creates a particular dilemma. While the apprenticeship system as a whole may be failing to provide the necessary security needed, for many individual young people, even a low level and temporary apprenticeship may be the only thing on offer or preferable to an unpaid work experience placement – or even spending another year on a college course that is unable to provide clear outcomes.

Most basically, what is widely understood as *The Youth Question* – how society integrates successive generations into its ongoing structures and strictures – is, as Phil Cohen wrote in the original preface to his 1997 *Rethinking...*, 'affected by the profound changes which our society is at present undergoing [which] are radically redefining the terms of the youth question in a way which has outstripped our existing grammars of explanation'. As a result, traditional paradigms of 'transition' have collapsed, putting in question the traditionally conceived mentoring role of youth work. Youth work, as Tony Jeffs says in his introductory scene setting to Naomi Stanton's 2015 *Innovation in Youth Work*, is therefore 'obliged to remake itself' once again (p.11).

References

- Ainley, P. & Allen, M. (2010), *Lost Generation? New strategies for youth and education*. London: Continuum.
- Allen, M & Ainley, P. (2007), *Education make you fick, innit?* London: Tufnell Press.
- Allen, M. & Ainley, P. (2014), *A Great Training Robbery or a Real Alternative for Young People? Apprenticeships at the of the 21st century*. Available at www.radicaledbks.com
- Allen, M. & Ainley, P. (2013), *The Great Reversal. Young People, Education and Employment*. London: Radicaled. Available at www.radicaledbks.com
- Allen, M. (2004), *The rise and fall of the GNVQ. Young people and vocational qualifications at the start of the twenty first century*. PhD thesis, Open University.
- Blackwell, C. (2015), 'The march of the apprentices', *Independent(I) My View*, (06/03/2015).
- Brockmann, M., Clarke, L. & Winch, C. (2008), *Knowledge, skills, competence: European divergences in vocational education and training (VET) – the English, German and Dutch cases*, Oxford Review of Education, 34 (5), pp.547-67
- CIPD (2014), *Industrial strategy and the future of skills policy The high road to sustainable growth*. Available at: <http://www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2014/02/26/higher-skilled-workers-under-used-in-uk-economy-finds-cipd-report.aspx>
- Cohen, P. (1997), *Rethinking the Youth Question*, Basingstoke: Macmillan
- Department for Business Innovation and Skills (2013a), *Research Paper 176 Progression of Apprentices to Higher Education*. London: DBIS
- Department for Business Innovation and Skills (2013b), *Research Paper No 112 The Impact of University Degrees on the Life Cycle of Earning: Some Further Analysis*. London: DBIS

The current issue and full text archive of this journal is available at: www.ymcaresarch.org

- Department for Business Innovation and Skills (2013c), *Research Paper No. 121 Apprenticeship Pay Survey*. London: DBIS
- Department for Business Innovation and Skills (2014), *Research Paper No. 176 Progression of Apprentices to Higher Education – Cohort update*. London: DBIS
- Finn, D. (1987), *Training Without Jobs: New Deals and Broken Promises*. London: Macmillan
- Fuller, A. & Unwin, L. (2012), *What's the Point of Adult Apprenticeships?* *Adult Learning*, 23 (3) Spring, pp.8-13
- HMG (2013), *The Future of Apprenticeships in England: Implementation Plan*. London: HMG
- Hyland, T. (1994), *Competence, Education and NVQs*. London: Cassell
- Institute of Public Policy Research (2013), *Rethinking Apprenticeships*, www.ippr.org/publications
- Jeffs, T. (2015), 'What Sort of Future?' in N. Stanton (Ed), *Innovation in Youth Work: Thinking in Practice*, London: YMCA George Williams College
- Jessop, G. (1991), *Outcomes: NVQs and the Emerging Model of Education and Training*. London: Falmer
- Richard, D. (2012), *The Richard Review of Apprenticeships*, Department for Business Innovation and Skills. Available at: <http://www.schoolforstartups.co.uk/richard-review/richard-review-full.pdf>
- Smithers, A. (1997), 'A critique of NVQs and GNVQs' in *Education 14-19 Critical Perspectives*, London: Athlone
- Steedman, H. (2010), *The State of Apprenticeship in 2010, International Comparison's*, London: Centre for Economic Performance (CEP)
- Steedman, H., Gospel, H. & Ryan, P. (1998), *Apprenticeships. A Strategy for Growth*, CEP/LSE. Available at: http://eprints.lse.ac.uk/20248/1/Apprenticeship_A_Strategy_For_Growth.pdf
- UKCES (2014), *Employer Skills Survey*. Available at: <https://www.gov.uk/government/collections/ukces-employer-skills-survey-2013>
- Wolf, A (2015), *Fixing a Broken Training System: The case for an apprenticeship levy*, Social Market Foundation paper

The current issue and full text archive of this journal is available at: www.ymcaresarch.org