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## Routes through Education into Employment as England Enters the 2020s

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**Abstract:** Throughout the 1980s and 90s there was international interest in the UK's extensive experience (which began in the 1970s) with measures to alleviate youth unemployment. Today the UK attracts international attention on account of its low rates of youth unemployment and NEET, its (still) relatively rapid education-to-work transitions, and (according to the OECD) its sustainable system for funding mass higher education. This paper uses a transitions regime paradigm to overview the outcomes of 40 years of change in England's lower and upper secondary education, government-supported training, welfare provisions, economy and labour markets. We see how government policies polarise schools and young people into those who are achieving and those who are failing. Then, as employers become more influential, young people are re-sorted into the employment classes that have been formed during 30 years of change in the economy and labour market. Most from the former achieving group are pulled into the centre, between the smaller numbers on the one side who are embarking on elite careers, and on the other those who become part of a precariat class.

**Keywords:** *Education, labour markets, vocational training, youth.*

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### Introduction

This paper reviews the outcomes of 30 years of change in the education-to-work transitions of England's young people. The current 'transition regime' is a product of extensive changes in education, government supported training, state welfare provisions for young people, and in the economy and labour market. The following passages present the 'transition regime paradigm', which is followed by an overview of how young people currently progress through lower secondary education, to 'learning' at 16-18, and their next steps into apprenticeships, higher education and employment. A conclusion is that England's current transition regime is sustainable and internationally distinctive, though not necessarily admirable.

#### *Transition regimes*

The premise on which the review is based is that every country's transition regime can be fully understood and explained only if treated as a totality, meaning that the full significance of each step that individuals make forward in their biographies is functionally dependent on the typical preceding and following steps, that the value and significance of any stream of courses, training and qualifications are products of their relationships to parallel streams (see Raffé, 2008, 2014).

A transition regime is not a straight-forward outcome of government policies. These set the contexts in which young people, educators, trainers and employers act agentically, with outcomes to which governments may then respond. The boundaries that separate different sequences of positions, or career routes, along which groups of young people travel, and the links between successive steps, are products of the interactions of multiple agents. The links and boundaries are 'negotiated', always subject to change (see Walter, 2006). The economy and labour market create the different family class origins from which young people approach then enter the transition regime, and form the classes of occupations that they can ultimately enter. Although not set rigidly, the career routes that await successive cohorts are confronted as fixed opportunity structures which young people must navigate, facing options that depend on their prior attainments and experience. The links and boundaries between career steps and pathways are negotiated in local education and labour markets and therefore differ from place to place. However, government education, training and welfare policies operate nationally, thus local variations are always within nationally recognisable transition regimes.

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Throughout the last 40 years the UK/English transition regime has attracted pan-European interest. In the 1980s and 90s this was due to the UK's longer experience of creating alternatives to youth unemployment which became a national problem in the UK in the 1970s before spreading gradually to other European countries. The UK/England are now of international interest on account of their relatively low rates of youth unemployment and NEET (13.8 percent against an EU28 average of 15.5 percent among 20-24 year olds in 2017), and also, according to the Organisation for Economic Cooperation and Development (2015), for having developed a sustainable method of funding mass higher education. The entire UK also retains a relatively rapid transition regime. Nineteen is the average age when England's young people start their first full-time jobs. (Armstrong, 2019). Apprentices are nearly always employees and are counted as employed in Labour Force Surveys. Higher education is normally completed in three years. Thus most young people exit the transition regime during or before their early-20s. When examining transitions into employment the EU now defines youth as 20-34 year olds. England is also distinctive in how its education polarises young people into achievers and failures, then, as employers' agency becomes decisive, most young people are pulled down or up into the centre of the occupational structure, leaving smaller numbers embarking on elite careers and, at the other extreme, trapped in a precariat class.

### *Lower secondary education*

In 1988 a new secondary school examination was launched, the General Certificate of Secondary Education (GCSE), which was intended for all 16 year olds. Entrants to the new GCSE were not intended to pass or fail but would be awarded a grade (A to G) representing different levels of attainment. However, it was inevitable that the GCSE would become a pass-fail hurdle because 16 year olds' next steps in education included GCE Advanced (A) level examinations, unchanged since 1951, and the normal gateway to higher education. Admission to these courses had always excluded the less able. Thus in practice, only GCSE grades A-C were treated as true passes. The launch of GCSEs accompanied (though it was not part of) the 1988 Education Act, still the latest in the series of England's major education reform acts – its predecessors were in 1870, 1902 and 1944. The post-1988 school regime has aimed to drive up attainments, and the chosen method has been to encourage schools to compete for results, and thereby for pupil enrolments and funding. It has created 'league tables' in which secondary schools have been ranked mainly according to the proportions of their 16 year olds who achieve five or more good (A-C) GCSE passes. Over time, the competitive imperative for schools to attract enrolments on the basis of league table rankings has polarised successful and failing schools, and achieving and failing pupils. Since 1988 secondary schools attended by low proportions of pupils who achieve five or more good GCSE passes have risked being placed in 'special measures' which has not meant more resources but more inspections. A 'special measures' school is likely to face falling enrolments and budget reductions, leading to losses of teaching staff and a spiral of decline which leads to closure or the replacement of senior staff and reopening the school under a new name. Schools at the top of local league tables have experienced a spiral of improvement with increased demand for places, opportunities to expand their pupil enrolments and thereby their budgets, to hire more staff and continue to improve.

In 2010 the government launched a new lower secondary education qualification, the EBacc (English Baccalaureat). This is not an addition or alternative to GCSEs but is available for pupils who achieve good passes in a stipulated slate of subjects: English, maths, science, a foreign language and a humanities discipline (usually geography or history). In most of the world bringing all pupils up to a satisfactory standard in an equivalent slate would be a priority in lower secondary education, but in 2018 just 22 percent of England's 16 year olds qualified. The qualification is functionless although good GCSE passes in maths and English are normally required for university entry. In 2018 66 percent of all 16 year olds met this standard in maths and English. Up to 2019 the EBacc has not dovetailed with any preceding or subsequent steps in England's transition regime and may eventually be allowed to lapse quietly into history. However, the 22 percent qualifying figure indicates that secondary schools' priority has been to promote themselves up local and national league tables by coaching pupils to at least five good GCSE passes in any combination of subjects. Pupils judged unable to reach this benchmark risk being neglected, encouraged to transfer out of a school or formally excluded. This is how England has become one of Europe's countries with the highest proportions of young people who become higher education graduates, and also one of the highest proportions (around 20 percent) who exit education without basic skills in literacy and numeracy which are required to lead a normal everyday life (Brooks et al, 2004).

In 2018 the government changed the way in which secondary school league tables were to be constructed (see Department for Education, 2019). Schools are now assessed on the aggregate mean scores of their 16 year olds in the eight subjects that can count towards the EBacc. In 2018 the average aggregate score of boys was 44 and for girls 49 out of a possible maximum of 90. An aim is to encourage schools to concentrate on EBacc subjects rather than others (such as drama, music, physical education and religious studies) in which pupils are considered better able to gain a 'pass' grade or better. Also, improvement at any level will boost a school's aggregate EBacc8 score whereas previously schools had more incentive to push borderline pupils above the grade 4 threshold than to seek improvements below or above that benchmark. EBacc8 aggregate scores are also used to measure changes in each school's results from year to year, and whether a school's pupils are above or below the average EBacc8 scores of pupils at other schools who were in the same attainment band in national tests conducted at age 10 or 11. These changes may alter schools' behaviour, but they will not necessarily affect the transition regime. Continuity or change will depend on the decisions of gatekeepers at 16 year olds' next steps.

## 16-18

Since 2015 young people have been required to continue full-time learning until at least age 18. This usually means remaining in full-time education, but Labour Force Survey data shows that not everyone complies (see Table I). The seven percent of the age group recorded as not in full-time education but employed would have been legally compliant if their jobs were apprenticeships leading to a recognised qualification and involved at least 40 percent of time spent off-the-job. However, there is anecdotal evidence that not all the 16-18 year old employees are compliant. Some are simply employed. The two percent of the age group who were not in full-time education but unemployed, plus the five percent who were economically inactive are the NEETs, seven percent of the age group. By age 18-24 52 percent of the age group had completed full-time education and were employed. Unemployment was still low (6 percent) and another 10 percent were inactive.

Table 1. Labour Force Survey, June 2018, seasonally adjusted (in percentages)

	In full-time education	Not in full-time education
<b>16-17</b>		
Employed	20	7
Unemployed	6	2
Inactive	61	5
<b>Total</b>	<b>87</b>	<b>14</b>
<b>18-24</b>		
Employed	11	52
Unemployed	2	6
Inactive	20	10
<b>Total</b>	<b>33</b>	<b>68</b>

Table 2. Examination results, 16-18 year olds, 2016-17 (in percentages)

Academic (A-level, Pre-U, IB)	58
Academic and Applied General	13
Academic and Technical	3
Academic, Applied General and Technical	1
Applied General and Technical	1
Technical (at least Level 2)	11
Other	13
	<b>100</b>

Table II gives the 2017 examination results achieved by 16 and 17 year olds. The largest number (58 percent) had taken only academic courses (usually A-levels). We can hypothesise confidently that they largely coincided with the 60 percent of 16 year olds who were achieving five or more A-C grades in the GCSE examinations. Criteria for enrolment on this academic route are unlikely to change even though EBacc8 scores and the EBacc itself have become available. Among the remainder, 18 percent had taken mixtures of academic (usually A-level) and other courses. The most popular Applied General courses for 16-17 year olds are BTECs in subjects such as business studies, health and social care, IT and computing, and sport. Students who pass these courses at 'National' level (treated as the equivalent of GCE A-level) thereby remain on an educational route that can lead to university. In 2017 just 11 percent earned technical qualifications only in subjects such as property maintenance, welding, mechanical engineering and aerospace engineering. The low proportion of the age group taking technical courses only is one indication (more follow) of the much deplored low status of vocational studies in Britain (see Field, 2018). Enrolling for vocational courses is widely taken to mean that the young people are considered not good enough to tackle more demanding options. If the technical qualifications were at levels 1 or 2 (2 is considered the vocational equivalent of a Grade C GCSE) they will carry zero weight when taken into the labour market (Wolf, 2011). The more able students' progress along the 'academic route' towards A-levels, and six years beyond taking GCSEs at age 16, 31 percent have become university graduates. In contrast, at the same age less than one percent of a cohort have gained technical qualifications graded as above GCE A-levels (Augar Report, 2019).

Thirteen percent of registered 16-18 year old students in full-time education had taken 'none' or 'other' (sub-GCSE) qualifications in 2017. If we add those who did not continue in full-time education, and the 'technical qualifications only' group, we find that around 40 percent of the age group had made no progress since age 16. The polarisation that begins in lower secondary education continues from 16-18. However, we should bear in mind that the NEETs are a mixture of cases (see Furlong, 2006; Maguire, 2018; Yates and Payne, 2006). Some are NEET only temporarily before obtaining jobs or training places, or resuming education. Others have lifestyle, legal, housing, health and/or family issues which make neither education, training nor employment viable in the short-term, but who may return to the

transition mainstream when these issues are resolved. Also, the situation as England enters the 2020s should be set in historical context. In the 1950s around 40 percent of 15 year olds left school and received no further formal training or education (Carter, 1962). Many were able to acquire skills informally, on the job, and become part of that era's affluent society. Most chronic job-changers settled eventually (Baxter, 1975). Many who struggled through the Youth Opportunities Programme and successive versions of Youth Training in the 1970s and 80s, then found themselves back in 'square one', were able to recover during the next 20 years (see Droy et al, 2019; Williamson, 2004). Those who 'worked for a bit in order to do nothing for a while' were not becoming a long-term excluded group (Roberts et al, 1982). There are long-term scarring effects of prolonged unemployment and economic inactivity when young (Franzen & Kassman, 2005; Tumino, 2015), but Britain's weakly regulated labour markets offer constant opportunities to recover. Much depends on what happens to a country's economy. Nevertheless, England's transition regime currently polarises 16 and 17 year olds into 60-70 percent who remain on routes that can lead to higher education, and up to 40 percent who make no progress after failing to gain 'good' GCSE results, and whose further education and qualifications gained during the next two years do not enhance their employment prospects.

### *Employment*

From age 18 young people can legally enter jobs without any training or further education requirements. Some young job seekers are not shocked by what awaits and take one of the jobs that are offered. Others who test the labour market may find it unwelcoming and decide to delay entry.

Since 1999 Britain has had minimum pay rates, now enhanced by a 'living wage' for over-25 year olds. Minimum pay is age graded (see Table III). In practice the median earnings of 16-17 year olds, especially females, are close to the legal minimum. Those aged 16 and 17 have medians which are approximately a quarter of, and 18-20 year olds' medians are approximately half the adult medians. However, these medians include the pay of students with part-time jobs. Some full-time employees, especially those aged 18 and over, earn well in excess of the medians. Males and females with good academic qualifications may be able to obtain jobs (which may or may not be government-supported apprenticeships) which pay well in excess of the medians for the age group. Less than 60 percent of young people who take a full slate of A-levels progress into higher education (Bursnall et al, 2019). This is not due to a shortage of university places: over 90 percent of applicants are successful (Montecute & Cullinane, 2018). Well-qualified 18 year olds have options which may appear more attractive.

*Table 3. Age and minimum and median pay per hour, 2019*

<b>National minimum and living wage</b>	<b>£</b>	<b>Median pay</b>	<b>Full-time males</b>	<b>Full-time females</b>
			<b>£</b>	<b>£</b>
<b>25 and over, living wage</b>	8.21	<b>25 and over</b>	16.95	14.55
<b>21-24</b>	7.70			
<b>18-20</b>	6.15	<b>18-21</b>	8.42	8.09
<b>16-17</b>	4.35	<b>16-17</b>	4.93	4.32
<b>Apprentices and trainees</b>	3.90			

That said, Britain has lots of minimum (or near-minimum) pay jobs. During the 21<sup>st</sup> century the country has been spectacularly successful at job creation. The problem is that most new jobs have been at the base of the labour market (see Trade Union Congress, 2013). Employment growth at the base of labour markets is a Europe-wide trend driven by industry and occupation shifts (CEDEFOP, 2018). However, in Britain the growth is amplified by the widespread use of Working Tax Credits. The new low earners include a growing army of the self-employed whose work in gardening, cleaning, delivery and so on is not subject to minimum pay. For over 40 years there have been government supported programmes urging young people to be enterprising and take charge of their futures by creating their own jobs. Throughout this period young entrepreneurs have experienced the same handicaps – not just lack of capital but also experience in the business sectors where they try to compete. Most new businesses launched by young people prove short-lived (see MacDonald & Coffield, 1991; Wilde & Leonard, 2018).

The local labour markets entered by young people in England's de-industrialised and poorest neighbourhoods no longer suffer from chronic job shortages. The big problem is job quality. Job seekers are likely to encounter plenty of poor work (see Hoskins et al, 2018; McDowell, 2019; Montgomery et al, 2017; Shildrick et al, 2012). Real pay rates at the base of the labour market have stagnated for over 20 years, and the low paid, plus households dependent on state welfare, have borne most of the costs of the post-2008 recession and government austerity policies (Clark & Heath, 2014). State welfare is not an attractive option for young people. The 'less eligibility' principle is applied as harshly as ever. Young people who have not paid national insurance contributions have no statutory entitlement to Job Seekers Allowance. There is a presumption that the under-25s will be accommodated by their families. Job Centres will direct young clients to training providers where the pay is the minimum apprentice/training allowance, which is beneath the legal minimum for employees. 'There has been a shift to a deterrent model of benefit provision...A more restrictive and punitive benefits system, and an emphasis on pushing people into work, whatever its quality or stability, has driven the rise of precarious and part-time employment (Taylor, 2017, p1).

Low pay at the start of a working life is not novel. The new 21<sup>st</sup> century situation is that former steps upwards have gone (Egerton and Savage, 2000; Smith, 2009). Young people who quit education and training at or before age 18 without any useful qualifications or skills are likely to find that they have joined a precariat (Standing, 2011). This has become Britain's fastest growing and is already one of the largest employment classes. The jobs are not usually stepping stones for over-25 year olds who remain at the foot of the labour market. Four-fifths of people who hold minimum wage jobs are still low paid (less than two-thirds of median earnings) after another 12 months (Avram & Harkness, 2018). This is the context in which 40 percent of 18-19 year olds decide to defer searching for full-time jobs and opt for higher education. However, some 18/19 year olds do obtain 'career path' employment in lower middle class occupations or are trained for skilled jobs within or outside government supported provisions. After age 18 employers begin to replace educational actors as the more powerful agents who create the links and boundaries that define career paths, and there is a radical re-assortment of young people from those who are achieving and those who are failing into a new set of career groups.

### *Apprenticeships*

Governments in the 1980s decided that apprenticeships were old fashioned and chose not use the name in successive versions of Youth Training which was intended to become a superior brand, suited to the late-20<sup>th</sup> century. In practice, the governments' schemes did not extinguish 'traditional' apprenticeships which retained a stronger appeal among young people and their parents, and from 1994 the government began to fund some and called them Modern Apprenticeships. 'Modern' has subsequently disappeared from the title and the apprentice brand has been extended to virtually all government supported training.

*Table 4. Apprenticeship starts by age, August 2017-July 2018 (in thousands)*

	<b>&lt; 19</b>	<b>19-24</b>	<b>Older</b>	<b>Total</b>
Intermediate	62	44	53	159
Advanced	40	53	70	163
Higher	3	14	30	47
<b>Total</b>	<b>105</b>	<b>112</b>	<b>153</b>	<b>370</b>

Research has shown consistently that Advanced (level 3) and Higher (level 4 and above) apprenticeships lead to gains in earnings at least equivalent to those of a degree, and overlap with the earnings of same career stage higher education graduates (McIntosh, 2007; Paton, 2014; Sutton Trust, 2014). However, apprenticeships are not all, or mainly, at Advanced or Higher levels (see Table IV). In 2017-18 43 percent of all apprenticeships were at Intermediate levels (1 and 2) which do not enhance their holders' career prospects (Wolf, 2011). Such apprenticeships may lead to a longer-term job, which is most likely to be with the employer who recruited and trained the apprentice, but it will not be a skilled job, though informal upskilling is always possible. When young people take their Level 1 and 2 qualifications onto external labour markets, the qualifications will be taken to mean that the holders are 'not very qualified' and were discarded by the firms that trained them. That said, a period as an apprentice will be less damaging to a young person's career prospects than spending the time unemployed or inactive. Young people who enter apprenticeships at these levels (49 percent of apprentices starting at ages 16-24 in 2017-18) will be the same young people who did not gain five or more good passes in GCSEs, who did not take a full academic curriculum from 16-18, who are trying to avoid or escape from the precariat and make another fresh start in their working lives.

In 2015 Prime Minister Cameron announced a target of three million apprenticeships by 2020. If all these apprentices were young people this would mean that nearly all the age group was participating. However, many apprentices (41 percent of the total in 2017-18) are adult employees. It is likely that employers use the brand to recoup some of the costs of normal induction and in-service training. Moreover, most apprenticeships are short. Those for young people need be no longer than 12 months (and waivers are possible) while shorter apprenticeships are permitted for older workers. Critics say that quality has been sacrificed to quantity in pursuit of a government-set target, and that rather than upskilling, apprenticeships are helping to maintain Britain's low-skill, low productivity, low wage economy (Dolphin & Lanning, 2011; Felstead et al, 2018; Fleckenstein and Lee, 2018; Henseke et al, 2018).

However, this description does not fit all business sectors in Britain. The country is internationally competitive in medicine, law, education, accountancy, architecture, media content, aerospace, munitions, telecommunications, energy supply and distribution, and motor vehicles – Formula One motor racing is an English industry. In some of these sectors basic occupational knowledge is imparted through higher education, but this is always followed by workplace experience and learning. It is most likely that in 2017-18 these sectors, plus administrative grades in health and social services, and local and national government, recruited the just over 110,000 Advanced and Higher apprentices, equivalent to around a sixth of the age cohort. These apprenticeships were likely to be launching young people into progressive careers. Level 3 are craft qualifications. Those at Level 4 and higher are for technician and equivalent administrative grades, or are initial steps on professional career ladders. Other apprenticeships, especially those at levels 1 and 2, will be 21<sup>st</sup> century equivalents of the 1980s' Youth Training schemes that allowed employers to try-out

potential recruits, to pick the best and discard the rest, cheap labour schemes, and others that simply 'warehoused' young people by keeping them off the streets and labour markets (Roberts & Parsell, 1992a).

Britain has always maintained a liberal training regime, meaning that firms have been able to train according to their own assessments of the skills that they need and how to impart them. Employers wish to stay in charge by administering government-funded apprenticeships (Confederation of British Industry, 2019). However, every firm wants to stay in charge of its own recruitment and training, and this applies even when the administration of government-funded programmes is devolved to local employer-led councils and partnerships (McGurk and Meredith, 2018). British businesses have never been willing to train to excess. Poaching has been a constant fear of firms with reputations for high quality training, and is regarded as a risk when providing in-service training (White and Knight, 2018). In the 19<sup>th</sup> century this liberal regime produced the workforce that made Britain the 'workshop of the world', and the country remained a major manufacturer until the 1950s. Since then there have been three significant developments to which businesses have been forced to respond. First, in the 1960s most professions began restricting recruitment to higher education graduates, and major companies began to recruit university graduates as management trainees. This cut-off routes up the occupational structure for young people who finished education at age 18 or earlier. Second, the acceleration of the longer-term decline in employment in manufacturing in the 1970s and 1980s led firms to cut back or completely stop youth recruitment and training. It also created a reserve army of skills from which firms could recruit when demand for their products and labour rose. Third, it became easier for firms to recruit ready-trained and experienced immigrants to fill skilled occupations. These trends have all made it less attractive for decently qualified and ambitious teenagers to quit education. In the context of a continuing liberal training regime, it was inevitable that government interventions in the 1980s would become masks to disguise levels of youth unemployment (see Lee et al, 1990; Roberts and Parsell, 1992a). As Britain enters the 2020s government supported apprenticeships are used to support the production of low, medium and high skilled labour. They are not only, or even mainly, for the NEETs and others who are considered 'at risk'. The liberal regime allows firms to recruit and train as they would do in any case. These government-supported apprenticeships, in the context of the changing value of higher education (see below), have given employers an offer with which to compete for recruits who have the option of continuing along the academic route towards then into university .

In 2017 the government introduced a 0.5 percent training levy on firms with payrolls in excess of £3 million. Contributions can be recouped by taking on apprentices. This levy-grant system was intended to boost the quantity and quality of training, but apprentice numbers actually fell by over 100,000 (Confederation of British Industry, 2019). Small and medium-sized businesses appeared to be treating the levy as just another tax, and decided that the administrative costs of recouping were not worth the trouble. So there was no corresponding rise in youth unemployment as apprentice numbers fell. There had been a similar experience following the 1964 Industrial Training Act which introduced a levy-grant system administered by Industrial Training Boards. These boards were formally wound up in 1981 during a first instalment of the Thatcher governments' 'bonfire of regulations' (see Fleckenstein and Lee, 2018).

So throughout the remainder of the 20<sup>th</sup> century England's 16 year olds with good GCSE results continued to enrol for A-levels, then usually progress into higher education. There is no longer an independent careers service which offers vocational information, advice and guidance. These responsibilities have been devolved to schools where the only route onwards with which teachers are familiar is into higher education. That said, firms have no difficulty in recruiting to Advanced and Higher apprenticeships. Competition for degree apprenticeships is as fierce as for Oxbridge. Government support for degree apprenticeships since 2015, in the context of the post-2012 funding regime for higher education students (mainly fee and maintenance loans), has created opportunities for those employers who have long believed that future managers and professionals benefit from early workplace experience. Firms have been enabled to make an attractive alternative offer to well-qualified 18 year olds – the degree apprenticeship. Government ministers have announced a desire for a half of all undergraduate students to become degree apprentices, but the numbers are determined by employers. They must recruit apprentices (which is not difficult), then pay for in-firm training and the salaries of the apprentices. The employers must then find a partner university that will customise its degree programme (there are plenty of willing universities). The government covers the university fees. The degree apprenticeship is an attractive offer to well-qualified 18 year olds, but making this offer is realistic only for large firms that can recruit degree apprentices in dozens. In the future, the appeal of the degree apprentice route will depend on whether the careers of the former apprentices forge ahead or lag behind those of conventional graduate recruits. The large number of short apprenticeships, especially those at basic (1 and 2) levels, could have trashed the entire brand. Its salvation is likely to be its association with higher education qualifications and even postgraduate professional awards.

For young people who have remained on an academic route from 16-18, an apprenticeship is an alternative to higher education which can lead to the same bands of employment that university graduates compete to enter. However, in 2017-18 only 17,000 from a cohort of over 600,000 were able to obtain higher apprenticeships. Most higher apprentices are aged over 24. These apprenticeships are used by employers to cover the induction training costs of university graduates, and the in-service training of managers and professionals. Some are degree apprenticeships leading to MBAs and equivalent management and professional qualifications.

### *Higher education*

England enters the 2020s with around 40 percent of 18-20 year olds enrolling in higher education. This is usually a sequel to good or at least satisfactory performances at GCSE and A-levels. Indeed, it has become the normal sequel, making those who travel down this academic route England's largest youth transition career group. That said, as explained above, less than 60 percent of those who take A-levels only at 16-18 progress to university (Bursnall et al, 2019). They account for approximately three-quarters of university entrants. Another quarter enter university with other mixtures of qualifications. This is not due to a recent expansion in higher education. The big increase in higher education enrolments was between 1970 and the early-1990s – from around 12 percent to over 30 percent. In the early-1970s university graduates could still be called an elite (Kelsall et al, 1972). Since 1990 participation has crept upwards to today's 40 percent of 18/19 year olds. Some drop-out, so six years after taking GCSEs only just over 30 percent have university degrees (Augar Report, 2019), but by age 30 half the workforce has a higher education qualification, defined here as above A-level but not necessarily a degree (Universities UK, 2012).

This does not mean that England has a highly skilled workforce. Educational qualifications prove only that the holders are skilled at gaining the relevant educational credentials. Occupational skill is always a claim. There is no single, consensual, objective measurement of occupational skill. A claim may be endorsed or rejected by others, and the others whose judgements are most efficacious are employers. Their endorsements are signalled in salaries and status in employing organisations.

Five years after graduation from England's universities the two middle quartiles earn between £20,000 and £30,000 which places them in middling occupations (Belfield et al, 2018; Department for Education, 2017). Some will rise higher, but they cannot all rise much higher because there is insufficient room above. The top 10 percent of income tax payers in Britain currently earn in excess of £55,000. The graduates who are most likely to reach this band, then rise further up a steep and tapering income spire, have degrees in medicine, dentistry and veterinary science. They are followed at some distance by graduates in economics and engineering. Universities where degrees are awarded also make a difference to graduates' career prospects. The best prospects await graduates from a 'golden triangle' of Oxford, Cambridge and the top (and oldest with 19<sup>th</sup> century origins) London schools and colleges. They are followed by other 'old' (pre-1992) universities. The Russell Group is not distinguishable from other pre-1992 institutions in its graduates' prospects (Boliver, 2015; Friedman et al, 2015; Wakeling & Savage, 2015). That said, whatever the university and degree subject (doctors, dentists and vets exempted), the two middle quartiles are mostly still in middling jobs five years after graduation. Some graduates from all universities struggle to obtain 'career path' jobs. Indeed, higher education graduates typically struggle for longer than well-qualified 18 year old upper secondary education leavers (Hoskins et al, 2018), but this is likely to be due to 18 year olds having the option of higher education. University graduates who aspire to high rising careers face a series of screens – paid and unpaid internships and temporary jobs (Holford, 2017, Vasagar, 2011). Starting salaries in employment leading up the earnings spire were typically £30K in 2019. The highest average starting pay was in investment banking (£47K) and retail (35K) (High Fliers Research, 2019). Promotion to elite jobs within elite occupations then depends on performance, but also on possessing the social and cultural assets that make someone appear guaranteed to 'fit in' (Friedman and Laurison, 2019). The same social and cultural assets also assist graduates' initial entry to elite careers (Ingram & Allen, 2019).

University graduates have a higher employment rate, and a lower unemployment rate, than any other section of the labour force. Higher education in England today lifts young people clear of the precariat, and therefore remains a very attractive step for students from working class backgrounds (see Harrison, 2019). However, university is no longer normally the gateway to an elite career. In this sense, the career rewards from higher education have declined, but the 'graduate premium' is being preserved. As graduates have taken jobs formerly entered by 18 and even 16 year olds, the career prospects of earlier leavers have declined in parallel, thus keeping the graduate premium intact (Office for National Statistics, 2019). The UK workforce now has a large number of formally low-skilled workers (with paper qualifications no higher than levels 1 and 2). It also has a large pool of higher education graduates who feel over-qualified for their jobs (Felstead et al, 2013). The Office for National Statistics (2019) estimates that five years after graduation almost a half of graduates are still in non-graduate jobs.

Today's typical English graduate has incurred debts totalling over £40,000 mainly from government fee and maintenance loans. Repayment is not required until earnings reach £25,000. Just above this level the repayments are modest. Sums that are not repaid after 30 years are written off. The repayment burden falls most heavily on those who rise towards then into the top 10 percent. Students appear to accept this 'deal' as 'just normal' and 'the same for everyone', and they know that entering higher education and applying for loans were their choices at age 18. However, in practice, as we have seen, some 18 year olds do find competitive alternatives: advanced and higher apprenticeships and other jobs which offer equivalent training and career prospects. With a participation rate of 40 percent at age 18/19, a university degree has ceased to special.

### **Conclusions**

The space between the precariat and university graduates is not devoid of employment, though today, just as Steve Roberts noted in 2011, 'the middle' remains neglected territory in youth transition studies. For over 40 years, the



young unemployed, then the NEETs, have received sustained attention. During the last 20 years another research spotlight has focused on university students and graduates. In between there are young people who finish formal education at age 18 (earlier in some cases) and then, either directly or via apprenticeships, obtain jobs which become longer-term occupations. Some of these earlier leavers join university graduates in an expanded lower middle class of office workers, in sales and customer relations, data processing and technical work in laboratories and workshops in hospitals and manufacturing. Other young people join a new aristocracy of labour. This is a much smaller working class than in the 1950s and 60s but has fared rather well since the 1990s. They are employed in oil refineries, public transport, private haulage, energy generation and distribution, construction, motor vehicle production and repairs, aerospace, pharmaceuticals and telecommunications, to name just some. Employers who are recruiting to these occupations must make their own assessments of candidates' suitability. There are no jobs for which a completed, certificated apprenticeship is a legal requirement. Similarly, there are very few jobs for which a university degree is a legal necessity, though it is a requirement for some occupations where entry is controlled by professional associations. Higher and degree apprenticeships now compete with universities as gateways to careers in management and the professions, then up the income spire. Inevitably, given the shape of the occupational class structure, most remain stuck in the middle. Following polarisation at 16-18, there is rapid convergence as transitions are completed by a cohort's mid-20s, leaving a lower middle class and a new aristocracy of labour sandwiched between a smaller upper middle class and a precariat.

Despite the extensive changes during the last 30 years in education, government supported training, state welfare policies that affect young people, and in the economy and labour market, the basic career advice that can be given to young people today is the same as 30 years ago, when it had remained unchanged during the previous 30 years (Roberts and Parsell, 1992b). This is because powerful features of Britain's education and business cultures have not changed. The advice is to continue in academic education for as long as a young person is able to progress, then step into a job, possibly via an apprenticeship, with a firm or in an occupation that can offer an extended career which feels right for the young person. This advice is unchanged because of firms' preference for training their own employees, imparting the required skills and knowledge post-entry. Therefore firms seek recruits who offer evidence that they are able and willing to learn and work, and decide that the best educational indicators are academic credentials. They may regard GCSE and A-levels as better indicators than university degrees. England's transition regime, like all others, works best for young people in conditions of full employment. The reason why Britain has experienced the growth of a precariat, why technical qualifications at levels 1 and 2 prove useless, and why Britain sustains funding for a mass higher education system with the myths that it is creating the skilled labour needed by a knowledge economy, and that student loans will be repaid painlessly from graduate salaries, is that the country has not had genuine full employment since the 1970s.

In current labour market conditions, the transition regime is sustainable only while state funding is available to support a mass higher education experience which persuades 40 percent of young people to grasp the offer and take the risks, alongside a weakly regulated labour market which will create an unlimited number of precarious jobs, and a benefits regime that coerces the otherwise unemployed into these jobs. The regime still enables young people to make rapid education-to-work transitions by current Euro-American norms. In conditions of genuine full employment the regime will become not just sustainable but may also be admirable, yet possible to emulate only in countries with Anglo-American type education and business cultures.

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